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We Could Sell More

Getting Help with Export Problems

Travelling in Central America and Panama

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We Could Sell More

H. S. HAY, *Consul and Trade Commissioner, Detroit.*

One of the world's biggest markets lies next door—and Canadians have captured only a small slice of it. Could they do better? The author says yes—and suggests how.

CANADA'S PENETRATION of the United States market has been eminently successful; our sales to the U.S. last year rose to more than $5 billion, or 57 per cent of our total exports. Yet little more than 1 per cent of gross national expenditure in the U.S. goes toward Canadian products, and much of what is sold from Canada sells itself. With more and better efforts, Canadians could increase significantly their share of this, the world's largest single market for consumer goods and for half the industrial raw materials produced in the non-Communist world.

The Economic Council of Canada estimates that for Canada to attain the desirable level of export expansion, exports of end products will have to increase at almost twice the rate of those of raw materials. It is recognized that trade in sophisticated products is greater between mature economies than between well developed and less developed countries. Canadians are fortunate in having the world's largest concentration of purchasing power next door. The United States will buy virtually any product that can be produced competitively in Canada. The task is not so much to find U.S. buyers as to find and educate Canadian sellers.

An Exacting Market

Two things distinguish the U.S. market from most others. First, it is the world's most exacting in terms of design, style, quality, and sales performance. Canadians must raise their sights if they are to compete. Merchandise that does not come up to specifications and delivery that does not fulfill the terms agreed upon will preclude repeat orders.

Second, the United States and Canadian economies have moved together through good times and bad. In each, demand and supply, interest rates, wages and prices, and availability of labour have followed a parallel course. As a result, it is unlikely that surplus production here can be unloaded south of the border. U.S. demand will be highest when Canadian supply is tightest. Because their plants have little capacity in excess of peak Canadian demand, many Canadian firms export only when they have a surplus. Consequently, Trade Commissioners stationed abroad have come to expect a flurry of correspondence and callers from Canada when times turn bad, and visits from irate importers who can't get supplies from Canada when times improve.

This on again, off again performance won't work in the U.S. A meaningful penetration of the American market can only be achieved by allocating to it a permanent proportion of plant production, as for a new or expanding sales territory in Canada. U.S. customers should get the same consideration as Canadian customers when demand is pressing supply.

Canadian Problems

The great disparity in size between Canada and the United States is often advanced as a reason why we cannot compete against domestic U.S. producers. In industries where large volume runs are necessary to achieve unit economies, this reason is valid. In these instances an expansion of facilities to cater to a share of the U.S. market as well as the domestic market would lower unit costs. But most Canadian companies are probably already approaching a physical size where maximum economies of scale are obtainable. Even in the automotive industry, General Motors in Detroit claims that of its thousands of independent suppliers in the U.S., 90 per cent have fewer than 500 employees and 70 per cent fewer than 100.

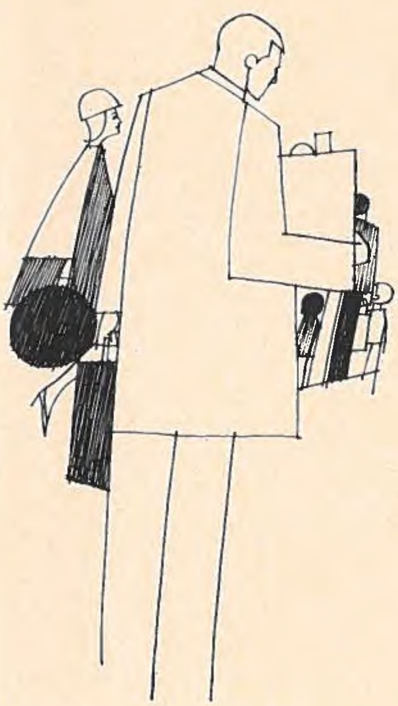
Nevertheless, the much smaller size of our market has meant that many individual Canadian plants must turn out a much more diversified range of products than their U.S. counterparts. This may not only increase unit costs but can preclude volume export orders and re-orders because of the necessarily short runs of any given item.

The physical size of Canadian plants and greater diversity of individual plant output, plus other factors, have meant correspondingly lower wage rates in Canada. It would be a mistake, however, to base long-range export planning on currently lower Canadian labour costs alone because in time there will be increasing pressures to equalize wages with those in the United States.

Canada's Image

To work out the most effective sales psychology, it is important to consider how the United States buyer and consumer see Canada and Canadian goods. In the spring of 1965, the Ontario Government commissioned the Institute for Analytical Research in Peekskill, N.Y., to find out. Opinion leaders were interviewed in several northern U.S. cities, with the main emphasis on consumer goods. The following were some of the major findings:

1. Americans are not aware of the high development of Canadian industry. They associate Canada merely with sporting goods, winter clothing, and whisky, and feel there is a lack of variety in Canadian production and a lack of individuality or uniqueness. Canadian styling is thought to be comparatively old-fashioned.



2. As a consequence, Canada is not considered a source of truly foreign imports. Because our image is not sufficiently exciting, our goods do not have the mystique of being "imported", and many U.S. merchandisers buy and invoice from Canada through their domestic purchasing departments.

3. Canadians are regarded as less aggressive, slower paced, less affluent and less complicated than Americans.

Nevertheless, Americans are prepared to consider Canada favourably and to buy distinctive Canadian consumer goods, even if they have to pay a slight premium. (The French-Canadian flavour can contribute to this distinctiveness.) They have a strong fraternal feeling for Canada and find us reassuring and comfortable neighbours. Thus there is some degree of innate receptivity of Canadian goods.

All this means that a Canadian firm starting in business for the first time in the United States faces a double challenge: to introduce itself and its products and to overcome the lack of knowledge about Canada as a source of supply. It must offer products competitive with those of domestic suppliers and somewhat distinctive if possible. It must convey to the buyer that there is nothing inherently strange or risky about doing business with Canada.

Similarities and Differences

The exporter can assume initially that American tastes are for the most part similar to Canadian, particularly in areas close to Canada.

Merchandising methods are also generally similar but with important small differences—and on these the successful entry of Canadian goods will depend. Minor adjustments in the approach to quality, delivery, pricing, etc., may be necessary. In other words, U.S. buyers will expect compliance with the conditions that their domestic suppliers have accepted.

Try a Nearby Centre

Because the United States is such a vast area with a huge population, market testing and initial sales penetration are usually most logical in a region relatively close to the Canadian plant. A Waterloo industry that trucks its products regularly to customers as far away as Brockville, for example, could cover customers in Syracuse, Rochester, Buffalo, Pittsburgh, Cleveland, Toledo, and Detroit within the same radius. The size of the market in the U.S. sector of the circle, incidentally, will be far greater than on the Ontario side. Looking at it the other way, Detroit automotive purchasers who are particularly conscious of distances because of the small inventories and tight delivery schedules on which they work, buy a variety of production parts from Chicago, Milwaukee and farther afield. The Metropolitan Toronto area is just as close.

Official Should Go First

There is only one way to make the initial contact—in person. An introductory letter from an unknown firm in Canada is usually just a waste of time. Some form of representation may be desirable later but a company official should make the first trip to establish an essential meeting of minds right at the beginning.

In planning this first sales trip, selection of calls and routing are important. The Canadian exporter may already be familiar with potential buyers or may have commercial and association directories at his disposal. Our Consulates, located in almost a dozen key cities in the United States, are pleased to provide introductions and guidance on calls and routing. Appointments are often not necessary when calling on large companies.

Make a Good Presentation

U.S. buyers are perhaps a bit more impressed by aggressiveness than their Canadian counterparts. Certainly the Canadian vendor should have a high degree of self-confidence and perhaps just a touch of showmanship. Even more important, however, is a complete physical presentation in the form of literature or sales catalogues, samples if at all possible, and a complete company resumé. Many U.S. purchasing departments have developed complex supplier records. If the information for these records can be provided at the first interview, it will

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avoid unnecessary calling and correspondence and make a much better initial impression.

The resumé should include the following details:

name and address of the company
executives
number of employees
years in business
products
principal customers
technical experience of key people
manufacturing, engineering, and testing facilities
production capacity of key machines or lines
a general financial statement

Most buyers usually first check out potential new vendors through Dun & Bradstreet. (Because of the unusual reliance placed upon D & B reports, every reasonable detail should be given to D & B interviewers when they come around.) Samples for testing and specifications are requested and/or an engineering and quality control team is sent to look at the potential vendor's facilities. If the product is a component for a subassembly purchased by a third company, the latter's authorization of the new vendor may also be required.

Submitting Quotations

If and when the new vendor is asked to submit quotations, it must be on a laid-down basis into the buyer's warehouse or factory, as well as f.o.b. Canadian factory, exclusive of Canadian excise and sales taxes. U.S. buyers tend to treat Canada as a domestic supplier and are unfamiliar with customs duties or other border problems. They are really not interested in these problems and demand quotations from Canadian suppliers on the same basis as from a domestic supplier. The landed price should include transportation charges, U.S. customs duties, brokerage fees, and insurance. Both quotations should be in United States funds, not Canadian, because buyers are not going to make a special effort to cope with exchange rates.

In bidding on U.S. inquiries, Canadian exporters may find that there is not the same opportunity for renegotiating the initial quotation as in Canada. Buyers may be working to tighter purchasing deadlines and to target prices and may accept the first bid as final.

Early in your planning and well in advance of shipment, you should determine the United States tariff classification and rate of duty applicable to your product. Information and advice may be obtained from the United States Division, Office of Trade Relations, Department of Trade and Commerce, Ottawa, or from the U.S. customs appraisers especially appointed to assist Canadian exporters under the C.Q. (Canadian Query) Program. Further information on the C.Q. Program is also available from the U.S. Division. If you require a binding decision on the rate of duty, the U.S. Division or the C.Q. Appraiser will be glad to secure this from Washington for you. When requesting information on duties, whether advisory or binding, be sure to submit a sample whenever feasible and provide the following information:

1. A full description of each article to be exported (send sketches, diagrams, or other illustrative material when the article cannot adequately be described in writing).

2. Method of manufacture or fabrication.

3. Blueprints, catalogues, brochures, and specifications.

4. Quantities and costs of the component materials, with percentages if possible.

5. Chief use and commercial designation of the article in the United States.

6. Any available analyses.

Delivery by the Clock

Delivery must be exactly to the U.S. customer's specifications and these are as rigid as any in the world. Some automotive plants work on inventories as short as one or two days. As one automobile purchasing director put it, delivery must be "by the clock and not by the calendar". U.S. purchasing agents have expressed some concern about what they regard as a slightly more casual attitude in Canada toward delivery.

Canadian suppliers will be expected to take on the same promotion expenses as their U.S. counterparts. There has been some gentle criticism that Canadians are less prone to take risks. The Americans consider risk a legitimate part of business and they don't demand anything more of Canadian than of domestic suppliers.

Representation and Follow-up

After making the initial calls in person, some form of representation may be desirable. The type of representation—distributor, manufacturers' representative, jobber, broker, or some other form—depends on the products, the size of territory to be covered, the type of customer, and certain other factors. The Trade Commissioner can provide specific advice and suggest suitable potential representatives.

Follow-up is every bit as essential as the initial effort, but easy to neglect. If anything, American buyers expect comparatively more development follow-up from potential vendors as a precondition to issuing inquiries. The frequency of follow-up depends, of course, upon the potential of the new account, but with some of the automotive firms, for instance, once a week is not too often.

The Positive Approach

One bad performance by a Canadian company may be even more prejudicial than a bad performance from a U.S. supplier because Canada and Canadian firms are less well known and easier to forget. A more determined effort is therefore necessary. On the other hand, Canadian salesmen need feel no timidity in approaching U.S. buyers, for a good buyer always welcomes a potential new source. This is helping him do his job. Think positively, and there need be no barrier to selling in the United States.

Fishmeal Production Down

WORLD fishmeal production declined slightly in 1965 from 1964, according to preliminary reports. Smaller output in Peru, which normally accounts for more than one-third of world output, and in Chile was largely offset by increased production in Norway, Canada, Iceland, Britain and other fishmeal producing countries. ●

A Look at LAFTA

The four and a half years since LAFTA became a reality have seen trade among the members increase. Venezuela's entry this summer after long negotiations may change the picture further.

B. S. SHAPIRO, *Commercial Counsellor, Montevideo.*

THE SECRETARIAT of the Latin American Free Trade Association recently released statistics on the trade of the nine LAFTA countries—Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru and Uruguay. These showed that trade between the nine members of the zone has continued to increase steadily. The intra-zonal exports of the members during 1965 totalled $635 million, a rise of 14 per cent over 1964 shipments and 112 per cent over 1961, the year before LAFTA's formation.

All nine countries have benefited. Argentina and Brazil have been the principal traders: in 1961, each was exporting about $100 million of goods to LAFTA countries but in 1965 Argentina was exporting $231 million and Brazil $197 million and much of this trade was carried on with each other. By the end of 1965, all the countries had increased their imports from zonal members over the four years, but in a few instances (Chile, Paraguay and Uruguay) there had been a levelling-off and even a slight decline in the last year.

World exports of each of the nine countries (with the possible exception of Colombia) have been rising steadily for some years. In 1961 total exports by the group amounted to $4,909 million; by 1965 they had risen to $6,391 million. The growth of trade within the LAFTA zone, however, has been greater than the growth in trade with the rest of the world. In 1961, exports by the nine countries within the zone amounted to 6.1 per cent of their total world exports; by 1965 this had risen to 10 per cent.

Although these results are not spectacular compared with those achieved by the Common Market in Central America (CACM) and in Europe (EEC), they do reveal that LAFTA is making progress.

Progress within LAFTA

The LAFTA group of countries took the first step towards a free trade area on January 1, 1962, with the implementation of the first set of tariff concessions. Since then, there have been annual negotiations extending the breadth and scope of the Free Trade Area. Exemptions from some of the burdensome importing requirements—consular fees, customs duties, fixed values, high surcharges, prior deposits, minimum payment terms, import licences and exchange controls—and exemptions from new charges imposed on imports also appear to have had their effect in increasing intra-zonal trade.

TABLE I

FOREIGN TRADE OF LAFTA COUNTRIES

Year	Exports f.o.b.	Imports c.i.f.
	(millions of dollars)	
Intra-zonal trade		
1961	298.7	360.2
1962	354.3	420.1
1963	425.2	525.1
1964	557.6	645.7
1965	634.9	768.1
Extra-zonal trade		
1961	4,610.4	5,651.8
1962	4,821.1	5,510.8
1963	5,039.4	5,220.4
1964	5,323.1	5,335.3
1965	5,756.4	5,216.4
Global trade		
1961	4,909.1	6,012.0
1962	5,175.4	5,930.9
1963	5,464.6	5,745.6
1964	5,880.7	5,981.0
1965	6,391.3	5,984.6

TABLE II

CANADIAN EXPORTS TO LAFTA COUNTRIES AND VENEZUELA

	1961	1962	1963	1964	1965
	(millions of Can. $)				
Argentina	30.9	22.5	37.0	26.9	32.7
Brazil	30.1	28.5	29.4	23.0	17.5
Mexico	38.5	41.3	55.6	65.1	51.0
Colombia	19.5	20.0	23.3	21.2	17.3
Peru	8.2	8.1	11.6	10.7	21.8
Chile	8.2	13.3	12.3	12.9	10.5
Paraguay	0.1	0.1	0.2	0.5	0.2
Ecuador	3.9	3.8	3.9	5.7	4.7
Uruguay	3.0	3.2	3.0	5.7	3.3
	142.4	**140.8**	**176.3**	**171.7**	**159.0**
Venezuela	35.0	42.3	46.3	64.1	73.0

The next round of negotiations is scheduled to be held in the latter months of this year. Meanwhile the permanent secretariat is seeking to maintain progress by holding a series of meetings between similar industries in member countries. These sectoral meetings are aimed at producing recommendations from private industries in member countries to the various governments; these could be converted into tariff concessions either at the annual conferences or in special bilateral negotiations held at any time. The slowness of the Association in achieving its aims has led to a unique procedure, permitted under the original treaty, whereby two or more members can bring into force preferential concessions among themselves, without including other LAFTA members.

Import Trade Affected

Undoubtedly, Canadian exporters are interested primarily in the growth possibilities of the import markets that the LAFTA countries offer. The import figures (c.i.f.) released by the secretariat indicate that the nine countries have not increased their over-all total imports from the world. These have remained at $6,000 million annually for the last five years.

