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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Selling to the Midwest OEM Market

Brazil Expands Wood Pulp Industry

The Crown Agents Buy for Eighty Countries

Foreign Trade Service Abroad

FOREIGN TRADE

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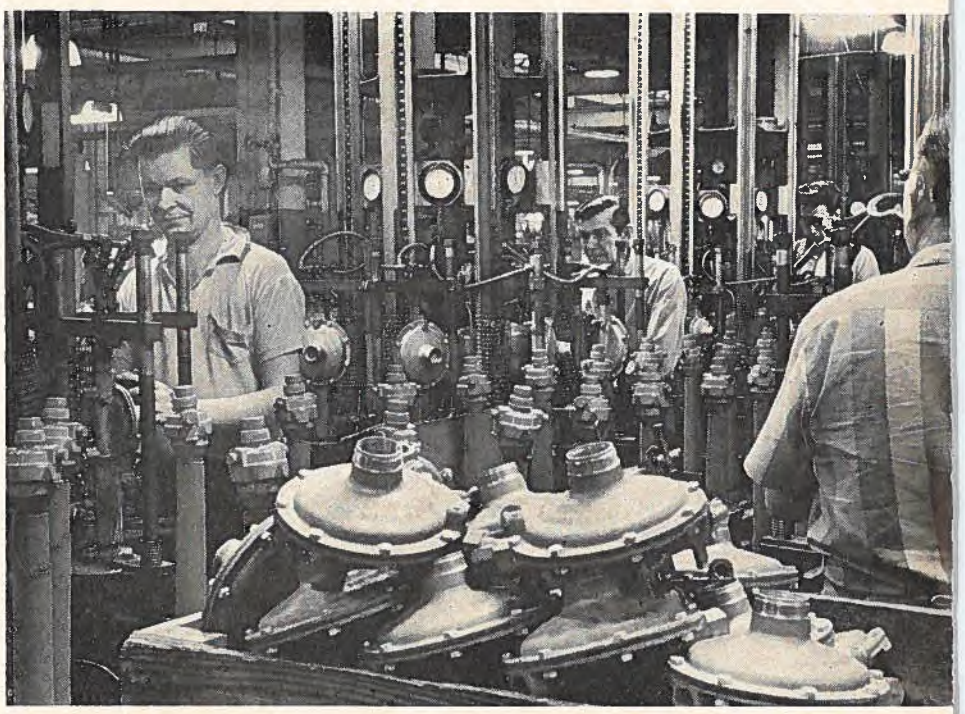
Selling to the Midwest OEM Market



An OEM firm which uses a large number of components is the Bastian-Blessing Co. of Chicago. Here regulators used to control the flow of LP-gas are being tested.

Interested in selling components, materials, production equipment to OEM companies in the U.S.? Uncertain how to tackle this enormous and complex market? Our Chicago office stands ready to help.

MALCOLM ROWAN, *Consul and Trade Commissioner, Chicago.*

THE OEM MARKET in the United States—the market composed of original equipment manufacturers—is a vast, complex group of industries that in 1966 is expected to consume over $100 billion worth of components, materials, finishes and production equipment, including plant maintenance repair and operation supplies and services. Twenty per cent of that market is in the Midwest* and this makes this area of great potential interest to any Canadian OEM supplier interested in selling to the U.S.

This diverse market, comprised of manufacturers of everything from computers to bulldozers, is characterized by high volume and repetitive purchasing. In general, the OEM designs, engineers and manufactures end-use products. Practically all OEM's are included in the Standard Industrial Classification Groups 19 (ordnance), 34 (fabricated metal products), 35 (machinery, except electrical), 36 (electrical machinery, equipment and supplies), 37 (transportation equipment), 38 (instruments) and 39 (miscellaneous manufacturing).

*Midwest here is defined as the Chicago office's trade territory, comprising Illinois, Wisconsin, Indiana, Minnesota, Iowa, Missouri, Kansas, Kentucky, Nebraska, North and South Dakota.

Size of Market

The OEM market consists of about 100,000 firms, or some 30 per cent of all firms in the manufacturing SIC groups. Do not let the size of the market frighten you, because there is a definite relationship between the size of the OEM and its purchasing power.

It is estimated that of the 100,000 OEM's in the U.S., 17 per cent account for 90 per cent of the $100 billion worth of materials sold to all. With this in mind, it becomes easier to focus on the best potential ac-

counts. Table I gives the Midwest distribution of major company headquarters by SIC number, and Tables II and III show the sales volume of the major company headquarters by SIC number and the relative importance of the Midwest states as industrial markets, compared with the other leading U.S. industrial states.

Defining Objectives

The first and possibly the most important step in selling to these companies is to develop the right frame of mind. For continued success, it is absolutely necessary to consider a portion of the U.S. OEM market as part of your natural marketing area rather than as an export market where surplus material, sub-systems, components and equipment, etc., can be unloaded from time to time. The initial effort of selling to this market must be as great, and sometimes greater, than the effort made to sell in Canada.

The Canadian manufacturer wishing to break into the OEM market should define his objectives clearly and, after market research, concentrate on a manageable number of potential customers in a limited geographical area.

Marketing Research

Possible sources for obtaining marketing information are as follows:

1. Present customers and business contacts, including Canadian subsidiaries of U.S. firms.

2. Trade associations.

3. Trade shows.

4. Market research newsletters.

5. Trade, technical and professional publications.

6. Business and financial publications.

7. Industrial directories.

8. Competitive catalogues and promotion material.

9. Consultants.

10. Trade Commissioners.

By using the Trade Commissioner, you can cover many of the other sources of information listed. After consulting with you, the Trade Commissioner will undertake a market survey which, coupled with the other information you are able to develop, can become the basis of an immediate and long-term marketing plan. Naturally, the Trade Commissioner needs to know your objectives and your product line. The type of information he requires is set out in "Marketing Research Takes Two" (See *Foreign Trade* of May 14, 1966.)

By doing your homework before making contact with potential clients, you make a much better impression on those who influence buying—the purchasing agents, design engineers, operating departments and top management.

There are various ways to attempt to break into the OEM market. One relatively easy way is to tackle the U.S. parent company of Canadian subsidiaries to which you are already selling. This method makes it easy to determine whom to contact and, conversely, for the U.S. purchasing agent and design engineer to check your qualifications. In fact, the parent company may already have studied your product before you made sales to the Canadian subsidiary.

If you decide to expand beyond parent organizations, you face the problem of selecting the best potential customers and identifying the

Eight Essential Steps in Selling the OEM Market

1. Decide to make a commitment to undertake a serious marketing effort in the OEM market in the United States.

2. Decide how big the commitment will be and the industry (by SIC number if possible) and geographical area best suited to your company's product line.

