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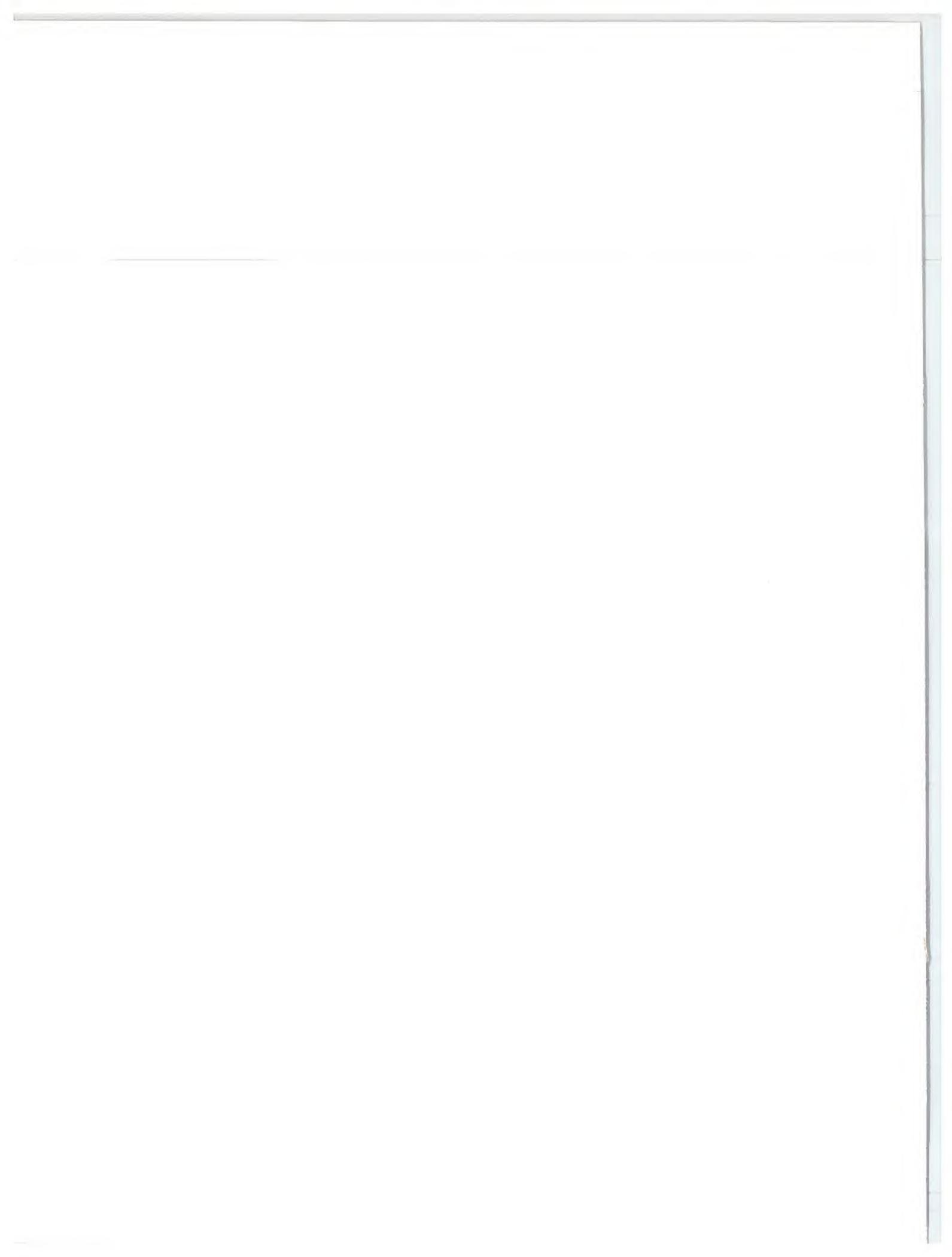
FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Venezuela Needs Consulting Engineers

Selling Dried Peas and Beans in Britain

Your Agent North of the Border



FOREIGN TRADE

SEPTEMBER 17, 1966

Vol. 126 No. 6

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

The Hon. ROBERT H. WINTERS, Minister.

J. H. WARREN, Deputy Minister.

O. MARY HILL, Editor.

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

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

Single copies: 25 cents each.

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

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Venezuela has its own corps of well-trained engineers but still draws on the skills and experience of foreign consultants for particular projects. This article describes how public and private projects are planned and put into production and the part that foreign-based engineers can play and are playing in many of them.

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On the way to other Far Eastern markets, the Canadian in hot pursuit of foreign sales should stop off at Manila. Here is a capsule guidebook to these tropic islands—and some notes on what Canadian products are already selling there.

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Our Commercial Counsellor in Lima took a hard look at the figures on our trade with Peru from 1960 on, and drew some worthwhile conclusions. Accompanying his article is a short piece on a promotion vehicle many Canadian firms could use—the Pacific International Trade Fair, to be held in Lima in the fall of 1967.

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This analysis of Canadian sales of agricultural products in the British market covers everything from wheat to apples, cheese, and pickles—including fresh, frozen, canned, and even freeze-dried products. On page 24, the reader will find a more detailed study of British requirements for dried peas and beans.

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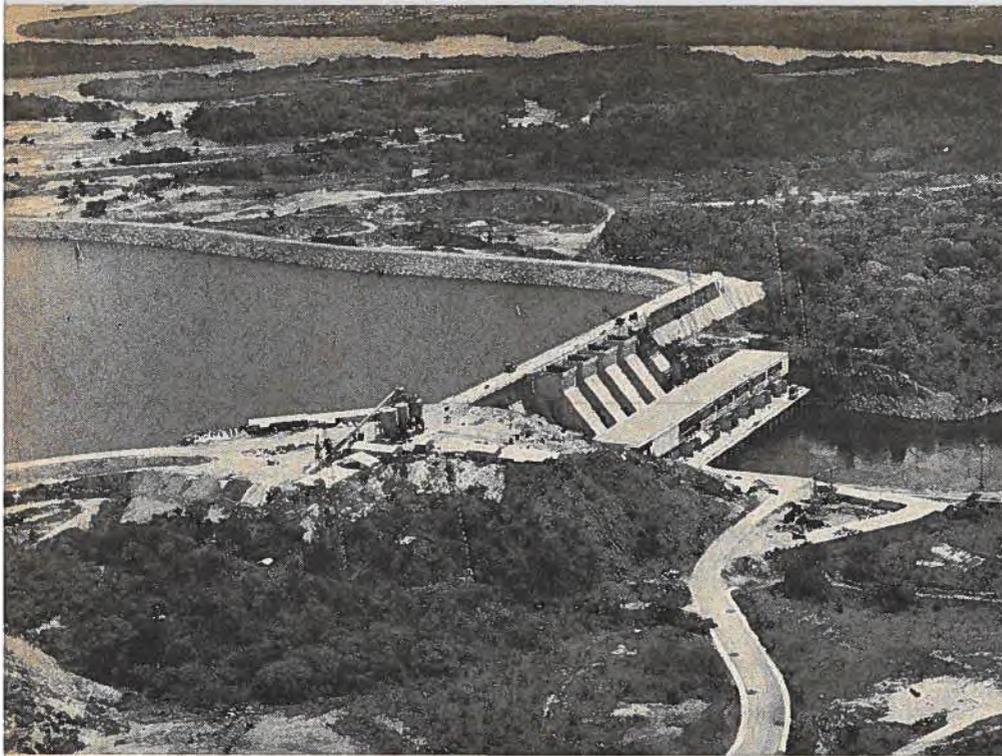
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COMING—INDIA FACES DIFFICULT PROBLEMS, OCTOBER 1 ISSUE

Venezuela Needs Consulting



This is a bird's-eye view of the power plant on the Caroni River, Bolivar State.

A growing emphasis on both public and private engineering projects has opened up new opportunities for foreign consultants. A sound reputation and a local representative are all-important factors for Canadian firms who want to market their services here.

J. D. BLACKWOOD, *Commercial Secretary, and*

G. J. FONS, *Commercial Assistant, Caracas.*

VENEZUELA, conscious that its enormous oil industry entails the exploitation of a non-renewable resource and eager to diversify its economy, has undertaken a vast program of public works and industrialization.

Oil revenues and large foreign exchange reserves allow Venezuela to pay for much of this work from current government revenue and its excellent international credit standing has drawn the interest of such financial institutions as the World Bank and the Inter-American Development Bank. Financing large-scale public works programs locally would tend to dry up money currently needed for industrial development. Therefore foreign financing is sought for many government projects. Experience has shown that foreign financing is easier

to obtain if the project has been prepared by consulting firms of international reputation in whose work the financing banks have full confidence.

Industries developed by the private sector often are encouraged by government financing in the form of loans and tariff protection or import controls. The Government is also fostering decentralized industrialization in various areas, using to advantage available raw materials, traffic facilities, water and power supplies.

The planning of the majority of these projects is in the hands of Venezuelan Government engineers who, when the scope of the particular project requires more depth of manpower or experience, turn to technical consultants from abroad. Many Venezuelan engineers have been educated abroad and some have gained practical

experience in their specialty overseas. Thus, although there is a role for foreign consultants in Venezuela, much planning and supervision is done by nationals.

Venezuelan engineers have organized the Venezuelan Engineers' Association (Colegio de Ingenieros de Venezuela) which insists that foreigners not be admitted to or retained in any job that a Venezuelan engineer can do. In this policy the association is fully backed by the Government. Labour unions maintain a similar attitude towards foreign technicians, foremen or specialized labour.

The Government Sector

The largest share of the development of Venezuela is taken without doubt by the Government. A substantial part of the current budget (1,510.4 million bolivars out of a total budget of B^s 7,613.6 million for 1966) goes towards financing public works for which labour, technical management and raw materials are,

Engineers

Some Major Venezuelan Projects

	(millions of bolivars)
Land reclamation in Zulia State—1.3 million acres	350.0
Land reclamation in Orinoco River Delta—1.3 million acres	88.7
Gross industrial investment of which:	5,807.0
Venezuelan Guiana Corporation	1,804.5
Petrochemical Institute	910.0
Venezuelan Development Corporation	366.0
Six industrial slaughterhouses	30.0
Rural electrification	377.7
Completion Guri Dam and transmission lines	675.6
Transportation and telecommunications	4.0
Caracas rapid transit system	869.0
Natural gas transmission and distribution	102.9
Water supply and sewerage	1,076.2
Airport expansion	141.0

in most instances, available from local sources. Government engineering departments are usually responsible for planning and contracts for most projects are awarded under a tender system to local contractors.

● **Planning**—All government planning is centralized and co-ordinated in CORDIPLAN, an advisory body to the Presidency of the Republic, the head of which has Cabinet rank. Most government projects are carried out by the Ministry of Public Works, even those that would fall within the competence and budgets of other Ministries. For example, hospitals are built by the Ministry of Public Works in co-operation with the Ministry of Health, schools in co-operation with the Ministry of Education, harbours and airports in co-operation with the Ministry of Communications, and land development is carried on in co-operation with the Ministry of Agriculture. Aside from the Ministries, the Venezuelan Government owns and operates the so-called autonomous institutes, which correspond roughly to Crown Corporations in Canada. These agencies have a legal and financial personality of their own. Their planning, (although co-ordinated within the framework of

the "Plan de la Nación") is fairly independent, as is the implementation financing, etc., of projects. The main government institutes and corporations are listed below, according to the interest they may have for Canadian technical consultants.

1. *Corporación Venezolana de Guayana* (Venezuelan Guiana Corporation)—development of the Guiana area has been entrusted to the corporation which owns the two companies EDELCA (Hydroelectric Development of Guiana) and SIDOR (Orinoco Steel Plant).

2. *CADAFE*—entrusted with the sale and distribution of electricity generated by EDELCA; also in charge of rural electrification.

3. *Corporación Venezolana de Fomento*—holds a large number of government-owned sugar refineries and promotes private industries to which it grants loans and financing facilities.

4. *Instituto Venezolano de Petroquímica*—owns and operates the petrochemical plant and is in charge of government development of the petrochemical sector.

5. *Instituto de Obras Sanitarias*—constructs and operates water supply

and sewerage systems in the large communities. Several other agencies of this type exist but are not mentioned here because they are not likely to be of interest.

● **Feasibility Study**—This phase of a project is perhaps the most rewarding for the foreign technical consultant. If a feasibility study or project is of a type or size that cannot be handled by local engineers or if international financing is required, the Venezuelan Government may call in consultants from abroad. Sometimes there is no need to seek co-operation with or backing by local professional interests. If the job is awarded by the Government, the Ministry or agency may provide the foreign consultant with secretarial and administrative help, and at times even free office space.

Preliminary studies are sometimes made by specialists from international organizations such as the United Nations, who are available at rather advantageous terms and cost. When their work is concluded, the more elaborate planning is entrusted by the Government to local engineers or foreign consultants. The final execution may then be negotiated with a consortium of local or foreign companies

selected under the tender system, in accordance with their technical and financial qualifications.

● **The Project**—The foreign consultants who have conducted the feasibility study may be retained for the design and construction stages of the project and at times may be asked to assume a management contract.

● **Construction**—Venezuelan contractors now have adequate experience and skill in most civil engineering work. Large projects or technically difficult or unique jobs may require outside assistance.

The actual completion of an engineering project usually requires labour and heavy machinery, etc., which makes it advisable to have close connections with local contracting or engineering firms. Often a consortium is formed by foreign contractors and one or more local ones. The latter are in charge of supplying the local engineers and labour force and the former appoints specialists and supervisors. Because of Venezuelan labour laws and collective labour contracts, such arrangements are convenient and recommended.

Government Tenders

Although these generally abide by the rules outlined below, each government Ministry or agency is usually allowed to exercise its discretion in applying them, and they are only given here for guidance. In the awarding of projects or feasibility studies, the tender system is not always used.

● **Prequalification**—This initial phase is meant to eliminate firms deemed unsuitable for the job because of insufficient experience, unfavourable reports on their performance, or lack of sufficient personnel, machinery or capital. The government office issuing the tender generally requests interested bidders to submit a set of documents in a closed, sealed envelope. A deadline is set and late submissions are not considered. The envelopes are then opened, often in the presence of a Public Notary, and the authorities then study the qualification bids. Those bidders who qualify are informed by advertisements in local newspapers and invited to make their offers.

● **The Competitive Tender**—Qualified bidders are invited to present their bids in a sealed envelope which must be submitted before a specified date. Sometimes the placing of a bond is also requested to guarantee satisfactory performance and compliance with the contract by the party to whom it has been awarded. Further usual requisites include having the bidder registered with the government office involved, or having foreign bidders appoint local representatives who can be held responsible for the commitments of their principals abroad.

Tenders generally specify that all personnel in the field be Venezuelans and that the engineers be members of the Venezuelan Engineers' Association. Entry into the country of foreign personnel will only be considered if their assistance is absolutely essential. Machinery and equipment required from abroad can be imported against payment of the regular duties, which may not be refunded when the machinery is re-exported. Re-export of machinery is usually compulsory. An exception is, of course, machinery to be installed in a particular project which, if acquired by the Government, can be allowed entry duty-free.

As a rule, all tenders must be written in Spanish and supporting documents in other languages must be translated into Spanish in Venezuela by a public interpreter. All quotations must be made in Venezuelan currency.

Bids are reviewed and must be approved by the Government Comptroller's office. Once they are, no changes are permitted. Bidders are therefore well advised to present their offers in such a way that they are covered against increases in freight or other costs as well as against exchange differentials.

● **Local Representation**—Being affiliated with local companies in good standing or having branches in Venezuela is always an important point in favour of foreign bidders, but to achieve such connections is not always easy. Tenders require much work and money spent on bonds, highly paid personnel, etc., and therefore constitute a heavy financial load for a local company without the assurance of eventual compensation.

Local companies often hesitate to accept commitments of this kind.

The Private Sector

Venezuela is not an industrial country by tradition. The development of oil resources brought about a flourishing import trade, but recently the Government has encouraged an import replacement program. Many industrial promoters lack previous managerial and manufacturing experience. Some of them used to be distributors or importers and they are now established as Venezuelan subsidiaries or licensees of their former supplier.

The Venezuelan partner may provide much of the capital, management for the new plant and local marketing service and the foreign partners (in most instances United States or European companies) supply the machinery, equipment and installations as well as some key technical management staff. Training of local labour is a responsibility of the foreign partners, either at their home plant or through personnel sent to Venezuela. Marketing is no problem in such promotions because most items are well known in the market.

Foreign subsidiaries or licensees usually adhere to the recommendations of their foreign parent or partner company and are likely to employ engineering firms already known to them. The fact that so few Canadian industries have branches in Venezuela may explain why few Canadian engineers have participated in the development of Venezuela's private sector. Yet this sector may offer the Canadian consultant opportunities. As a general rule, projects of the private sector are often contracted according to preferences or the convenience of promoters. Factors such as long-term financing, lower costs and labour needs may weigh heavily on the minds of the Venezuelan owners. Countries like Canada with medium-sized industries may have an advantage over those countries whose industrial production standards look over-sized from the Venezuelan point of view.

● **Turnkey Projects**—Both the Government and private planners prefer turnkey jobs, but as education and industrialization progress, there has

been a trend away from such arrangements. As industrialists gain experience and as the number of graduate engineers grows, Venezuelans will play a much more important role in providing required skills.

● **Other Considerations**—Latins, such as the Italians and French, being more familiar with the Latin American mentality, may often find it easier to choose appropriate approaches. The French have gained much goodwill through training programs for Venezuelan technicians and engineers. United States bidders have the advantage of their prestige in modern technology, ample financing facilities, and good, fast shipping and air services. In addition, many Venezuelan engi-

neers either have been trained in the United States or have visited it.