As noted earlier in this article, imports by LAFTA members from other members have risen: in 1965 these imports were valued at some $768

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million (c.i.f.). Thus one effect of LAFTA has been some diversion of trade behind the high tariff walls existing in Latin America and LAFTA markets for foreign exporters have therefore been slowly shrinking since 1961. The biggest reductions in imports have occurred in Argentina, Brazil and Uruguay but these reflect restrictive import policies intended to deal with serious balance-of-payment problems rather than the effect of LAFTA concessions. Some markets, such as Mexico and Peru, have increased their imports from non-LAFTA sources.

Venezuela Joins

Last December, an important new factor was introduced into the picture when Venezuela announced its intention to join the LAFTA and entered into negotiations with the current members. Venezuela has now ratified its membership in LAFTA and will be granting preferential tariff concessions to LAFTA countries as of January 1, 1967. Venezuela's large internal market should be a great stimulus for the other LAFTA countries. The danger to non-LAFTA countries is that Venezuela may throw up barriers against trade with outside countries in order to assist its LAFTA partners.

Table I gives statistics on the total trade of the nine LAFTA countries within the zone and with non-LAFTA countries.

Table II shows Canadian exports to the nine countries of the zone over the last five years and to Venezuela. ●

Enterprising Exporters in Western Canada

Pleasing the U.S. Customer

LAST AUGUST, Neiman-Marcus of Texas, one of the top department stores in the U.S., featured in its advertisement in a Dallas newspaper car coats from Winnipeg. To Eugene Albersheim of Sport-Ease Fashions, this crowned his company's success in one of the world's most exacting markets, the United States.

Sport-Ease was set up about twelve years ago to make women's outerwear—car coats and storm coats in leather, suede leather, wool, suedine, and a number of other fabrics, plus rainwear. (These lines he markets under the trade names of Kar Koat Kuties and Kasual Kuties.) Two years ago the firm, with some prodding from an export-minded government, decided to go after export orders. It joined 16 other women's wear manufacturers in the province in a sales safari to Chicago. Under the sponsorship of the Manitoba Government, these firms took samples down to the Hotel La Salle and invited U.S. buyers to come and see them. And come they did.

Mr. Albersheim puts the greatest emphasis on good representation; it was primarily to find a good agent that he went to Chicago. One of the buyers whom he met recommended a suitable man and in the fall of 1964, this agent took on representation for Sport-Ease throughout the U.S. He orders from samples, employs salesmen in various parts of the country, and receives a commission on sales.

"Get a first class agent and give him first class service—that's the way to sell in the U.S.," says Mr. Albersheim. This means, among other things, constant contact between manufacturer and representative; Albersheim is in touch with his agent by telephone at least once a day and often more—and Sport-Ease foots all the telephone bills. The agent, for his part, makes frequent visits to Winnipeg to look over the line and offer his opinion on sample garments and their appeal to the U.S. buyer.

Tariffs? They range in the U.S. from 10 to 33⅓ per cent, depending on the material or materials of which the coats or jackets are made. (The Federal and Manitoba Governments assisted him with the problem of getting his products properly classified for duty purposes.) It's a hurdle that good salesmanship has been able to overcome. The other problem has proved tougher: getting enough skilled labour to keep up and expand his production.

Today, a healthy percentage of Sport-Ease Fashion's sales are made south of the border and these sales, coupled with a solid domestic market, have meant a doubling of capacity to meet the needs of all customers. That's because his firm offers a product with up-to-date styling and quality workmanship, says Mr. Albersheim. And he adds, "You don't have to be big to sell in the U.S. market, but you do have to be versatile." With customers from Chicago to Dallas and Los Angeles and as far east as New York City, he was a natural for the Manitoba Government's Export Award in 1965 "for outstanding export effort and achievement".

Those Self-Propelled Swathers

ONE AFTERNOON in May, the grounds around the plant of Killbery Industries in Winnipeg—a new factory opened about 18 months ago—were filled with agricultural machinery, ten truckloads of it, ready to be shipped out to export markets. And this represented only one day's output by this busy Western company.

Prominent among the machines drawn up in neat array were swathers or windrowers. Some years ago Killbery developed and patented a self-propelled swather that offered advantages both in design and in price over other models on the market. Today the company produces both self-propelled and pull-type swathers that cut grain or hay and lay it in a windrow to permit fast curing; the self-propelled models can also be converted to crop spraying. And though Killbery manufactures cultivators too, it is with the swather that it has made the greatest headway in foreign markets.

Some 60 per cent of the firm's export business by value is carried on with the United States, where it has been selling to the major line companies for the past 15 years. Recently it has been seeking customers farther afield—in Britain, for example. About two years ago a Killbery man got in touch with a firm of agricultural engineers in Britain in an attempt to interest it in the self-propelled swather. The British company ordered two swathers which were delivered to them early in 1965. It then fitted diesel engines to them and sold them to customers in France and Italy. Later it took on the agency for Killbery in Britain and in Western Europe and eventually may enter into a licensing agreement to make the swathers in England.

Last year, ten of the swathers equipped with air-cooled engines were sold to New Zealand. A member of a New Zealand firm of distributors on a buying tour of United States farm machinery centres heard about the swather and made a special trip to Winnipeg to see it. Impressed, he subsequently sent in orders. Tight money and a poor crop year have cut down orders since.

Other markets have figured in Killbery sales—Nigeria, Netherlands, Argentina and South Africa—but in a much smaller way. Further expansion of markets may call for some adaptations to their swather: for example, to use it for cutting green peas. Or perhaps licensing may be the answer; in New Zealand, for instance, where the cost of shipping the swathers is high. One thing is certain: a production that is rising by over 20 per cent a year has given a new urgency to this search by Killbery for export markets.

The shipping yard outside Killbery Industries' 18-month-old plant in Winnipeg is crowded with ten truckloads of farm machinery—one day's production—destined for overseas markets.

Travelling in Central America and Panama

Lake Atitlan is typical of the breath-taking scenery to be found in most Central American countries. A sightseeing tour will take you to this volcanic lake, only 75 miles from Guatemala City.

It's your first business trip to Central America. Your main objective is doing business. You want to dispose quickly of problems like where to stay, where to find good restaurants, and how to fill your leisure hours. This article can be your guide.

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

A short while ago I took a trip through Central America and Panama. It will probably be my last visit to most of these countries before I go to my next post. Thinking back to my first visits, I realized that I had acquired a lot of useful knowledge that made my last journey much easier and more enjoyable than my first.

The six republics of this area, often neglected by North Americans, actually hold many opportunities for Canadian businessmen, especially those willing to make personal visits. The following comments and suggestions may assist you with your travel and business arrangements and help you get the most out of your leisure time.

Miami, New Orleans, Houston, San Francisco/Los Angeles, and Mexico City are the five main take-off points for your trip southbound through Central America and Panama. Regular services between the six countries are offered by Pan American World Airways, Inc., and TACA International Airlines. Pan Am is well known but if your travel agent books you on TACA, do not be alarmed. The company offers a reliable and pleasant service with a fleet of *Viscounts*, and soon will have a BAC 111.

Travel Documents

For each country you must have a valid passport, a certificate of vaccination against smallpox not more than three years old, and a visa or tourist card available from a travel agent, the airlines, or a consulate of the country to be visited. You will receive an International Embarkation/Disembarkation Card when you reconfirm airline reservations or during the flight. One of these must be presented to the immigration authorities on arrival and departure. Be sure to have it completed *before* you enter the terminal building at each stop.

Climate and Dress

There are marked differences in climate in the seven major cities in the area. Guatemala City, Tegucigalpa, and San José are temperate throughout the year. San Salvador is generally warmer than these three; San Pedro Sula, Managua, and Panama City are hot and humid most of the time. Seasons are divided into wet and dry. The rains start in late April and continue through to October and November. Because there can be occasional showers in the dry season, I recommend that you carry a lightweight plastic raincoat whatever time of year you go.

On the subject of clothes, you will note that in some cities, especially where it is hot, businessmen and government officials will receive you in shirtsleeves and without a tie. Do not be tempted to follow suit. You are expected to come in a business suit, with a shirt and tie.

Hotels Reserved

Before you leave Canada, try to obtain the addresses and phone numbers of as many as possible of the people you wish to visit. In some cities, the numbering system is poorly arranged. For example, in San José, Costa Rica, it is not uncommon to be given a street address of "30 Spanish yards to the north of the Monte Carlo Bar". This is fine only if you know where the Bar is and can distinguish north from south. In other places, the telephone directories are often out-of-date and incomplete. For example, in Guatemala City there are at least four different directories to choose from and none is complete or accurate.

It is important to have advance hotel reservations, especially from January to May when many visitors come from North America. In places like San Pedro Sula and Managua, for example, the second choices in hotels leave a great deal to be desired.

Incidental Intelligence

The currency of each Central American republic is freely convertible in the other republics. The currency of Panama consists of U.S. bills and U.S. and Panamanian coins.

If you decide to go to the movies, virtually every film with an English title has the original soundtrack and Spanish subtitles.

The table on page 10 answers the inevitable questions about how much to tip porters and gives some indication of typical taxi fares. You can arrange multiple occupancy by asking for a "taxi colectivo".

Now let's take a look at each country.

Hotels and Approximate Rates

These rates are for single occupancy at top rate with air conditioning where required.

Guatemala City, Guatemala
Hotel Guatemala Biltmore—U.S. $12
Hotel Maya Excelsior—U.S. $10
Palace Hotel—U.S. $9
Pan American Hotel—U.S. $10
Plaza Motel—U.S. $8

San Pedro Sula, Honduras
Hotel Bolivar—U.S. $10

Tegucigalpa, Honduras
Hotel Prado—U.S. $10
Gran Hotel Lincoln—U.S. $10

San Salvador, El Salvador
Hotel El Salvador Intercontinental—U.S. $18
Gran Hotel—U.S. $13

Managua, Nicaragua
Gran Hotel—U.S. $13

San José, Costa Rica
Hotel Balmoral—U.S. $9
Hotel Costa Rica—U.S. $12
Hotel Europa—U.S. $10
Royal Dutch Hotel—U.S. $10

Panama City, Panama
Hotel El Continental—U.S. $16-20
Hotel El Panama Hilton—U.S. $16-20

Guatemala (Guatemala City)

You will arrive at La Aurora Airport and when you get to the customs checkpoint, you may give your claim checks to a porter who will take care of your luggage right through to putting it on a taxi.

Pan Am is located in a separate building connected to the main terminal at La Aurora Airport. After check-in for departure do not forget to report to Immigration in the main terminal. Then return to the far end of the Pan Am building where the exit gate and waiting room are located. The departure formalities for all other airlines are carried out in the main terminal. Construction has started on a new airport terminal which will be ready in a year to 18 months.

The main hotels, in order of class, are the Hotel Guatemala Biltmore, the Hotel Maya Excelsior, the Palace Hotel, and the Pan American Hotel. The Biltmore is in a residential suburb and the others are downtown. The Plaza Motel, which is also in the suburbs about ten minutes drive from the airport, is very comfortable.

There are several good restaurants in Guatemala City but no really elegant ones. Those recommended include Candilejas, Bill's Brazer, La Puerta, La Parrillita, and La Tablita. All are located within walking distance of the Guatemala Biltmore Hotel, which also serves very good meals.

Sightseeing tours can easily be arranged to the old colonial city of Antigua (one half day), mile-high volcanic Lake Atitlan and the famous Indian market at Chichicastenango (one or two days), or the Mayan ruins at Tikal (one day or overnight, by plane). In Guatemala City, the tourist highlights include the National Palace, the Cathedral, and the central market behind the Cathedral. In the market, you will find many native textiles and handicrafts. However, unless you really know prices and qualities, I suggest you visit Sombol's (in front of the Hotel Guatemala Biltmore) or Mayà Modern on 7th Avenida between 9th and 10th Calles in the downtown district (Zone 1).

Honduras (San Pedro Sula, Tegucigalpa)

The main commercial center is San Pedro Sula, on the north coast. The capital and second commercial city of Honduras is Tegucigalpa.

The main hotel in San Pedro Sula is the Hotel Bolivar. There are several standard restaurants, including the

TIPS AND TAXIS

Country	Tips to Porters (per bag)	Taxi Fares to Hotels (single)	Taxi Fares (multiple occupancy)	Tip to Taxi
Guatemala Guatemala City	Quetzales 0.25 (U.S. 25 cents)	Hotel Guatemala Biltmore (5 minutes): Quetzales 1.50 (U.S. $1.50)	Rates are the same for 1-5 passengers	10-15 per cent
		Downtown hotels (15-20 minutes): Quetzales 2.00 (U.S. $2.00)		
Honduras San Pedro Sula	Lempiras 0.50 (U.S. 25 cents)	(20-25 minutes): Lempiras 6.00 (U.S. $3.00)	Lempiras 3.00 (U.S. $1.50)	10-15 per cent
Tegucigalpa	Lempiras 0.50 (U.S. 25 cents)	(15 minutes): Lempiras 4.00 (U.S. $2.00)	Lempiras 3.00 (U.S. $1.50)	10-15 per cent
El Salvador San Salvador	Colones 0.50 (U.S. 20 cents)	Hotel El Salvador Intercontinental (20-25 minutes): Colones 8.00 (U.S. $3.20)	Colones 5.00 (U.S. $2.00)	
		Gran Hotel (15-20 minutes): Colones 5.00 (U.S. $2.00)	Colones 4.00 (U.S. $1.60)	10-15 per cent
Nicaragua Managua	Cordobas 1.00 (U.S. 15 cents)	(15 minutes): Cordobas 20.00 (U.S. $2.85)	Cordobas 7.00 (U.S. $1.00)	10-15 per cent
Costa Rica San José	Colones 1.00 (U.S. 15 cents)	(15-20 minutes): Colones 26 (U.S. $4.00)	Colones 6.50 (U.S. $1.00)	10-15 per cent
Panama Panama City, Colon, Canal Zone	U.S. 25-50 cents	(30-35 minutes): U.S. $5.00	U.S. $1.50	10-15 per cent

dining room of the Hotel Bolivar and Restaurante Vicente. A short distance out of town are the Rincon Gaucho and the Moulin Rouge.

In Tegucigalpa, there is very little to choose between the two main hotels in the city center, the Hotel Prado and the Gran Hotel Lincoln. Construction will start in December 1966 on a new hotel in the Colonia Palmira. Note that the electric current in the hotels is 220 volts. If you forget the adapter for your electric razor, the hotel can sometimes loan you one.

The two best restaurants in Tegucigalpa are the Chico Club Restaurant and La Parrilla. The Sky Room of the Gran Hotel Lincoln is interesting for its view of the twin cities of Tegucigalpa and Comayaguela. Travel agents in Tegucigalpa can arrange tours to the Mayan ruins at Copan (two nights unless by charter flight).

El Salvador (San Salvador)

The Hotel El Salvador Intercontinental, with its excellent view of the city, is in a residential district on the lower slopes of an inactive volcano. The Gran Hotel is in the center of the city. Both are good hotels but the Gran Hotel is mainly a businessman's hotel and the Intercontinental, with a swimming pool and other facilities, is more of a luxury tourist hotel.

There are several excellent restaurants in San Salvador. The Siete Mares (Seven Seas) is in the same suburb as the Hotel El Salvador Intercontinental and is the best seafood restaurant in Central America. La Fonda is a good steakhouse in the same district. The "Rendez Vous" of the Hotel El Salvador offers very good dinner and dancing.

If you are staying for a weekend in San Salvador, ask your business contacts or the assistant manager of your hotel about a guest membership in the Club Salvadoreno. The Club's city facilities are rather sedate but 30 minutes away at Lake Ilopango it has an excellent golf course, swimming in the lake or a pool, and a clubhouse. About an hour's drive from San Salvador, the Club has excellent facilities on the Pacific coast with a beach, swimming pool, clubhouse, and unfurnished cottages.

A short drive out of San Salvador are several interesting tourist sights, including the crater of the extinct volcano El Boqueron and the natural springs of Los Chorros. Another sight is the Izalco volcano which was in continuous eruption from 1770 until a few years ago. A new hotel was built on an adjacent peak to view the eruption, which ceased just before it was due to open.

Nicaragua (Managua)

At the moment there is one main hotel in Managua, the Gran Hotel. It has a rather tropical Victorian charm. Three new hotels are under construction or in the planning stage. The Karawala Hotel is expected to open in December 1966.