3. Confirm these decisions by marketing research.

4. Prepare customer confidence builders, such as:

- Pricing policy—quotation in U.S. funds, duty and other import charges paid, based on binding customs rulings, if possible.
- Facilities brochures, including management data.
- Credit rating—financial statement.
- U.S. drawback information (if applicable).
- Product samples.
- Firm policy on frequency of sales calls to be made and calibre of salesmen, either direct or manufacurers' representatives.
- U.S. testing approvals (if necessary).
- Attractive catalogues.
- U.S. warehousing policy (if necessary).
- Alternative modes of transportation and approximate delivery times.
- References—preferably of large well-known international companies using your product.

5. Plan an exploratory trip to area to call on a few selected potential accounts to test your presentation and product.

6. On the basis of experience gained in Step 5, test the validity of decisions and information to date. Up-date and revise, if necessary, all data before embarking on a full-scale promotion.

7. Identify if possible the major buying influencers among potential customers.

8. Limit your area of activity to a manageable number of companies in a limited geographical area and begin active market penetration.

The Trade Commissioner can be of assistance in varying degrees in steps two through to eight. The order given above need not necessarily be the best one to follow but steps one through four should certainly have been taken at least in part before step five. Furthermore, step one is perhaps the most important because the sincerity with which that decision is made will colour all future activity.

major buying influencers in those firms and the major buying influences. Various studies have been made to determine who these people are and why they buy. The main conclusion was that it is a complex process and that usually no one person exercises over-all control over the type of component, etc., bought. The assignment of buying responsibility can be influenced by the industry, the company, the market, the product, and individual personalities within the company. It is easy to find yourself trying to sell the wrong man or someone who has only a marginal interest in and influence on the purchase of your product.

Although more research is needed in this area, indications are that an individual's responsibility in a given buying situation depends upon the technical complexity of the product, its importance to the firm either in dollar terms or in terms of its relationship to the production process, the person's specific technical knowledge, and his position in the production process.

The assignment of responsibility for purchasing decisions to a central purchasing department is usually based upon the assumption that knowledge of the market, not knowledge of the physical product, is of major importance in the buying decision. Purchasing agents tend to concentrate on price, vendor performance, delivery and similar variables determined by market conditions and competitive pressures, not the technical and physical aspects of the product.

TABLE I: MIDWEST DISTRIBUTION OF MAJOR

	Illinois	Indiana	Wisconsin	Iowa
19 Ordnance and accessories	1	0	1	0
34 Fabricated metals	223	74	67	21
35 Machinery (ex. electrical)	258	64	116	38
36 Electrical machinery equipment, etc.	134	27	33	7
37 Transportation equipment	43	28	29	3
38 Professional instruments, etc.	45	9	6	4
39 Miscellaneous manufacturing	72	15	14	7
Total number of companies	1,564	503	615	199

Design engineers, on the other hand, concentrate on specifications, service, quality of the product and the technical competence of the sales engineer. It is usually wise to approach engineering personnel only after touching base with the appropriate buyer. Although this contact may entail more work, experience shows it pays dividends in cordial relations with the purchasing department. Some companies even have strict policies enforcing this procedure, usually to screen out undesirable vendors before they make contact with engineering personnel.

The relative importance of product variables (and thus the design engineer) versus market variables (and thus the purchasing agent) in buying decisions increases with the technical complexity of the product, and its importance to the firm's production process, and decreases with the number and size of firms on the supply side of the market.

On the other hand, the relative importance of the central purchasing department's influence on the buying decision increases as market variables become more important relative to product variables, the size of the firm and the decentralized nature of its activities expand, and the organization formally assigns specific responsibilities to the purchasing department.

The relative importance of the using or operating department in purchasing decisions increases as product variables become more important relative to market variables and as the experience of the firm in buying and using the product decreases. Top management personnel influence the buying decision more as the dollar value of the purchase increases and less as the firm expands.

The eternal triangle of price, quality and delivery is repeatedly stressed by both suppliers and customers as the major buying influence in the

TABLE II

OEM SALES VOLUME BY STANDARD INDUSTRIAL CLASSIFICATION

	Number of Establishments by Dollar Volume of Sales									
Standard Industrial Classification	Less than $1 million	$1-$1.999 million	$2-$4.999 million	$5-$9.999 million	$10-$19.999 million	$20-$49.999 million	$50 or more million	N.A.	Total Establishments	Per cent of U.S. totals
19 Ordnance	....	....	8	5	2	1	3	5	24	0.1
34 Fabricated metals	81	245	648	294	103	67	32	335	1,805	3.9
35 Non-electrical machinery	121	286	730	302	157	103	100	364	2,163	4.7
36 Electrical machinery	28	80	302	191	105	82	79	171	1,038	2.3
37 Transportation equipment	18	47	160	119	56	46	74	63	583	1.3
38 Scientific instruments	18	38	119	50	27	27	24	81	384	0.8
39 Miscellaneous manufacturing	31	74	196	71	32	28	13	131	576	1.2

NOTE:

Fifty-two per cent of sales is a commonly accepted figure used to calculate the amount spent by OEM companies for materials, services and supplies. It is therefore easy to determine the number of companies in each SIC category and the volume of purchases.

COMPANY HEADQUARTERS BY SIC NUMBER

Kansas	Minnesota	Missouri	Nebraska	North Dakota	South Dakota	Kentucky
0	2	0	0	0	0	0
8	32	61	9	0	2	16
25	49	38	11	1	1	15
2	19	23	1	0	0	5
7	4	15	0	0	1	3
1	9	6	0	0	0	0
1	15	12	1	0	0	4
118	334	462	70	11	13	141

OEM market. Although each of these three factors is important, before one reaches the stage of being allowed to quote a price and delivery schedule and have the customer test the quality, you must first establish customer confidence. This is especially true for Canadian firms.

Establishing confidence is a major factor in the first step of the usual three-step process of vendor selection, as follows:

1. Establishing vendor qualification.

2. Comparing vendor quotations against specifications.

3. Comparing vendor quotations against each other.

What constitutes vendor qualification? Some of the factors in promoting customer confidence are information on your credit rating, financial strength, management ability, years in business, size and quality of personnel and production facilities, and the type of sales/service representation which will be available. (A sample vendor evaluation questionnaire is available from this office on request.) Qualification may also depend on how well your product passes certain quality control and performance tests.