Taking into account the natural pride Venezuelans have in their own technical achievements and training, Canadian engineering firms should recognize the need for them to design and execute their own projects as much as possible. Venezuelan engineers are well trained and eager to do their part in the development of their country. But there are many cases where outside specialists are required, either for their specific knowledge and experience or to provide extra skilled manpower for high-labour input projects, particularly in the design stage.

For rapid development Venezuela has needed and will continue to need

the collaboration of engineering firms from abroad. Their specialized knowledge and experience must complement and expand the engineering skills and resources within the country.

Engineering contracts depend on the simple fact of being known in Venezuela; having a working connection is the best means to further that end. If this is not possible, other means must be used—such as direct mailing, attendance at international meetings, and visits to and cultivation of prospective customers and partners. A list of contracts to which literature might be sent is available from the Commercial Division, Canadian Embassy, Apartado del Este 11452, Caracas, Venezuela. ●

A Face Lift for Liverpool

THE City of Liverpool has recently begun an ambitious scheme of reconstruction and development of its entire downtown area. A City Centre Development Plan which has taken four years to complete was recently released; it calls for the replacement of the present Victorian character of the city by a fresh modern look.

City Council has budgeted over \$195 million towards the cost of the public works projects in the new plan, which will influence all construction and development in the downtown area over the next 20 years. Although the harbour and dock facilities are receiving great attention, officials hope to reduce the city's economic dependence on the port and build up its identity as a major manufacturing centre in the North of England.

One of the main objectives of the plan is to improve public and private transportation facilities for through and commuter traffic. The bulk of commuter transportation will be handled by an electric rail loop linking the suburban areas to the city centre and by a new underground inner loop linking the main stations with each other. Motor transport will be speeded up with a \$147 million inner-ring motorway. It is designed by the use of flyovers to free the central streets from through traffic and to leave the main shopping areas free as pedestrian precincts.

A network of footwalks and overhead promenades linking most public and private buildings will give pedestrians a traffic-free environment. Bus stops will be no more than two minutes' walk away

from any point. Parking facilities for up to 20,000 vehicles will be provided in four major areas, approachable directly from the motorway.

As with any city as old as Liverpool, construction must start with destruction. Over 1,300 homes, two hospitals, 61 public houses and millions of square feet of office and warehouse space will be cleared to make way for the motorway. Following a policy of decentralization, several industrial firms will be relocated on the outer edge of the city. At the same time, ten district centres dispersed throughout Liverpool will provide shopping and entertainment facilities.

Probably the most ambitious private project proposed is a large complex of interconnected office buildings. The project will cover 53 acres on the waterfront, adjacent to the main Pier Head. The existing dock basins on the site will be converted to underground car parks and the scheme will include a hotel, shops and restaurants. The developers of the so-called "city within a city" estimate it will create 50,000 new jobs by attracting companies from the congested London area to Merseyside.

The Mersey Docks and Harbours Board has also planned extensive modernization schemes. About \$120 million will be spent creating one completely new port and rebuilding parts of the existing facilities. The main objective of the Docks and Harbours Board is to increase the capacity of the docks; last year's 30 million tons of cargo placed the Commonwealth's second largest port under a heavy strain. The new port is to

be built on a key frontage of about five miles and will have 32 deepwater berths for ships up to 800 feet long. Planners have taken into account the changing character of international shipping. The new facilities will be designed to handle the growing container traffic, and the sea approaches to the River Mersey are being dredged to allow the new generation of giant oil tankers to use the port.

What significance have these plans for the Canadian exporter?

Most important, they serve to illustrate the buoyant economic conditions in the North of England. Northerners have great confidence in the future of their cities, and this is reflected in the flood of large private funds for schemes such as Liverpool's City Centre Development Plan. Consumer demand is riding high as well, with retail sales setting new records every year.

Canadians should not be satisfied with their representation and sales in the London area alone. There are two million well-paid people in the Greater Liverpool area. They represent only a small portion of the enormous markets in the North and Midlands, and Liverpool is an excellent centre from which to serve them. There are good warehouse facilities and a host of top-notch agents and distributors familiar with both importing procedures and the markets of the North.

The new Liverpool is on the move, and England's Northwest is right behind.

—K. R. HIGHAM,
*Assistant Trade Commissioner,
Liverpool.*

Have You Considered the Philippines?

Last year Canada sold \$26.4 million worth of goods there. A well-planned trip, spiced with relaxation in these interesting islands, could mean eventual sales in a developing market.

R. C. ANDERSON, *Consul and Trade Commissioner, Manila.*

THE PHILIPPINES offers an expanding market, a mosaic of cultures, and some of the most exotic scenery in the world. A personal visit to this market is the ideal way for a Canadian manufacturer to discover possible sales opportunities and this article is intended to help him plan his trip.

The Philippines is an archipelago of over 7,000 islands, 4,000 of which remain unnamed. Over thirty million people live in a land area of 115,000 square miles—slightly smaller than the British Isles. The two largest islands are Luzon and Mindanao which, together with nine other of the larger islands, comprise 90 per cent

of the total land area. The Philippines was the first South East Asian country to become independent (1946) after World War II.

Filipinos are predominantly Malaysian in background with a perceptible mixture of Spanish and Chinese, but 48 years as a territory of the United States have left their mark and there is a noticeable American aura in the Islands.

Climate

The Philippine weather is warm and humid (the average temperature in Manila is 80 degrees Fahrenheit) but there are upland regions at higher altitudes with cooler temperatures. The rainy season begins in July and lasts until October. Canadian businessmen should probably avoid visiting the Philippines in the hot months of March, April and May and because some local businessmen take overseas vacations in the June-September period, best business travel months are October, November, January and February.

A suit will be necessary for most business calls but it should be tropical weight. Tropical suits of natural and synthetic fibre blends in both dark and light colours are worn here all year round.

Holidays and Business Hours

Christmas is celebrated enthusiastically from December 16 to January 6 and this season and Holy Week find Philippine offices closed.

BUSINESS HOURS

	Monday to Friday	Saturday
Offices	8-12 2-5:30	closed
Retail Stores	8-12 2-6:30	8-12 2-7
Banks	9-2:30	closed



A Filipino weaver works at her loom; she is using an improved technique introduced by a UN weaving expert. The visitor may want to take home handicrafts like this.

Your top executive contacts probably arrive at the office at 9 a.m. and are back after lunch by 2 or 3, depending on whether or not they have had a business engagement over luncheon.

Language

Although the Philippines was a province of Spain for 400 years and Spanish is the language of some of the old-established families, English is the lingua franca. Tagalog, the national language, is also spoken, but all descriptive brochures and business cards should be in English.

Getting There

Manila, the capital of the Philippines and also the principal port, is 15 hours by jet from Vancouver and 17 flying hours from Europe. The international airport is served by a number of international airlines and connections are available in Hong Kong (one hour and fifteen minutes away) with Canadian Pacific Air Lines and many other international carriers.

Entry Regulations

A visa, available from the Philippine Consulate General in Vancouver, entitles the visitor to a stay of 59 days and may be renewed. No visa is required for stays of less than 72 hours provided you have a valid visa and confirmed booking for your next stop. Health regulations require smallpox vaccination and a cholera inoculation.

Unsaleable samples or those of no appreciable commercial value are exempt from import duties.

Accommodation

There are good hotels in Manila. Air-conditioned rooms cost approximately \$8 to \$10 single and \$10 to \$12 double. However, there is a shortage of first class accommodation. This is being remedied rapidly and 1,500 new hotel rooms should be available next year. The Manila Hilton is scheduled for completion early in '67 and the Manila Sheraton at approximately the same time. Two other large modern hotels are also scheduled for completion next year.

Getting Around

The major marketing and port centers are Manila, Cebu City, Davao

Holidays in the Philippines

Business Holidays

January 1
Maundy Thursday
Good Friday
April 9—Bataan Day
May 1—Labour Day
June 12—Independence Day
July 4—Philippine-American Friendship Day
August 19—Manuel L. Quezon's Birthday (by Presidential proclamation only)
November 1—All Saints Day
Thanksgiving Day—(last Thursday in November)
December 25—Christmas
December 30—Rizal Day

Chinese Holidays

Chinese New Year (in January or February)
October 10

Canadian Consulate-General Holidays (1966)

January 1
Maundy Thursday
Good Friday
May 23—Victoria Day
June 12—Philippine Independence Day
July 1—Canada Day
September 5—Canadian Labour Day
October 10—Canadian Thanksgiving Day
November 1—All Saints Day
December 25—Christmas
December 30—Rizal Day

City, Iloilo City and Legaspi City. All major domestic centers are serviced by three local air transportation companies. In fact, 74 points in the Philippines are serviced from Manila. Local transport presents no problem, and taxi fares in Manila and environs are low.

Currency

The Philippine currency is the peso, roughly equivalent to 25 cents; banks can exchange all foreign currencies, and hotels will accept U.S. and Canadian dollars and British, Australian and New Zealand currencies.

Hospitality

Though many top Filipino businessmen have been educated in the U.S. and may entertain you in American style, they are most likely to take you out to dinner with your wife. Entertainment offered by Chinese businessmen will not normally include wives.

What to Sell

Figures on Philippine import trade and especially on imports from

Canada give the potential visitor some guidance on the best market opportunities. In 1965 imports from all countries totalled U.S.\$808.1 million. The Philippines had a trade deficit of U.S.\$40.8 million as exports to all countries totalled \$767.3 million. Canadian exports to the Philippines last year totalled \$26.4 million, compared with \$27.8 million in 1964.

Canada exported wheat, sulphur, newsprint, generators and parts, telecommunications equipment and a growing list of fully manufactured goods. The latter have increased their share of total exports from Canada to the Philippines by over 30 per cent in each of the years 1960-64.

This is an era of development in the Philippines; new industries are being established and public services are being increased. If you export raw materials or component parts, there may be opportunities for you here. The average income is only \$125 per year, but there are over 30 million people to provide a substantial consumer goods market.

At present, over 160 Canadian manufacturers and suppliers are represented in the Philippines. Goods

from Canada which have shown notable sales increases are rock drilling machinery, motor vehicle parts, power saws, forest machinery, radio and television equipment, measuring instruments, plumbing fixtures and office machines.

The Philippines has many large trading corporations which have controlled distribution, large sales networks and complete coverage. There are also smaller representative firms managed by young aggressive Filipinos who may be able to introduce your product.

Tariffs and Controls

Exports from Canada have undoubtedly been aided by the phasing-out of the tariff preferences originally accorded to products from the United States. Since January 1, 1965, United States imports have been subject to 90 per cent of full duties. This means that Canadians can compete on an equal footing, taking into consideration the lower value of the Canadian vis-à-vis the U.S. dollar.

There are no import controls. A free exchange market was introduced in 1962 and all foreign exchange restrictions lifted.

How to Begin

The Trade Commissioner in Manila can supply market data and prospective visitors should write well in advance so that he can make a preliminary survey. He will also be glad to contact potential agents or representatives. Be sure to quote prices c. and f. in U.S. dollars.

Sightseeing Provides Relaxation

If you decide to come to Manila to investigate the market opportunities for your product, you will not be at a loss for entertainment in your leisure hours. The Philippines is a country of music, dancing and beautiful scenery.

There are some beautiful tourist spots near Manila, and Tagaytay, a resort 40 miles from Manila, 3,000 feet above Taal Lake and overlooking the currently active volcano, offers glorious scenery. The one-hour drive

to Tagaytay takes a visitor through the rice paddies, the papaya and the coconut groves, and the charming houses of the "Magsasaka" (peasants).

From its four centuries as a Spanish province, the Philippines has kept the Spanish influence in the architecture of some of the beautiful old homes and the grey stone churches. Although it is an Asian country, there has been a blending of the cultures of East and West.

Those with the gambling spirit may bet on the exciting, fast-moving game of Jai Alai and cock fighting, one of the national sports, provides a change of pace every Saturday and Sunday. Take your camera and capture the spectacular sunsets on film and sight-see by "jeepney" (an open air jeep) or by double-decker bus. The superb handicrafts—wood carvings, brasswork both modern and antique, and handwoven fabrics in rainbow colours—are excellent souvenirs to take home with you, with that order for Canadian goods. ●



A scale model of Expo 67, Canada's coming World's Fair, is looked over by (left to right) C. J. Van Tighem, Deputy Consul General (Commercial) in New York, Miss Danielle Touchette, an Expo hostess, and John Blum, Senior Vice President of Macy's. Both the model and the two Scottish pipers in the background attracted a great deal of attention when Macy's put on a big display to promote Canada's coming big show.

Where the Emeralds Come From

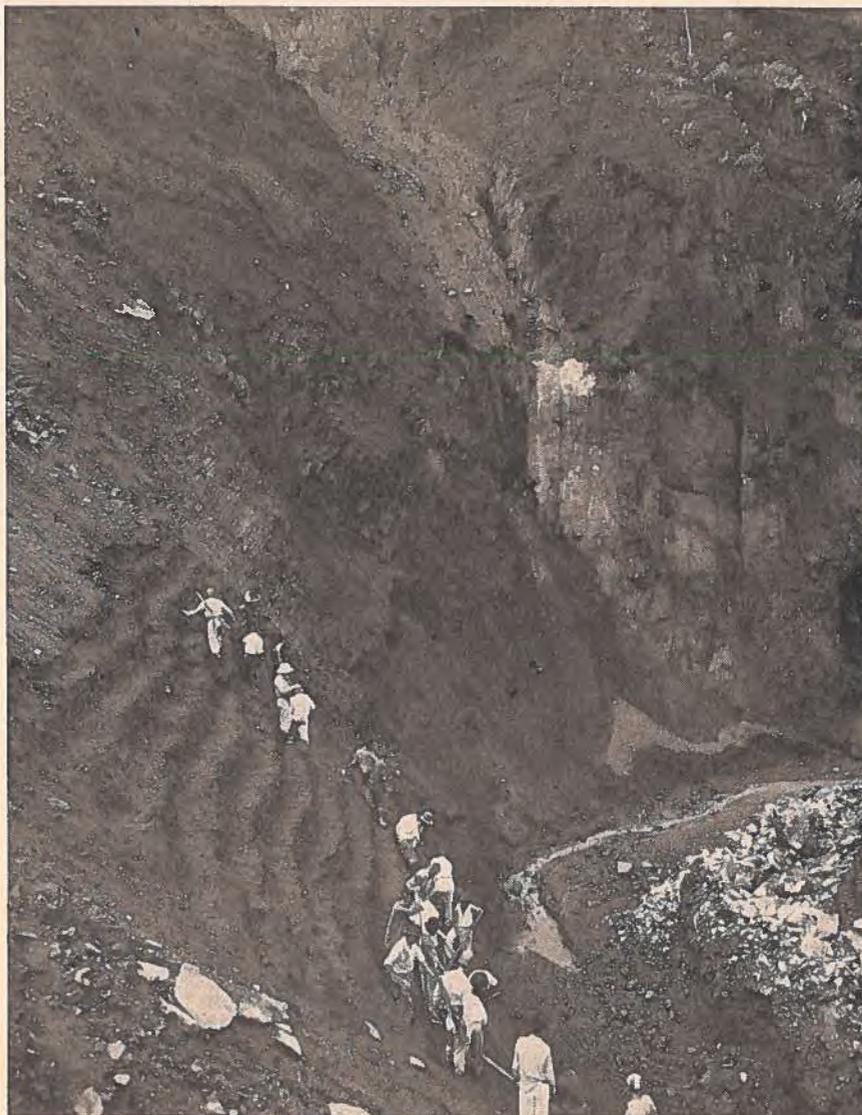
The "Green Fire" of Colombia, the emerald, attracts the world's gem buyers to Bogotá for yearly sales. Still mined by ancient methods, the emerald has a colourful past and a lucrative present.

J. C. BRADFORD,
*Assistant Commercial Secretary,
Bogotá.*

THE EMERALD, with a market value as high as U.S.\$1,000 per carat, is one of the world's rarest and most valuable gems. Today Colombia produces approximately 90 per cent of the gem emeralds (the remaining 10 per cent come from Rhodesia, South Africa and the Soviet Union). Bogotá, the capital of Colombia, situated high in the eastern ranges of the Andes and less than 200 miles from each of Colombia's five producing mines, is the principal trading centre for these gems.

Long before the Spanish Conquest, the native Chibcha Indians mined and traded Colombian emeralds. Emeralds formed part of Moctezuma's ransom paid to the Spanish by the Aztecs in Mexico and they were thrown into the crater lake with the victim, El Dorado, in the human sacrifices of the Indians of Colombia.

Historians studying the early history of Colombia attach considerable importance to the lure of emeralds in the opening up and settlement of the country. A Captain of the Conquistadors located the native source of emeralds on the top of a high ridge in the eastern Andes at a site where he could see the Llanos (or prairies) of the east through a gap in the mountains. His report became an important



Colombian miners are shown at work on the step-like mining areas at the Muzo Emerald Mines. This mine and the one at Coscuez are operated by the Colombian Banco de la República, and account for the greater part of the current output.

clue in the rediscovery of the Chivor mine after it had been lost for more than 200 years.

Mine Lost and Found

The Spaniards worked the mine with impressed Indian labour under

cruel conditions that were fatal to many of the Indians. King Charles II of Spain eventually ordered the abandonment of the mine and dense rain-forest jungle soon obliterated the site.

Some two centuries later, a Colombian mining engineer started a

systematic search for the Chivor mine. Guided by the old Spanish chronicle of the mine's location, he realized he was at the site when he mounted a ridge from which the plains of the Orinoco could be seen through a large V in the Monte Cristo range to the eastward. This rediscovery of the mine resulted in the formation of the Chivor Emerald Mining Co. Ltd. One of Chivor's best known administrators was the late Peter Ranier, author of the book *Green Fire*, which was later made into a motion picture of the same title.