For dining, El Carrousel in the Gran Hotel is very pleasant. If you feel like a hamburger and root beer, El Colonial, three short blocks from the hotel, is a replica of any good café in Canada. Other restaurants include the Asti which specializes in chicken, and two steakhouses a short distance from the center of the city, Los Gauchos and Los Ranchos. The Mandarin, right around the corner from the Gran Hotel, specializes in Chinese food. The fare is good and above all it is sanitary.

Managua is a good place to shop for alligator leather products.

One of the most interesting features of the country is Lake Managua, the only freshwater lake in the world which has sharks, swordfish, and other species normally associated with deepsea fishing.

Costa Rica (San José)

The four main hotels in San José are in the center of the city—Hotel Balmoral, Hotel Costa Rica, Hotel Europa, and Royal Dutch Hotel. Although it is not the newest, we have always found that the manager of the Hotel Europa and his staff have given special attention to visiting Canadians. Just mention that we sent you.

San José has several excellent restaurants. The dining room of the Royal Dutch Hotel serves meals in the European manner. The Swiss Chalet specializes in fondues and the Bastille in French food.

Interesting souvenirs of Costa Rica are the gaily decorated oxcarts in every size from miniature to actual.

A short distance from San José is the volcano Irazu which is still slightly active. For almost two years, this volcano erupted and deposited millions of tons of volcanic ash on San José and the surrounding countryside. This activity subsided over a year ago and it is again possible to go up and watch the volcano.

Panama (Panama City, Colon, Canal Zone)

The two main hotels in Panama City are across the street from each other, on the way in from the airport and about ten minutes drive from the center of the city. The Hotel El Continental and El Panama Hilton are modern luxury hotels; the former is somewhat newer and has central air conditioning.

There are a number of excellent restaurants in Panama, including Embajadores in El Continental and the De Lesseps Room in El Panama Hilton. The Club 21, about five minutes' taxi-ride from the hotels, serves excellent steaks. About ten minutes away on the ocean are the Panamar and the Brisas del Mar, two seafood restaurants. The Brisas del Mar is not elegant but its charcoal-grilled lobster makes up for the lack of atmosphere. No visit to Panama is complete without seeing and hearing the "Mighty Wurlitzer", the large old theater organ in El Bombarde, bar of the El Panama Hilton. Both hotels have a casino.

Panama is a good place to shop, because the stores carry a wide range of merchandise imported from all over the world. However, let me make clear that Panama City is not a free port and that the Colon Free Zone does not have any retail stores. There are several stores in Panama City, such as Henriquez S. A., that will sell duty-free merchandise for shipment out of their warehouse in the Free Zone direct to a destination outside of Panama. There is a large, well-stocked duty-free store at Tocumen Airport which delivers the things you have bought just before you board your aircraft. Shopping in the Canal Zone is restricted to residents, certain employees of the Panama Canal Co., and officials accredited to the Panama Canal Zone. Despite these limitations, Panama City is still a good place to buy gifts to take home. Just remember that Central America and Panama are considered as a group with continental North America for Canadian customs purposes and you may import goods to a stated total duty-free as you would from a trip to the United States.

In and around Panama City, there are a number of interesting sights, including the church with the gold altar that was painted black to save it from looting by Captain Morgan, the ruins of the original city at Ciudad Vieja, and French Plaza honouring the original builders of the Panama Canal. About 20 minutes' drive from the city, you can see a section of the Panama Canal in operation at the Miraflores Locks. To see more of the Canal and the Zone, take an inexpensive ride on the Panama Railway to Colon, which is 50 miles and an hour and a half from Panama City. In Panama City, do not be confused about directions; you look east to the Pacific and west to the Atlantic.

When planning your trip to Central America and Panama, also remember that the officers of the Commercial Division of the Canadian Embassy will be pleased to assist you in every way possible. Our offices are located in the center of Guatemala City on the fourth floor of the Edificio Herrera, 5th Avenida and 12th Calle, Zone 1. Our phone numbers are 28448 and 20397. If you write us before you leave Canada, use our postal address which is Apartado 400. We look forward to giving you a personal welcome in the near future. ●

Trade Opportunities for Developing Countries

THE GATT International Trade Centre is assisting the developing nations to advertise and thus increase their exports by publishing free of charge Trade Opportunity Notes in the *Supplement to the International Trade FORUM* which the Centre puts out from Geneva.

The *International Trade FORUM & Supplement* are published quarterly in English, French and Spanish and circulated to over 13,500 organizations and individuals dealing with international commerce throughout the world.

These Trade Opportunity Notes consist mainly of offers from developing countries to supply certain raw and manufactured products, but any country wishing to import products from developing nations can also make its needs known in these Notes. Material for the Trade Opportunity Notes should not, however, exceed 50 words, including the name and address of the firm.

A list of developing countries and examples of the products they offer is available from the International Trade Centre, the General Agreement on Tariffs and Trade, Villa Le Bocage, Palais des Nations, 1211, Geneva 10, Switzerland. ●

What the Colon Free Zone Offers

This free port, situated on one of the world's most important trade routes, is growing in importance as an international transshipment point. Canadian firms serving the Latin American market would do well to investigate the facilities it offers.

P. F. BRADY, *Second Secretary, Canadian Embassy, San José, Costa Rica.*

THE ISTHMUS OF PANAMA has been a major transfer point for merchandise and supplies since the days of the Spanish conquistadores, who founded Panama City in 1516 as a base for exploration and colonization. The completion of the Panama Canal in 1914 provided Panama with one of the most important international waterways and the establishment of the Colon Free Zone in September 1953 marked another important stage in the development of Panama as a major trading center.

What Is the Free Zone?

The Colon Free Zone is an autonomous institution of the Republic of Panama, established to facilitate and stimulate the export of merchandise to Latin America and the Caribbean, and to help provide employment and foreign exchange. The Free Zone is currently administered by General Manager Sr. Ricardo Chiari and a five-member Board of Directors. The latter are named by the President of the Republic of Panama for four-year terms and their appointment must be confirmed by the Panamanian National Assembly.

The 96-acre Free Zone is located in a fenced-in compound in the City of Colon which, with a population of over 60,000, is Panama's second largest city. Colon itself is at the eastern end of the Panama Canal and in effect is a Panamanian "island" surrounded on three sides by the U.S.-administered Panama Canal Zone and on the fourth by the Caribbean. The Free Zone has no residential district and is composed mainly of 58 modern warehouses and office buildings. Since retail sales within the Free Zone are forbidden, all the firms located there are wholesalers, manufacturers or agents.

Operations of the Free Zone

As indicated in Table I, the combined value of imports to and exports from the Free Zone has increased approximately 270 per cent—from \$64.7 million in 1954 to \$248 million in 1965. Since 1954 many of the original firms have expanded their operations and new ones have located in the Free Zone. Today more than 393 firms are represented in the Zone. There are 123 firms with capital investments in the Free Zone and 270 other firms are represented through agreements with service and management companies in the Zone; in all, the area provides employment for over 2,000 persons. Among the more important firms in the Free Zone are: Kodak, Firestone, Coca Cola, Parke Davis, Gillette, Lucas, Peikard, Pfizer, Motta, Squibb, Hitachi, Bristol Meyer, Mitsubishi and General Tire. U.S.-based companies predominate (70 per cent of all firms with 60 per cent of total annual volume), but the number and sales of Japanese and Western European firms are steadily increasing. About 35 per cent of buildings in the Free Zone are privately owned; the remainder (65 per cent) are owned by the Free Zone Administration.

Most of the businesses located in the Free Zone use it as an entrepot which provides facilities for storage, repacking, labelling and re-exporting of goods destined primarily for Central and South American and Caribbean markets. However, in recent years the Free Zone has also attracted some manufacturing operations, including a publishing house employing 250 and a factory producing prefabricated aluminum buildings. The Panamanian Government is trying to attract light industry to the Free Zone; however, some firms are apparently deferring decisions about establishing there until Panama decides whether to enter the Central American Common Market.

The Free Zone is served primarily by the efficient deep water port facilities operated by the United States in Cristobal in the Panama Canal Zone, about half a mile away, with merchandise moving by truck between the port and the Free Zone. Because of the relatively high cost of shipping through the Canal, goods moving out of storage in the Free Zone to destinations on the Pacific side of Central and South America are generally brought by truck over the trans-Isthmus Highway to Panama, 50 miles away. From there they are sent on by ship, air, or truck north along the Inter-American Highway to Central America.

Advantages of Location

Panama's strategic location served by 60 shipping lines and the establishment of the Free Zone at the Atlantic coast entrance to the Canal give businesses operating in the Zone ready access to ocean-going ships of most nations. For example, with more than 13,000 ships converging on Panama in 1965, no other country can match the shipping service. In addition, Panama is developing into a major centre for short-range coastal shipping throughout the Caribbean and along the coast of Central America and northern South America. Furthermore, because a large proportion of the air traffic between North and South America passes through

Panama, and because a significant percentage of Latin American imports of manufactured items are shipped by air freight, Panama's Tocumen Airport, with 30 scheduled airlines and located less than 50 miles from the Free Zone, is readily available to handle high-value items exported from the Zone. Tocumen is now among the top ten international airports in the world in the volume of air freight handled, a development largely brought about by Free Zone activity.

The Free Zone's proximity to the markets it serves makes it a good place for manufacturers to set up regional headquarters, storage facilities and sales offices. Facilities there cut delivery time by weeks, reduce the need for customers in the region to keep large inventories, and enable Free Zone managers to provide better customer service at lower costs to the Latin market of 225 million people which had imports of over $10 billion in 1965.

Labour costs in Panama are lower than in North America or Europe and because there is considerable unemployment and under-employment in Panama (particularly in some of the larger cities), there is no shortage of labour. A large percentage of the residents of Colon are of West Indian origin and have a good working knowledge of English.

Other advantages include Panamanian laws and Free Zone regulations designed to attract foreign investments, such as the absence of exchange controls and currency restrictions, a stable currency (the Panamanian Balboa is at par with the U.S. dollar). In addition, there are several first-rate banks in Colon, both foreign and domestic, to handle transactions and the Bank of London and Montreal opened a Panamanian branch in June. Companies established in the Free Zone are exempt from Panamanian import duties and pay only 10 per cent of the normal Panamanian corporate tax on net profits earned in re-exporting items to points outside the Republic; furthermore, a manufacturer in the Free Zone under a concession contract pays no taxes on export income and manufacturers are being courted by Free Zone officials and offered duty-free import of machinery and raw materials. There are no municipal taxes on goods entering or leaving the Free Zone area, on merchandise stored there, or on commercial operations carried on in the Zone. There are no taxes, either municipal or federal, on invested capital, dividends or remittances abroad, nor is there any tax on capital gains when the property or securities sold have been owned for more than two years. Firms may enter into a 20-year contract and are thereby guaranteed exemptions from any new taxes passed during the contract.

VALUE OF INCOMING AND OUTGOING MERCHANDISE HANDLED BY THE COLON FREE ZONE 1954-1965

Year	Incoming	Outgoing	Balance	Total Cargo Handled
		(U.S.$ million)		
1953 (Sept-Dec)	—	—	—	22.443
1954	—	—	—	64.675
1955	—	—	—	55.612
1956	—	—	—	64.405
1957	—	—	—	63.458
1958	—	—	—	76.312
1959	—	—	—	108.966
1960	54.742	76.715	21.973	131.448
1961	62.620	93.745	31.125	156.365
1962	70.852	106.562	35.710	177.414
1963	71.466	118.217	46.751	189.683
1964	39.443	133.267	43.824	222.710
1965	NA	NA	NA	248.000

Sources: *Quarterly Economic Summary* prepared by the U.S. Embassy in Panama, 1961-65 and the British *Board of Trade Journal*, June 28, 1963.

NA Not Available

Facilities and Services Available

Firms interested in establishing in the Free Zone may do so in a variety of ways:

1. Construct privately owned warehouses or plants on land leased from the Free Zone at a moderate monthly rental per square metre.

2. Have the Free Zone put up buildings to the firm's specifications.

3. Lease from the Free Zone warehouses in whole or in part (minimum size 200 square metres).

4. For requirements of less than 200 square metres, lease space in one of the public warehouses owned and operated by the Free Zone. Under this arrangement the Free Zone charges a general cargo rate per ton per month, a per ton charge for handling and insurance, and a rental fee for space used.

How to Establish in the Free Zone

Firms considering establishment in the Free Zone have a number of choices of legal and financial arrangements for their operations.

1. A Panamanian subsidiary of the parent corporation may be established in the Republic.

2. A Panamanian corporation may be created under Panamanian law. (Location in the Zone does not affect the firm's rights or responsibilities under Panamanian law.)

3. A "Western Hemisphere Trading Corporation" may be set up and incorporated in the United States to conduct business outside the U.S. in the Hemisphere.

4. Firms that do not wish to establish corporate-type entities in the Free Zone may make use of the complete management services offered by the Free Zone and local agents to handle all commercial problems.

Developments during 1965

The total volume of trade in and out of the Free Zone last year increased about 18 per cent—from $222.7 million in 1964 to $248 million in 1965.

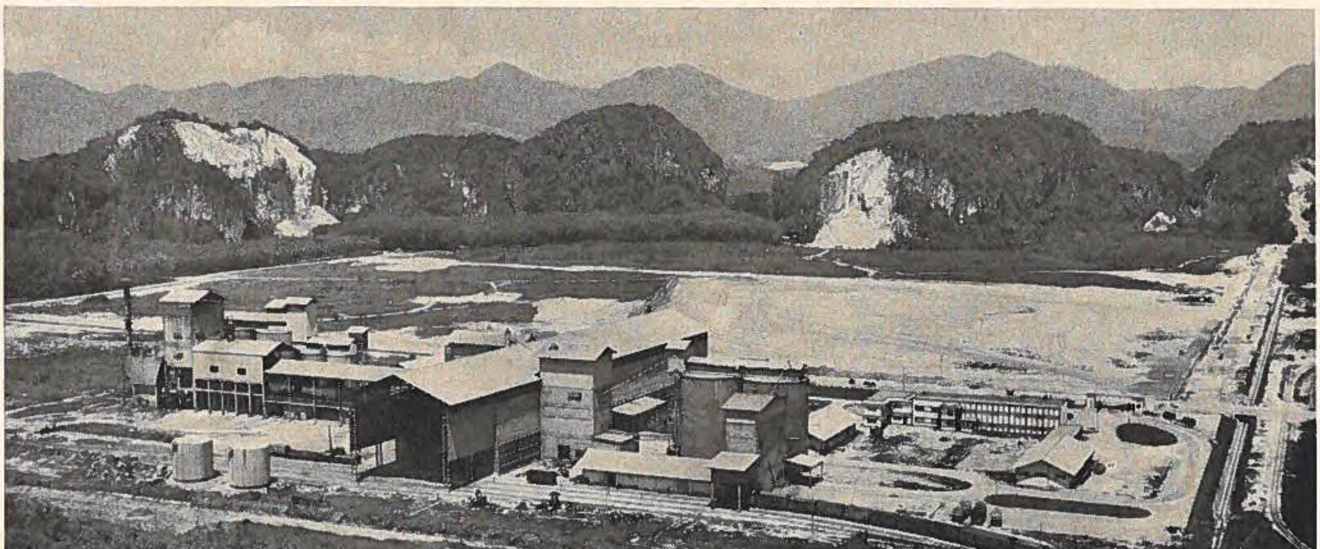
To help meet increases in the volume of merchandise handled and to provide facilities for new firms established, several new buildings and warehouses were finished in 1965 and construction began on five additional ones. Among the latter was a $9 million cotton textile mill (Textiles Nacionales S.A.) financed by French and Panamanian capital. In addition, the Governments of Communist China and Italy have announced plans for building their own warehouses, offices and sales rooms in the Free Zone. Planning continued on a $300,000 meat-refrigeration plant designed to provide storage facilities for the new $1 million abattoir opened in David early in 1965, which is reportedly financed by French capital. Earlier this year the French Government was said to have selected Panama as the centre from which to launch its Latin American export drive and Uruguay is reported to be considering establishment of operations in the Free Zone. On the other hand, Britain recently announced that a British Trade Centre would be opened in Panama City (rather than in the Free Zone) in 1966 to help stimulate the sale of British products to Panama and the rest of Latin America.