Some companies will not consider new unproved suppliers because it is too risky. Others allow any potential supplier to submit to qualification procedures and, if these criteria are met, add him to the list of vendors. Still other firms select a limited number of suppliers from whom they will buy. The problem then becomes getting on the select vendor list. This is not always easy because it costs the OEM money to evaluate new products, especially if new tooling is required, and few OEM's have either the resources or desire to qualify more than two sources for most components made to specification.

Many OEM's also judge potential vendors not only on present capacity to supply but try to project their future capacity and technical capability to supply.

During the first meeting with a potential new customer, it is important to put your best foot forward. A good presentation is essential because you not only have to counter the aggressive marketing techniques of your U.S. competitors but also cope with the buying influencer's lack of knowledge, latent inertia and, in

TABLE III

RELATIVE IMPORTANCE OF THE MIDWEST STATES AS INDUSTRIAL MARKETS

States	Total no. of manufacturing establisbments	Per cent of U.S. total establiishments	Establishments by Number of Employees						
			1-19	20-49	50-99	100-499	500-999	1000 & over	Not available
Illinois	18,370	6.5	11,698	2,951	1,532	1,638	198	155	198
Wisconsin	7,915	2.8	5,511	1,037	532	649	84	60	42
Indiana	6,678	2.3	4,325	959	508	675	83	66	62
Missouri	6,574	2.3	4,299	998	509	610	66	48	44
Minnesota	5,005	1.8	3,551	699	329	328	32	27	39
Iowa	3,661	1.3	2,722	419	198	234	24	28	36
Kentucky	2,929	1.0	1,938	440	193	285	35	22	16
Kansas	2,708	0.9	2,041	308	154	134	16	14	41
Nebraska	1,700	0.6	1,266	212	92	105	12	9	4
South Dakota	556	0.2	463	47	24	18	1	1	2
North Dakota	421	0.1	353	49	5	12	1	0	1
Other Leading States									
New York	39,371	13.9	25,166	6,408	3,017	2,480	237	237	1,826
California	29,467	10.4	20,754	4,239	1,962	1,831	185	165	331
Pennsylvania	18,994	6.7	11,496	2,979	1,781	2,073	236	180	216
Ohio	15,764	5.6	9,936	2,415	1,249	1,548	248	216	152
Michigan	14,105	5.0	9,660	2,118	1,016	961	102	134	114
New Jersey	13,747	4.8	8,525	2,313	1,208	1,205	139	90	267
Texas	12,439	4.4	8,968	1,669	715	869	96	48	74
Massachusetts	10,715	3.8	6,527	1,794	991	1,037	137	94	135

some instances, company policy against foreign purchases.

Reaching the Influencers

By and large, the OEM market is sold directly but there are some products sold through industrial distributors. Distributors sell usually to smaller OEM's and should not be overlooked (see *Foreign Trade* articles on Industrial Distributors, Parts I and II—March 19 and April 2, 1966).

Reaching the buying influencers requires ingenuity, patience and luck. Part of the secret is being where the decisions are made, when they are made, and knowing when to apply pressure on the right person. This means that selling the U.S. OEM market usually cannot be done at long distance and infrequently.

Because the OEM market is fluid, you need to be on your toes every minute, reaching the buying influencers either by direct contact from the factory, through an industrial distributor, through a manufacturers' representative, or by combinations of all three methods. Regardless of which method you choose, technically competent salesmen or representatives who can establish a rapport with the purchasing and engineering departments are essential because the best and easiest selling is usually done in the early design stages.

Most U.S. firms selling OEM's also use indirect sales methods such as advertising, direct mail, trade fair participation and catalogue distribution as a means of getting their products in front of the various influencers. The usefulness of all of these channels should be assessed in the light of your product and the market segment you are trying to sell.

The fluid state of the OEM market can be an advantage for the firm maintaining constant contact with the decision makers and disastrous for those who do not. Design changes can soon make your product unacceptable or outdated. OEM engineers, and even some firms with vendor research and analysis staffs, work two to five years ahead of present needs. It is important, therefore, to keep up to date with their requirements so that you can make changes in your own design and marketing methods and thus stay competitive.

Developing a need to buy your product hinges on an acceptable product, a buyer's confidence in you as a supplier, and your ability to persuade the OEM that your product will result in greater profit, either by reducing costs or producing more revenue.

Some of the factors that create buying situations or compel changes in suppliers are:

1. Regularly scheduled reviews of vendor's performance.

2. The initiative of the OEM's and the vendor's product development and design departments in creating a need for new components.

3. The marketing initiative of vendors and potential vendors—that is, the vendor using persuasion and creating dissatisfaction with the ability of the products currently used to perform a given function as well as his own. However, subjective factors, such as reciprocity, will probably always influence the purchase of OEM components and equipment.

4. Inadequate supplies of components, etc., because of slow delivery, poor quality control, or inability to obtain desired quantities from present suppliers.

5. The practice of some OEM's of splitting orders among two or three suppliers to avoid being dominated by one vendor, and thus protecting themselves against strikes and other production delays.

6. Value analysis programs.

7. The reaching of reorder points for items purchased routinely.

8. Pressure on the buyer to do better and deliver more value, defined as the ratio of quality to price. The OEM buyer's desire to do better is stimulated by new competitors, price cutting, pressures created by managers, and the personal ambitions of the individuals.

Often the buyer/user is willing to make do with the best "acceptable" product but this does not mean that it is the best available. This means that the buyer is free and needs to limit the search for new suppliers in accordance with his own deadlines and that if the best product available, or one which is better than the one being used, comes from Canada, he can in all conscience turn it down if there are any complicating factors such as duty, customs brokerage, lack of familiarity with Canada, or poor sales presentation by the vendor.

Climate of Competition

The Midwest OEM's are quite loyal to their present suppliers and do not change easily. But there is little or no evidence that Canadian firms have difficulty in reaching the buying influencers. The problems some Canadian firms have in selling U.S. OEM's result more from a lack of confidence and the OEM's unfamiliarity with buying outside the country than a "Buy American" policy.

OEM selling is becoming specialized and the salesman needs to be a technician or sales engineer, performing in many cases as a consultant to the OEM. Competing with such service does not make marketing in the U.S. easy, especially when it is coupled with the high quality of U.S. marketing personnel. This is especially true when one concentrates on the larger OEM's which account for 90 per cent of the market.

National Accounts

Many U.S. vendors to the OEM market have recognized that large OEM's are "national accounts": that is, accounts that buy direct or influence the buying from a central office for several units that are geographically dispersed. Another slightly different definition of a national account is any account which purchases in large volume, whether for one or more locations.