Most Are Government Controlled

Although Chivor is the best known of the Colombian emerald mines, production at present is greater from the two mines of Muzo and Coscuez. Unlike Chivor, which is operated privately, Muzo and Coscuez are government mines operated by the Colombian Banco de la República. Chivor maintains its private status through a special grant of the Colombian Government negotiated in 1913 with a German company. All mines discovered subsequently became the property of the Government and are either operated directly or under lease.

Geologic Origin

Emeralds are a green variety of beryl and chemically are a beryllium aluminum silicate ($\text{Be}_3 \text{Al}_2 \text{Si}_6 \text{O}_{18}$). They crystallize in both hexagonal and dihexagonal prisms. The coloring of an emerald comes from chromium oxide—less than one per cent of its content. No two emeralds are exactly alike and gem quality stones vary from grass green to a verdant green fire. Consequently the value can range considerably, depending on the coloration and purity of the stone. Locally, a good gem is known as a "gota de aceite" or in English, a drop of oil.

The emeralds were probably deposited from hydrothermal fluid or vapour. Where conditions were favorable, it crystallized and formed the clear emerald; elsewhere it appears as the opaque "morralla" which in Spanish means trash and is appropriately named because it has little commercial value. Emeralds are found in

veins in thick beds of shale, clay and silt stone. These veins are usually filled fissure cracks resulting from folding and faulting.

The theory is that the crystals were precipitated from deep seated volcanic fluids and vapours that made their way upwards through 10,000 feet of Cretaceous clay and shale. The five operating mines in Colombia, (in descending order of size, Muzo, Chivor, Providencia, Coscuez and Mundo Nuevo) are all located in areas where these Cretaceous deposits outcrop. There are two general emerald-mining areas—one on the eastern slope of the eastern Andes range, of which Chivor is the principal, and one on the western side of the range represented by the Muzo mine. These areas are the opposite sides of the same geosynclinal formation.

Primitive Methods Used

Mining methods today are basically the same as those that the Chibcha Indians used centuries ago, with a few refinements introduced by the Spanish Conquistadors. The emeralds occur so irregularly that unless every square foot is turned, one can pass within an inch of a rich pocket without being aware of it. It is not unusual for work to go on for months without any recovery of gems. Terraces or steps are worked from side to side with miners lined up next to each other. A steel bar seven feet long and weighing about 30 pounds is used as a lever to break the soft rock. The bars are pointed at one end to make the first hole and the other end is wedge-shaped to pry off the rock. The miners must stand upright to use this tool because of its length and this facilitates the constant observation of the workers. Whenever a miner bends down an inspector soon arrives to see what he has uncovered.

Overburden dislodged in the mining process is pushed down to the bottom of gullies that cut through the ridge on which the mine is located. A reservoir of water is maintained at the top and when the overburden builds up to sufficient depth in the gullies, a man-made flash flood is released, washing the overburden down into the valley. This method of mining and removal of overburden material is used at most of the larger emerald mines. Sometimes there is insufficient water

for the reservoir and often the mines can be worked extensively only during the wet season.

Finding the Patricia

A mine foreman named Justo Daza discovered the most valuable and famous Colombian emerald at the Chivor mine in 1920. He had stayed behind to blast at an abandoned and apparently worthless mine site and uncovered a single pocket with a large emerald inside "lying in the sand as though it were asleep in bed". The emerald weighed 632 carats, is known as "The Patricia", and may be seen in the American Museum of Natural History in New York. Its present value is estimated at more than half a million dollars.

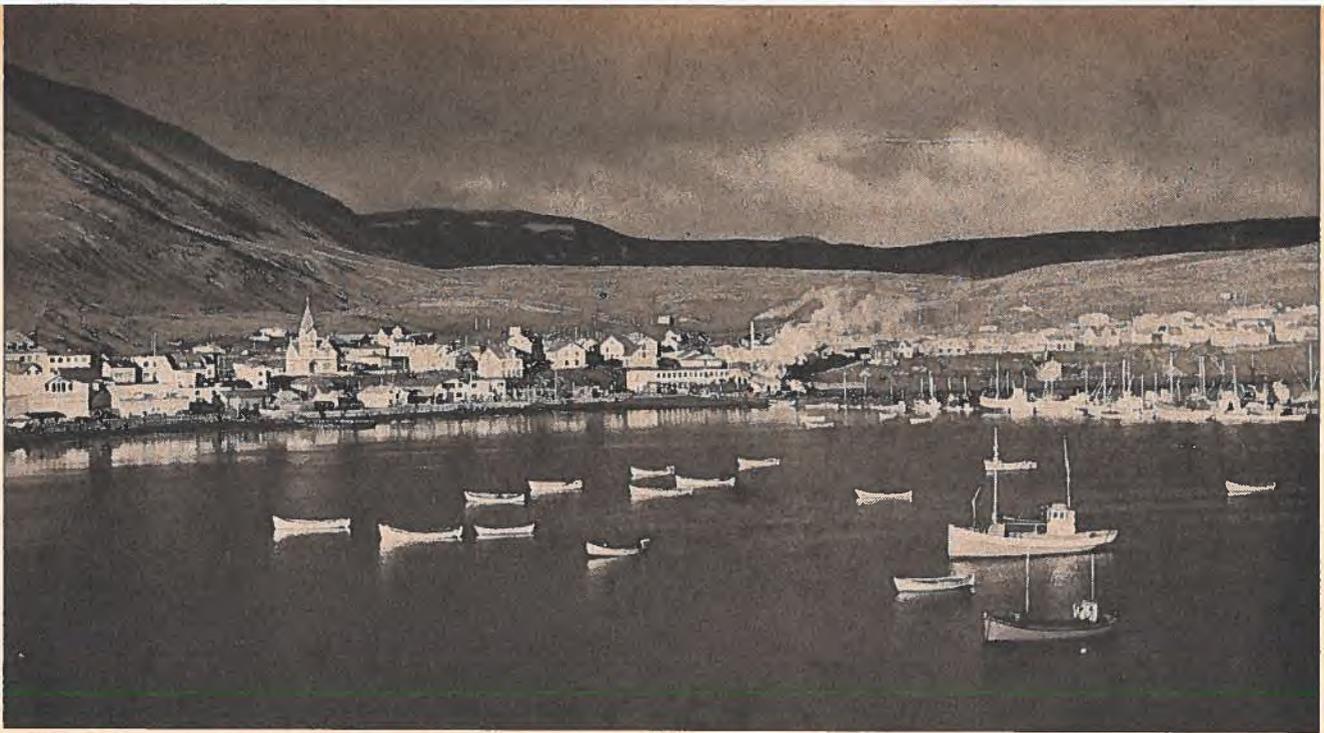
Marketing the Gems

Highgrading and theft are a constant problem at the emerald mines. Even with extensive security measures and police protection, losses at the most efficient mines are estimated to run as high as 20 per cent and at some mines only 30 per cent of the emeralds discovered reach the management. The emerald market in Bogotá ranges from the man in the street who flashes a green stone for tourists to buy to the push offices of the Government Banco de la República and the private Chivor firm which cater to buyers by appointment only. The bank, the largest selling organization, also holds yearly sales for commercial buyers and agents representing the world's gem traders. Supply is limited to existing production and thus the emerald, with Colombia exercising a virtual monopoly of the market, continues to be one of the world's most valuable jewels. ●

Russian Hats for British Heads

THE FASHIONABLY "IN" Londoners last winter sported traditional Russian fur hats from Moscow and Leningrad. The Royal milliner, Mme. Simone Mirman, ordered the hats in a trade exchange deal (believed to be the first of its kind) under which she supplied the designs and the Russians the fur and labor.

Who knows how far this could go—perhaps a mass invasion of Red Square by bowlers and rolled umbrellas? ●



Dories and trawlers of Iceland's fishing fleet shelter at Husavik, in one of the arms of the Axar Fiord on the island's north coast.

Iceland: a Mid-Atlantic Market

Iceland's economic boom and liberalized tariff structure could provide opportunities for Canadian exporters who are willing to tackle the problems of transportation. The author of this article recently returned from an official tour of Iceland.

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

ICELAND, located in the Mid-Atlantic, closer to Europe than to North America, is hardly Canada's neighbour. Yet modern Reykjavik, its bustling capital, is only a few hours by air from Eastern Canada.

Despite its name, sealskin parkas and igloos are not in fashion in Iceland. In fact, day-to-day problems might include finding parking space or, for the children, finding space in the outdoor swimming pools, naturally thermally heated. The country has produced and supports a 20th century, high-income society. Its per capita income is among the highest in Europe and its population of less than 200,000 will produce an estimated \$500 million in new wealth this year.

Iceland's latest economic advance got under way in the early 1960's and

has never looked back. Historically, climate and topography have forced Icelanders to look to the sea. They occupy an island surrounded by some of the world's richest fishing grounds and Icelanders have used modern techniques and methods to exploit this salt-water resource to the full. The fish and fish-processing industries have provided the basic stimulus for the recent expansion of the economy. During this period world demand and prices for fish and fish products have increased sharply and Iceland has taken advantage of this.

Fishing Industry Up-dated

The experience of other countries underlines the difficulty of modernizing age-old fisheries and fishing methods, but in Iceland the fishing com-

munity has been quick to use modern technological devices. The fishing fleet has been rationalized, with a growing concentration on motor vessels of less than 100 tons fitted with the latest equipment and methods, such as echo sounders, power haulage of nets, and use of nylon nets. A large percentage of Iceland's capital investment, which runs at the rate of 28 per cent of the GNP, has been directed to the fishing industry. Modern fishing equipment has led to substantially increased catches now totalling over a million metric tons per year. The industry has become so efficient that the annual catch per fisherman in Iceland is the highest in the world.

Agriculture Also Developing

Farther down the scale but important to the economy are the developments in agriculture. Most of Ice-

land's agricultural land is used for grazing livestock and sheep although some fodder crops and vegetables are raised. Mutton and lamb are the primary meat products and cattle are raised for dairy purposes. There is also a small poultry industry and Iceland has now become self-sufficient in dairy products and eggs. Most vegetables and all fruits have to be imported. Some agricultural produce is exported but is supported by export subsidies.

Manufacturing Is Expanding

Secondary manufacturing has been aided by the growth of the fishing industry with the need for fish processing plants and machine shops, shipyards, and manufacture of ship parts to service the fishing fleet. The small domestic market has limited the development of other industrial enterprises although there are firms catering to consumer needs including textiles, clothing, household appliances, beer and soft drinks, and some chemicals, including soap. A 100,000-ton per annum cement plant is in operation and a 60,000-metric-ton aluminum smelter is in an advanced planning stage; the latter will receive power from a hydroelectric development which will eventually provide 210,000 kilowatts installed capacity. Iceland supports a well developed construction industry.

Economic Policy

The substantial growth pattern of the 1960's has seen Iceland's GNP average a 5 per cent yearly increase in constant terms. The economy, however, has continued to be plagued by inflation which originally arose from the economic expansion and market distortions of World War II. Government policies designed to stem inflationary pressures achieved a significant breakthrough with a wages guideline agreement in 1964. However, the continuing strong economic expansion supported primarily by the fisheries has pushed up wage costs. In current wage negotiations (June-July 1966) it is hoped that increases granted will be within the limits of productivity. The authorities have introduced measures to limit the increase in public investment and to restrict monetary expansion by increasing reserve requirements and in-

terest rates and by strengthening restrictions on external credit. A balanced budget or even one with a small surplus is expected this year.

Foreign Trade

Iceland depends heavily on imports. Machinery, transport equipment (automotive vehicles, aircraft, vessels) and fuels account for one-half the total value of commodity imports. Iceland's principal trading partners are Britain, the United States, West Germany and Norway. Eastern Bloc countries also figure to some extent but their share of the trade, carried out under bilateral agreements, is declining. In Table I key exports of Icelandic fisheries products tell the tale. Because Iceland depends on the fisheries for over 95 per cent of its exports the significance of these figures is apparent.

TABLE I
ICELAND'S EXPORTS OF FISH
PRODUCTS
(per cent of total exports)

	1959	1964
West Europe	38	60
U.S. and Canada	15	20
East Europe	34	14

Although Iceland currently has a small deficit in its international commodity trade, capital inflows more than cover the deficit. Foreign exchange reserves are at a high level and are valued at over two billion Icelandic kronur.

Liberalization of Trade

In its trade policies, Iceland recodified its tariff system in 1963, eliminating excessively high duties. Nevertheless tariff rates remain high by world standards both for fiscal and protective reasons. Policy, however, is gradually to reduce tariffs. Membership in the EFTA is being considered; this would require Iceland eventually to reduce or eliminate the tariffs applicable to member states, particularly on industrial goods. Import controls are diminishing; and almost 90 per cent of imports are now liberalized, with oil and domestically produced agricultural products among the major items still under direct control. Global quotas are issued for all goods remaining under control, with the ex-

ception of oil which is obtained from the Eastern Bloc under bilateral arrangements. Cereal and cereal products are imported under PL480 arrangements with the United States. Although practically all invisible transactions are liberalized, capital movements remain under direct control. Commercial credits are restricted and external loans require government authorization.

What Do Canadians Sell?

Canadian exports consist largely of consumer goods and foodstuffs although occasionally capital equipment appears on the list. In 1965 these exports totalled about \$330,000, not including a multi-million dollar sale of aircraft, and included fresh apples, whisky, wallpaper, nuts, bolts and screws, tractor and implement tires, rubber footwear, electric lamp bulbs and tubes, laminated plastic materials and asbestos brake linings. Our imports from Iceland consist mostly of fish products, with herring oil the most important.

Canadian trade with Iceland is complicated by the lack of direct shipping and air connections. Canadian exports therefore are usually routed to Iceland via New York or British ports, including Glasgow. For carriage of large shipments of capital goods or cargo lots, direct sailings might be negotiated.

Icelanders are interested in trading with Canada and, all things being equal, welcome Canadian offers. The problems inherent in transportation (including the practical requirement of quoting f.o.b. New York) frequently make Canadian suppliers less competitive than they should be. Though these island people are oriented to Europe in taste and practice, they are conscious nevertheless of the presence of so many of their kith and kin in Western Canada. Thus bonds of family as well as friendship and commerce unite us. EXPO 67 may provide the opportunity for members of the Canadian and Icelandic business communities to meet and together to build, renew and strengthen ties of trade and amity.



Meet the Ostrich

WHAT BIRD has two toes and cannot fly? Full marks if you said the ostrich.

This strange-looking bird is a relic of prehistoric times. It is the world's largest living bird and the only one with two toes. The nail of the front toe is a formidable and deadly weapon from the age of the reptiles. Once, the bird could fly; today its wings are too small and the feathers have a peculiar looseness and slackness.

The ostrich, however, is more than a quaint novelty or a walking museum-piece. In the area of South Africa known as the Little Karoo, about 65,000 domesticated ostriches provide the main source of income for a number of farmers who have undertaken ostrich farming on a comparatively broad scale. The dry climate of this area is ideal for raising ostriches, which are indigenous to desert countries. The ostrich thrives on lucerne and on an abundant supply of stones and pebbles which it swallows and uses as choppers to grind its food. (Some of these stones are as large as marbles and even a bottle poses no problem!) The Little Karoo is an excellent lucerne-growing region and the gravelly soil contains all the stones that any ostrich needs.

The ostrich is, of course, famed for its feathers. During the reign of Elizabeth I women started wearing ostrich plumes in their hats. Marie Antoinette established the vogue of using plumes as an adornment. All these feathers were obtained from wild birds.

Farming with domesticated birds started about 1863 as a new branch of agriculture. By 1913 ostrich feathers were outranked only by gold, diamonds and wool among South Africa's leading exports. With the outbreak of World War I the bottom fell out of the ostrich feather business. Many farmers went bankrupt, some of the ostrich palaces built during the boom years fell into ruins, and the ostrich flock decreased from about one million to a few thousand birds. Some ostrich palaces are still standing as reminders of the ten years when one pound of prime plumes fetched R210* and a pair of breeding birds as much as R2,000. Such a collapse would not be possible today—but plumes now make up only half the ostrich market.

The total income from the ostrich industry in 1964/65 was R1.3 million and no part of this bird goes to waste. Feathers enjoy a steady market in the manufacture of dusters (80 per cent of the



An ostrich stands, securely held, while its feathers are plucked on a farm near Oudtshoorn, South Africa. No part of the ostrich is wasted; even its meat is in demand.

market) or as plumes for the fashion world (20 per cent). The average yield from a bird is 2½ pounds of feathers. The most sought after are the white feathers from the first row of plumes on the wing of the male bird and these fetched up to R40 per pound at recent auctions. In 1964/65 200,478 pounds of feathers were sold for R788,566.

Ostrich meat is in good demand, especially in the form of biltong, a dried meat considered a delicacy in South Africa. Leather articles made from ostrich skin are highly prized.

In Oudtshoorn in the heart of the Little Karoo there is an ostrich abattoir, the only one in the world. Here the birds are slaughtered by the most modern methods. A fully grown ostrich weighs about 250 pounds and an ostrich leg about 45 pounds. Biltong is made from the leg and the long muscles of the small of the back. The other meat is sold or made into polony, sausages or dried sausages. Carcass meal made of the blood, waste meat and bones is used in animal feed. The fat is used by soap factories. The bird is carefully skinned and the skin, worth about R18, may turn up eventually as shoes and handbags for the fashionable.

The shell of the ostrich egg, intact or made into ashtrays and other articles, is

a popular souvenir, and painted ostrich eggs may become the newest craze of Britain's Chelsea set. Even the glamorous Marlene Dietrich, heavily disguised, went shopping for one while she was in Cape Town. The eggs weigh about 3½ pounds and because they are the equivalent of two dozen chicken eggs, could quite easily satisfy the most ravenous appetite. Ashtray stands are made from the feet of the ostrich and the toenail, which grows up to four inches in length, is then highly polished.