President Robles announced in 1965 that the question of making the entire city of Colon a Free Port would be considered. He suggested that the expansion of the Free Zone, which already contributes about $10 million a year to Panama's gross national product, and the creation of its own port facilities would be a logical development and one that should contribute significantly to the further development of Panama's economy.

Future Prospects

The year 1966 could well be a crucial one for the Free Zone. The Panamanian Government hopes to conclude the renegotiation with the United States of the existing Panama Canal Treaty and the negotiations for an entirely new agreement providing for the construction of a sea-level canal. The long-term prospects for significant expansion of the Free Zone may depend to a considerable extent on the results of these negotiations and on whether Panama decides to enter the rapidly developing Central American Common Market. However, the Free Zone's Promotion Director, Sr. Osvaldo Guaragna, is thinking now of expansion since, at anticipated growth rates, the 96 acre tract will be fully utilized by 1967. (Over 62 per cent of the present site is already taken up.) More land means filling in part of Manzanillo Bay or buying land within the city of Colon, and plans are reportedly under development to meet this need.

Detailed information about the Free Zone may be obtained by airmail by writing, in English or Spanish, to the Colon Free Zone, P.O. Box 1118, Colon, Republic of Panama, or to the New York Office of the Colon Free Zone, 247 Park Avenue, New York 17, N.Y., U.S.A. ●



Tasek Cement Ltd. at Lipoh, Malaysia, is the site of a recent installation by Canadian Refractories Ltd. of Montreal. The company supplied 42 feet of six-inch-thick Magnecon T rotary kiln liners for a new Allis-Chalmers lepol kiln. The new cement kiln is approximately 12 feet in diameter by 175 feet long and is capable of producing 800 tons of clinker per day. Mr. J. D. Chance, the company's exports sales representative, went to Lipoh to supervise the installation. Three out of the four cement plants operating in Malaysia are now using this Canadian product in the burning zones of their kilns. The white slashes on the hills in the background of the picture are outcroppings of lime-stone, an important raw material for making Portland cement.

How to Win World Markets 30

"Thirty" in the world of journalism means "finished". Appropriately, with this article, number thirty, our series on the techniques of exporting ends, with a look at varied types of assistance that the inexperienced and the seasoned exporter can command.

Getting Help with Export Problems

THE newcomer to the export field need not grope his way nor hesitate because of ignorance or inexperience. Close at hand lie many sources of assistance and advice. The current series has naturally stressed the services offered to him by the Canadian Department of Trade and Commerce. In this article, however, the emphasis is on other sources of export expertise or of help with export problems. These range from associations of exporters or manufacturers to the Provincial Governments, Boards of Trade and Chambers of Commerce (particularly in the larger cities), the chartered banks, and that invaluable institution, the public library.

A short time ago, *Foreign Trade* asked a number of these organizations to set out briefly the services they offer to exporters. Their contributions appear on the following pages.

Provincial Governments

ALL ten provinces in Canada engage in trade promotion in varying degree, though the name of the Department charged with this varies from province to province (see list below). Generally their programs are coordinated with those of the Federal Government, and particularly with the established world-wide facilities of the Foreign Trade Service. Some provinces maintain offices in the United States, Britain and Europe and all of them stand ready to assist exporters of their provincial products. In many instances, this assistance takes the form of trade studies of a specific area, including statistics of products imported by foreign countries; information on tariffs, documentation and financing; location of suitable foreign commission agents, importers and distributors; organization of trade missions and seminars, and participation in trade fairs and exhibitions.

The various provincial departments given below make up the Provincial Governments' Trade and Industry Council.

—T. L. STURGESS,
Chairman, Provincial Governments' Trade and Industry Council.

Alberta
Department of Industry and Development
Minister—Hon. A. R. Patrick
Deputy Minister—Mr. J. E. Oberholtzer

British Columbia
Department of Industrial Development, Trade and Commerce
Minister—Hon. R. R. Loffmark
Deputy Minister—Mr. T. L. Sturgess

Manitoba
Department of Industry and Commerce
Minister—Hon. E. G. V. Evans
Deputy Minister—Mr. R. E. Grose

New Brunswick
Department of Industry
Minister—Hon. L. G. DesBrisay
Deputy Minister—Mr. John A. Paterson

Newfoundland
Department of Economic Development
Minister—Hon. J. R. Smallwood
Deputy Minister—Mr. David L. Butler

Nova Scotia
Department of Trade and Industry
Minister—Hon. W. S. K. Jones
Deputy Minister—Mr. V. M. Knight

Ontario
Department of Economics and Development
Minister—Hon. Stanley J. Randall
Deputy Minister—Mr. Stuart W. Clarkson

Prince Edward Island
Department of Fisheries, Industry and Natural Resources
Minister—Hon. Cecil Miller
Deputy Minister—Mr. P. A. Murnaghan

Quebec
Department of Industry and Commerce
Minister—Hon. Maurice Bellemare
Deputy Minister—Mr. Michel Belanger

Saskatchewan
Department of Industry and Commerce
Minister—Hon. G. B. Grant
Deputy Minister—Mr. G. W. Cameron

The Canadian Export Association

THE Canadian Export Association was founded in 1943 with the objective of fostering export trade. It seeks to improve the climate, conditions, facilities and services for all Canadian exporters, in addition to providing information, education and assistance to member firms.

The Association operates on the central idea that export trade today is a matter for professionals. It believes those involved in this trade can derive benefit from working together in a national body, in the first place to seek improvements more effectively with a united voice and, second, to keep up to date on export practices, techniques and problems.

Under an Advisory Board of Governors, the Association is administered by a 25-man Board of Directors with wide diversification geographically and by type of industry and occupation. The functioning of the Association may best be summarized by a review of the activities of the four main committees which report to the Directors:

1. *The Education Committee* encourages and assists universities and other organizations concerning educational programs in export and international business generally. Information about courses initiated since 1963 by Western Ontario, Waterloo Lutheran and McMaster Universities, is available from the Association. Discussions are continuing with other institutions.

2. *The Traffic Committee* deals with questions, problems and policy issues pertaining to international transportation and related facilities and services. In 1965-66, following two shipper/carrier meetings, this committee developed a plan to create a Canadian Shippers' Council. With the support of the Canadian Manufacturers' Association, the Canadian Industrial Traffic League and major industry associations, it is anticipated that the Council will be organized by the end of 1966. Its membership is to comprise national trade associations whose members are involved in exporting or importing as principals. Its objects will be to foster and develop relationships between shippers and carriers and to endeavour to provide a satisfactory system and procedure for resolving differences between them. The Council is to provide a forum to enable national bodies to deal collectively with important issues in international transportation and related facilities and services.

3. *The Program Committee* directs and assists the staff in planning the Annual Convention (mid-October at the Seigniory Club) and a variety of meetings each year:

Luncheon meetings in major centres with distinguished speakers.

Regional discussion meetings mixing new and experienced exporters.

Educational symposia and seminars on such subjects as long-term financing and external aid, short-and medium-term export financing in co-operation with the Canadian Bankers Association, export credits insurance, U.S. Customs procedures and problems.

4. *The Policy Recommendation Committee* considers and takes appropriate action on policy issues, developments and specific measures or actions which may affect the expansion of Canada's export trade. The effectiveness of the Association's role in seeking improvements has been greatly enhanced by the creation of Advisory Committees set up by this Committee to deal with technical subjects such as export credits insurance, financing, development aid and U.S. Customs matters.

The main Policy Committee and above groups meet periodically with senior officials in government departments and agencies seeking to improve conditions, facilities and services for exporters. Their collective efforts typically result in briefs for submission to government authorities on such matters as the Canadian dollar exchange rate, taxation, credit insurance, financing and aid programs; in educational or "position" papers for circulation to member firms, the press and others interested; and in the direction of staff activities. In the past year, two briefs were developed concerning U.S. Customs matters which, with Board approval, were submitted to the U.S. Tariff Commission.

Canadian Export Association Services

In addition to dealing with day-to-day inquiries, the staff produces the following publications:

Bulletins

- *Review and Digest Bulletin*, twice monthly, summarizing items from many publications, reports and addresses of interest to Canadian exporters.
- Information bulletins covering tariffs and documentation and all other items of general interest.
- *"U.S. News . . . of Interest to Canadian Exporters"* which deals with changes and developments in U.S. Customs, anti-dumping and other legislation, etc.
- *Documentation Guide*—A summary of consular and commercial export documents for all countries, published once a year and amended by bulletins.

Lending Library

A bibliography of textbooks, monographs, and periodical publications dealing with export trade and related subjects is available from the Association's offices in the Sun Life Building, Montreal.

—J. A. McAVITY,
President, Canadian Export Association.

The Canadian Manufacturers' Association

EXPORT marketing, to be successful, requires intelligent guidance, practical assistance and above all, accurate information.

Through the combined activities of its specialized head office service departments in Toronto and its division and branch offices across the country, The Canadian Manufacturers' Association meets these requirements. It is, in fact, a source of reference on all export matters, catering to both new and seasoned exporters.

Four head office departments are directly concerned with export. They are:

1. *The Commercial Intelligence Department*, which stimulates interest in export activity, guides members towards their most likely markets, and assists in making customer contacts. The Department not only maintains a library with up-to-date statistics and market intelligence but also provides information on specialized subjects such as export credits insurance and financing, trade fairs and exhibitions, foreign aid programs, export agreements, and technical abbreviations. It also provides a low-cost, multilingual translation service.

2. *The Tariff Department*, which provides data on customs tariffs, preferential duties, extra import charges, valuation for duty purposes and dumping duties; country of origin, labelling and other marking requirements; trade areas and blocs; passports, visas and laws affecting business travellers; import and exchange regulations and quotas. In addition, it covers international trade agreements and negotiations, export entry forms and export permits, and the Canadian Government export drawback provisions for imported goods used for export purposes. The Tariff Department authenticates customs documents, including invoices, certificates of origin and export price lists for foreign countries.

3. *The Transportation Department*. This Department supplies information on freight rates and services of the air and surface carriers, rules and conditions of carriage, port charges, packaging, containerization, marine insurance, and the obligations of buyer and seller with respect to transportation and insurance under the various terms of sale generally used in international trade.

4. *The Legislation Department*, which specializes in information on new developments in commercial law, foreign taxation, agency agreements, trade marks, industrial designs, patents and copyrights. Other services provided by the Association include:

Publications—In addition to its extensive service of circulars and the inclusion every month in *Industrial Canada* of essential export information and articles on foreign trade, the Association produces numerous publications which are widely distributed both at home and abroad. Examples are: *The Canadian Trade Index*, *Export Methods and Services*, *Pricing for Export*, and *Review of Export Procedures*.

Export Study Clubs—Through its Export Study Club organization, with clubs operating in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, and British Columbia, the Association provides a continuing program of export education from coast to coast. Through these Study Clubs, exporters may discuss common problems and meet every month to hear down-to-earth talks by experts on markets, techniques and international trade topics. As a result of maintaining a high level of interest in export, the Clubs continue to grow. Combined membership now totals well over 1,100.

Export Education—The Association also supports both directly and indirectly a variety of export education programs across the country. It sponsors on a continuing basis courses in export marketing and takes part in a variety of export programs arranged by educational institutions in various parts of Canada.

A vital part of the Association's export service to members is indirect or representational in nature. The CMA has played through the years a responsible, creative part in the development of Canadian trade policies and government services to exporters. It continues to advise and make timely recommendations to government, presenting the considered views of exporting manufacturers, backed by careful research, on such matters as international trade negotiations, export credits insurance and financing, trade representation, fairs and exhibitions, protection of foreign property, and so on. The export policies of the Association are generated from the grass roots level through a number of specialized committees and sub-committees whose focal point is the Association's Export Trade Committee.

Traditionally the Association has enjoyed and greatly valued a close and co-operative relationship with the Government, in particular with the Department of Trade and Commerce and its Trade Commissioners abroad. This degree of co-operation between the Association and the Department makes it possible to make known to the Government the needs and views of exporters through informal liaison. Matters of policy are, however, dealt with in more formal submissions.

Throughout its 95 years of existence the Canadian Manufacturers' Association has regarded the promotion of Canada's export trade as one of its prime objects. As in the past, it will continue in the future to up-date and improve its services to make expert advice on the techniques and procedures of exporting instantly available.

—MICHAEL VARDY
Manager, Commercial Intelligence Department
Canadian Manufacturers' Association.

Boards of Trade

Montreal Board of Trade

THE International Section of the Montreal Board of Trade provides exporters with a number of services. Among these are the following:

1. Assisting members of the Board and visitors in securing representatives or agencies in Canada or abroad and in the sale and purchase of commodities.

2. Providing information on general and specific problems that arise in foreign trade. Some of this information can be drawn from the Board's well-stocked library which contains reference books, such as cable codes (commercial), Canadian and foreign customs tariffs and regulations, foreign technical abbreviations, almanacs, Commonwealth and foreign yearbooks, trade and telephone directories, Canadian Commonwealth and foreign trade statistics, and releases from various departments of the federal and provincial governments.

3. Maintaining contacts with key people in industry, the Canadian Government, representatives of foreign governments stationed in Montreal, various business and commercial organizations, and others able to provide information on a wide range of topics.

4. Issuing circulars to keep members informed about the enforcement, relaxation, and revision of domestic and foreign controls on trade, foreign exchange regulations, customs tariffs, shipping documentation requirements, business opportunities, and related matters. Two publications are issued regularly. One is *Import-Export Trends*, a monthly, which highlights developments in world trade as reported in various publications received daily from abroad. The second is *Business Opportunities Bulletin*, issued about every three weeks, which lists trade fairs and exhibitions planned throughout the world, business visitors in or coming to Montreal, and export and import inquiries received.

5. Conducting Export Marketing Clinics, designed to inform or guide firms thinking of entering or expanding their interests in a given market. The two clinics held so far in 1966 dealt with the New York and the New England markets and with the West Indies. Resumés of the Clinics are sent to interested firms.

6. Holding Credit and Collections Clinics four times each year. Members are invited to these clinics to discuss their problems and exchange experiences in this vital area of foreign operations.

7. Conducting a course in Foreign Trade in co-operation with Sir George Williams University, an activity that began twenty years ago. Both businessmen from the community and students of the university attend this course and lecturers are drawn from business and government. These lectures are later mimeographed and circulated to interested members of the Board as well as to those taking the course.

8. Providing office facilities and services and arranging itineraries for foreign visitors representing governments, trade associations, or private companies from abroad and foreign trade missions.

—LORNE TRACEY
Manager, International Trade Section
Montreal Board of Trade.

Board of Trade of Metropolitan Toronto

SEVERAL years ago, the Board of Trade of Metropolitan Toronto established an International Trade Department as an expanding phase of business programming. Its activities are twofold: general promotion, benefiting firms engaged in or expecting to launch out into export trade, and advisory and other services offered to individual businessmen. In carrying on its work, the Department co-operates closely with the Department of Trade and Commerce in Ottawa, the Ontario Department of Economics and Development, and the Canadian Trade Commissioners abroad. Periodically, it organizes special trade-promotion projects or meetings in conjunction with other organizations; at the moment, it is co-operating with Expo 67's Business Development Bureau and setting up a business assistance program for visitors to Canada and Toronto next year.

In its regular program, the International Trade Department helps exporters in five practical ways:

1. *Trade information.* The Department receives and answers each year thousands of requests for information from its members and from Canadian and foreign businessmen and governments. These include questions from exporters on ways to begin or increase export trade, and on distribution, research, advertising, finance, documentation, customs regulations, statistics, and so on.

2. *Round table meetings.* This program on export marketing takes the form of meetings, each of which is devoted to a specific export market or markets. The technique used is a practical, rapid-fire exchange of views among all the participants, with a panel of businessmen recently returned from trade missions abroad leading the discussion.

3. *Export marketing courses.* The Department has conducted four separate evening courses on export, with a total enrolment of about 100. These courses are set up in co-operation with the Federal Departments of Manpower and Immigration and Trade and Commerce and the Ontario Department of Education. Course material is designed to help companies with little or no export experience to establish an effective operating framework.

4. *Trade missions.* The Board of Trade organizes overseas tours every two years and these give members a chance to explore market opportunities in person. The International Trade Department also helps incoming trade missions and foreign delegations visiting Canada to make contact with exporters in the Toronto area.