Since there is no right way to take a product to market, Canadian firms should be aware of the various markets which may be interested in their product and the various alternative ways of selling those markets. Whether or not a Canadian firm can think in terms of servicing national accounts depends on the product and the long-range outlook. For example, is it worthwhile tooling up for a potentially larger market or would it be better to concentrate on firms requiring shorter runs? Some Canadian automotive parts manufacturers have decided to compete in the newly

created North American "national accounts" automotive market and appear to be successful. Other Canadian OEM automotive parts manufacturers for one reason or another are apparently not as successful.

Many OEM's are using long-term contracts or the "annual buy" concept to negotiate volume prices and to assist vendors in their own production schedules. These long-term contracts are usually negotiated at a high management level and require an efficient first class sales force to negotiate.

Apart from national accounts, some companies have decentralized buying policies. Allis Chalmers Manufacturing Company and Square D Company are two examples. Allis Chalmers spent over $450 million last year to operate its 19 domestic and Canadian plants. The purchasing agents for individual plants are responsible directly to the plant managers for day-to-day direction and to the Director of Purchases and Material for standardized procedures and administrative responsibilities.

In spite of the decentralized nature of Allis Chalmers' purchasing, volume purchases such as copper and steel are negotiated by the central office. Each plant can place its own purchase orders with the supplier at the negotiated price, scheduling against its own production requirements.

Chicago Office Activities

For the past three years the Chicago office of the Trade Commissioner Service has conducted preliminary surveys for products like fasteners, non-ferrous forgings, ferrous castings, some machine tools, etc., all of which have applications in the OEM field.

The OEM market is too complex and there are too many variables for us to provide you with easy formulas for successful marketing. We are, however, becoming more aware of the various markets and how best to approach them. In addition, we are planning now for the 1968 Design Engineering Show which is aimed directly at the OEM market. We hope that Canadian manufacturers of equipment, components, etc., will be represented at that show.

To get full benefit from the Design Engineering Show, now is the time to begin preparing for it. We need active, interested firms willing to make a commitment to explore the full potential of the OEM market with us. If you are interested, contact us. ●

How to Advertise in Italy

What advertising medium you use depends on what you want to sell to Italians—and your Canadian experience may not apply. An agency based in Italy can help you make the right choice.

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

ITALY'S ADVERTISING INDUSTRY has not yet achieved the standards or the level of development reached in North America or in other leading European countries. With the exception of Italian branches of large international advertising agencies, few companies in Italy provide the full range of product development services which a Canadian advertising manager has come to expect from a North American agency.

It is extremely difficult to obtain reliable statistics on advertising budgets in Italy because companies are reluctant to divulge any figures. Italians appear to be among the lowest spenders on advertising in Western Europe —both from the point of view of total expenditures and as a percentage of national income.

Traditional forms of advertising include the daily and weekly press, magazines, advertising in movie theatres, radio and television, outdoor advertising, direct mail and direct product promotion.

Most Popular Media

Advertising in newspapers and in weekly and monthly magazines is the form most companies prefer. In 1964, the last year for which there are complete statistics, 37 per cent of total expenditures went to advertising in the press. The five basic means of communication (press, posters, cinema, radio and television) absorbed 64 per cent of the amount. Manufacturers of appliances and radios, beverages, cosmetics and perfumes, fuel and lubricants, and the food industries seem to be the main users of this form of advertising.

The cost of advertising in daily and weekly publications varies considerably with the circulation of the newspaper or magazine. A full page, black and white, in a weekly publication (circulation 1,033,500) dealing with the film and entertainment industries costs 500,000 lire (about Can.$860.) In the multi-coloured mass circulation weekly and monthly magazines, this cost would go at least three or four times higher. As in other countries, the cost of space is based on circulation and varies with the size of the advertisement and the frequency of insertion.

In considering magazine advertising, house magazines put out by large manufacturers' agencies/wholesalers/importers should not be overlooked. These have a wide circulation among the firms' clients and potential customers and play an important role in bringing new products to the attention of retailers and the public and in

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promoting established lines. An important Milan wholesaler/importer in the automotive field publishes an attractive black-and-white magazine (free circulation about 30,000) on a seasonal basis with multi-coloured advertisements. This magazine includes a catalogue of many of the lines of parts and accessories handled, as well as articles on racing and road tests and touring information. To our knowledge, there is nothing in Canada to which this sort of publication can be compared.

State-Owned Broadcast Company

Italian radio advertising facilities are quite different from those available to Canadian advertisers. There is only one state-owned broadcasting company, RAI, which has a monopoly of all public broadcasting within the country. There are three consecutive broadcasting channels: First, Second and Third Programs, which can be compared with the English system of Home, Light and Third Programs. Actually, advertising is confined to two of the three channels: "Programma Nazionale" and "Secondo Programma" which in 1964 broadcast 62,308 and 62,653 advertisements respectively. Midday and evening are the peak times for advertising messages and these are either inserted in groups at the end of certain programs or there is about 15 minutes of steady advertising consisting of short messages lasting some 15 to 30 seconds. The largest broadcasters are the food industry and those making housecleaning products and cosmetics. Expenditures on radio advertisements in 1964 reached 13,500,000 lire (approximately Can.$23,203.)

TV—Important Medium

The use of television for national advertising is becoming more and more important. The number of television sets actually licensed more than doubled between 1960 and 1965 and similarly the number of telecasting hours increased substantially. Advertising in this particular medium is grouped and appears during the peak hours of evening television viewing. TV programs do not begin until late afternoon and finish at about 11:30 p.m. Television broadcasting is not zoned as it usually is in North America, because the Italian television system covers the whole of Italy. It is also interesting to note that television programs are received as far away as Malta, from a transmitter located in Sicily. (Malta is included in the territory covered by our Trade Commissioner in Rome.) The RAI network also serves the Italian-speaking zone of Switzerland.

Outdoor Advertising in Demand

An important advertising medium in Italy is posters, billboards and outdoor signs. These provide good visual impact for brand names and as a rule give good reproduction of colours, styles, packaging, etc., thus creating specific consumer awareness and brand preference. Poster advertising avoids language difficulties and the relatively low cost makes it popular with the food, beverage, textile and men's clothing industries. Contracts for poster advertising are commonly signed for three years. Posters in buses, street cars, subways and railway stations are used in much the same way as in Canada.

Even though movie-going is still a popular form of entertainment in Italy, the introduction of television has considerably affected attendance at theatres. This explains the decline in theatre advertising, which does not reach as many as it once did, thus reducing its effectiveness. Advertisements, some lasting several minutes, are grouped together before the beginning of a film and for showing during an intermission partway through the main film.