A new use for the ostrich has come to light in South West Africa where two ostriches have been trained by farmers to take the sheep herds out in the morning and bring them back at sundown without human assistance and, more important, without the loss of any sheep.

If you come to South Africa, make time for a visit to Oudtshoorn and its ostriches. At least two farms are open to tourists and one can see ostrich races with the rider mounted on the ostrich like a horse (it is claimed that the ostrich can run at speeds up to 60 m.p.h.). The tourist is invited to have a try; it makes a great picture to show the folks back home.

—D. H. LEAVITT,
Assistant Trade Commissioner,
Cape Town.

*One rand=Can.\$1.5030.

Peru Spells Opportunity

An analytical look at DBS statistics for Peru shows up some interesting data: what Canada exports now, what we used to sell, and what we might be selling. Why not take a second look?

KENNETH G. RAMSAY, *Commercial Counsellor, Lima.*

TABLE I
CANADIAN PRODUCTS LAST EXPORTED TO PERU IN 1960

	(Can.\$'000)
Edible products	11.4
Crude drugs	2.0
Wool products	155.0
Special paper	11.0
Special textiles	85.2
Castings	107.0
Copper and alloys	12.6
Lead	5.7
Iron & steel products	40.8
Non-ferrous metals	11.3
Drugs and chemicals	170.0
Machinery and parts	997.0
Stoves and parts	14.0
Miscellaneous end products	322.0

Source: DBS

TABLE II
CANADIAN PRODUCTS FIRST EXPORTED TO PERU IN 1965

	(Can.\$'000)
Wheat	1.4
Eggs, hatching	.2
Box shooks	5.0
Alcohols	2.9
Wire	7.5
Copper alloy	3.2
Insulations	2.6
Metal drilling machinery	1.0
Trucks & parts	129.8
Aircraft with engines	164.0
Communication equipment	150.2
Electric equipment	6.6
Kitchen utensils	14.2

Source: DBS

TABLE III
CANADIAN EXPORTS TO PERU OF SELECTED ITEMS

	1960	1961	1962	1963	1964	1965
	(Can.\$'000)					
Animal products	73.6	58.6	.....	8.7	2.2	43.6
Grinding balls	47.8	24.4	16.2	.....	.....	10.8
Locks and keys	.....	5.0	5.2	6.5	6.5	9.3
Mining machinery	28.7	979.0	790.0	798.4	960.9	793.3
Agricultural machinery	41.9	43.2	36.3	29.6	9.0	12.2
Motor vehicles & parts	107.0	103.6	103.5	40.2	931.0	7,906.7
Tires	4.2	6.1	5.3	12.8	3.5	14.7
Electric communication equipment	1.0	3.0	216.0	342.7	427.8	151.9
Washing machines	75.4	102.6	84.9	108.0	122.4	134.3
Refrigeration equipment	3.0	6.4	4.3	3.2	11.0	6.8
Stoves	.....	.4	1.3	.7	.....	1.6
Dolls & toys	5.0	2.6	3.3	8.1	1.6	2.1
Canadian exports to Peru, including all others	8,200.0	8,200.0	8,100.0	11,600.0	10,700.0	21,900.0

Source: DBS

SPANKING NEW CARS assembled from Canadian-built components, window frames in newly constructed office buildings gleaming white with Canadian aluminum, pickles and dehydrated milk from Canada on the shelves of the supermarkets, rows of boxes of Canadian nuts and bolts in hardware stores, aircraft engines "Made in Canada" humming overhead, Canadian pharmaceutical products in doctors' offices—these are among the encouraging signs of increasing Canadian participation in Peru's growing market. Selected at random from 233 DBS classifications, they illustrate the wide variety of Canadian exports to Peru last year.

Four characteristics of this market are as true today as they were in 1960: no exchange restrictions, steady exchange rate, no import controls, and political stability.

In the six calendar years 1960-1965 (inclusive), products in 429 different DBS classifications were exported to Peru. Some of these—such as cattle, aluminum and tires—have been exported every year. Forty-five other items—including ham, papermakers' felts and castings—made a brave showing at the beginning of the 60's but have now faded into oblivion. The detailed list in Table I of the biggest disappearing items may suggest potentially profitable avenues of exploration to aggressive Canadian exporters. Certain items that, because of adequate Peruvian production or a prohibitive tariff (oilcloth is an example) no longer stand any chance of success, have been deleted from this list.

On the other hand, some new products have been added: 22 new DBS classifications appeared among exports to Peru for the first time in 1965. The main ones are listed in Table II.

Trade Prospects Good

In terms of total trade (as Table III shows) the change from 1960 to 1964 was modest but the increase in

—Concluded on page 16



This was the scene at the Pacific International Trade Fair last year as Peru's President arrived at the grounds. Next year the fair will run from October 28 to November 12.

Come to Peru's Pacific Fair

THE Department of Trade and Commerce has recently decided to participate in the Feria Internacional del Pacifico, October 28 to November 12, 1967; the time is now ripe for you to consider how this can be turned to your advantage. Canada will be erecting a 1,500-square-metre national pavilion, which more than 100 Canadian companies can use as a springboard to this market in particular and the Latin American market in general.

This fair, (called in English the Pacific International Trade Fair, commonly shortened to PITF), is a horizontal trade fair held in Lima, Peru, every second year (the last one was in 1965). Many people are surprised to discover that the PITF is the largest horizontal trade fair held regularly in the Western Hemisphere. Every product imaginable, from heavy construction machinery to linen and to kangaroo soup, is on display at the PITF.

The first PITF was staged in 1959. Since then there have been three fairs, each larger and more successful than its predecessor. A few statistics will illustrate this growth. In 1959, the fair grounds covered 124,000 square metres, of which 36,500 square metres held

buildings. By 1965, the total area was 240,000 square metres, with a corresponding increase in built-over area to 61,800 square metres. In 1959, 514,696 visitors attended the PITF during the two weeks; in 1965, 603,102 visitors were counted at the toll gates.

The PITF was conceived and originated by Mr. Gösta Lettersten nine years ago and he has master-minded all PITF operations in his capacity as Director General. Although the fair is privately owned, Mr. Lettersten has enjoyed such close support and co-operation from the Government that all Peruvians consider it a national event of great importance.

The main purpose of the trade fair, as conceived by Mr. Lettersten, is to "serve as an efficient trade instrument for all exhibitors". The management maintains a tight control over all participants and in all four fairs has collaborated closely with managers of the national pavilions to achieve the best results.

From the beginning, the fair has aimed an intensive promotion program at South American businessmen. In 1965, an extensive direct mail campaign sent illustrated folders, news bulletins, typed letters and posters to some 1,000 industrial associations and chambers of commerce,

and to more than 6,000 industrialists, airlines and travel agencies. It is estimated that 50,000 Latin American businessmen visited the fair, and as a direct result of the promotion program, more than 15 per cent of them came from countries other than Peru.

The PITF now has 25 permanent pavilions, 16 of which belong to foreign countries. Although the United States had a comparatively small pavilion in 1965 and although all the U.S. exhibitors were new to Peru, they signed more than \$2 million worth of confirmed sales agreements. Australia built a spanning new national pavilion in 1965 and 700 applications for agencies were received by its 115 exhibitors. The PITF management conducted a survey of all pavilion managers and found that a large percentage of them agreed that their participation had been an outstanding success.

The standard of individual exhibits in the 1965 PITF showed a marked degree of sophistication. Advertising, colour schemes, and pavilion designs were obviously conceived in the best traditions of big business.

Canada did not participate in 1965. In 1967, recognizing our position as Peru's fifth largest supplier, we will be there, using the fair to spearhead a major Latin American trade offensive. A handsome new pavilion capable of housing over 100 individual exhibits will be built.

Our goal is results that can be calculated in terms of dollars and cents. Canadian exhibitors, and their local agents here in Lima, will be encouraged to concentrate on sales, leaving the problems of administration to the Department of Trade and Commerce. Some companies will want to participate in order to sell directly and others to find local representatives. Whatever your reason for exhibiting, keep in mind that the more notice you can give the Department of Trade and Commerce, the more certain you can be that your individual needs will be looked after.

Peru is the best jumping-off point for Latin American sales. It imported \$22 million worth of a wide range of products from Canada in 1965—a 100 per cent increase over 1964. The PITF presents an excellent promotion opportunity for Canadian manufacturers, whether or not they are already established in Latin America. Consider the advantages of an aggressive approach to this market and come to the Feria Internacional del Pacifico in October 1967. The Trade Fairs and Missions Branch in Ottawa or the Commercial Section of the Canadian Embassy in Lima will welcome your inquiries.

—ANTHONY EYTON
Assistant Commercial Secretary, Lima.

1965 was impressive. In 1964, our sales to Peru included 24 items with an individual value of over \$100,000 (only wheat, newsprint and sheet strip steel n.e.s. exceeded \$500,000). But in 1965, there were 33 items with a value of over \$100,000 and wheat, automotive parts, newsprint, aluminum bars, passenger cars and wood pulp reached the \$500,000 mark.

The largest export increase occurred in the motor vehicles and parts classifications—a whopping eightfold rise from \$930,000 in 1964 to \$7.9 million in 1965. No similar increase can be expected in 1966. The market for quality Canadian products will, however, continue to be good as new roads are built (engineering construc-

tion contracts), and service facilities expand (garage machinery sales). The emergence of a middle class in Peru (increased consumer goods sales) and the country's growing export earnings from ore, cotton, fish meal and sugar spell greater opportunities for profitable participation in this market.

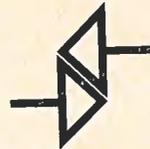
More Opportunities

In Table III, Canadian exports to Peru of selected items and groups of items have been shown on a yearly basis in order to point up in a general way the latent opportunities. It is immediately evident from Table III that Canadian exports of animal products, grinding balls and agricultural ma-

chinery have not made much progress since 1960. In grinding balls, larger local production explains the static sales but this is not true of the other two products; in fact, Peruvian statistics reflect a continual rise in imports.

The building boom which strikes every visitor to Lima, rapid industrialization, a world-wide demand for fish meal and a growing consumer market all combine to make this market worth a visit. In planning your visit you may wish to use the Canadian pavilion at the V Pacific International Trade Fair (PITF), (see page 15) October 28-November 12, 1967, as a springboard to the Peruvian market in particular and Latin America in general. ●

trade fairs



Taking a Market's Temperature

ONE OF THE LESS OBVIOUS REASONS for participating in a trade fair is the need for making an industry 'fishing trip' or putting up a 'trial balloon'. Certain Canadian industries may be more advanced than their counterparts in foreign countries, and trade fairs can be used both for market research and to keep local planners, developers and contractors interested in the goods and services these industries can provide. This was one of the main reasons for Canada's showing at the International Trade Fair for Oil and Gas Firing (INTHERM 66) which was held this April in Stuttgart.

Central heating is becoming more and more popular in Europe and Germany offers one of the best potential markets on the Continent. The building regulations, however, are strict and well defined; both official approval and industry acceptance are absolutely necessary. A local agent can be extremely helpful in obtaining customs and standards rulings, and many Canadian exhibitors went to the show with the idea of obtaining a suitable representative uppermost in their minds. Good public relations and advertising campaigns therefore were a must.

The Canadians spared no effort to let the almost 60,000 visitors know that they were there. An information stand was located immediately in front of the main doors and this stand, plus the exhibit itself, handed out

over 12,000 maple leaf pins and 3,000 shopping bags (emblazoned with *Kanada bedeutet Qualitat*) during the five-day run. It was virtually impossible to be in Stuttgart during INTHERM 66 and not know that Canada was participating.

Two receptions were held to promote the Canadian exhibit. The largest took place at a restaurant in an adjacent park where hors d'oeuvres and cocktails were served to the 150 guests. Among these visitors were the heads of the German Association of Oil and Gas-Heating Equipment (the sponsors of INTHERM), various fair authorities, buyers and importers, members of the press, and representatives of the German standards associations and the Stuttgart Chamber of Commerce. Exhibitors were also given blank invitation cards so that they could invite contacts made at the fair. A reception was also held on the Canadian stand for about 30 members of the trade press; each received a press kit and all were given a chance to ask questions.

A booklet describing and illustrating the Canadian products on display was printed in both German and English (*Mollige Warme aus Kanada* and *Comfort with Canadian Heating*). The German booklet was mailed to more than 700 buyers and manufacturers of heating equipment in Germany; it was also combined with press releases to provide background material for

800 trade publication correspondents and editors. Another 4,800 copies of the German-language brochure were handed out at the stand. Paid advertising was limited to two one-page advertisements in the official fair catalogue and the leading German architectural magazine, *Der Architekt*.

Considering the present development of the German oil and gas heating industries, the Canadians made a great deal of headway. Several companies established agency agreements, even though their units had not been completely assessed by local standards associations. Tentative sales ran as high as \$120,000 in some cases.

Knowing a market's likes, dislikes and needs is a solid basis for future sales. It was this groundwork that Canadian businessmen laid at INTHERM 66.

British Hovercraft Show

AN IMPRESSIVE DISPLAY and demonstration of Hovercraft organized by the British Hovercraft Association Ltd. was recently held on the Solent directly across from the Isle of Wight. Three days were set aside for official military and trade visitors, following which the public were admitted.

Hovercraft development has placed Britain in the forefront of the industry, and it is claimed that every ACV (air-cushion vehicle) now doing a useful job of work anywhere in the world is British made. Hovercraft are now in use both for military operations and civilian ferry services. Simulated commando raids, troop and vehicle transportation, firefighting and air/sea rescue operations at the show demonstrated the present stage of versatility of these vehicles. Visitors were able to experience the 60-mph overwater performance of the craft now in use on several short ferry routes in Britain and abroad.

A number of countries showed interest in Hovercraft applications, and it is reported that orders worth several million pounds are expected from U.S. and British defence authorities.

Field trials with a Westland SR.N5 have just been completed in the Canadian Arctic and interest has been expressed in water ferry applications in various parts of Canada.

A special issue of the monthly magazine *Air-Cushion Vehicles* was distributed at the show. In addition to a number of interesting articles on British Hovercraft development, it lists the exhibitors at HOVERSHOW '66 and provides illustrations and details of the vehicles designed and produced during the last five years as well as planned progress to 1970, including the SR.N4 mixed traffic ferry now in early assembly stages at Cowes. This is a 160-ton open-water craft capable of carrying 32 cars and 250 passengers. Other development projects include the tracked Hovercraft to provide high-speed ground trans-

port, air-cushion carriers for helicopters, and light amphibious craft for private owners.

France, Israel, Japan, the Soviet Union, and the United States are also developing Hovercraft, but none is as far advanced as Britain where "vintage" models are only two or three years old.

—L. H. AUSMAN,
Minister (Commercial), London.

Furniture Fair for Denmark

THE CABINET-MAKERS' GUILD will hold its annual exhibition at the Museum of Applied Art in Copenhagen, September 30 to October 6, 1966; it will mark the Guild's 40th successive exhibition in as many years. It will feature the work of younger designers; some of the exhibits have already won a recent competition for original designs.

The exhibition dates from 1927 when the 25 most influential cabinet-makers of Copenhagen inaugurated it and they have worked closely over the years with Danish artists and designers interested in contemporary furniture. The fair is affiliated with the Scandinavian Design Cavalcade.

Food for Thought

A FOUR-DAY CONGRESS ON CATERING will be a highlight of the International Catering Exhibition to be held in Basel, Switzerland, November 17 to 22. Over 16 experts will give lectures and lead discussions on various aspects of mass food distribution.

The show itself will contain displays of equipment for restaurants in schools, universities, industrial and commercial firms, banks, insurance companies and government departments—wherever large quantities of food have to be served. Refrigeration and deep-freezing techniques are to be a highlight of the fair and also automatic vending machines and semi-prepared and ready-to-serve meals.

Metalworking Out West

CANADA, whose exhibit was a show stealer at the 1965 Western Metal and Tool Exposition, came through with flying colors again this year. The ten exhibiting companies joined forces with ten government officers from both Los Angeles and Ottawa to write orders worth more than \$230,000.

WESTEC is sponsored by the American Society of Metals (ASM) and the American Society of Tool and Manufacturing Engineers (ASTME) and has been held annually in Los Angeles since 1964. Canada has participated each time. The primary purpose has been to promote sales for the participating companies in this lucrative market and to expose their personnel and products to the western United States market. Another

aim has been to encourage greater American interest in Canada as a competitive, technically able source of quality products.

This year the 2,664-square-foot, island-type stand featured machine tools, metalworking and forming machinery of several types, hydraulic winches, motors and transmission systems, and jacks, jigs and pulleys. These were displayed to about 25,000 manufacturers, distributors, dealers, engineers, scientists and manufacturers' representatives.

Both the exhibiting companies and government officials were well prepared for the flood of visitors. The Los Angeles office of the Department of Trade and Commerce wrote to each of the companies well before the show to determine their representation needs and marketing goals. Next came a comprehensive direct mail campaign to approximately 10,000 selected companies and individuals throughout the western United States. Each received a package that included one copy of *Canada—Machinery Specialist to the World* (a descriptive booklet prepared by the department), an invitation from the Senior Trade Commissioner to visit the Canadian exhibit, a complimentary guest registration for non-ASM and ASTM members, a list of companies seeking representation, and a Travel Bureau business reply card.

The mailing proved well worthwhile. One company established two agencies and received a third inquiry before its representatives had left Canada. Other interested agents came to Los Angeles from as far away as Seattle and Denver to see Canadian exhibitors.

On-site sales were not the only yardstick of the Canadians' success at WESTEC. Two firms established new representatives and another five are discussing similar agreements with U.S. distributors. Solid preparation, teamwork and good business sense combined to make this year's WESTEC memorable for Canada—even in the face of the stiffest of competition.