5. *Publications.* The monthly publication of the Department, *Trade Winds,* was recently incorporated into the magazine, the *Toronto Board of Trade Journal. Trade Winds* carries over 2,000 separate items each year, with the emphasis on economic topics and trade inquiries, both export and import. The result has been many trade contacts for Board members.

—T. J. HODGINS
Manager, International Trade Department
Board of Trade of Metropolitan Toronto.

Vancouver Board of Trade

THE World Trade Committee of the Vancouver Board of Trade offers the following services to Board members interested in export trade:

1. Conducts trade promotion conferences to assist exporters in assessing possibilities in foreign markets, in cooperation with Federal and Provincial Departments of Trade and Commerce. In May 1966, the conference examined our largest market, the United States.

2. Organizes an annual province-wide "World Trade Week" to publicize the importance of this trade to our economy, thus helping to make a favourable climate for increased foreign trade.

3. Publishes an annual *Ocean Shipping Guide*, listing regular cargo services between Vancouver and various parts of the world, shipping companies and agents, customs brokers, ocean freight forwarders and foreign trade departments of banks.

4. Sponsors an Offshore Trade and Goodwill Mission each year which visits one or more world markets. The fourteenth mission (March 1966) visited nine countries in Africa, from Cairo to Cape Town to Casablanca. Direct sales and purchases were made and the stage set for further trade exploration.

5. Maintains a continuing interest in education of the business community through its direct sponsorship of the Business Administration Certificate Program conducted by Vancouver City College, which includes small business and export courses.

6. Provides general information concerning export possibilities for locally manufactured or locally available commodities in its monthly *Trade Letter*. It also supplies potential local suppliers who have advised the Board of their interest and capability with written inquiries from buyers abroad and makes appointments on behalf of these buyers when they visit Canada.

7. Provides its members with basic customs and excise information for most countries and with answers to questions on all phases of export promotion, desirable contacts, sources of information, customs tariffs, financing, etc., using the statistics and trade directories it keeps in its office.

8. Promotes and sponsors special shows for manufacturers to assist industry to gain a broader base from which to export. In November 1965, it sponsored with the Provincial Government the B.C. Components Show which displayed parts that local producers might supply.

9. Recommends policies designed to assist trade expansion by watching closely legislation and regulations adopted by the Provincial and Federal Governments.

—A. E. SCOTEN
Secretary, World Trade Committee
Vancouver Board of Trade.

Training Courses for Exporters

ALL Provincial Departments of Education offer an Exporting course, designed to help the manufacturer take advantage of profitable foreign sales opportunities.

This course includes the following topics:

Finding Opportunities in the Export Market

Organizing for Export

Export Documentation and Trade Terms

Financing Exports

Pricing

Special Requirements for Packaging, Marking and Insurance

The technique followed is to introduce a number of typical exporting problems and have participants solve these with the assistance of the course leader.

This discussion course is presented to groups of 10 to 25 and may be offered in any community at a convenient time and location and at a nominal cost.

Exporting was developed by the Federal Department of Manpower and Immigration, in co-operation with the Department of Trade and Commerce. To date, approximately one thousand businessmen have taken this course. A follow-up, entitled *International Marketing* is being prepared.

If you are interested in this course, we suggest that you contact one of the persons named in the following list.

—D. C. COWAN
Acting Chief
Management Development Division
Department of Manpower and Immigration.

Superintendents, Business Management Training Program

A. L. Cartier
Supervisor of Small Business Management Training
Department of Education
Victoria, B.C.
Telephone (604) EVergreen 2-6111

Cecil Pepper
Co-ordinator of Business Management Training
Vocational Educational Division
Department of Education
10080 Jasper Avenue
Edmonton, Alberta.
Telephone (403) 424-8729

H. John Meyer
Supervisor, Industrial Training
Technical and Vocational Education Branch
Department of Education
Regina, Saskatchewan.
Telephone (306) 527-8551 Ex. 231

James McCallum
Supervisor of Management Training
Vocational Branch
Department of Education
Legislative Building
Winnipeg 1, Manitoba.
Telephone (204) 786-5626

J. A. Wright
Administrator, Training Business and Industry
Ontario Department of Education
55 Eglinton Avenue East
Toronto 12, Ontario.
Telephone (416) 365-6154

J. W. Allen	(Code 416)	365-6154
K. L. Coupland	"	365-6154
R. Dean	"	365-6154
F. J. LaFrance	"	365-6154
P. McPherson	"	365-6154

Small Business Management Training Program
Ontario Department of Education
55 Eglinton Avenue East
Toronto 12, Ontario.

M. G. U. Maurice,
Enseignement Spécialisé
Cours de Rationalisation du Travail
Le Ministère de l'Éducation
1005 Chemin Ste-Foy
Québec 6, Québec.
Telephone (418) 693-2700

Floyd Buell
Department of Education
Charlottetown, P.E.I.
Telephone (902) 894-6611

W. B. Thompson
Director of Vocational Education
Department of Education
Fredericton, N.B.
Telephone (506) GR5-7711

Robert V. Davies
Supervisor
Small Business Management Training
Department of Education
Halifax, N.S.
Telephone (902) 422-7341 local 449

Murray Jost
Business Management Program
Collegiate Institute Board of Ottawa
662 Lyon Street
Ottawa, Ontario.
Telephone (613) 236-9981

K. Bowles
Assistant Chief, Education Division
Department of Northern Affairs and Natural Resources
400 Laurier Ave. W.
Ottawa, Ontario.
Telephone (613) 992-0789

Inquiries may also be addressed to:

Program Superintendent
Management Development Division
Technical & Vocational Training Branch
Department of Manpower and Immigration
340 Laurier Avenue West
Ottawa, Ontario.
Telephone (613) 992-2484

The Canadian Chartered Banks

CANADIAN BANKING has from the beginning possessed a strong international character. Recognition of the importance of international trade to Canada has led the chartered banks to set up foreign or international departments at their main offices and branches and agencies abroad, with much emphasis on the financing of foreign trade, on foreign exchange operations, and on correspondent relations with foreign banks. The Canadian exporter, through his own bank branch, has access to information about markets virtually anywhere in the world and can conduct all transactions from start to finish.

The scope of foreign trade facilities of the chartered banks is world-wide. In addition to about 5,700 branch offices in Canada, they now have more than 200 branches or agencies in 30 other countries. Through this network, the banks provide the means for the settlement of debts between traders for the goods they buy and sell as well as authoritative information on market conditions and the credit standing of prospective trade partners.

The chartered banks also have special resident representatives or affiliated institutions in important commercial centres abroad. These representatives perform a variety of functions in these financially strategic centres, offering banking services to their customers and maintaining liaison with other commercial banks and financial interests. In places where Canadian banks are not directly represented, they maintain correspondent relationships with more than 5,000 banks in every corner of the globe, wherever their customers choose to do business. Some banks have travelling representatives who visit several foreign countries periodically, thus acquiring a wealth of information as well as a thorough knowledge of facts and men. The information and impressions they gather are made available to Canadian exporters.

The functions of a chartered bank in relation to foreign trade fall into two categories. The first is the handling of foreign exchange: the banks provide the machinery by which the Canadian exporter receives payment for the goods he is sending abroad or the Canadian importer pays the foreign seller of the goods. Foreign currency transactions include all types of transfers, cheques, drafts, currency, bills of exchange, and so on. The second main function is facilitating credit arrangements between buyer and seller, including the furnishing of credit reports and the extension of bank credit or other means of financing the transaction.

In fulfilling these functions for the exporter, the services that the Canadian banker provides most frequently include the following:

1. To appraise, advise and submit surveys, reports on market conditions, sales prospects and import and exchange regulations in Canada and abroad.

2. To prepare reports and advise on the credit standing and reputation of buyers and potential buyers in foreign countries.

3. To handle commercial letters of credit and give guidance.

4. To pay or negotiate drafts drawn by Canadian exporters under letters of credit of foreign or Canadian banks and opened in their favour.

5. To collect time and sight drafts drawn by exporters on foreign importers.

6. To advance money against drafts for collection, or against drafts drawn under letters of credit in favour of exporters.

7. To fulfill orders of exporters in their foreign exchange transactions in the principal foreign currencies for immediate and future delivery.

8. To take care of foreign remittances and transfers.

A Canadian businessman wishing to travel abroad may also avail himself of the services of his bank. The Canadian bank will provide him with travellers cheques and similar items and also supply letters of introduction to banks and other parties.

Several banks also publish booklets and other reports on economic conditions and potential markets in various foreign countries, including new developments in different industrial sectors. These can help the exporter to determine the possibility of exporting to the country covered. From time to time, banks receive requests from foreign buyers and correspondents for the names of Canadian exporters and these requests are passed on to exporting customers. When necessary, the banks assist in the selection of prospective agents and give advice on local marketing problems. In these fields, the banker co-operates with the Department of Trade and Commerce in Ottawa and with Canadian Trade Commissioners located abroad.

—S. SARPKAYA
The Canadian Bankers' Association
Toronto.

The Public Library

OFTEN the answer to an export problem lies close at hand—in the public library, especially in the larger cities. Our staff in the Business and Economics Department of the Vancouver Public Libary, drawing on a collection of thousands of books, trade journals and statistical reports, comes up with the answers to over 60,000 questions a year. Here an exporter has access to facts and figures that help him in assessing markets for his products, in competing effectively abroad, and in the daily conduct of his export business.

Listed below are some of the services to businessmen that our library provided in the course of a year.

1. For local manufacturers of building materials: information on housing starts and construction activity in the U.S.

2. For an engineering firm: data on wage rates in a Middle East country to help it in bidding on a contract there.

3. For an exporter: details on the size and capacity of cranes at a specific European port.

4. For a consumer goods manufacturer: names of purchasing agents for U.S. department stores.

5. For a wood products company: Brussels Nomenclature definitions of wood products for export to Israel.

6. For a local manufacturer: statistics on the Pacific Rim countries to help him prepare a market study for his product. These statistics covered production, consumption, wages, natural resources, etc., for all the countries bordering on the Pacific.

7. For an advertising agency: a list of leading trade journals and business and investment periodicals published in Europe, to select the ones suitable for advertising a Canadian product.

8. For a company planning to set up a branch office in Europe: a summary of business laws and regulations there.

9. For a shipper: establishing the nearest port to the ultimate destination for a shipment of goods.

Librarians are trained in business research methods and can save you time and trouble. Why not make use of them?

—AILEEN TUFTS,
Head, Business and Economics Department
Vancouver Public Library.

Argentina Pushes

Controls on slaughtering and on sales of meat have helped Argentina's beef industry to recover from the devastating effects of the 1962 and 1963 droughts. A 10 per cent increase in production is expected this year. These ranch hands are dipping steers to control parasites.

Agricultural Development

Export sales of agricultural products must provide the foreign exchange necessary for Argentina's industrial development. This article tells what the Government is doing to help realize the agricultural potential and where Canadian opportunities lie.

H. E. RYAN, *Assistant Commercial Secretary, Buenos Aires.*

ARGENTINA is now making a concerted effort to accelerate growth in both the agricultural and industrial sectors, after several years of stagnation. If this goal is to be achieved, there is a growing recognition that agriculture plays the key role. The country's abundant agricultural resources (located in regions ranging from the subtropics to arid plains) include a wide range of foodstuffs which not only contributes to a higher standard of living but also allows penetration of many foreign markets. Because Argentina lacks developed mineral and other natural resources it needs to import sizable quantities of goods for industry but the only large foreign exchange earner is agriculture. Therefore, this sector is of primary importance.

Wheat, Meat Important

To improve production and productivity, emphasis is being put on wheat and meat, the two most important exports and the two agricultural products for which international demand is currently strong. Now that the wheat surplus has been entirely committed, government officials are travelling throughout the grain belt attempting to stimulate producer interest in the new wheat crop now being planted. Minimum prices also have been adjusted upwards, and further increases are possible if production costs rise during the next few months.

The attempts to revitalize the beef industry following the disastrous droughts of 1962 and 1963 are now showing results. By prohibiting the sale of beef (either wholesale or retail) for two days a week and regulating the weight and types of animals which could be slaughtered, Argentinian authorities have now allowed herds to increase to the point where production this year is expected to rise by at least 10 per cent. This, coupled with the increased poultry, fish and pork production which has raised the consumption of beef substitutes, will, perhaps, result in more beef for export. With increased slaughter exports of frozen and chilled beef should increase and also the use of processed meats and byproducts, particularly hides.

Efforts are also being made to improve the competitiveness of goods entering the international market. The policy of attempting to hold the peso value has been changed to one of gradual adjustment. This has resulted in a series of devaluations; the latest in April of this year raised the level to 204 pesos per U.S. dollar. These changes have not greatly affected the wheat and beef market because retention taxes tend to offset changes in the peso value, but they help in moving many other products, such as wool, sugar and linseed oil.

In an attempt to increase exports, the Government also instituted a program for promoting non-traditional goods, including many processed agricultural commodities. For such items a tax rebate has been offered to exporters. Raw materials for local processing and re-exporting also are eligible for drawbacks. Both of these benefits should assist exports, particularly to LAFTA countries.

The authorities, anticipating increased production, have tried hard to diversify and expand foreign markets. Trade missions to Asia, Japan, Africa, Europe and the United States have stressed the availability of good quality agricultural products. The Soviet and Communist Chinese wheat markets have been cultivated, and a wheat sale has also been concluded with South Africa. Beef export quotas have been readjusted at the expense of Britain in favor of other markets, particularly Spain. The full results of this effort were not apparent last year due to the general shortage of beef for export, but this year the pattern should emerge more clearly.

Agricultural Imports Needed

Argentina imported U.S. $1.2 billion worth of products last year of which only some U.S. $70 million were agricultural goods. This reflects the degree of self-sufficiency it has achieved in supplying its own food requirements. Imports were made up primarily of two classes of goods. The first consists of coffee from Brazil and Colombia (about a third of all imports) plus other products, such as bananas and coconuts, not produced in the country. This group represents the majority of imports. There is, however, another group of commodities entering Argentina: those required to upgrade local varieties and breeds. Thus, imports of pedigreed livestock, seed potatoes, forage seeds and poultry—although they do not represent a large proportion of total imports—do result in a steady flow of goods into the country, and in fact are of considerable importance to the industry.

Canadian Holstein bloodlines predominate in Argentine herds, with both cattle and semen entering the country. Imports of Canadian forage seeds are growing, and this year there appears to be a need for quality seed potatoes such as Kennebec and White Rose. All these products help considerably in improving the productivity of Argentine agriculture.

Trade between Canada and Argentina in agricultural goods is not large. Although this country looks to the north for high quality products developed in a vigorous climate which renders them most suitable for many areas, particularly the "Pampas", it also realizes that Canada represents a large potential market for many of its own exports. Canned meats, meat extracts, wool, fruit and cheese are all exported to Canada, and in growing volume. Both countries are aware of the potential of their markets and are attempting to increase their mutual trade.

TABLE I

ARGENTINE EXPORTS

	1964	1965
	(millions of U.S. $)	
Total exports	**1,410.3**	**1,492.8**
Of which:		
Live animals	24.5	23.8
Meat	328.7	328.8
Hides	57.7	50.3
Wool	128.5	112.0
Dairy products, eggs and honey	30.8	29.3
Livestock byproducts	19.7	18.9
Cereals and linseed	499.5	575.9
Flour and milled products	26.8	25.9
Oilseeds and oils (excluding flax)	120.4	159.8
Other agricultural products	48.4	59.0
Forestry products	15.9	16.2
Mining	13.1	13.2
Fishing and hunting	3.6	3.8

TABLE II

WHEAT EXPORTS, INCLUDING MAJOR MARKETS

	Crop Year	
	1964	1965
	(metric tons)	
Total	**3,685,994**	**6,542,613**
Of which:		
Communist China	1,171,345	1,379,445
Brazil	870,077	1,289,729
U.S.S.R.	9,652	1,020,758
Britain	191,904	548,933
Italy	126,610	450,802
Netherlands	271,213	391,745
Peru	301,603	368,432
France	164,607	200,225
West Germany	257,653	203,549

TABLE III

EXPORTS OF ARGENTINE BEEF TO MAJOR MARKETS

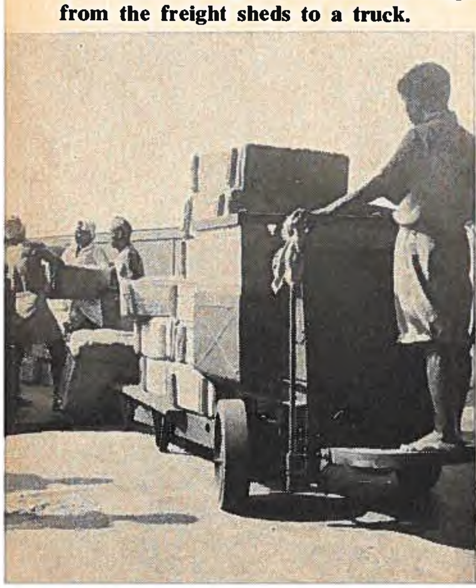
Volume in metric tons, value in U.S. $ million

	1964		1965	
	Frozen	Chilled	Frozen	Chilled
Total value	**89.6**	**109.0**	**85.0**	**105.0**
Total volume	**168,284**	**181,221**	**133,127**	**160,617**
Of which:				
Britain	18,910	123,979	9,925	98,418
Spain	2,263	129	27,083	15,798
Italy	47,998	37,553	29,612	21,608
Chile	1,543	7,554	583	10,298
W. Germany	25,671	1,924	12,736	7,152
France	12,864	2,596	7,206	3,359
Belgium	7,254	1,718	3,691	1,528
Netherlands	5,571	2,421	3,796	1,090

The S.S. "Belbetty" heels over at her berth at the Colombo docks while a heavy railway coach is unloaded.