Food and cleaning products particularly seem to rely on direct consumer advertising, such as bonus coupons and leaflets sent to the householder. On the other hand, samples of the products themselves are rarely distributed to homes but are given out at supermarkets where sample testing counters may be set up. It is interesting to note that in Italy direct mail is not as popular a medium and is not used as extensively as in North America.

Right Contact Vital

Canadian exporters who want to expand their sales in Italy are urged first to choose a good advertising agency there. A company on location is in a better position to judge the situation and the tastes and habits of the Italian people and is more likely to know how, where and when to advertise your product. Most larger agencies are located in Milan and either the Rome or Milan Trade Commissioners will be happy to put you in contact with one of them. ●

Italian supermarkets like this one often feature special counters where samples are handed to interested shoppers. Distribution of samples to homes is not yet common.

The Crown Agents Buy for Eighty Countries

The C. A. Office handles procurement orders for some 80 governments and more than 160 public authorities. Yet it is largely unknown to Canadian manufacturers. This article gives an outline of its functions and tells how to investigate sales opportunities it offers.

W. D. WALLACE, *Commercial Counsellor, London.*

MORE CANADIAN EXPORTERS should take advantage of the almost-direct line to some 80 governments and more than 160 international and government-sponsored public authorities provided in London by the Crown Agents for Overseas Governments and Administrations.

The Crown Agents' Office was established in 1833 under another title to act as commercial and financial agents on behalf of the colonial governments. Although many of the Crown Colonies are now independent, its activities have not decreased; currently they also include projects financed by external loans or grants to governments by the British Government. In addition, some of the Office's principals request the Crown Agents to undertake similar assignments, including procurement in the United States, for projects financed by AID and, on a world-wide basis, for projects financed by the World Bank.

Charges Vary

The Crown Agents do not act for private individuals or commercial firms and do not function as a department of the British Government, but offer a non-party public service entirely dependent upon earnings. Consequently, charges are fixed to cover only administrative costs and to maintain an adequate working balance. They are on a sliding scale and range from 4 per cent on orders up to £250 to ¾ per cent on orders over £50,000.

The head office is in London and there are branch offices in Washington, D.C., Tokyo, Nairobi and Lagos to carry on liaison work. All purchasing is done through the London office.

Functions

The duties of the Crown Agents fall into the following five main categories:

1. Purchase, inspection, shipment and insurance of stores, materials, plant and equipment of all kinds.

2. Provision of specialist advice.

3. Management of liquid and investment funds, the maintenance of general accounts on behalf of their principals, and the registration of title to stocks they issue on the London market.

4. Personnel services such as payment of salaries and pensions, the recruitment of staff, and the booking of air and sea passages.

5. A wide range of miscellaneous activities.

Canadian firms will be interested in activities that fall under the first category—the procurement, purchase, inspection, insurance and shipment of all kinds of plant, equipment and goods; these are the most extensive functions of the organization. They are handled by the Contracts Service, Civil and Electrical Engineering, Mechanical Engineering, Inspection and Shipping and General Stores Departments of the Crown Agents' Office.

The Contracts Service Department is responsible for co-ordinating contracts policy and relations with principals and contractors.

The Civil and Electrical Engineering Department, which handled £21 million worth of new orders in 1965, deals with the supply of equipment and materials in the fields of electric power, telecommunications, structures and railroads, and general civil engineering. In addition it has excellent facilities for designing electrical and civil projects.

The Mechanical Engineering Department, with new orders totalling £18 million in 1965, deals broadly with civil and military vehicles and aircraft, machine tools and industrial equipment, marine aircraft, locomotives and rolling stock. It also has its own facilities for designing locomotives and rolling stock.

The General Stores Department handles procurement of products that are not the responsibility of the two engineering contract departments. Its main concern is with clothing, textiles, medical and scientific equipment, paper and stationery, school supplies and equipment, vehicle and machinery spares, and arms and equipment for military and police forces. It also makes an enormous assortment of minor purchases. In 1965 this division handled over 100,000 orders valued at £32 million.

The Engineering Inspection Division's services are always available should the principal require inspection procedures. This work is performed by its own staff both in Britain and abroad. Where a contract does not justify the incurring of heavy travelling expenses, arrangements are made for local inspection.

The Shipping Division makes arrangements for shipping and insurance.

The volume of new orders placed by the buying departments is substantial and during the past ten years has fluctuated from a low of £46 million in 1962 to a high of £71.5 million in 1965. In the same period, the number of new orders placed has ranged from a low of 136,357 in 1955 to a high of 176,076 in 1960. In 1965 they totalled 141,447. On the basis of 1965 figures, average new orders have a value of approximately £500. Considering that each year brings several very large procurement orders, it is obvious that the major portion of the individual orders are small in value.

Payment for Purchases

In most instances the Crown Agents' Office follows the policy of paying cash against documents. Sometimes its principals make other arrangements for payment and these are stipulated in the purchase order. Another exception is the terms required under long-term loans from the lending agencies such as the World Bank, the United States AID, and loans or grants from the British Government. Payments to contractors under IBRD loans are made either by the Crown Agents requesting the Bank to pay the contractor direct, or from funds lodged by the borrowing government with the Crown Agents; the latter then make an immediate application to the Bank for reimbursement. Arrangements are similar for goods purchased from the World Bank affiliate, the International Development Association (IDA).

Selection of Suppliers

The Office, acting as agent for its principals, complies with any requests that procurement be made in a specific country (such as Canada) or from a specific firm. In the absence of instructions, it places the order with firms registered with it as it deems advisable. Price, quality and ease of delivery are the important factors.

The Crown Agents' Office does not normally advertise for tenders, but with some of the large development projects such as electric power, telecommunications, and new plants and financing from international organizations, it finds it necessary to advertise.

Principals of

Governments

Aden
Afghanistan
Antigua
Arabia, Federation of South
Bahamas
Bahrain
Barbados
Basutoland
Bechuanaland Protectorate
Bermuda
British Honduras
British Solomon Islands Protectorate
British Virgin Islands
Brunei
Cayman Islands
Ceylon
Cyprus
Dominica
Ethiopia
Falkland Islands and Dependencies
Fiji
Gambia
Ghana
Gibraltar
Gilbert & Ellice Islands
Grenada
Guyana
Hong Kong
Jamaica
Jordan
Kenya
Libya
Malawi
Malaysia
- Johore
- Kedah
- Kelantan
- Malacca
- Negri Sembilan
- Pahang
- Penang
- Perak
- Perlis
- Sabah
- Sarawak
- Selangor
- Trengganu

Maldive Islands
Malta
Mauritius
Montserrat
Nepal
New Hebrides
Nigeria, Federal Republic of
- Eastern Nigeria
- Midwestern Nigeria
- Northern Nigeria
- Western Nigeria