New Products, Techniques at PHOTOKINA

THE NINTH WORLD FAIR of Photography (PHOTOKINA) will be held in Cologne, West Germany, from October 1 to October 9, 1966. It will include a commercial section with exhibits of photographs as well as instructional and documentary screenings. Special points of interest in the display area will include demonstrations of underwater photography, a professional photographic studio in action, and a television studio.

Four half-days are being set aside for trade visitors alone (October 3 to 6, 9 a.m. to 1 p.m.). Show authorities reported that, up to the end of May, applications had been received from over 500 exhibitors from Germany and 22 other countries.

An International Convention of Photography and Cinematography will also be held from October 6 to 8

in conjunction with PHOTOKINA, organized by the German Society for Photography and the Society of German Engineers. The convention will feature 61 experts from eight countries who will present five series of talks on the latest developments in the photo industry. Among the topics to be discussed are ciné film in research and development, photography for measuring and testing, photography in production, photography in microscopy and electro-microscopy, and special filming techniques.

Construction Show for Germany

CONSTRUCTA II is the name of Hanover's International Building Trade Exhibition slated for January 21 to 29, 1967. The show will include displays of building materials, components, designs and systems as well as demonstrations of the latest building techniques. Another feature of the fair will be a series of technical conferences arranged with various scientific and trade groups. They will be designed to elaborate upon the information provided by the fair itself. For more details, write to Deutsche Messe-und Ausstellungs-AG, Constructa II, 3 Hannover-Messegeleände, West Germany.

Self-Service Show

THE ROYAL DUTCH FAIR in Utrecht, Holland, will be the site of the 9th Self-Service Exhibition to be held from May 22 to 25, 1967. Sponsored by the Foundation for Distribution Efficiency, Kastanjelaan 53, Arnhem, Holland, the exhibition will be open to members of the trade only. There were 177 exhibitors in 1965.

Among the products on display will be automatic weighers, cash registers, coin-operated washing machines, deep freezers, heat-seal machines, refrigeration plants, labelling machines, warehouse equipment and meat-processing machines. The Self-Service Congress 1967, organized by the Association of Self-Service Stores, will take place at the same time as the exhibition.

Yugoslavia Plans Medical Fair

THE LATEST EUROPEAN ADVANCES in medicine, medical equipment and pharmaceuticals are to be shown at the 4th International Exhibition of Medicine and Medical Aids in Zagreb, Yugoslavia, from April 15 to 23, 1967.

Among the proposed exhibits are pharmaceutical preparations, dental supplies, surgical instruments, X-ray apparatus and accessories, laboratory equipment and chemicals, radioactive isotopes and hospital equipment. The exhibition will also feature a number of lectures, meetings, discussion groups and demonstrations on related subjects. ●



An Air Canada shipment containing 11,000 pounds of electronic components for Scottish plants arrives at Prestwick Airport.

Your Agent North of the Border

You may be missing out on the highly profitable markets in Northern Ireland and Scotland by not having a separate agent there. These are distinct markets and need special treatment.

DAVID G. NELSON, *Acting Trade Commissioner, Glasgow.*

THE MARKETS in London and in Britain as a whole are often thought of as synonymous. But although Scotland and Northern Ireland have certain similarities to England, they also have distinctive characteristics. Their different culture, tradition, history and commercial practices create a market very different from that in England and the area warrants separate attention.

Scotland and Northern Ireland together have a population larger than that of the combined Canadian cities of Toronto, Montreal, Vancouver, Winnipeg, Edmonton and Halifax—and these cities are more

widely separated than the compact Scotland-Northern Ireland belt. At one point the coastlines of Northern Ireland and Scotland are only 13 miles apart, and although no bridge spans the North Channel of the Irish Sea, regular ferry crossings make an interchange of commercial and tourist traffic easy.

Northern Ireland's Open Door

The decline in the traditional industries of Northern Ireland has been worrying economic planners, who recognize the persistent need to attract diversified industries. Many foreign and British firms have been

quick to capitalize on the Ulster Government's incentive programs and on the availability of skilled labour from the diminishing aircraft industry. In spite of outward pessimism, manufacturing continues to expand at a remarkable rate.

Canada has a decidedly favourable balance of trade with Northern Ireland. Although separate statistics are not available, port authorities are able to supply reliable figures from sea-traffic records. (Totals might be greater if shipments from the rest of Britain were included.) In 1964, Canada's exports to Ulster, consisting mainly of timber, plywood, grain, feedstuffs and other basic materials, accounted for £12.13 million (\$36.4 million). Estimates for 1965 indicate another increase. On the other hand, Ulster exported only £530,000 (\$1.6 million) worth of goods to Canada, a decrease of 50 per cent from 1963. But despite this trade imbalance, the

door remains wide open to Canadian exporters.

Market in Scotland Grows

Although Scotland offers opportunities, net emigration last year exceeded 40,000; 31,600 workers have left the coal mines over the past five years; shipbuilding's working force is down 12,800, railways 19,300, textiles 4,300. Despite this depletion of the labour force, progress has come. Giant electronics complexes dot the lush countryside of the narrow central belt spanning the 50 miles between Glasgow and Edinburgh (where 90 per cent of industry and 75 per cent of the country's 5.2 million people are located). Electronics companies are expanding into Scotland at the rate of one a month; in 1946 there was one firm and now the area claims over 40 world leaders in the industry. The phenomenal growth of the electronics and instrumentation industry has overshadowed lesser but significant developments in other areas. Chemicals, motors, iron and steel, and other science-based industries have combined with the traditional whisky and textile industries to give a new impetus and satellite operations

have mushroomed to support the giants.

Filling the Components Gap

The influx of large firms has led to a components vacuum. Table I shows that large complex firms require various components not made in the area and at present many products are imported from outside Scotland. Some of these purchases are made in England but many companies are buying from U.S. and European sources. Canadians have had some success in filling the components gap but considering the preferential tariff treatment we receive and the inherent acceptance of Canadian products, we are not fulfilling our potential.

The Scots Are Spending

How important is Scotland to Canada's export trade? There are no direct statistics on Scottish imports but estimates are reasonably representative. Canada's exports to Britain totalled \$1,174 million in 1965. A straight population ratio of 5.2 million to 55 million would indicate a Scottish share of \$111 million. Scots are big spenders; Scotland's retail sales are 15 per cent of total British

sales and thus the \$111 million may be a conservative estimate.

Although wages in Scotland are relatively low, spending power should not be under-estimated. Visitors to Scotland today may well be surprised at the shop windows advertising Canadian stoves, refrigerators and freezers, expensive Canadian lamps, and Canadian central heating systems. How can the Scots afford them? Wages are rising, despite a national incomes policy of restricting increases. In addition to rising wages, an important factor in consumer spending power is the subsidized housing scheme. Over 700,000 houses in Scotland are owned by local authorities and in Glasgow, the largest city, 70 per cent of the housing is subsidized. The average weekly rent in council houses is 16/2d. or approximately \$2.43, and the low rents have released money for purchases of luxury products common in North American households.

Scotland is important as a separate market; using representative export statistics, the Scottish market compares favourably with Belgium and Luxembourg (to which Canada exports \$101 million), France (\$87 mil-

TABLE I
ANALYSIS OF COMPONENTS EMPLOYED IN SCOTTISH INDUSTRY

Industrial Group	Yearly Consumption \$'000	Per Cent of Components Obtained from		Price	Reasons by Per Cent for Purchases outside Scotland			
		Scottish Sources	Other Sources		Quality	Delivery	Lack of Capacity	Other Reasons
Agricultural machinery	3,033	31.8	68.2	69.6	—	—	29.7	0.7
Machine tools	3,801	59.0	41.0	31.6	31.1	17.7	19.3	0.3
Small tools and gauges	204	23.2	76.8	31.7	31.7	—	4.5	32.2
Industrial engines	4,074	21.6	78.4	9.3	10.1	—	80.6	—
Textile machinery	1,260	41.1	58.9	—	34.3	—	62.5	3.2
Contractors' plant	7,980	25.5	74.5	27.3	17.4	12.2	43.1	—
Mechanical handling equipment	3,930	51.2	48.8	47.2	0.2	3.9	47.1	1.5
Office machinery	6,174	23.2	76.8	4.0	27.4	7.0	60.1	1.5
Other machinery	45,570	45.9	54.1	31.4	8.0	8.8	46.6	5.3
Industrial plant and steelwork	2,442	71.0	29.0	59.6	6.4	21.9	12.2	—
Watches and clocks	396	15.5	84.5	17.4	17.4	17.4	47.7	—
Electrical machinery	675	92.9	7.1	51.6	43.2	—	5.2	—
Radio and electronic apparatus	3,315	30.5	69.5	21.9	5.0	14.2	28.4	30.4
Domestic electrical appliances	2,793	21.2	78.8	36.3	7.1	10.5	46.1	—
Other electrical goods	2,910	30.8	69.2	18.4	14.4	15.0	48.0	4.2
Shipbuilding	9,186	56.5	43.5	66.8	—	4.8	27.4	1.0
Marine engineering	5,676	64.1	35.9	29.1	12.3	8.1	10.0	40.6
Motor vehicles	22,488	28.6	71.4	35.6	6.8	19.6	38.0	—
Aircraft manufacture	33,360	2.1	97.9	—	—	—	100.0	—
Furniture	456	3.8	96.2	72.4	—	—	27.6	—
Plastics moulding	282	65.4	34.6	37.1	—	—	52.0	10.9
Total	160,005	32.6	67.4	24.9	8.7	8.2	54.5	3.7

lion) and South Africa (\$69 million). Most large Canadian companies have a single agent servicing each of these areas. Very few have a man in Scotland. Yet Scotland deserves to be treated as more than the northern extension of the English market; prompt deliveries and regular visits from on-the-spot sales representatives are as important here as elsewhere.

How Are You Represented?

Suppliers in England are gradually showing an awareness of the distinctiveness of the Scottish market and

many English-based firms have established Glasgow offices and warehouse facilities. If the orders are minimal, a Scottish representative will add the personal touch, giving a Glasgow manufacturer the knowledge that his individual interests are being considered. It is our experience and the experience of our London office that most exporters to Britain should be represented separately in Scotland and Northern Ireland. With few exceptions, a separate Scottish agent will also include Northern Ireland in his territory.

Keep these points in mind in arranging your representation in Britain. If you have a British agent, make sure that he makes calls in Scotland and Northern Ireland regularly. If not, write to the Scottish or Northern Ireland offices of the Trade Commissioner Service for advice on complete British representation. Through the services of the Scottish Association of Manufacturers' Agents and the numerous representatives already known to our offices, we will help you complete your coverage of Britain. ●

What's current in commodities?

Small Watercraft

Venezuela—Interest in water sports is growing and the market for power boats and sailboats is good. Marine hardware and accessories are also in demand but U.S. competition is stiff.

G. J. FONS, *Commercial Assistant, Caracas.*

VENEZUELA has an ideal climate and geography for boating and fishing. The Caribbean coast and inland waters abound with tropical fish. There are several large lakes and major rivers in the interior, including oil-rich Lake Maracaibo, the storied Orinoco River, and the mighty Caroni with its largely untapped hydro resources. Most of the large cities are located near the coast or near lakes or large rivers. Despite this natural situation, Venezuela is only now developing water sports. About fifteen years ago pleasure boating was almost unknown and limited to a few luxury yachts. No marinas existed and the sea was considered a dangerous, unknown element by all but the fishermen who made their living by braving its hazards.

The postwar years brought an inflow of European immigrants who

enjoyed water sports of all kinds and soon became aware of Venezuela's potentialities for fishing and boating. Their first endeavours, and reverbera-

tions from the North American boating boom, quickly developed the support of local enthusiasts and marinas and boating clubs soon sprang up.

Sailboats, Motor Boats

Currently, boats with inboard or outboard motors are most popular,

TABLE II

IMPORTS OF ROWBOATS, SAILBOATS AND OTHER SMALLER VESSELS, WITHOUT MOTORS

	1964 (Can.\$)
Total	106,904
Argentina	2,443
West Germany	5,600
Canada	3,060
United States	170,049
France	4,659
Italy	9,465
Japan	441
Norway	1,280
Netherlands	638
Poland	1,363
Britain	3,564
Sweden	8,130

TABLE I

IMPORTS OF MOTORIZED WATERCRAFT UNDER 250 TONS REGISTER*

	1964 (Can.\$)
Total	532,624
Canada	32,345
Denmark	10,506
United States	485,550
France	964
Poland	2,439
Britain	821

*Venezuelan statistics.

A long line of cabin cruisers and pleasure boats are shown moored at the marina of the Macuto-Sheraton Hotel near Caracas. Although Canadian watercraft are well suited to this market, United States' types are so far much better known to Venezuelans.



and sailboats are just starting to catch the fancy of Venezuelan buyers, many of whom began with the small "Sunfish" class and are becoming interested in larger craft. Although there may always be a better market here for powered watercraft, the interest in sailboats should be carefully watched. Any Canadian producers interested in exporting sailboats to Venezuela should start now exploring the market.

Venezuelan import statistics are collected in terms of gross weight and do not specify the number of boats,

TABLE III
IMPORTS OF OTHER BOATS, n.e.s.,
INCLUDING FLOATING
DREDGES

	1964 (Can.\$)
Total	283,421
Denmark	2,786
United States	275,662
Italy	347
Netherlands	4,478
Poland	148

but local dealers estimate imports at 500 units a year. One distributor sold last year U.S. \$145,000 worth of boats. This figure is strictly boat sales and does not include accessories such as outboard motors, marine hardware, etc. There are at least three more distributors of roughly that size.

Most of the larger sports craft are owned by big game fishing teams, which participate each year in national and international championships. These fishermen usually want a sturdier, more seaworthy boat than is commonly used in the northern Caribbean, particularly off the Florida coast. Smaller craft are bought by skin divers, water skiers and people whose budget does not permit them to acquire larger craft with powerful engines. There is a marked tendency to equip boats with powerful motors, perhaps because of the low cost of fuel and the desire to best other boats in speed and manoeuvrability.

Competition in Marine Supply

The marine supply market is dominated by United States manufacturers and most imports come from Miami, Florida. Urgent orders can be flown

in at fairly low rates. This is advantageous for the local trade because demand in these lines tends to be sporadic and sudden interest in a given product can develop after periods of sluggish sales. Because Canadian designs and standards are similar to those in the U.S. our equipment should have good sales prospects, but the U.S. advantage in terms of lower freight costs and quicker deliveries must be recognized. Unfortunately, Canadian boating equipment is not well known to Venezuelan sportsmen or dealers, who are fairly familiar with U.S. brands through U.S. technical and sports magazines and previous sales to this market.

Commercial Use

Coastal fishing is chiefly in the hands of individual native fishermen using craft usually of their own manufacture to which outboard motors are fitted. Some larger types of inboard motorboats and sailboats equipped with auxiliary engines are used for fishing as well as coastal and island trading.

In this sector there is a steady demand for outboard motors and the

less sophisticated types of marine hardware but not for hulls.

In the interior waterways, the market for imports is not promising. Most watercraft are simple dugouts propelled by oars, paddles or outboard motors. Although inland freight costs for imported boats add to prices for people in the interior, the felling of a tree and conversion of it into a dugout canoe involves merely labour, which is plentiful and cheap in those

parts. Local operators seem to prefer spending money on outboard motors and saving on the cost of the boats, which can be built with a little time and effort.

The commercial fisheries of Venezuela are under-developed. If government support is increased (and this is likely) the industry has good prospects for expansion. Already Venezuela has encouraged the development of sizable sardine and shrimp

fisheries but much remains to be done in exploiting other marine resources.

Manufacturers and boat-builders with a proven ability to meet United States competition and those with unique products related to water sports should investigate Venezuela as a market. High incomes derived from a booming economy based on the huge oil industry make this an unusually large market for luxury sports equipment. ●

Chemicals

Netherlands—Both sales and exports have shown an across-the-board rise over the past few years. Canada's chemical exports to Holland are also increasing, and demand should go even higher.

J. B. McLAREN, *Commercial Secretary, The Hague.*

THE NETHERLANDS CHEMICAL INDUSTRY has witnessed a remarkable development during the postwar period. From 1950 to 1959 sales (including domestic production, imports of raw materials and exports) increased by an average of Can. \$60 million* annually, and from 1960 to 1963 by \$75 million. In the last three years the rise in total sales has been even more spectacular, from \$1,125 million in 1963 to \$1,350 million in 1964 and \$1,560 million in 1965. In the same period, exports rose from

\$645 million in 1963 to \$792 million in 1964 and \$957 million in 1965.

Exports

The rise in sales and particularly in shipments abroad resulted mainly

from the great demand on the part of the EEC countries (see Table I).

The figures in Table II give details of sales and shipments abroad of the various types of chemicals and chemical products.

In 1965 sales by the chemical industry represented 9.6 per cent by value of those of all industries compared with 9.1 per cent in 1964 and 8.6 per cent in 1963.