A Neil-Robertson stretcher is demonstrated. Designed to carry injured men from confined space in ships, it is part of the Port's rescue equipment.

A battery-operated platform truck is shown here being used to deliver cargo from the freight sheds to a truck.



Colombo Solves Port Problems

The port of Colombo, plagued with labour disputes since nationalization in 1958, appears to have overcome many of its problems; as a result, port surcharges have recently been removed.

N. HAFFEY, *First Secretary and Acting Commercial Secretary, Colombo.*

COLOMBO, at one time known as the best port in the East, has had more than its share of troubles during the past few years. Since the nationalization of the port in August 1958 there have been considerable labour difficulties culminating in strikes and slowdowns which have retarded efficiency and diminished its reputation. Remedial measures taken by the authorities, particularly during 1965, have brought improvement. There have been no major strikes in the port during the past year and discipline is reported as never better. A bonus incentive scheme introduced at the beginning of last year has enabled port workers to increase their earnings appreciably by greater output. This, together with additional welfare measures, has brought about a new outlook and better industrial relations.

Table I—provided by the Port (Cargo) Corporation—gives the latest figures of cargo handled in the port during 1965 by vessels carrying over 500 tons of cargo. According to this, the average output per working day increased from 254 tons in January to 319 in December and the average output per ship day rose from 214 tons in January with only 9½ hours rain detentions to 298 tons in December with as many as 70 hours detentions because of rain. The average turn-around time, 10 days in January, was cut to 7.4 days in December. The number of vessels handled in the port during 1965 totalled 1,102 and the amount of dry cargo, export and import, moved was 2,875,791 tons. This is the highest annual tonnage ever recorded.

Pilferage Protection

The incidence of pilferage in Colombo, as in any other port, has always been a headache to the authorities,

TABLE I

TURN-AROUND TIME OF MIXED CARGO VESSELS 1965

(over 500 tons)

Month	No. of Vessels	Total Tonnage	Average waiting period for berth for ship (days)	Average working period per ship (days)	Average output per day during the working period (tons)	Average output per ship day in port (tons)	Rain detentions (hours)
January	25	53,281	1.6	8.4	254	214	9½
February	27	62,719	2.6	13.4	174	140	33
March	32	91,696	9.8	13.9	207	121	18¼
April	28	69,494	5.5	13	191	134	54¼
May	29	65,395	3.3	12.8	176	139	107½
June	32	80,250	2.1	8.9	280	228	21¾
July	25	99,586	1.8	13.8	289	255	23¼
August	38	97,171	.9	9.3	275	252	59¼
September	22	66,607	.5	7.9	385	362	59
October	29	73,250	.5	9.1	277	263	93½
November	38	98,814	.6	7.7	340	315	57½
December	37	81,767	.5	6.9	319	298	70

who have given it considerable attention. They are attempting to block any loopholes in port security, particularly for cargo. The Port Police are available on call. In addition to the usual Customs water patrols, special Port Police patrols have been organized and Navy Patrols placed at the entrance to the port see to it that unauthorized craft do not enter the harbour area. On shore, the transit sheds and warehouses are checked continuously to ensure that they are structurally secure. Within them, the port employs its own watchmen's service and Port Police are placed inside and outside transit sheds whenever this is necessary. These patrols are usually informed every day of transit sheds, warehouses and lighters in which there is pilferable cargo so that they may keep an eye on them. These measures are continuously reviewed and effectively implemented by the Anti-Pilferage Committee on which the Port Police, the Customs, the Port Commission and the Port (Cargo) Corporation are represented.

To achieve a smooth flow of export cargo, co-ordination between the shippers, the vessel and the cargo-handling body is necessary. The port authorities, under the auspices of the Ceylon Chamber of Commerce, recently sponscored a meeting of all the parties concerned. An Export Information Bureau has now been set up within the port to co-ordinate the calling down of cargo and this is apparently helping in the quick loading and turn-around of vessels. Extra space for warehousing export cargo has also been provided. A decentralized scheme for both Customs and Port (Cargo) Corporation export documentation has been introduced.

Planned Improvements

For further speed-up in handling cargo, the port authorities have placed orders for more mechanized equipment. Automated bulk handling of cargo is also proposed and work on the handling of wheat in this manner is said to be in progress. Bulk handling of sulphur and coal is also expected. The Port of Colombo authorities are keenly watching the latest trends in cargo handling elsewhere. They are making preliminary arrangements for handling cargo in containers and pontoons if cargo liners operating via Colombo begin using this method of handling.

The long-awaited establishment of a unified Port Authority for Colombo is nearing fulfilment; a draft Bill is now being processed before presentation to Cabinet. The establishment of the Port Authority will provide the final co-ordination necessary for the port to forge ahead with its plans for development and improvement. It should then regain its lost prestige and once more become one of the best ports in the East.

As a result of the recent improvements, the surcharges imposed on freight to Colombo, some of which stood at 50 per cent at one time, have been removed completely by the various shipping conferences. In addition, it is reported that some of the shipping lines which previously bypassed Colombo will probably resume calls here again. ●

trade lines

Germany's imports of spirits increased by 50 per cent in 1965. As in the past five years, whisky was the main import with a total of 9.6 million litres. Some 15 million bottles were consumed in 1965 of which three million were home-produced. Canada was the ninth largest supplier, with 1,486 hectolitres—Hamburg.

Italian automobile production increased from 1,028,930 units in 1964 to 1,134,444 in 1965, a rise of 10.2 per cent. The expansion of truck production was even greater, rising from 56,781 in 1964 to 68,527 in 1965, an increase of 20.7 per cent. Production of tractors for semi-trailers, and buses declined by 49.4 and 18 per cent respectively. However, total production increased from 1,090,078 units in 1964 to 1,206,060 in 1965, a rise of 10.6 per cent.

Exports of automobiles decreased by 1.8 per cent, but those of trucks and tractors, and buses increased by 6.6 and 3.8 per cent respectively. Total exports of motor vehicles decreased from 331,226 units in 1964 to 326,731 in 1965, or 1.3 per cent—Rome.

Pakistan has begun to export industrial alcohol, most of it going to Britain. Exported industrial alcohol is expected to earn approximately Can.$160,000 per year. Further increases in alcohol exports are expected with the introduction of additional sugar mills—Karachi.

An industrial rubber products plant will be built at Craigavon, Northern Ireland for Goodyear Tyre & Rubber Co. (Great Britain) Ltd. by the Northern Ireland Ministry of Commerce. Construction of the £6.5 million (Can.$19.5 million) project is expected to begin in 1967. When completed it will produce belting, hose for the automotive, aircraft and shipping industries and moulded rubber goods. It is expected that eventually most of the firm's industrial rubber products will be produced there—Glasgow.

The Argentine National Bank is arranging a line of credit to promote rural electrification. The Bank is negotiating a U.S.$20 million loan with the Inter-American Development Bank, to which the Argentine National Bank will add a similar amount. Over the next five years Argentina hopes to invest some 40,000 million Argentine pesos (Can.$228 million) to bring the benefits of electricity to rural communities—Buenos Aires.

Another step in Australia's telecommunications network was completed when the $8 million Brisbane to Cairns microwave radio link came into operation late in April. Internationally, this marks the completion of another stage of the Seacom project, a connecting link of cable and microwave systems that will join all of South East Asia and the South Pacific into a huge communications network, stretching to the other continents. For Australia it means that the Queensland coastline will now be linked with the Australia-wide broad-band communication system due to be completed in 1970. Work will start soon on the Port Augusta/Perth system, for which the Postmaster General has already received many tenders—Melbourne.

Iran will extend the railway between Yazd and Kerman; ground was broken at the end of May for track laying for a 115-kilometre section. Eventually the extension will cover some 800 kilometres (500 miles) from Bad station, near Kashan, to Yazd and Kerman via Isfahan—Tehran.

Bulgaria is making rapid progress in the cellulose and paper industry. The recently commissioned plant for semi-cellulose, cardboard and corrugated pasteboard near Sofia forms an integral part of the general development program for this industry. Annual output of cellulose and semi-cellulose, nil 20 years ago, is now 80,000 tons, and by 1970 is expected to exceed 230,000. Two more units for extracted oak cellulose, wood pulp and straw, with an annual capacity of 15,000 tons, will go into operation this year. Next year another factory will turn out 80,000 tons a year of paper for paper bags. By 1970 per capita output of paper will reach 40 kilograms, or double that of this year—Vienna.

The Chilean Government Development Corporation has recently inaugurated a sulphuric acid plant in Arica to produce 15 tons per day, initially using sulphur from Antofogasta as raw material, later to be supplanted by sulphur from Arica which will be extracted shortly. The new plant is the first for 98 per cent pure acid to be built totally in Chile—Santiago.

The West German population at the end of December 1965 reached a new high of 59.3 million, mainly because of the arrival of more foreign workers, particularly for industry. This was 709,000 above December 1964—Bad Godesberg.

Pakistan is to have a security and bank note paper manufacturing plant in Karachi, following an agreement between two British firms and Security Papers Corporation, a government-sponsored company. Under the agreement, the British will supply technical know-how and machinery. The project will cost Can.$5 million and will be completed by 1968. The plant will save Pakistan approximately Can.$1 million in foreign exchange currently spent on imports of these papers and surplus production will be exported to Iran and Turkey—Karachi.

Italian steel output was up by 29.2 per cent in 1965 to 12.66 million metric tons. Pig iron production totalled 5.49 million tons, an increase of 56.9 per cent over 1964. This increase was due largely to new plants which came into operation late in 1964 and early in 1965. Because there was no corresponding rise in domestic consumption, the industry turned to the world market, exporting about one million metric tons last year—Rome.

Two large Portuguese firms will pool their resources to conduct nuclear fuel cycle research following an agreement signed with the Nuclear Energy Board of Portugal. Of special interest to the two firms will be the chemical treatment and mining of local uranium deposits—Lisbon.

Last Oslo skin auction of season was dominated by U.S. buyers. Fox prices in late May were down from March on 21,000 skins. Average price was 253 Norwegian Kroner with a high of 370 Kroner. Bidding was active for dark mink skins and prices were firm for white and sapphire. Topaz and pastel dawn prices remained unchanged; prices for silver blue, palomino and pearl mink fell slightly. Average price for male skins was 140 Kroner with a high of 270 Kroner; for female, average was 73, with high of 150 Kroner—Oslo.

Sales of electrical household appliances in Greece continue to increase at the rate of about 30 per cent a year. Imports of household appliances in 1965 reached U.S. $14.8 million and in the first quarter of

1966 totalled U.S. $5.4 million, compared with $3.6 million in the corresponding period of 1965. Sales of washing machines increased most, followed by electric household refrigerators. One firm has proposed to Greek electrical household appliance manufacturers the formation of a pool to expand exports and meet foreign competition in the home market—Athens.

The Argentine Government has decided to grant duty exemption on imports of chemical fertilizers. At present there is only one fertilizer plant operating in Argentina, producing ammonium sulphate. Several other plants are being considered but only one is under construction. Local production falls far short of fulfilling domestic demands—Buenos Aires.

Venezuela has started work on a proposed aluminum plant at Puerto Ordaz. To be owned jointly by the Venezuelan Government through the Corporación Venezolana de Guayana (CVG) and Reynolds, it will produce 22 million pounds annually. Present plans are to import alumina for this new production which will be based on low-cost hydro power from CVG's Macagua Dam. Later extensions in capacity will be served by power from the huge Guri Dam now under construction—Caracas.

A Nassau, Bahamas, factory will soon manufacture plastic pipes. The building has been completed and machinery is now being installed. These pipes have been used in the Bahamas in plumbing installations for years but have been imported—Kingston.

Italy has announced a port modernization plan to cost 160 billion lire (U.S.$416 million). Some 80 billion lire ($128 million) will be earmarked for Genoa and an additional 10 billion lire ($16 million) will be provided shortly for works in that port, the most congested in Italy—Rome.

Fiji will change to a system of decimal currency on January 15, 1969. New Zealand is due to change over to the decimal system in July 1967—Wellington.

Mexican production of titanium dioxide will be increased with the investment of U.S. $3.6 million by Pigmentos y Productos Químicos S.A., one of two Mexican producers. It began producing titanium dioxide in 1960 with an output of 5,000 tons. In 1964, production increased to 7,000 tons and by 1967, the firm plans an annual production of 14,000 tons to satisfy domestic demand of several important industries. These include the paint, rubber, plastic, paper, ceramic and tannery industries. The surplus will be exported to LAFTA countries—Mexico City.

High-speed steel hacksaw blades are to be manufactured in South Africa for the first time by Sandvik Coromant S.A. (Pty) Limited at its Benoni plant. Made from a tungsten/molybdenum alloy steel, the blades can be used for production cutting of tough materials such as stainless steel.

The plant is already turning out low-alloy hacksaw blades and bow saw blades at a rate of nearly two million a year with further expansion planned. This year the company will begin making bow saw frames —Cape Town.

Brazil will spend Cr $30 billion (approx. Can.$15 million) to finance agricultural improvement. Cr $20 billion will be used for farm mechanization and the remaining Cr $10 billion for a number of projects, including the improvement of seed production and distribution, beef and milk production, herd improvement and disease prevention—Rio de Janeiro.

Mexico exported 80 per cent of its 1965 production of 28.2 million kilos of honey. Major foreign customers were West Germany, the United States, the Netherlands and Switzerland. Exports were valued at approximately Can. $4.9 million—Mexico City.

Cuprex and zincox, two new wood preservatives, have been developed in Pakistan. The Pakistan Council of Scientific and Industrial Research which discovered the preservatives claims that they are effective and permanent and do not swell the wood. They can be applied by non-pressure techniques such as brush, spray, or dipping. Pakistan will save considerable foreign exchange otherwise spent on imports of preservatives. All the equipment used in the production process can be made locally—Karachi.

The Borregaard group of Norway plans to invest U.S. $20 million in Brazil to produce wood pulp. Plant construction begins next year and an annual production of 165,000 tons of pulp is forecast by 1970. The plant will supply pulp to the company's paper mills in Norway—Rio de Janeiro.

President Frei of Chile recently inaugurated the second blast furnace of the Cía de Acero del Pacifico. Combined output will eventually reach one million tons of pig iron per year—Santiago.

A lead and zinc smelting plant will be built in Sardinia by the Imperial Smelting Corporation (Sales) Ltd. of London, England, a non-ferrous metal and heavy chemicals producer. The plant will have an annual capacity of 48,000 metric tons of zinc and 28,000 metric tons of lead and should be in operation in three years—Rome.

What's current in commodities?

Poultry

Italy—**A rising standard of living has increased the Italian appetite for meat. Modern production methods and growing imports of chicken and turkey are catering to this new demand.**

N. R. CUMMING, *Consul and Trade Commissioner, Milan.*

THE Italian poultry industry has achieved great importance in the last few years. Its rapid development, which is certain to continue, has resulted partially from a tremendous increase in the demand for meat which cannot be satisfied by beef, veal, lamb and pork, from rationalization in the chicken industry, and (to a lesser degree) from the development of a scientifically-based turkey industry.