Pitcairn Island
St. Kitts, Nevis and Anguilla
St. Helena
St. Lucia
St. Vincent
Seychelles
Sierra Leone
Singapore
Somali Republic
South Georgia
Swaziland
Tanzania
Tonga
Trinidad and Tobago
Tristan da Cunha
Turks & Caicos Islands
Uganda
West Cameroon
Western Samoa
Zambia

Railways and Transport

Ceylon Railway
Ceylon Transport Board
East African Railways and Harbours
Ghana Railways and Harbours
Guyana Railway
Jamaica Railway Corporation
Kowloon-Canton Railway
Malayan Railway
Mauritius Railway
Nigerian Railway Corporation
Sabah State Railways
Sierra Leone Railway
Trinidad Railway

Broadcasting, Telecommunications and Electricity

Aden Electricity Corporation
Bahamas Electricity Corporation
Ceylon Government Electrical Undertaking
Cyprus Broadcasting Corporation
Cyprus Electricity Authority
Cyprus Telecommunications Authority
East African Posts and Telecommunications
Electricity Supply Commission of Malawi
Guyana Electricity Corporation
Jamaica Electricity Authority
Malawi Broadcasting Corporation
Malta Electricity Board
Mauritius Broadcasting Corporation
Mauritius Central Electricity Board
National Electricity Board of the States of Malaya
Nigerian Broadcasting Corporation
Sabah Electricity Board
Sarawak Electricity Supply Corporation
Sierra Leone Electricity Corporation
Singapore Telephone Board
Swaziland Electricity Board

the Crown Agents

Trinidad and Tobago Electricity Commission
Victoria Falls Electricity Board, (Uganda)
West Cameroon Electricity Corporation
Zambia Broadcasting Corporation
Zanzibar State Fuel and Power Corporation

Ports and Harbours

British Solomon Is. Ports Authority
Ceylon Port Cargo Corporation
Colombo Port Commission
Nigeria Ports Authority
Penang Port Commission
Port of Singapore Authority
Port Swettenham Authority
Sierra Leone Ports Authority

Banks and Currency Boards

Bank of Ghana
Bank of Guyana
Bank of Sierra Leone
Central Bank of Cyprus
Central Bank of Malaysia
Central Bank of Nigeria
East African Currency Board
East Caribbean Currency Authority
South Arabian Currency Authority
West African Currency Board

Development and Research Bodies, etc.

Abyan Board, South Arabia
British Antarctic Survey
Cameroons Development Corporation
Caribbean Meteorological Service
Ceylon State Hardware Corporation
Ceylon Steel Corporation
Ceylon Tea Research Institute
Cocoa Research Institute of Nigeria
Coffee Research Foundation, Kenya
Desert Locust Control Organization for Eastern Africa
Eastern Nigeria Information Services Corporation
Eastern Nigeria Library Board
Eastern Nigeria Printing Corporation
Guma Valley Water Company (Nigeria)
International African Migratory Locust Control Organization
International Red Locust Control Service
Kampala and District Water Board (Uganda)
Malawi Farmers Marketing Board
Niger Delta Development Board
Nigerian Coal Corporation
Nigerian Institute for Oil Palm Research
Nigerian Institute for Trypanosomiasis Research
Northern Nigeria Housing Corporation
Pakistan-SEATO Cholera Research Laboratory
Tanzania National Development Corporation
Tonga Copra Board
Trucial States Development Council
Turks Island Salt Company
Uganda National Housing Corporation
West African Council for Medical Research
West Cameroon Development Agency
Western Nigeria Development Corporation
Western Nigeria Housing Corporation
Zaria Building Research Institute (Nigeria)

Universities and Schools

Ahmadu Bello University, Northern Nigeria
Ceylon University
Delhi Institute of Technology, India
Fourah Bay College, Sierra Leone
Hong Kong University
Ibadan University, Nigeria
Makerere University College, Uganda
Malawi University
Malaya University
Mombasa Technical Institute, Kenya
Njala University College, Sierra Leone
Singapore University
Uganda Technical College
University College, Nairobi, Kenya
University of Ife, Nigeria
University of Nigeria, Nsukka
West Indies University, Jamaica
Zambia University

Armed Forces

Royal Brunei Malay Regiment
Royal Ceylon Defence Forces
Fiji Military Forces
Jamaica Defence Force
Jordan Arab Army
Kenya Defence Forces
Libyan Army
Malawi Army
Malaysian Forces
Nigerian Defence Forces
Royal Sierra Leone Military Forces
Tanzania Peoples' Defence Forces
Trinidad and Tobago Defence Forces
Uganda Defence Forces
Zambia Defence Forces

The usual method, however, is to consult its approved list of contractors and use its own judgment in selecting the suppliers.

Canadian manufacturers interested in being considered as suppliers should be prepared to provide the Crown Agents with general information about their company and complete details of their products. But because many of the orders are so small in value, it is advisable for Canadian exporters to correspond with the Minister (Commercial), Office of the High Commissioner for Canada, One Grosvenor Square, London, W.1., who will make an inquiry and determine whether it is to the exporter's advantage to send the needed information to the Crown Agents' Office.

Relationship with Agents

The Crown Agents' Office as a buying agency has developed relations directly with suppliers and consequently does not work through other agents unless this method has to be followed to negotiate with a particular manufacturer. As a result, it is common practice for manufacturers to exclude business placed through the Crown Agents when drawing up agreements with local agents. The Crown Agents' Office has no objection if manufacturers pay their agents a reduced commission for this business, which would be entirely separate from the contract with the Crown Agents. They realize that such commissions often cover after-sales service in the principal's country.

An Agent Is a Must

This does not mean that a Canadian exporter need not have an agent in a country that uses the services of the Crown Agents' Office; on the contrary, he should have agents in such territories. Although the principals of the Crown Agents are not obliged to do their buying through such agents, these representatives can make sales to governments and organizations without reference to the Crown Agents. More important, they may be able to persuade the local authorities to stipulate that their Canadian principal be considered for procurement on orders being placed through the Crown Agents' Office.

—Editora Abril—4 Rodas

A gaucho drinks maté from a silver-mounted gourd, using a silver straw with a sieve.

Brazil: the States to the South

Even some Brazilians haven't noticed what's been happening in Southern Brazil where, without much fanfare but with sound industrial planning, the economy is undergoing a new expansion. Now is the time for Canadian exporters to take a keen look at a market that could have potential for them in the future.