Last year the manufacture of the following new products was started: ethylene diamine, diethylene triamine, triethylene tetramine, tetraethylene pentamine, ethylene glycol, triethy-

TABLE II
SALES AND EXPORTS OF CHEMICALS BY TYPE

	1964		1965	
	Sales	Exports	Sales	Exports
	(Can.\$ million)			
Plastics	225	145	270	183
Rayon and synthetic fibres	170	131	195	156
Fertilizers	158	71	183	97
Medicaments	116	67	141	83
Paints	102	25	113	30
Soap, detergents	76	8	86	8
Pigments, colours	53	39	57	43
Disinfectants, insecticides	39	24	40	23
Cosmetics	33	5	36	6
Essential oils, synthetic perfumes and extracts	30	22	32	24
Gases and calcium carbide	19	2	19	2
Cleaning materials	11	2	18	10
Printing ink	10	2	11	2
Chemical office supplies	8	3	8	3
Explosives, pyrotechnical products, matches	5	.6	5	1
Candles	3	.3	3	.3
Other chemicals	294	247	343	285
Total	1,350	792	1,560	957

TABLE I

VALUE OF SALES TO EEC COUNTRIES INCLUDING THE NETHERLANDS

	(Can.\$ million)	(Per cent of total sales)
1963	819	66.2
1964	896	66.4
1965	1,050	67.3

*Statistics: Association of the Netherlands Chemical Industry and Central Bureau of Statistics, The Hague.

lene glycol, glycol ethers, polyglycols, propylene oxide, expanded polystyrene foam, cyclohexane, 2,4-dichlorophenoxy acetic acid, methylchlorophenoxy acetic acid, nylon 6/6, semi-synthetic penicillin, linear alkenes, 2,6-dichlorothiobenzamine, cyanide acetic acid.

TABLE III

NETHERLANDS IMPORTS OF CHEMICALS

	1964 (Can.\$ million)	1965
West Germany	67	69
United States	31	45
Britain	22	20
Belgium-Luxembourg	20	21
France	14	19
Canada	1	1

TABLE IV

NETHERLANDS IMPORTS OF CHEMICALS FROM CANADA

	1964 (Can.\$'000)	1965
Tellurium and arsenic	—	7
Iron and hydro oxides	9	14
Aromatic hydrocarbons, n.o.p.	—	6
Halogenated derivatives of saturated hydrocarbons	—	14
Propyl and isopropyl alcohol	—	5
Pentaerythrite	482	413
Phenols	—	6
Aldehyde phenols and ethers	836	815
Ethyl acetate	—	86
Amino acids	—	5
Heterocyclic compounds	47	54
Sera and vaccines	6	9
Medicaments containing penicillin or derivatives thereof	—	5
Other medicaments	—	35
Total	1,380	1,474

Imports

Although the Netherlands is a large exporter of chemicals, it also imports certain types from various countries, as Table III shows. Imports in 1965 totalled \$224 million, as against \$191 million in 1964. In view of the steadily expanding industrial activities in the Netherlands, there will be an increased demand for chemicals. Canadian manufacturers interested in this market are requested to send full details and prices, preferably c.i.f. Netherlands, to the Hague office. ●

Dried Beans and Peas

Britain—White pea beans for canning and dried peas for packeting and canning are in brisk demand. Canada could expand its sales by offering larger quantities of high standard.

G. D. COOPER, *Commercial Officer (Agriculture), London.*

DURING 1965 Britain imported some 3.0 million long cwt. of dried beans and peas of all kinds, or roughly 5½ million bushels with a value of over \$31 million. Canada's share of this trade totalled \$6.5 million or 21 per cent. The British market continues to expand and opportunities for sales appear exceptionally good, with interest in the Canadian product at an all-time high. The Canadian farming community and trade are responding to the challenge but even more effort is needed to gain a larger share of the market.

White Beans Favoured

White beans for canning are the major import in the dried bean category; 1.44 million long cwt. were imported last year valued at \$16.3 million. Canada supplied 495,000 long cwt. worth \$5.4 million, or over 33 per cent of the market. The United States was the major supplier with 741,000 long cwt. valued at \$8.6 million.

The high-quality white pea bean for the manufacture of canned baked

beans in tomato sauce is the one most in demand. The Britisher has a voracious appetite for baked beans, with per capita annual consumption at about seven pounds. The canning industry, dominated by four or five large companies, spends considerable sums in advertising to maintain and increase consumption and consequently is conscious of the need to maintain high standards for its product.

Canadian Grade No. 1 and Extra No. 1 Eastern pea beans sell well. The grade standards¹ set by the Canadian Board of Grain Commissioners are generally acceptable but the quality of shipments must be maintained at or preferably above

⁽¹⁾The Department of Trade and Commerce in undertaking a market study for white beans organized a visit to Britain by a technical team from the Board of Grain Commissioners, Canada Department of Agriculture, to study British quality requirements. Reports on the findings of this Technical Mission or other market data are available from the Department of Trade and Commerce, Ottawa.

TABLE I

IMPORTS OF DRIED BEANS INTO BRITAIN—1965

	Total Imports		Can. Exports		Can. Share of Imports Per cent by value
	Quantity (long cwt.)	Value (Can.\$million)	Quantity (long cwt.)	Value (Can.\$million)	
Butter beans	105,078	1.4	—	—	—
Other white beans	1,441,419	16.3	494,923	5.4	33.3
Horse beans	118	.003	—	—	—
Other beans	93,213	1.6	21,895	.2	13.2
Total	1,639,828	19.3	516,818	5.6	29.0

TABLE II

IMPORTS OF DRIED PEAS INTO BRITAIN

	Total Imports		Can. Exports		Can. Share of Imports Per cent by value
	Quantity (long cwt.)	Volume (Can.\$million)	Quantity (long cwt.)	Volume (Can.\$million)	
Whole, green or blue	1,040,817	9.0	18,095	.2	2
Whole, other	323,380	2.5	103,665	.7	27.5
Split	37,236	.4	4,709	.04	11.2
Total	1,401,433	11.9	126,469	.94	7.7

present levels if we are to enhance our position in this market in the face of strong competition from other suppliers, including the United States, Chile, Eastern European countries and, recently, East Africa. One of the British buyer's major complaints is that Canadian production is not large enough to provide the quantities that British industry needs: it is geared to few purchases in large quantities rather than a large number of smaller purchases.

The Canadian grower has shown some appreciation of this situation because the land sown to dry beans increased from 76,000 acres in 1964 to an estimated 90,700 in 1966. Canadian production has totalled 1.9 million bushels in recent years. Manufacturers of canned beans would favour a reduction of the present moisture content of bean supplies but a more frequent criticism is the presence of foreign material, in particular stones and shale, that make expensive cleaning processes necessary.

Beans other than butter beans may be imported free of duty under the Commonwealth preference as opposed to 8 per cent full and EFTA rates. Butter beans, horse beans and others are subject to a 10 per cent duty from sources other than the Commonwealth; imports from Commonwealth countries enter free of duty.

Imports of butter beans were valued at \$1.4 million; most of them come from the Malagasy Republic. Imports of "other" beans, which include red kidney and yellow-eye beans, were valued at \$1.6 million, of which Canada supplied about \$200,000 worth, mainly red kidney beans. Here again there is interest in Canada as a source of supply and useful business could be developed.

Dried Peas

Total disappearance of dried peas in Britain is over 116,000 long tons a year. Domestic production accounts for 46,000 long tons and the remainder are imported. The main types used are dry green peas (also called Dutch blue peas), yellow peas and marrowfats.

Imports reached almost \$12 million in 1965, with the United States exporting whole green-blue peas

worth \$5.3 million and the Netherlands an additional \$1.7 million. Supplies of all types from New Zealand were worth \$1.5 million. Canada's total exports of dried peas were valued at \$940,000.

The relatively high protein content originally made dried peas a valuable constituent of stock feeds but this use is less important since byproducts high in protein and fat became available from the edible oil processing and grain milling industries. Peas for packeting and canning are in demand because domestic production falls a long way short of requirements, although 2,000 more acres were sown to peas for the crop year 1965/66 than the previous year's 34,105 acres. This is expected to produce 46,100 long tons of peas based on a yield of 1.4 tons per acre. Canadian production, on the other hand, has declined, despite the reasonably good sales prospects in Britain.

The majority of Canadian exports are Century yellow peas with some marrowfat varieties. The Alaska green pea, which has not so far been cultivated very successfully commer-

cially in Canada, is particularly favoured in Britain for canning and if a dry green pea variety that will grow well under Canadian conditions can be found or developed, it would sell in quantity. The demand for marrowfat peas is more limited but strong and there is also some demand for peas for splitting. The processors want a high standard; immature and off-colour peas are unacceptable, as are those damaged by combining and threshing.

Whole peas, with some exceptions, are liable to full and EFTA rates of duty of 7/6 per long cwt. or 10 per cent, whichever is the greater. Other peas are liable to 10 per cent duty from both sources and split peas 15 per cent. All types enter free of duty under Commonwealth preference.

Climate and the length of the growing season in Canada are recognized as restrictive factors in the production of peas and beans. Increased research with new varieties will, it is hoped, show dividends and enable higher production on a more extensive scale to meet the needs of a competitive but lucrative export market. ●



Twenty purebred Canadian Holstein-Friesian cattle parade around the ring during Canada Day at the Agricultural Fair at Novi Sad, north of Belgrade. These cattle were later purchased for careful study by a large agricultural enterprise in Osijek, Croatia; this could mean future possibilities for more Canadian cattle sales.

trade lines



Venezuela now produces enough grey steel furniture to exceed domestic demand. A survey by the Venezuelan Development Corporation suggests that the solution to this problem lies in the possibility of financing exports of steel furniture to the Caribbean islands and to Central America. The report indicates that quality and prices of this furniture should be competitive and some small foreign sales have already been made—Caracas.

Scottish Television has announced a reduction of 25 per cent in its rates for advertising products on test in Scotland. Products exported from Canada and not previously advertised in this country will be eligible for a 26-week exposure at a reduced rate. This applies only to those products being advertised exclusively in Scotland—Glasgow.

Europe's largest soybean processing plant will be built in Amsterdam by the American Cargill-Tradax Corporation at a cost of \$3 million. Amsterdam was the location chosen as the port can offer good transshipment and storage facilities. The factory is expected to be in operation before the end of 1966 and during the first few years will process 300,000 tons of soybean oil and meal annually. If the European demand for soybean meal should increase substantially, the capacity may be raised to 500,000 tons—The Hague.

Brazil's exports increased by 35.4 per cent in the first quarter of 1966 over the same period last year. Total volume exported, including coffee, was 3,896,322 tons, for an over-all value of U.S.\$405.7 million. Coffee continued to be the major export, making up 53.8 per cent of the total. Nearly 2.5 million tons of iron ore were exported and this should increase in the next quarter with the opening of the new Port of Tubarão. Total cocoa exports rose from 17,000 tons in the first quarter of 1965 to 30,500 tons in 1966—Rio de Janeiro.

Foreign capital invested in West German joint stock companies varies widely from industry to industry. In the petroleum industry at the end of 1964 it was 93 per cent; food, beverages and related products, 39 per cent; automotive vehicles, machinery, steel construction and shipbuilding branches 24 per cent; electro-technical products, precision instruments and optical goods 23 per cent; commercial undertakings 18 per cent; chemicals, synthetics and rubber 14 per cent; paper and printing 13 per cent; building and building materials, glass and ceramics 12 per cent; leather and

textiles 12 per cent, and iron and steel 10 per cent—Bad Godesberg.

Greece's aluminum smelter went into operation on June 13. This new \$125 million plant will have an annual output of 200,000 tons of alumina and 72,000 tons of aluminum; 60,000 tons of alumina and 61,000 tons of aluminum will be available for export—Athens.

The Dead Sea Works in Israel has contracted to sell 500,000 tons of potash to 35 different countries during the current fiscal year, 33½ per cent more than in the same period last year. Israel at present exports most of its potash to European and other developed countries, but hopes that an increasing proportion will in future go to the developing countries of Africa and Asia—Tel Aviv.

The Swiss shoe industry has increased its production by 81 per cent in the past 15 years, but the labour force increased only by 14 per cent, thanks to comprehensive rationalization and technical innovations. In 1965 the Swiss produced 15.4 million pairs in over 150 factories—Berne.

Some 24,000 tons of fish were caught last year in Hungarian breeding lakes and free waters covering a total water surface of 24,000 hectares. To raise the per capita annual fish consumption within a few years to five from the present two kilograms, the areas of artificial lakes and free waters will each be expanded to 60,000 hectares—Vienna.

Jamaica will need more nitrogen, potash and phosphates to supply its new fertilizer plants. A fertilizer mixing and distribution plant costing \$3 to \$4 million is to be erected shortly in Jamaica by the Albatros Chemical Co. of Holland and Imperial Chemical Industries of Britain. The plant is to have an initial capacity of about 40,000 tons, or approximately half of the island's total current demand for fertilizers. Construction of the plant is scheduled to begin within the next few months. The local company will be importing the components for the fertilizers. This will be the second chemical fertilizer operation in Jamaica. Esso Standard Oil also has a plant that will manufacture fertilizers under construction in Jamaica. It will produce complex type N.P.K. fertilizers, and production (50,000 tons a year) will begin shortly. The Esso

unit will import nitrogen, potash and phosphates as raw materials—Kingston.

The Mexican Government plans to reduce wheat surpluses by cutting back on domestic production. To compete in world markets, Mexico must export at prices considerably lower than the internal guaranteed prices. The high support price spurred an 8.7 per cent production increase last year and harvest totalled 2.28 million tons. Domestic consumption remained static—Mexico, D.F.

Some 122 new companies were established in Portugal with the participation of foreign capital in 1965. Of these, 34 were British, 23 German, 19 Spanish, 10 Swedish, 9 U.S., 7 Italian, 6 Belgian, and 4 Dutch. According to published figures, foreign investment in Portugal totalled Can. \$25 million in 1965, compared with Can. \$10 million in 1964—Lisbon.

The Port of Barcelona's new industrial estate has now been operating for six months. To date, one quarter of the area has been leased to a total of 36 companies both Spanish and foreign. These companies include the state-run commercial vehicle firm, ENASA, which plans a new truck and bus plant. Total capital investment of the companies is estimated at some \$33.3 million, and 7,000 new jobs are to be created. The consortium that runs the estate plans to spend \$20.3 million developing roads, railway lines, power and water installations, etc.—Madrid.

Italy produced 3.51 million nuclear megawatt hours during 1965. Of this amount 1.52 million mwh. was produced at Latina, 1.02 million mwh. at Trino Vercellese and 967,000 mwh. at Garigliano, the three locations where nuclear reactors are in operation. A full-scale nuclear power plant of 600 MWe output is expected to be constructed shortly—Rome.

The new Port of Tubarão, in Brazil, will be used primarily for the export of iron ore by the Companhia Vale do Rio Doce. The company expects to export 12 million tons of ore during the remainder of the year. This is an increase of 27.9 per cent over the previous year, when Brazil exported only 10 million tons for a total value of U.S.\$82.5 million. The first stage of the port, which was recently inaugurated, cost U.S.\$25 million and is equipped to load iron ore at the rate of 6,000 tons per hour—Rio de Janeiro.

Brazil plans to extend and improve the port of Paranaguá in the State of Parana. Approximately U.S.\$10 million is to be spent on four main projects. These will consist of dredging (U.S.\$3 million), 500 metres of wharves (U.S.\$3.5 million), additional berthing facilities for oil tankers (U.S.\$1 million) and grain silos (U.S.\$2.5 million)—São Paulo.

Thailand's new lignite fertilizer plant is expected to be completed by October of this year. The plant, owned by the Chemical Fertilizers Co. Ltd., will produce, using lignite as a raw material, 60,000 tons per year of ammonium sulphate and 30,000 tons per year of urea fertilizer. The complete plant, supplied by a German group, has cost approximately U.S.\$12.2 million. The cost of land, site preparations and working facilities amounted to another U.S.\$2.95 million—Singapore.

A new Costa Rican Company plans to grow bananas for export near the Atlantic coast. Belgian and Dutch capital is included. The firm expects to produce fruit to the value of U.S.\$12 million annually for export—Guatemala City.

Do-it-yourself is gaining ground in West Germany as an offshoot of the economic boom. The acute labour shortage means that tool-makers and manufacturers of basic household hardware and gadgets are finding a wide market for their products. The German television networks regularly show "do-it-yourself" programs—Hamburg.

A new tourist hotel will be built in Managua, Nicaragua, by a group headed by a former President. It is reported that part of the capital will come from the United States and the ADELA Investment Company—Guatemala City.

A 60,000-ton capacity organic fertilizer plant commenced production in Salonica, Greece, in March. built at a cost of \$2 million, this, the first organic fertilizer plant in Greece, is using garbage for raw material. The end product is packed in 50 kg. plastic bags and sells for approximately \$30 per metric ton. It is all being sold in Greece—Athens.

An Oslo firm has won a contract for two pebble mills in South America. The mills, to be built by Thunes Mek. Verksted, will be the largest ever made in Europe. To be delivered in 1967, they will be able to grind 260 tons of iron ore deposit per hour and each mill will weigh 560 tons. The company's magnetic separators are exported all over the world—Oslo.

Mexico plans an increase in irrigated land from 58,721 hectares to 95,000 hectares, an estimated net gain of some \$11 million annually in agricultural output. World Bank funds amounting to \$19 million have recently been allocated to Mexico for that purpose—Mexico, D.F.

Further aid to Western Australia's Ord River Project has been postponed for the time being, following an announcement by the Australian Government that it needed further study of crop yields, pests and costs

before the matter is reviewed again. The first stage of the project, costing Can.\$20 million, involved construction of a diversion dam to irrigate 30,000 acres for the growing of cotton. The second stage, on which action has now been deferred, called for the construction of the main Ord River dam to expand the irrigated area to 150,000 acres. The cost of the dam had been estimated at Can.\$85 million—Melbourne.

Westinghouse Electric Company and FIAT have signed an agreement for technical assistance through which Westinghouse will manufacture in the U.S. marine diesel engines licensed by FIAT. FIAT Grandi Motori, Turin, will supply to the Marine Division of Westinghouse the drawings and the technical assistance for the construction of two-stroke diesel engines, single acting, with a power unit up to 30,000 hp. FIAT will place at Westinghouse's disposal its marine servicing organization and both companies will exchange technical information. FIAT has been manufacturing diesel engines since 1907 and its engines are mounted on vessels of 19 countries—Milan.