New breeding and feeding techniques, already well known and practised in North America, have been introduced. These have dramatically reduced the quantity of feed needed for a kilo of meat and also the length of the production cycle. Consequently production has increased and costs have decreased.

Chicken and Egg Production

In 1965, there were 500 operating hatcheries in Italy but only 90 of these were major ones. Generally speaking, hatcheries are found throughout Italy but the important ones are in the north, particularly in Emilia-Romagna and Veneto. But there is now a tendency to establish new production areas (mostly integrated ones) farther south. This is partly because of the more favourable climate and lower production costs resulting from cheaper labour and government financial assistance under the "Cassa per il Mezzogiorno" (which provides special financing for new ventures located in southern Italy). Another factor is the establishment of new plants along the seacoast for the production of integrated feeds, which are being accepted not only by the large poultry establishments but also by smaller operators. Two have been set up in Leghorn and Ravenna and two others are being considered for Naples and Sicily.

In 1965 poultry production (chickens only) was estimated at 314 million birds. This is twice the output in Britain which has almost the same population as Italy. The majority of this production came from small and medium-sized set-ups which have an output of 500 to 20,000 birds per week but it is estimated that some 80 million birds still come from smaller rural units. Output of the four large integrated companies is estimated at about 10 million birds per year; the two largest each produce more than 25,000 birds per week.

In 1954 poultry meat production totalled only 68,800 tons, with a per capita consumption of 3.30 pounds; according to the 1965 figures, per capita consumption has jumped to over 19.84 pounds.

Italy produces about 9.4 thousand million eating eggs—four thousand million from 20 million selected hens with an average output of 200 eggs each, and 5.4 thousand million from 40 million rural hens which have an average output of 110 eggs each. Production of hatching eggs is estimated at about 500 million from some 5 million hens.

Co-ops Bring Results

At one time a large number of small operators produced most of the table poultry. The great expansion of recent years has been on an industrialized basis. The large number of small farms with 1,000 to 1,500 chickens must organize co-operatively (as many are now trying to do), or must operate on a contract basis with a large integrated company. The individual farmer or co-op usually sells either directly to the local market or through brokers.

The rise of the large industrialized poultry companies is revolutionizing the industry in a number of ways. The integrated companies have been obliged to search for methods of reducing costs, with the result that they have acquired efficient equipment and have expanded to include other operations, such as slaughtering, preparation of poultry for marketing, freezing plants, refrigerated delivery trucks and even feed companies. This is largely similar to developments which have taken place in North America.

Returns to Producers

Retail prices have remained remarkably steady, but returns to producers have fluctuated widely as a result of progressive waves of over-production. The difference between returns to the producer and the retailer has been absorbed by the large wholesalers; there is no government intervention in prices and the large integrated companies are not yet strong enough to influence retailers. Wholesale offer prices have frequently dropped below production costs, with resulting crises in the industry.

Turkey Production

Turkey production in Italy is still largely based on the traditional seasonal cycle in which poults are produced in April, May and June for marketing at Christmas time. Most birds are of the traditional "tipo rustico" which range from eight to ten kilos live weight at six to nine months of age, with a feed conversion of four to one or less. The introduction on the Italian market of a carefully selected, highbred turkey capable of reaching eight kilos at 18 weeks of age with a feed conversion of 2.6 is already having a considerable impact. The fact that these turkeys can be produced at any time of the year (and stored frozen) at production costs competitive with beef, veal and pork could change the existing traditional production cycle radically, not only in Italy but also in other European countries with a similar pattern.

Imports Still Required

Local large-scale production is still in an early stage and the few major integrated companies have come into full operation only within the last year or so. The most favoured breeds are the giant white or giant bronze type.

Unlike chicken, imports of turkey meat are mostly chilled or frozen, although the consumer still prefers fresh meat. Some idea of the market potential is given by the estimate that Italy is now importing about two and a half million deep-frozen turkey carcasses per year. Some come from Hungary, Yugoslavia and Poland, but the great majority are heavyweight birds (20 pounds and over) from the United States.

Export Opportunities

Canada has already shared in the rapid expansion of the poultry industry through sales of day-old chicks and hatching eggs and exchanges of technical information. Day-old chicks are usually quoted c.i.f. airport of entry, with an allowance made for mortality en route. A point to remember when shipping live birds is the fact that air shipments coming into northern Italy, particularly Milan, can be severely disrupted by fog between November and February.

Imports of frozen poultry meat are restricted to whole birds which have not been fed with estrogenic substances; this practice is prohibited. Offers should be quoted c.i.f. Genoa in Canadian or U.S. dollars.

The Milan and Rome offices are happy to put exporters in touch with importing wholesalers and to provide follow-up assistance. ●

Candy and Confectionery

United States—This rich but competitive market has bought more imported candy over the last 10 years. Premium-priced specialty candies offer Canadians their best opportunity.

R. F. SEBASTIAN, *Commercial Officer, Chicago.*

THE CANDY INDUSTRY in the United States has been on an uninterrupted upward trend since 1955. The smallest yearly increase in manufacturers' sales* during this period was $18 million; the largest was $76 million. Over the last 10 years the average yearly increase was over $48 million which is a yearly gain of 4 per cent. The future continues to look bright, with a 1965 sales forecast of $1,500 million, well over 1964 sales which totalled $1,400 million.

If the U.S. candy market in general has been good, foreign imports of candy have fared even better in the last few years. Between 1963 and 1964 they increased from $31.1 million to $34 million—a gain of 9.5 per cent.

Although a change in the Bureau of Census classification system for imports does not allow a full comparison of changes between 1962 and 1963 without access to the original data, a study of several classes indicates that candy imports were down in 1963 from 1962. This trend reversed itself between 1963 and 1964, as indicated above. Considering the upward trend in the U.S. candy market generally, foreign imports should continue at a good pace.

The U.S. market for Canadian candy and confectionery was good in 1963/1964. Although imports of Canadian sweetened chocolate fell from $896,000 in 1963 to $793,000 in 1964, this was offset by imports of Canadian sugar candy and confectionery, which rose from $621,000 to $910,000 during the same period for an over-all increase of $186,000—a 12.3 per cent gain. Analysis of several subclasses of the candy classification reveals the same fall in chocolate and rise in sugar candy exports to the U.S. between 1962 and 1963, for an over-all rise in candy imports.

The U.S. market for bulk chocolate has decreased during recent years, which could well explain the drop in imports of Canadian chocolates. But Canadian candy importers generally stand in a good position in spite of the lag in chocolate sales.

For purposes of analysis the U.S. candy market is broken down into five classes: packaged goods, candy bars, five-and-ten-cent specialty goods, bulk goods, and penny goods. For this report two sub-classes of packaged goods are important: less than 50 cents a pound retail, and $2.00 and over a pound retail.

The five-and-ten-cent specialty items (which held 11 per cent of the dollar market in 1964) showed the greatest increase of all major groups, with a 12 per cent dollar rise between 1963 and 1964, compared with a 7 per cent rise between 1962 and 1963.

Of the five classes in the U.S. candy market, packaged goods led 1964 sales in dollar value with $504 million (40.1 per cent). The retail packaged goods at $2.00 and over per pound experienced sales up 16 per cent between 1963 and 1964. On the other hand, the largest dollar volume was in the less-than-50-cents-per-pound retail class. Statistics on the sub-classes between 50 cents and $2.00 per pound are not available. The class as a whole increased 6 per cent in value between 1962 and 1963 and 7 per cent between 1963 and 1964.

The 1964 sales of bulk goods totalled $139 million, (up 5.9 per cent from 1963) recovering from a slight ½ per cent dip between 1962 and 1963. A portion of this class, bulk chocolate, showed a decrease, but this

* All dollar values quoted in this report reflect manufacturers' sales only.

was offset by greater use of chocolate-covered confectionery and other bulk goods. The total percentage of the market matches that of 5-and-10-cent specialty items, 11 per cent.

Candy bars represented 33.2 per cent ($417 million) of the dollar volume in 1964, with a moderate 2.7 per cent increase in dollar volume between 1963 and 1964. There was a rise of a little less than 4 per cent in dollar value between 1962 and 1963.

Penny goods were down in quantities sold but registered a small 2 per cent increase in dollar value between 1963 and 1964, compared with a 7 per cent increase between 1962 and 1963. Total volume in 1964 was valued at $59 million, slightly less than 5 per cent of the total market.

The U.S. candy market in general is strong, and Canadian exporters have done an especially good job in the recent past. The only weak point is sweetened chocolate, but this is in accord with the general softening of demand described before. A trend of this nature is, of course, difficult to reverse.

The predicted increase in U.S. competition will demand greater advances in quality, new products, imaginative packing and so on. The advertising budgets for candy manufacturers must rise in the future. A good deal of technical development is also expected soon, making the market still more competitive.

The two runaway candy items have been 5-cent and 10-cent specialty items and $2.00-and-over-per-pound retail packaged goods. The latter have experienced a similarly rapid growth of 25 per cent in Canada during the last year, and the parallel in the products and experience gained may be worth investigating. Specialty candy lends itself to a new market and there are greater numbers of unusual foreign and domestic candies of this type in the U.S. Remember that specialty candy can be promoted quite well there.

Although the U.S. market is a lucrative one, it is also very competitive. In our opinion, premium confectionery items generally should be given primary attention and other classes stressed according to recent performance. ●

foreign tariffs and trade regulations

Portugal

IMPORTS OF RAW AND PROCESSED SKINS—Decree No. 22108 of July 8, 1966, permits the import under drawback regime of raw and processed skins when imported for the purpose of manufacture of gloves of all types. This also applies in cases when other materials used for manufacture of the same gloves are exported under drawback regime.

NEW SALES TAX—Effective August 1, 1966, in accordance with the provisions of Portuguese Decree-Law No. 47066 of July 1, 1966, a new sales tax is levied at the wholesale level. The tax is applicable to both imported and domestic goods. The taxation rate is 7 per cent on most goods, except those included in the following list of exemptions:

Fertilizers
Orthopaedic apparatus
Coal
Electricity
Animal feeds
Gas (L.P.G.)
Fuel oil
Newspapers and periodicals
Prescription eyeglasses
Books
Machinery and tools
School textbooks and material
Drugs
Foodstuffs, except candy, pastry, chocolate and drinks of all kinds
Table wine contained in demijohns
Bottled milk
Laundry soap
Seeds
Tableware and kitchenware, excluding those mainly made of iron or steel

The new rate on luxury goods is 20 per cent and some of the items covered by it are:

Antiques and collectors' items
Firearms
Jewellery, excluding filigree
Alcoholic beverages, excluding common table wine
Caviar
Pleasure watercraft
Toys and games
Leather goods, except those made mainly of rabbit, goat and sheep skins
Cosmetics, excluding toilet soap and toothpaste
Wrist and pocket watches

The Decree-Law 47066 applies only to continental Portugal, Madeira and the Azores (not to Angola, Mozambique or other overseas territories).

Little Fish Makes Big Profits For Chile

Z. W. BURIANYK, *Assistant Commercial Secretary, Santiago.*

MENTION ANCHOVY to a Canadian family and you will likely get the following reaction: father might think in terms of one stuffed in the olive of his martini; mother adorning an hors d'œuvre and the youngsters, perhaps garnishing, among several other things, their pizza.

Mention anchoveta to a Chilean and he thinks of the rich guano deposits and more important, the fish meal industry. This is a new economic force in this country which in the last three years has produced 320,000 metric tons of meal and brought in nearly $50 million in welcome and needed foreign exchange.

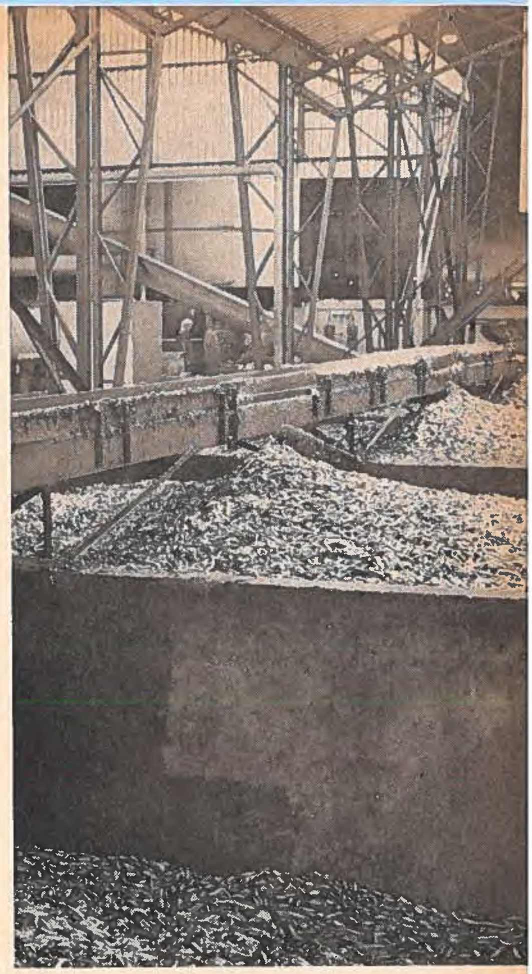
The icy waters of the Humboldt Current pass over the richest known fishing bank on earth, extending 1,500 miles through northern Chile, Peru and the southern waters of Ecuador. Aided by a twisting and extremely varied submarine continental shelf, the current creates a tremendous upwelling of deep waters heavily laden with ammonia, carbon, manganese, nitrogen, phosphorus and sulphur on which flowers the gelatinous green vegetable called plankton. The plankton provides feeding grounds for schools of anchoveta. One school quite often reaches 30 miles in length and two to three miles in width and when one realizes that the anchoveta itself is only about six inches long, it is not difficult to imagine the millions upon millions of fish in such a school.

Man More Efficient than Bird

Initially, the economic benefit of this small fish was based on the fact that this was the raw material for the 20-million odd guano birds which "work" the coast and cover the rocks with a rich nitrate deposit known as guano. Contemporary historians are well aware of the contribution of guano to the fortunes of many of Latin America's west coast elite. However, lucrative as the guano business has been, the fact could not be ignored that the bird which "processed" the anchoveta into a rich fertilizer was not as efficient as a manmade factory. To simplify, it takes about twenty pounds of anchoveta for the bird to produce a single pound of guano, while man can wring out a product at a ratio of about 5.5 to 1. And this product is a fish meal fit for animal consumption and bringing a much higher price than the nitrogen-rich fertilizer.

Ups and Downs Cause Excitement

How has this affected Chile? The recent growth of the fish meal industry has definitely not lacked excitement. Chile has from modest beginnings seen the number of factories double in a single year, enjoyed a harvest of nearly a million tons of anchoveta in one year, seen this fall to less one half that total the following year when as few as 4.7 metric tons were taken in a single month, and watched it rebound wildly during a recent three-month period when approximately 450,000 metric tons were taken. Altogether, the business experiences of a lifetime have been crammed into less than three years!



Bin after bin of anchovies wait to be transformed into fishmeal in a modern plant in the north of Chile. One of the world's largest exporters of fishmeal, Chile is expecting a record catch of anchovie during the coming season.

In 1963 there were only about a dozen fish meal factories in the north of Chile. By the end of the following year, the number of plants had doubled and in early 1965, 28 factories

ANCHOVETA PRODUCTION 1962-1966

(metric tons)

	1962	Per Cent	1963	Per Cent	1964	Per Cent	1965	Per Cent	1966
January	27,700	6.3	74,021	13.7	160,472	17.2	84,800	19.6	194,199
February	41,161	9.4	88,433	16.4	148,641	16.2	70,324	16.3	153,422 (est.)
March	39,965	9.1	76,358	14.2	26,391	2.9	60,927	14.1	
April	35,722	8.2	60,832	11.3	90,366	9.9	19,726	4.6	
May	38,823	8.9	58,830	10.9	90,570	9.9	23,037	5.3	
June	23,869	5.4	30,221	5.6	93,703	10.2	16,964	3.9	
July	26,606	6.1	20,082	3.7	37,095	4.1	12,512	2.9	
August	37,157	8.5	6,136	1.1	30,842	3.4	19,676	4.6	
September	31,584	7.2	13,216	2.5	58,303	6.4	4,714	1.1	
October	59,121	13.5	4,694	0.9	58,795	6.4	5,588	1.3	
November	33,894	7.7	25,111	4.7	53,584	5.9	10,494	2.4	
December	41,125	9.4	78,643	14.6	66,446	7.3	103,497	23.9	
Total	**436,727**	**100.0**	**536,577**	**100.0**	**915,208**	**100.0**	**432,259**	**100.0**	

were on stream with an additional 16 plants in various stages of construction. The stimulus for expansion was the landing of almost a million tons of anchoveta in 1964, nearly double the previous year's catch. The future looked rosy indeed until early 1965 when, after a reasonably good first quarter, the anchoveta began to be more difficult to find. In the following eight months, less than 25 per cent of the year's catch was landed. The year's catch was less than 50 per cent of the previous year. (I recall flying in a spotter aircraft for five hours over 500 miles of the usually lucrative coastal waters and not once seeing the patch of shimmering, vibrant waters which indicates an anchoveta school.)