R. W. BURCHILL, *Assistant Commercial Secretary, Rio de Janeiro.*

"Sind Sie ein Deutscher?" the soft Saxon voice purred into my ear. Startled, I looked up at the gas station attendant who was quietly inspecting my blonde hair and blue eyes—and open mouth! For here in a Portuguese-speaking country, on a Latin continent, I was being addressed in flowing High German by a Negro. And this was only one of the more dramatic surprises that awaited me on a recent trip to southern Brazil.

When a Brazilian speaks of the south, he is usually not referring to geography. If pressed, he may define it vaguely as the panhandle that juts out from the bottom of the country and may admit that it consists of the States of Paraná, Santa Catarina and Rio Grande do Sul. But he really refers to a territory inhabited by a quiet, industrious and, to him, rather unpredictable group of people. A mixed group one finds them to be: the fierce "gaucho" of the southern plains who wears a knife in his belt and drinks maté with a silver straw, the quiet burghers of the Itajaí Valley whose lack of flamboyance is sometimes suspect, and even people who not only live but rejoice in living in areas where from time to time for a few days of the year (Deus Me Livre!) snow falls.

Area Often Overlooked

For a long time the south of Brazil has been a forgotten part of the country. Most of the other developed areas have at some time experienced a boom that has brought them sudden attention and subsequent development. Minas Gerais has had gold and precious stones, São Paulo coffee and sugar, and the Amazon rubber. The south has had nothing like this but over the years it has quietly built up a sound, well-balanced economy and it is now recognized as one of the most significant potential markets in the country.

Sound Economy in Paraná

The State of Paraná occupies a high plateau that slopes from the coastal mountains on the Atlantic to the Paraná River. The sound economy of the State is primarily based on agriculture but the giant Paraná pines that punctuate the endless plains like sentinels have always provided the economic backbone. Their straight

grain and tensile strength are renowned throughout the world. In recent years coffee growing has increased substantially and the State's production now rivals that of São Paulo. Timber, coffee, maté, tea, pulp and tobacco are Paraná's main products and the processing of agricultural products has provided a growing industrial base throughout the State.

Curitiba Progresses and Plans

Curitiba, the clean, well-ordered capital, is experiencing a modest boom. For years the State was literally split in two by a rugged unsettled area that separated the coffee region around Londrina and Maringa from the capital. Today a new highway, the "Estrada do Café", links the two regions and business that previously tended to go out of the State to São Paulo is flowing down the highway—to the obvious benefit of Curitiba and the port of Paranagua. Business confidence is reflected everywhere, although perhaps nowhere more than in the gaping holes and piles of rubble and material that block one's path at every turn. Bold heralds of a new era, they promise new sidewalks, widened streets. This progress is the product of an industrious civic government looking forward to greater things.

One of the constant pleasures of life in Brazil is observing the native facility for gentle ridicule. A few years ago the citizens of São Paulo, rather than endorse the human candidates available, elected a hippopotamus to the city council. Nothing happens and nothing is done, said or promised without the instant creation of a nickname, a song or a standing joke about it. There is a small parasitic insect in Brazil called the "bicho geografico" that burrows under the skin and causes numerous eruptions. So of course the Mayor of Curitiba is known informally as the "bicho geografico".

Everyone in Curitiba seems preoccupied with industrial planning. The President of the Chamber of Commerce grilled me on Canadian efforts in this area and we discussed the matter quite thoroughly. He appeared impressed with our farsightedness while I silently thanked the Boards of Trade, Industrial Commissioners and civic planners who had explained it all to me on a recent training tour across Canada.

So You Want to Speak Portuguese?

When you visit the south, you will find it difficult to get by without some Portuguese or Spanish. By learning these simple rules, five minutes of your time can give you a vocabulary of 500 words.

Pronunciation: Stress all syllables equally.

Vocabulary: Because of the Latin influence on English, there are many words that, by a simple change of ending, become Portuguese.

1. English words ending in "ation"—drop "ation" and add "ação" ("ç" is pronounced as a soft "s" and "ão" is pronounced as "oun" as in "sound"). Result: over 200 Portuguese words such as celebração, emigração, formação, proclamação, recreação.

2. English words ending in "sion" or "tion"—change the suffix to "são" or "ção" (pronounced the same). Result: over 100 Portuguese words such as ambição, correção, edição, sessão.

3. English words ending in "ary"—change the suffix to "ário" ("a" pronounced as "ah"). Result: 30 useful words such as adversário, mercenário, monetário and solitário.

4. English words ending in "ory"—change the suffix to "ório". Result: more useful words like accessório, laboratório, território.

5. English words ending in "ty"—change the suffix to "dade" (for your purposes pronounced just like "daddy"). Result: nearly 200 words like actividade, cidade, facilidade, generosidade, instabilidade, necessidade, velocidade, utilidade. Complete fluency may take a little longer!

Paraná Could Offer Markets

Although it is an integral part of the distribution system of the south, Paraná itself is a significant market. With its basic agricultural orientation it is a potential customer for some obvious Canadian products such as grass seed, cattle and hatching chicks. At the same time it is also a market for less predictable products, such as outboard motors, bicycle parts and fishhooks. It is well worth further investigation.

Itajaí Retains Heritage

One leaves the long plains of Paraná and drops endlessly toward the sea. Mountain follows mountain, the valleys explode with glorious scenery, and suddenly you have arrived in heaven. Blumenau nestles between the green mountains of the Itajaí valley and looks as though it had been taken straight from the Black Forest. The architecture, the people, the very atmosphere seems European and the prevalence of the German language does nothing to destroy the effect. If you want more convincing, you need only stumble on a genuine third-generation Bavarian brass band puffing away on a village square.

The history of Blumenau begins with the seemingly irrelevant event of the marriage of Princess Isabel, daughter of Dom Pedro II of Brazil, to Prince Gaston d'Orléans, grandson of Louis-Philippe. A part of the dowry was the Itajaí Valley and all rights of exploitation and colonization pertaining thereto. The early efforts were auspicious and brought boatloads of European immigrants looking for new horizons. The end was all too predictable—loss of enthusiasm, disenchantment and a host of refugees flung up on a foreign and hostile shore. Their early struggles with all manner of adversity, including malaria, make a pathetic story. Gradually they moved up the valley and this beautiful spot with cool mountains pressed against the sky must have struck a responsive chord in their memories. They stayed and built a small paradise.

Although school classes are conducted in the official language (Portuguese) and the younger people speak it fluently, the mother tongue is still German—one of the many quiet defences with which the valley people lovingly guard their heritage.

The amount of industry in the area is impressive. Textile mills, glass factories, foundries and manufacturing plants attest to the fact that the traditional talents of the German artisan have lost nothing in their translation to another continent.