The German mechanical and optical precision equipment industry continues to expand; production in 1965 is estimated to have reached approximately Can.\$850

million (a 5 per cent increase over the previous year). Domestic sales were excellent, but exports are facing stiffer competition. Imported goods are also gaining ground and currently hold an 18-20 per cent share of this market—Hamburg.

Paper production in Mexico during 1965 increased to 591,036 metric tons compared with 557,664 during the previous year. Virtually all sectors of the industry registered increases, with the most notable in the manufacture of semi-kraft paper products, which rose by 12,000 metric tons to a record 203,676 in 1965. During the same period Mexican imports of paper and paper products rose to 151,018 metric tons from 108,259 in 1964. The principal increase was in newsprint, up 39,000 tons to a record 135,515 metric tons—Mexico, D.F.

The Israel American Motor Corporation has sold three air cushion vehicles (Hovercraft) to the Finnish Coastguard. The two-seater Hovercraft will be armed with a light machine gun. This vehicle will have a bubble-type cabin and will be capable of reaching a maximum speed of 22 m.p.h. It is 16.8 feet long and 7.8 feet wide. One engine will provide lift power and the other backward or forward thrust—Tel Aviv.



Expo 67 and the Businessman

VISITORS to Expo 67 who want to mix business with pleasure will be able to do so in an atmosphere that offers them the best of both worlds. The unique facilities of Expo-Club—a private club for the exclusive use of business visitors—will be available right in the heart of the World Fair site. Among the many amenities that Expo-Club offers, membership includes a season admission passport to the fair.

Expo-Club has been established by Expo's Business Development Bureau, which is making unprecedented arrangements to enable foreign businessmen to meet their counterparts not only at the Fair but in cities all across Canada. Realizing that many visitors will want to see Canadian executives in their own line of business and to visit selected commercial and industrial enterprises, the Bureau has set up "welcome" committees in every major Canadian city.

Members of these committees include provincial officers of Departments of Industry, industrial commissioners, manag-

ers of Boards of Trade and Chambers of Commerce, representatives of industrial associations and local business executives. All of them have volunteered their services for a three-pronged campaign: to arrange for promotion and publicity in their area before the April 1967 opening of the Fair; to assist the Bureau in arranging introductions and appointments for business visitors; to welcome foreign visitors to their community, and to help them in every possible way.

These committees will handle the arrangements in other parts of Canada, but operations in Montreal will centre around the Expo-Club. The cost of membership for businessmen living within 100 miles of Montreal is \$200, which includes a season admission passport. For people outside this area the membership fee is \$50 and this also includes a season passport. Both these rates are good until December 31, 1966, when they will increase to \$250 and \$75. Foreign executives will be granted honorary member-

ship in the club when they have been formally introduced.

An initial promotion mailing early this year to almost every country in the world revealed that businessmen everywhere are enthused at the prospect of trade development and expansion which the Bureau offers. Its counselling services, provided by representatives of federal and provincial Departments of Trade and Commerce and Industry and the commercial and industrial departments of the chartered banks, are proving especially attractive to prospective exporters and importers from the emerging nations. Another letter about the Expo-Club was mailed in June to more than 1,000 corporations, companies, industrial commissioners and Chambers of Commerce across Canada. The response to date indicates that Canadian businessmen are fully aware of the remarkable opportunities that Expo-Club and the Business Development Bureau will undoubtedly offer them.●

Britain Buys Canadian Farm Products

Britain buys more Canadian farm products than any other country except the United States. The authors see greatest opportunities in bulk and semi-processed products, with emphasis on sales to feed and food processors, institutions, and the catering trade, plus some openings for processed products.

W. M. MINER, *Agricultural Secretary and*
B. M. FILLMORE, *Commercial Officer (Agriculture), London.*

BRITAIN is among Canada's best overseas customers for farm products. These products, now valued at more than \$300 million a year, cover a broad spectrum, from grains and oilseeds shipped in bulk to sophisticated package specialty items for the gastronome. The majority of Canadian food products (58.5 per cent) are shipped to Britain in bulk or basic form and another 20 per cent are semi-processed for use by British milling industries, food manufacturers and catering services. Only 11.6 per cent of the farm products we sell there appear on the grocery shelves as identifiable Canadian goods.

Table I shows the large part of our agricultural exports in the category of bulk items. The reader should note,

however, that statistics on a calendar-year basis tend to conceal seasonal variations in crops. Canada's success in the British market with these commodities depends basically on supply and demand and also on maintenance of high standards of quality and sound grading practices.

Grains and Seeds

Canada continues to be the leading supplier of grains to Britain. Most grain sales are handled by the Canadian Wheat Board in conjunction with international companies active in the trade and able to keep abreast of the buyer's changing preferences.

Wheat and Barley—In each of the past two years, wheat shipments have

totalled almost 70 million bushels. Barley shipments last year exceeded 10 million bushels. In 1965 Canada provided 47 per cent of Britain's wheat and 85 per cent of its barley requirements. Total British imports of barley have been declining, however, because of increasing domestic production. Similarly, the market for imported flour has declined consistently in recent years to 234,000 tons in 1965, of which Canada still provided 188,000 tons, or 80 per cent. The growth and integration of the British baking and milling industry have been partly responsible for this decline in sales.

Oats and Rye—Supplies of oats have also tended to fall since 1963 but shipments of rye reached a new peak last year of almost 300,000 bushels.

Dried Beans and Peas—See article on page 24.

Oilseeds—In 1965 Canada's oilseeds trade with Britain rose to 4.7 million cwt. valued at nearly \$27 million. Flaxseed leads (2.8 million cwt.), followed by soybeans 1.6 million cwt., mainly for crushing into oilcake and meal. Rapeseed shipments have been increasing (178,000 cwt. in 1965) with the growing acceptance of this new oilseed by British crushers. Further expansion of sales will depend on Canadian competitiveness against supplies from Chile and Algeria. Other oilseeds include sunflower and mustard; the British trade requires these to meet very high standards.

Forage Seeds—Trade with Britain in forage seeds (principally timothy, creeping red fescue, alsike and red

TABLE I
EXPORTS OF BULK COMMODITIES, SELECTED GROUPS

Grains, pulses, oilseeds, seeds, flour, etc.	1963		1964		1965	
	Quantity	Value (Can.\$)	Quantity	Value (Can.\$)	Quantity	Value (Can.\$)
Barley (bu.)	8,118,494	10,362,168	8,663,771	10,656,899	10,191,036	13,189,288
Oats (bu.)	1,424,564	1,185,256	1,121,100	956,817	950,010	941,853
Rye (bu.)	252,014	380,162	91,881	131,654	298,270	370,713
Durum wheat (bu.)	103,074	236,978	262,079	527,813	212,718	417,006
Wheat (bu.)	79,242,016	160,560,895	70,574,493	146,899,919	70,743,251	139,966,142
Wheat flour (cwt.)	5,052,162	22,272,348	4,791,762	21,579,779	4,188,654	19,386,315
Dried peas and beans (lb.)	35,073,414	2,610,173	38,335,998	2,936,626	61,011,434	4,788,853
Oilseeds (cwt.)	3,428,223	19,147,661	4,025,157	22,324,429	4,767,869	26,874,928
Forage seeds (lb.)	9,268,386	2,678,034	8,453,329	2,738,052	9,025,950	2,578,172
Hides, skins, furs (no.)	2,797,600	8,286,851	2,265,268	8,603,573	3,045,400	8,218,697
Tobacco (lb.)	21,153,399	23,962,076	39,049,381	28,599,123	38,599,321	30,730,494

Source: DBS

clover seed) has recently exceeded \$2.5 million a year, despite restrictions on admissible varieties maintained by the British authorities.

Hides, Skins, Furs—Canadian exports to Britain of hides, skins and furs were valued at over \$8 million in each of the past three years.

Outlook Good for Tobacco

Canadian tobacco exports to Britain have been governed largely by the availability of crops of suitable quality. A significant development last year was an agreement between British buyers and Canadian growers under which acreage will be planted in line with estimated British requirements. This arrangement should lead to greater stability in the trade and expanded exports in the future, provided the desired qualities are available and prices competitive. The value of Canadian tobacco shipments (not including cigarettes) has risen annually since 1963 and reached \$30.7 million in 1965.

Although British manufacturers were well stocked with Rhodesian tobacco in anticipation of the crisis, replacement needs will afford a further opportunity for Canadian growers to expand their sales.

Semi-Processed Products

Feedstuffs—Semi-processed products shipped to Britain cover an exceptionally wide range (see Table II). Canada is an important supplier of feedstuff ingredients for British compounders of animal foodstuffs and statistics show consistent sales increases. Although volume is still modest, complete cattle feeds are making headway in direct competition with the British industry.

Meat—Britain produces nearly two million tons of carcass meats a year and in 1965 imported 1,221,600 long tons (British statistics). Shipments of Canadian meats to Britain are small in comparison but the trade in offals has been growing. Principal suppliers of offals are the United States, New Zealand, Australia and Argentina but in 1965 Canada sold 7,714 long tons (British statistics). There is obviously room for considerable expansion in this trade. The high prices for carcass sides and unfamiliarity with the British style of cutting are among the

TABLE II
EXPORTS OF SEMI-PROCESSED ITEMS, SELECTED GROUPS

	1963		1964		1965	
	Quantity	Value (Can.\$)	Quantity	Value (Can.\$)	Quantity	Value (Can.\$)
Cereal products, oilcakes, meals, feeds, etc.						
Hulls, screenings (cwt.)	152,880	185,589	447,829	427,823	280,133	382,916
Wheat bran, shorts (cwt.)	76,005	187,180	124,615	273,744	309,746	813,955
Pelleted screenings (cwt.)	525,897	765,980	1,164,735	1,714,834	1,500,184	2,474,639
Brewers grains, soluble (cwt.)	123,438	294,971	120,044	318,212	103,954	253,214
Gluten & gluten meal (cwt.)	42,343	189,181	63,071	347,933	10,655	226,276
Oilcakes and meal (cwt.)	5,090,775	22,843,446	4,598,945	20,917,706	5,451,286	25,486,151
Other vegetable feeds (cwt.)	—	—	29,454	58,813	18,034	35,772
Tankage (cwt.)	—	—	16,352	92,956	32,351	188,798
Feeds of animal origin (cwt.)	37,340	266,332	24,518	176,029	17,821	117,624
Fishmeal (cwt.)	181,675	1,104,898	228,606	1,520,819	321,125	2,298,091
Complete cattle feeds (cwt.)	800	6,152	2,630	18,541	3,800	27,638
Frozen meats, offals, poultry, etc. (cwt.)	99,760	2,344,689	168,460	3,925,321	225,119	4,860,860
Frozen fish:						
Salmon (cwt.)	36,921	2,316,454	51,914	3,362,628	48,632	3,239,940
Halibut, cod, etc. (cwt.)	80,846	1,671,774	130,252	3,167,843	73,166	2,023,973
Lobster (cwt.)	1,567	227,028	1,610	256,668	3,717	648,032
Frozen fruits and veg. (lb.)	21,380,973	3,292,069	14,715,058	2,257,485	16,494,120	2,545,864
Miscellaneous semi-processed bulk items						
Butter (cwt.)	55,987	1,720,085	364,614	12,551,075	27,816	988,930
Cheese (cwt.)	249,938	8,338,366	292,701	10,119,796	306,642	11,006,268
Apples (lb.)	50,239,173	4,162,934	64,500,912	5,172,289	64,531,653	5,274,881
Other fruits (lb.)	1,043,660	114,368	2,897,482	483,841	7,525	390
Onions (lb.)	46,046,275	1,659,162	45,754,222	1,626,420	47,373,149	1,784,236
Other vegetables (lb.)	13,122,334	731,623	774,350	57,722	761,516	16,711
Breakfast cereal foods (bulk) (lb.)	5,386,788	831,416	2,850,367	469,367	1,286,805	257,709

principal reasons for lack of development of Canadian exports. Trial Canadian shipments have been made and may eventually lead to the establishment of a beef trade.

Frozen Foods

Frozen Fish—Canada has been a traditional supplier of frozen fish products to Britain. Coho salmon is in demand by the smoking trade and halibut, cod filets and cod blocks for prepackaging under processors' labels; all of these are used by hoteliers and caterers for portion packs. These outlets absorb much of our fresh and frozen lobster, a luxury trade which built up to \$648,000 in 1965.

Frozen Fruit and Vegetables—As with fish products, Canada's considerable sales of frozen fruits and vegetables to Britain remain largely anonymous.

Most of our products are bulk shipped to British packers for their own labels. Very few Canadian brands appear in retail freezer counters.

In the period under review, 1963 imports of fruit and vegetables were artificially high because of domestic shortages resulting from a severe winter. Since then sales have declined but this is probably a period of consolidation. According to British statistics, Canada furnished 22 per cent of total British imports of frozen vegetables in the abnormal year 1963, 21 per cent in 1964, and 30 per cent in 1965. DBS figures, which give more detail, show that frozen potatoes and corn are the main products responsible for this increased share. In 1965, British packers processed 196.2 million pounds of frozen fruits and vegeta-

bles, of which 126.5 million pounds were for catering; imports amounted to 62.8 million pounds, of which 17.9 million pounds were supplied by Canada (Source: Commonwealth Economic Committee).

Fresh Fruit and Vegetables

Apples—Canadian fruits and vegetables retain their national identity in the British market but only to a degree. Apples from Northern Hemisphere countries, where the seasons coincide with British production, are subject to quotas as a measure of protection for the British grower. On this basis Canada competes directly with the U.S., Italy, and France among major shippers to Britain.

Canadian apples are popular with both importers and consumers. Although calendar year statistics tend to conceal fluctuations in crops and season, Table II indicates a general rise in Canadian apples shipped to Britain during recent years; exports reached 1.43 million boxes (50 million pounds) in 1965, valued at over \$5.25 million. In the light of the quota restrictions, it appears that Canada is stepping up its share of the trade at the expense of other supplying countries.

Pears, Plums, Cherries—Trade in other fresh fruits—pears, plums and cherries in particular—has suffered from poor crops; the volume of these items was small and had mainly prestige value.

Onions—Since Britain's domestic shortage in 1963, a large trade has been built up in Canadian onions, which in 1965 reached 947,000 fifty-pound bags. The trade has been hampered in the past two years by quality problems and by stiff competition from Spain, Holland, Egypt, Chile and domestic sources; the poor prices may discourage some growers and exporters.

Cheese Firmly Established

Cheese is the only semi-processed product which retains its Canadian identity through to retail level. It commands a premium over domestic and other Commonwealth cheddars because of its maturity and flavour. First-grade cheese is required for this specialty market because any lowering of standards would undermine the

steady and lucrative market for our cheese. Exports to Britain have so far been limited by available supplies but have gradually increased to over 30 million pounds in 1965. Prospects are good for a further rise in the British market, with the trade seeking additional supplies from Quebec and Ontario.

Canned and Packaged Goods

Canned Fish—Canned and packaged foods account for little more than one-tenth of exports of Canadian foods to Britain, as Table III shows. Their value in 1965 was \$21.3 million, of which more than half was canned salmon (\$10.8 million); in 1964 it accounted for two-thirds of the total value of \$23 million. Almost all of the canned salmon shipped to Britain is under buyers' labels, although the product retains its Canadian identity. Sales of other canned fish, including sardines (sild) and lobster, have also increased.

Canned Fruit—Because of higher domestic output and lower prices, shipments of canned apples have declined in the past three years to 5.6 million

pounds in 1965. This trade is confined to the hotel and catering industries, but the Canadian product has a good reputation and can be sold when it is competitive in price.

Canned Cherries—Our trade in canned fruits is very small in relation to that of Britain's principal suppliers but sales of canned cherries, becoming popular with British buyers whether under the importer's label or a Canadian brand, have increased.

Pie Fillings—After 1963, when over 6.6 million pounds were supplied to Britain, trade in pie fillings has levelled off, primarily because of increased competition from large domestic manufacturers who promote their lines with national advertising. A period of consolidation is in prospect and exports may stabilize at about the 1965 figure of 2.25 million pounds.

Canned Juices—Shipments of apple juice have not made much headway and remain at about 56,000 gallons a year. On the other hand, a quality image has been built up in Britain for Canadian tomato juice; Canada has

TABLE III
EXPORTS OF CANNED AND PACKAGED FOODS, SELECTED ITEMS

	1963		1964		1965	
	Quantity	Value (Can.\$)	Quantity	Value (Can.\$)	Quantity	Value (Can.\$)
Canned meats (lb.)	1,039,709	232,072	1,796,331	490,696	1,566,386	396,512
Canned salmon (cwt.)	151,228	9,743,429	196,996	15,322,376	128,075	10,806,807
Canned sardines (cwt.)	6,189	182,403	7,007	205,292	6,505	190,377
Canned lobster (cwt.)	1,855	313,997	2,318	485,749	2,211	537,345
Canned apples (lb.)	7,126,754	814,477	6,878,341	793,341	5,593,248	627,193
Canned cherries (lb.)	344,262	78,368	485,494	93,017	676,099	139,755
Canned peaches (lb.)	223,289	44,036	127,119	25,252	121,767	24,720
Canned pears (lb.)	1,712,580	237,885	590,983	95,639	144,260	25,525
Canned pie fillers (lb.)	6,677,308	1,582,788	1,364,901	320,601	2,278,765	540,649
Canned fruits, other (lb.)	525,218	98,486	158,342	37,456	203,351	50,762
Apple juice (gal.)	56,227	45,138	55,898	49,991	56,237	51,352
Canned vegetables (lb.)	9,872,421	1,242,544	6,770,068	1,186,502	8,647,622	1,644,414
Tomato and veg. juices (lb.)	13,101,093	1,224,743	12,915,242	1,242,246	18,281,931	1,730,934
Pickles and relishes (lb.)	3,665,436	633,846	2,513,408	443,524	2,819,733	751,532
Sauces, spreads (lb.)	200,853	42,779	244,762	42,442	108,572	20,408
Maple syrup (cwt.)	499	25,012	264	14,770	1,049	44,627
Honey (lb.)	3,504,569	822,001	4,376,831	1,077,471	7,245,706	1,899,266
Soups, mixes, etc. (lb.)	1,025,732	154,233	737,089	124,465	694,220	106,919
Prepared frozen dinners (lb.)	1,131,020	290,992	233,845	66,010	251,930	74,043
Alcoholic beverages, proof (gal.)	101,312	395,263	97,893	312,738	126,738	472,171
Complete dog and cat feeds (cwt.)	1,905	24,975	60,471	486,268	88,203	742,246
Dried vegetables (lb.)	309,148	54,728	818,743	181,263	2,131,638	420,824

supplanted Italy as the largest supplier, 17.2 million pounds in 1965 or more than 50 per cent of the total British imports. A significant portion is used by the major British bottlers but several Canadian brands appear on retail shelves and are said to be quick movers.