Strong Comeback

Recovery began dramatically in the last month of 1965 when almost 25 per cent of the year's catch was taken, and this comeback increased in intensity in the early months of 1966. At the time of writing, fishing has eased off following the normal seasonal pattern and the consensus (by those who subscribe to this particular theory) is that this 1966-67 season, which begins in earnest in November, will see unprecedented catches as the cycle moves again towards anchoveta abundance.

How to Conserve and Improve

This lesson of feast-or-famine has not been wasted. In the early years, CORFO, the Chilean Government Development Corporation, encouraged and financially assisted uncontrolled expansion, perhaps with an eye towards emulating the fantastic growth of Peru's fish meal industry. Fifteen years ago, Peru was not included in the top 25 fishing countries of the world but in 1963 it became the leader, when fish brought in over $150 million in foreign exchange. But in Chile, despite the warnings of conservationists, economists and other experts, plants sprang up overnight, many under the management of businessmen whose knowledge of fish was limited to the Friday meal. These were the plants that subsequently failed and CORFO has once again stepped in to salvage what it could. This they have done in the following manner: by concentration of size—the more efficient plants taking over the physical assets of the failing enterprises and thus becoming stronger; and by diversification of location—where previously plants had been concentrated at mainly two sites, factories have been dismantled and assembled at other locations along the coast. To the fisherman this diversification means that he can get rid of his catches more quickly, in time to return to nearby constantly moving schools. To the factory operator, it means a more even rate of operation and production. To Chile, it means the prospects of a healthy industry bringing in roughly $20 million a year in foreign exchange as the country drives toward stability and economic development. ●

Angola Is Developing Fast

ANGOLA, a country covering 490,000 square miles along the southwest coast of Africa, has great natural resources. The population is about five million.

The power potential of Angola's rivers is currently estimated at 30 billion kwh. a year. The most important of these rivers are the Congo, Dande, Cuanza, Catumbela, Cubango, Zambezi, Cunene and Kasai. There are 750 thermo-electric and 41 hydroelectric stations; the most important is the new Cambambe Dam on the river Cuanza, which has an output of 1,250 million kwh. a year. The dam is being developed in two stages, with the first stage already completed. When the second stage is finished, output will be tripled. The dam also irrigates 5,000 acres (mainly used for growing food crops and cotton), and this will rise to 180,000 after completion of the second stage.

The wealth of Angola's subsoil has hardly been tapped, but now mineral resources such as oil, iron ore and diamonds are being developed. The Krupp interests of West Germany and the Portuguese Companhia Mineira do Lobito are developing the huge Cassinga iron ore mining complex. Other foreign firms have applied for authority to carry out exploration surveys for oil and precious stones. The Provincial Government was interested in an aerial survey of resources last year although the contract has not yet been awarded.

Agriculture is the mainstay of the Angolan economy. The country is the third largest coffee producer in the world; other important crops are sisal and corn.

Farming and mining have been the back-bone of Angola's economy up to now, but industry is developing rapidly. The major industries include the making of beer, which has been brewed in Angola for some time. Other plants turn out bottles, corn products, tires, cement and pulp and paper. There are also motor bicycle, car and truck assembly plants, and a metal alloy plant.

Angola's balance of trade has been consistently favourable over the years; in 1964, the trade surplus totalled Can. $43.8 million and in 1965 Can.$5.5 million. During the last few years, Angola's main trading partners have been Portugal, the United States, Britain, the Netherlands and West Germany.

Agriculture accounts for over half of Angola's exports. It is the largest coffee exporter on the African continent and the third largest in the world; sisal and corn are other export crops. Sugar, manioc, palm oil, timber, beans, rice, tobacco and peanuts are also sold abroad.

During the last two years, Angola has imported mainly machinery and apparatus and electrical equipment (Can.$24.5 million in 1964, and Can.$31.2 million in 1965), cotton textiles (Can.$16.3 million in 1964, and Can.$19.4 million in 1965), wine (Can.$13.7 million in 1964, and Can.$15.7 million in 1965) and motor trucks (Can.$7.5 million in 1964, and Can.$11.4 million in 1965). Other important imports (Can.$26.3 million in 1964 and Can.$32.1 million in 1965) included iron and steel products, raw or semi-finished iron, drugs and medicines, passenger automobiles, automobile parts and accessories, and tractors.

Although Canada's share of Angola's imports is less than 1 per cent, they increased from Can.$75,125 in 1964 to Can.$228,438 in 1965, according to Canadian figures. Excavating and dredging machinery and parts (Can.$57,390), mining-quarrying machinery and parts (Can.$57,054), nuts, bolts, screws and washers (Can.$43,054), and wheat flour (Can.$36,484) were Angola's major imports from Canada. The developing Angolan economy should provide good opportunities for Canadians in the field of professional consulting services and industrial machinery and equipment.

—PAUL A. THÉBERGE, *Assistant Commercial Secretary, Lisbon.*

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.

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

Winnipeg—August 25-26

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

Montreal—September 6-7

Italy—J. H. Stone, Commercial Counsellor in Rome:

Toronto—September 26-30 Montreal—October 3-7

Jamaica—L. D. Burke, Commercial Secretary in Kingston:

Montreal—September 6-8 Winnipeg—September 14-15
Toronto—September 9-13 Vancouver—Sept. 16-19

Philippines—R. C. Anderson, Consul and Trade Commissioner in Manila, who will be posted to Boston with the same title:

Toronto—August 22-24 Montreal—August 25-29

South Africa—C. R. Gallow, Trade Commissioner in Johannesburg, who will be posted to Hong Kong with the same title:

Montreal—September 14 Winnipeg—October 4

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

Vancouver—September 1-2 Delhi—September 12
Winnipeg—September 6-7 Montreal—September 27-28
Toronto—September 8-9

Temporary Duty in Ottawa

The following officers are on temporary duty in Ottawa. Anyone who wishes to see them should contact the Trade Commissioner Service, phone: 992-9930.

D. S. Armstrong, who will be posted from Ottawa to Stockholm as Commercial Counsellor, August 12–September 16.

M. B. Blackwood, Commercial Counsellor in Mexico City, September 6–20.

L. D. Burke, Commercial Secretary in Kingston, Jamaica, August 29–September 3.

W. J. Collett, who will be posted to Moscow, U.S.S.R., as Commercial Secretary, August 22-26.

C. R. Gallow, Trade Commissioner in Johannesburg, September 19-30. Mr. Gallow will be posted to Hong Kong with the same title.

W. R. Hickman, Commercial Counsellor (Agriculture) in Washington, September 12–23. Mr. Hickman will be posted to Copenhagen, Denmark, with the same title.

R. D. Lee, Acting Commercial Secretary in Karachi, Pakistan, December 20-January 3. Mr. Lee will be posted to Philadelphia as Vice Consul and Assistant Trade Commissioner.

J. H. Nelson, Commercial Secretary in Guatemala City, November 18–December 1. Mr. Nelson will be posted to Liverpool, England, as Trade Commissioner.

R. D. Sirrs, Commercial Secretary in Karachi, Pakistan, August 22-31. Mr. Sirrs will be posted to Guatemala City as Commercial Secretary.

J. H. Stone, Commercial Counsellor in Rome, September 19-23.

R. K. Thomson, Senior Trade Commissioner in Hong Kong, September 8-23. Mr. Thomson will be posted to Duesseldorf, West Germany, as Consul.

S. G. Tregaskes, Commercial Counsellor in Washington, September 8-9.

In Territory

Bahamas—D. I. Ditto, Assistant Commercial Secretary in Kingston, Jamaica, will visit the Bahamas August 20-27.

Ceylon—R. R. Parlour, Commercial Counsellor in New Delhi, India, will visit Ceylon, September 12-15.

Thailand—J. H. Bailey, Commercial Counsellor in Singapore, will visit Thailand, August 29-September 2.

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

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

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

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

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

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

For conversion to United States dollar equivalent multiply by .93

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 9	Units per Canadian dollar	Notes (see below)
Algeria	Dinar		.2193	4.56	
Argentina	Peso	Free	.0053	188.68	
Australia	Dollar		1.200	.8333	
Austria	Schilling		.0417	23.98	
Bahamas	Dollar		1.049	.9523*	
Belgium and Luxembourg	Franc		.0217	46.25	
Bermuda	Pound		2.998	.33	
Bolivia	Peso		.0908	10.01	
Brazil	Cruzeiro	Official Free	.0005	2,053.39†	
Britain	Pound		2.998	.33	
British Honduras	Dollar		.7495	1.33	
Burma	Kyat		.2257	4.43	
Ceylon	Rupee		.2248	4.44	
Chile	Escudo	Bank rate	.2618	3.82	
		Free	.2263	4.42	
Colombia	Peso	Free	.0651	15.36	
		Certificate	.1194	8.30	
Congo, Republic of	Franc		.0072	139.50	(1)
Costa Rica	Colon		.1622	6.15	
Cuba	Peso		‡	‡	
Czechoslovakia	Koruna		.1493	6.68	
Denmark	Krone		.1552	6.41	
Dominican Republic	Peso		1.075	.93	
Ecuador	Sucre	Official	.0597	16.72	
		Free	.0534	18.69	
El Salvador	Colon		.4299	2.33	
Fiji	Pound		2.701	.37	
Finland	Markka		.3358	2.98	
France, Monaco, etc.	Franc		.2193	4.56	(2)
Franco-African Republics, etc.	Franc		.0044	227.79	(3)
French Pacific	Franc		.0121	82.64	(4)
Germany	D Mark		.2693	3.71	
Ghana	Cedi		1.249	.80	
Greece	Drachma		.0358	27.86	
Guatemala	Quetzal		1.075	.93	
Guyana	Dollar		.6246	1.60	
Haiti	Gourde		.2149	4.65	
Honduras	Lempira		.5373	1.86	
Hong Kong	Dollar		.1874	5.33	
Hungary	Forint	Official	.0921	10.86	

*The Bahamas converted to decimal currency May 25, 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.

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 9	Units per Canadian dollar	Notes (see below)
Iceland	Krona	Official	.0250	40.00	(1)
India	Rupee		.1424	7.02*	
Indonesia	Rupiah		‡	‡	
Iran	Rial		.0141	70.92	
Iraq	Dinar		3.009	.33	
Ireland	Pound		2.998	.33	
Israel	Pound		.3582	2.79	
Italy	Lira		.0017	581.06	
Japan	Yen		.0030	335.37	
Lebanon	Pound	Free	.3460	2.89	
Malaysia	Dollar		.3511	2.85	
Mexico	Peso		.0860	11.61	
Morocco	Dirham		.2149	4.64	
Netherlands	Florin		.2981	3.35	
Netherlands Antilles	Florin		.5699	1.75	
New Zealand	Pound		2.987	.33	
Nicaragua	Cordoba		.1535	6.50	
Nigeria	Pound		2.998	.33	
Norway	Krone		.1503	6.64	
Pakistan	Rupee		.2248	4.44	
Panama	Balboa		1.075	.93	
Paraguay	Guarani	Free	.0086	116.27	
Peru	Sol	Free	.0401	24.94	
Philippines	Peso	Free	.2765	4.41	
Poland	Zloty	Fixed Basic rate	.2687	3.72	
Portugal & Colonies	Escudo		.0374	26.66	(5)
Sierra Leone	Leone		1.499	.67	
South Africa	Rand		1.499	.67	
Spain and Dependencies	Peseta		.0179	55.55	
Sweden	Krona		.2081	4.81	
Switzerland	Franc		.2485	4.02	
Syria	Pound	Free	.2813	3.55	
Thailand	Baht	Free	.0519	19.27	(1)
Tunisia	Dinar		2.058	.49	
Turkey	Lira		.1194	8.35	(1)
United Arab Republic	Pound	Official	2.472	.40	
United States	Dollar		1.075	.93	
Uruguay	Peso	Free	.0168	60.90	
Venezuela	Bolivar	Official Free	.2390	4.19	
West Indies	Dollar		.6246	1.60	(6)
	Pound		2.998	.33	(7)
Yugoslavia	Dinar	Official	.0860	11.63	

*The Indian rupee was devalued on June 5, 1968.
‡As Indonesia is no longer a member of the IMF, 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.

Marketing Data Sheet

PHILIPPINES

Area

115,758 square miles.

Climate

Temperatures vary considerably with altitude; hot and humid the year round in lowland areas. Mean temperature is 89°F and the humidity between 70 and 80 per cent. Fahrenheit scale is used.

Population

1965 estimate:

	Males	Females	Total
35 and over	3,428,000	3,501,000	6,929,000
25 to 34	2,064,000	2,048,000	4,112,000
15 to 24	3,120,000	3,038,000	6,158,000

Total population is 32,345,000; thirty-seven per cent live in urban areas.

Households

There are 5,247,000 private residential dwellings; other data not available.

Income

National income in 1965, U.S.$4.1 billion; per capita U.S.-$127.00; average hourly wage approximately $0.283 in Manila and suburbs.

Motor Vehicles

There are 138,933 cars, 115,951 trucks, 5,203 trailers and 22,079 motorcycles and scooters registered.

Telephones

4.4 telephones per 1,000 persons.

Radio and Television

518,000 households have radios and 70,000 have TV receivers (525 lines per picture). TV and radio facilities are privately owned.

Water Supply

The water is safe to drink. Average pressure, mineral content and hardness vary throughout the archipelago.

Electric Power

60 cycle a.c. 220 volts (plus or minus 10 per cent). In 1963, national capacity was 731,000 kw. Single or three-phase systems are available. Cost is approximately U.S.$.02 per kwh. for residences. The distribution system has a ground wire and a ground wire is required in appliance cords. The largest private electrical power operator has 432,000 customers. Expansion of electric power capacity has a high priority in the Government's development program.

Coal

Production and reserves (1963): 168,740 MT production.

Gas

The Manila Gas Corporation distributes gas by pipes laid out in streets; refineries, bottled gas.

Petroleum Products

Gasoline is refined locally; all other products are imported. Four petroleum refineries operate with total refining capacity of 85,000 barrels a day (1 barrel=31½ U.S. gallons).

Weights and Measures

Metric

Screw Thread

North American S.A.E.—I.P.I.

Standards

Official approval is mandatory for electrical appliances. For radios, approval is granted from the Radio Control Board, Bureau of Public Works and Communications.

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Hon. Robert H. Winters

THE WORLD IN MINIATURE

AWAITS YOU AT MONTREAL, CANADA, IN 1967

Expo 67, the focal point of Canada's 100th birthday celebration, will be not only the greatest show in Canadian history but the largest Universal and International Exposition ever held. In effect, the exhibition will be a miniature world, in which more than two thirds of the nations on our globe will be represented.

This unique undertaking stands as a classic example of what can be accomplished through close co-operation and mutual understanding. This is a joint project of the Governments of Canada, the province of Quebec and the city of Montreal. Already the three active partners have achieved minor miracles in the areas of creative imagination, coordinated planning and physical construction.

But Expo 67 will be more than an exciting and spectacular show. It will be a meeting place for businessmen from all parts of the world. The International Trade Centre, operated by the Business Development Bureau, will generate the kind of personal association that lies at the bottom of all successful trading relationships.

Foreign visitors, provided with specific information by these facilities, will travel to many parts of Canada to transact business that will favourably affect Canada's economy for many years to come. The benefits that will flow from Expo to the Canadian people are such that there is no doubt that the 1967 Universal and International Exposition will make a lasting contribution to our well-being.

At this stage, as we start the final lap of our race against time and the exigencies that will inevitably arise, I extend my warmest wishes for success to all who are associated with the evolution of Expo 67 from a dream in the minds of a few to a shining reality for millions.

Robert Winters
Minister of Trade and Commerce

expo67