Pickles—In the early sixties, a Canadian pickle producer introduced typical Canadian-style sweet pickles. Since then the market has grown and with minor fluctuations reached 2.8 million pounds in 1965. Several well-known Canadian brands are now available in British stores and are so popular that local manufacturers are beginning to turn out Canadian-style pickles. Canadian imports are dwarfed by British domestic pickle production, however, which totalled 329 million pounds in 1965. None the less, the potential for expansion in our sales is still considerable.

Maple Syrup—The maple syrup sold to Britain continues to be limited by availability and high price which puts it in the luxury category.

Honey—Sales of Canadian honey have gone up considerably to over 7.25 million pounds in 1965. This increase was largely due to more consumer packs which have become popular in Britain and are competitively priced. Imports of honey into Britain reached 28.7 million pounds in 1965 of which Canada provided approximately one-quarter (British statistics). Bulk honey for blending by local packers still comes largely from Argentina and Australia, but Canada remains the only country to ship consumer packs on a national basis.

Opportunities to Expand

Official statistics provide only the outline of our trade; they do not show the large number of special products for which a market is being or could be developed. In basic agricultural commodities, opportunities for expansion depend on our ability to compete in price, quality and grade. And there is ample evidence that Canada has become an effective competitor and has adapted its export capabilities to suit changing trade patterns.

In semi-processed foods, the second largest category of exports, Canada

has provided a major share of the requirements of Britain's food and feed manufacturers, institutional and catering trades. The British catering market, especially for frozen foods, is growing rapidly and will probably continue to give scope for new products both in portion and bulk packs and for new processes. Sales of air-dried and freeze-dried foods have expanded more slowly but have found special applications in soup bases, packaged meals and armed services rations; the prospects in the retail field have not yet proved as hopeful.

In canned and packaged processed foods, many items that Canada supplies are small in volume when compared with Britain's total imports and even more with British domestic production. British producers have been quick to take advantage of the more sophisticated tastes of consumers, acquired through greater purchasing

power and more foreign travel. This is particularly true of pasta foods: domestic output has expanded considerably. Another typical example is the adoption of pie fillings by British manufacturers.

The British market, buoyant and moving towards new mass selling techniques, is receptive to modern, attractively packaged consumer foods, home-produced or imported. The attempt to develop a market for a new Canadian food in Britain must be combined with expanding output in Canada, because lack of continuity in supply can be damaging. Some promotion is necessary; this can be expensive and must be geared to the volume of trade. Canadian Government participation in exhibitions and in store promotions can help to introduce new products or broaden distribution and increase market penetration of goods already on sale here. ●



Japanese Market for Edible Oils

THE MARKET for Canadian rapeseed in Japan appears to be growing, with every expectation of an even brighter future. At present the United States is the chief supplier of the Japanese edible oil market with its soybeans. Although Canada sells practically no soybeans to Japan, we have an interest in developments in the soybean market because it represents competition for our rapeseed.

Earlier this year, the Japanese soybean crushing industry indicated its intention to step up its promotion activities in co-operation with the Soybean Council of America Inc. and American Soybeans Inc. The Japanese-American Soybean Institute stressed the need for an intensive publicity campaign aimed at increasing the consumption of edible oils.

More recently, however, the industry in Japan has expressed concern over the rising price of United States soybeans. (Japan imports 1.5 million tons, valued at \$170 million a year and 1.3 million tons or \$150 million worth come from the United States.) The *Nihon Keizai Shinbun* (the Japan Economic Journal) stated in an article in July that the edible oil industry was faced with a 15 per cent cutback in production of soybean oil because of high prices of

U.S. beans and a drop in the oil market in Japan. The fear is that the price on the Chicago market (which in late June reached its highest level in five years) will remain at about \$130 per metric ton until the end of October. This results from a general world shortage and rising demand, plus the U.S. seasonal shortage.

The market for soybean oil in Japan has weakened somewhat during the past year or so. The price for refined oil in June 1965 was Yen 2,536 compared with Yen 2,450 in July 1966. At this rate, the Japanese processors face an operating loss of Yen 7,000-Yen 8,000 per ton.

Domestic rapeseed production has declined sharply. Land under cultivation for rapeseed has dropped from 173,100 hectares in 1962 to 70,882 hectares in 1966. Production in 1966 is estimated at less than 100,000 metric tons compared with 246,800 in 1962.

Because of these developments, Canadian rapeseed producers can look forward to greater opportunities in the Japanese edible oils market.

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

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.

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

Winnipeg—October 4

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

Montreal—September 27-29

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

Saskatoon—October 3

Winnipeg—October 4-5

Venezuela—J. D. Blackwood, Commercial Secretary in Caracas:

Toronto—October 3-4

Montreal—October 5-7

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. Baker, Vice Consul and Assistant Trade Commissioner in Boston, September 20-October 3. Mr. Baker will be posted to San Francisco with the same title.

J. D. Blackwood, Commercial Secretary in Caracas, Venezuela, September 19-23.

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

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 13-26. 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 28-December 9. Mr. Nelson will be posted to Liverpool, England, as Trade Commissioner.

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

In Territory

Brazil—R. W. Burchill, Assistant Commercial Secretary in Rio de Janeiro, will visit Belem, Manaus and Amapá the last two weeks in September.

El Salvador—D. J. Browne, Assistant Commercial Secretary in Guatemala City, will visit El Salvador October 10-12.

Honduras—D. J. Browne, Assistant Commercial Secretary in Guatemala City, will visit Honduras October 12-14.

Iraq—I. V. Macdonald, Commercial Counsellor in Beirut, Lebanon, will visit Iraq September 30-October 10.

Jordan—P. W. Aubin, Assistant Commercial Secretary in Beirut, Lebanon, will visit Jordan September 30-October 10.

Syria—P. W. Aubin, Assistant Commercial Secretary in Beirut, Lebanon, will visit Syria September 19-30.

Thailand—J. H. Bailey, Commercial Counsellor in Singapore, will visit Bangkok October 3-8.

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



Foreign Tariffs and Trade Regulations

Argentina

PESO DEVALUED—Effective August 9, 1966, the exchange rate for the Argentine peso was set at 215 and 213 pesos to the U.S. dollar or equivalent. The previous rates were 188 and 205 pesos.

Colombia

EXCHANGE REGULATIONS—All remaining items of the preferential list (importable at Ps. 9.00 to U.S. \$1.00) are transferred to the free list (importable without import licence at Ps. 13.50 to U.S. \$1.00), with the exception of taxis and chassis which now also become subject to the intermediate exchange rate of Ps. 13.50 to the U.S. dollar but continue to require import licences.

Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their banks before making any firm commitments. When more than one rate is shown, the one to be used 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.

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

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

For conversion to United States dollar equivalent multiply by .93.

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars at Sept. 5	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars at Sept. 5	Canadian dollar in foreign currency units
Algeria Dinar	.2191	4.56	Dominican Republic Peso	1.075	.93
Argentina Peso (free)	.0050	200.00	Ecuador Sucre (official) (free)	.0597 .0548	16.72 18.21
Australia Dollar	1.20	.8333	El Salvador Colon	.4301	2.32
Austria Schilling	.0417	23.98	Fiji Pound	2.700	.37
Bahamas Dollar	1.049	.9523	Finland Markka	.3360	2.97
Belgium and Luxembourg Franc	.0216	46.25	France, Monaco, etc.³ Franc	.2191	4.56
Bermuda Pound	2.997	.33	Franco-African Republics⁴ Franc	.0044	227.79
Bolivia Peso	.0808	10.01	French Pacific⁵ Franc	.0121	82.64
Brazil Cruzeiro (official free)	.0005	2,053.39	Germany D Mark	.2696	3.71
Britain Pound	2.997	.33	Ghana Cedi	1.249	.80
British Honduras Dollar	.7492	1.33	Greece Drachma	.0358	27.86
Burma Kyat	.2258	4.43	Guatemala Quetzal	1.075	.95
Ceylon Rupee	.2248	4.44	Guyana Dollar	.6244	1.60
Chile Escudo (bank rate) (free)	.2620 .2264	3.82 4.42	Haiti Gourde	.2151	4.65
Colombia Peso (free) (certificate)	.0661 .1195	15.06 8.36	Honduras Lempira	.5377	1.86
Congo, Republic of¹ Franc	.0072	139.50	Hong Kong Dollar	.1873	5.33
Costa Rica Colon	.1623	6.15	Hungary Forint (official)	.0921	10.86
Cuba² Peso	.....	.....	Iceland¹ Krona (official)	.0250	40.00
Czechoslovakia Koruna	.1493	6.68	India Rupee	.1425	7.02
Denmark Krone	.1554	6.41	Indonesia⁶ Rupiah	.....	.....

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
	at Sept. 5			at Sept. 5	
Iran			Peru		
Rial	.0141	70.02	Sol (free)	.0401	24.94
Iraq			Philippines		
Dinar	3.010	.33	Peso (free)	.2766	4.41
Ireland			Poland		
Pound	2.997	.33	Zloty (fixed basic rate)	.2688	3.72
Israel			Portugal & Colonies⁷		
Pound	.3584	2.79	Escudo	.0374	26.66
Italy			Sierra Leone		
Lira	.0017	581.86	Leone	1.499	.67
Japan			South Africa		
Yen	.0030	335.37	Rand	1.499	.67
Lebanon			Spain & Dependencies		
Pound (free)	.3459	2.89	Peseta	.0179	55.55
Malaysia			Sweden		
Dollar	.3513	2.84	Krona	.2078	4.79
Mexico			Switzerland		
Peso	.0860	11.61	Franc	.2485	4.02
Morocco			Syria		
Dirham	.2151	4.64	Pound (free)	.2617	3.82
Netherlands			Thailand¹		
Florin	.2975	3.35	Baht (free)	.0519	19.25
Netherlands Antilles			Tunisia		
Florin	.5702	1.75	Dinar	2.059	.49
New Zealand			Turkey¹		
Pound	2.987	.33	Lira	.1195	8.35
Nicaragua			United Arab Republic		
Cordoba	.1536	6.50	Pound (official)	2.473	.40
Nigeria			United States		
Pound	2.997	.33	Dollar	1.075	.93
Norway			Uruguay		
Krone	.1504	6.64	Peso (free)	.0168	60.90
Pakistan			Venezuela		
Rupee	.2248	4.44	Bolivar (official free)	.2391	4.19
Panama			West Indies		
Balboa	1.075	.93	Dollar ⁸	.6244	1.60
Paraguay			Pound ⁹	2.997	.33
Guarani (free)	.0086	116.27	Yugoslavia		
			Dinar (official)	.0860	11.63

1. Additional rates are in effect.

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

3. Franc is also used in French Guiana, Guadeloupe and Martinique.

4. 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.

5. New Caledonia, New Hebrides, French Polynesia.

6. As Indonesia is no longer a member of the IMF, a realistic rate is not available.

7. Approximately same rate for Portuguese territories in Africa.

8. Barbados, Trinidad and Tobago, Leeward and Windward Islands.

9. Jamaica.

Marketing Data Sheet

NIGERIA

Area

356,669 square miles.

Climate

The mean daily temperature in Lagos ranges from 74°F. to 88°F. and in Kaduna from 59°F. to 94°F.

Population

The 1963 census shows a total population of 55.7 million, but no breakdown is available. The 1952-53 census showed the following: total population: 30,417,000, of which males 14,861,000, females 15,541,000.

50 and over—	2,448,000
15-49	—14,504,000
Under 15	—13,458,000

Income

Gross domestic product in 1962 (1957 prices) £1,072.3 million; per capita £19.3. Since prices increased an estimated 22 per cent between 1957 and 1962, per capita GDP at 1962 prices was approximately £23.5. Daily wage for unskilled worker in Lagos is 10 shillings.

Motor Vehicles

At January 1, 1964, 28,377 commercial, 54,083 passenger and 24,287 motorcycles were registered.

Telephones

1.1 telephones per 1,000 persons.

Radio and Television

Radios, an estimated 1 million; TV receivers, 25,000. TV (625 lines per picture) and radio facilities are publicly owned.

Water

The water at Lagos is safe to drink. Pressure varies considerably.

Electric Power

50 cycle, 230 volts (domestic) and 400 volts (commercial and industrial). The system is single phase. Residential rates are 3d. per unit for first 200 units per month, 1.5d. for additional consumption. Installed capacity, 230 mw.

Coal

Diminishing production of low-grade coal deposits (925,000 tons in 1958, 590,000 tons in 1963) in Eastern Nigeria.

Gas

Imported LPG (butane) available and possibility that LPG or LNG will be produced locally in future.

Petroleum Products

All types and grades imported and a refinery for the production of gasoline, kerosene and diesel oil went on stream recently. Ten million tons of crude petroleum a year are being produced and reserves are substantial.

Weights and Measures

Imperial

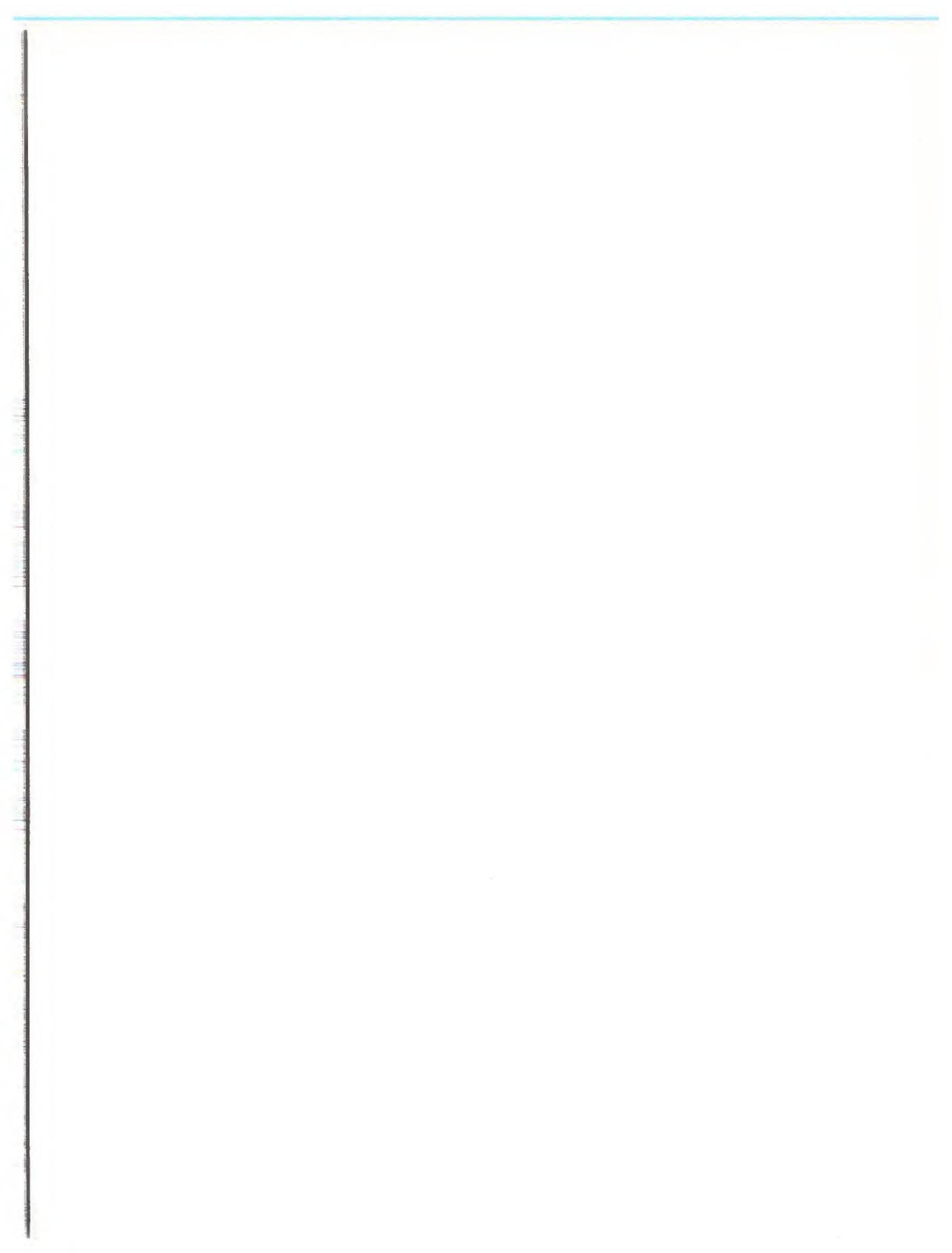
Screw Thread

British standard.

Standards

Approval for gas and electrical equipment, etc., is not mandatory.





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