There is a great deal of interest in Canada and in Canadian products throughout the valley but the obvious self-sufficiency of the people does not particularly encourage the idea of imports. It is, however, a progressive, well-endowed region and should not be overlooked. Even if your order-book stays lean, the salutary effect of the scenery, the food and the people is sufficient justification for a visit.

Rio Grande do Sul

For years Portugal and Spain (and later Brazil and Argentina) fought and argued over which of them owned the State of Rio Grande do Sul. While the main participants now appear satisfied with the verdict, the "gauchos" themselves still maintain an independent air and even today the State flag proudly proclaims it to be the "Republica Rio Grandense". Although it has produced a number of federal statesmen and contributes a great deal to the national economy, its history contains some chapters of rebellion. Even today the visitor gains the impression that the average gaucho goes about his business with one eye on the rest of the country and the other on his priming.

The State is divided into two distinct geographic areas. The northern half is mountainous, the end of the Paraná plains. Here you find settlements of Germans and Italians who demonstrate their inherited skills in many ways, including the magnificent vineyards and silver factories of Caxias do Sul.

Below this the land falls off suddenly to the sweeping pampas that run to the River Plate. This is the home of the cowboy, the gaucho, and the whole atmosphere here has a distinctly Spanish flavour. Dark flashing eyes, bright costumes and rippling steel guitars accent the Moorish influence from the lands below. Try to get an invitation to a "churrasco" on one of the large ranches. ("Churrasco" could be translated as "barbecue" but this noble feast has little in common with a North American backyard cookout.) The quantities are beyond belief: chickens, beef, mutton, pork, pungent with garlic and laced with cheese and onions. Great swords-full are thrust on you till your mind boggles. The air vibrates with the sinewy music of guitars and accordions while fierce-eyed cowboys with flowing bombachas tucked into high leather boots deftly slice great joints of meat from the skewers with their formidable knives. When you can eat no more, try a "chimarrão", the gallant custom of the south. Powdered maté is placed in a silver-mounted gourd and scalding water poured over it. Then comes the trial. The beverage is drunk from the gourd with a silver straw that has a sieve on the lower end. The locals manage it very well but the novice finds that the sieve plugs up immediately and he is straining and gasping on the other end. When it un-plugs his reward is a surge of boiling liquid that sears the mouth and leaves him red-faced and embarrassed before the calm stares of his hosts. To suggest that maté is not the best drink in the world or that a chimarrão involves undue hazard is to court disaster. So warm your hands with it, gaze through the lowering fires as the sun sets on the broad pampas and reflect that you are a long way from home.

Consider Market Possibilities

The economy of Rio Grande do Sul is nicely balanced between industry and agriculture. The latter consists of livestock and cereals in the south and wine, grapes and other fruits in the north. The agricultural sector is well organized throughout the State and modern agrarian methods are used. Because the dominant cattle breeds tend to be European, the State offers a good, although so far largely untested, market for Canadian pure-bred cattle. Any visit to southern Brazil would be incomplete without a close look at the possibilities offered by this prosperous, robust State.

If you haven't time to travel through this beautiful part of the country but are interested in your business prospects, write to the Consul and Trade Commissioner, Canadian Consulate, Caixa Postal 6034, São Paulo, S.P.

He'll be glad to help you.

Sporting Goods Collection Agency

THE FIRST step toward a complete credit service for the sporting goods industry has been announced by the National Sporting Goods Association—a collection service for its members.

Associate members of the Chicago-based NSGA include manufacturers in both Canada and the United States. Initially the association and Manufacturers Credit Representatives Inc. (CRI), the professional agency handling the service, are offering to collect and rehabilitate accounts worldwide at competitive rates. Subsequently, as more associate members make use of this service, the NSGA expects to provide collection listings and eventually a credit reporting service, all tailored to meet the needs of sporting goods manufacturers.

The immediate collection program outlined by CRI has four steps:

1. Reminder stickers for delinquent accounts.

2. Free demand service. A personalized letter is sent by CRI for which there is no fee if the debtor responds within ten days.

3. Special or intermediate service. An automatic progression after the ten-day free-demand time limit includes a stepped-up program of written and telegraphic demands. The creditor is charged 10 per cent of the account.

4. Personal contact service and adjustment when required, for which there is a declining fee schedule beginning at 20 per cent.

Further information about this service can be obtained from Manufacturers Credit Representatives, Inc., 614 Superior North West, Cleveland, Ohio 44113.

—DAVID DENISON,
Commercial Officer, Chicago.

Brazil Expands Wood Pulp Industry

Domestic industry now supplies almost all wood pulp and exports are beginning. New mills will require certain types of capital equipment not yet made in Brazil; Canadians should also study opportunities for licensing agreements or joint ventures.

CLAUDE T. CHARLAND, *Consul and Trade Commissioner, São Paulo.*

ANALYZING the various agricultural techniques that prevailed in colonial Brazil, the Brazilian writer Pedro Calmon remarked "a few handfuls of mandioca flour represent the burning of an entire forest" and concluded: "the entire system of Brazilian agriculture begins with the destruction of the forests, and where there are no woods there is no culture".(1) He was, of course, referring to the system of fire agriculture which was designated in Brazilian terminology as "derruba e queimada" or "felling and burning", a devastating process inherited from the Tupí Indians and still practised in some parts of Brazil.

Apart from this wasteful system of cut-and-burn agriculture, Brazil has also been dependent to an inordinate degree on wood as a source of fuel. Even in 1949, the Government estimated that firewood was the principal source of energy and artificial heat. That year, over 3 billion cubic feet of firewood was used for stoking the engines of locomotives, river steamers, thermal power plants and factories. Enormous quantities of wood were also used for making charcoal, the staple cooking fuel in rural areas.

Forest Resources Large

Yet in spite of the indiscriminate removal and widespread destruction of its forests for fuel and to provide clearings for cultivation, Brazil has one of the largest wooded areas of any country in the world (see Table I). The forests vary in appearance from the dripping jungle of the Amazonia to the open grass-lands of southern Mato Grosso and Rio Grande do Sul. Only 25 per cent of these reserves, however, are considered accessible and only 7 per cent are exploited commercially.

The varieties of trees differ in density from the light balsa to the hardest of timber woods which are used in construction and possess the best qualities of reinforced concrete and steel. The Araucaria or Parana pine is the only tree exploited on a commercial scale and it is one of Brazil's main foreign exchange earners.

TABLE I

BRAZIL'S FOREST RESOURCES

	(thousand hectares)*
Total area	846,988
Forested area	561,656
Forested area accessible	140,000
Forested area explored	40,000
Pine-forested area	9,000
Pine-forested area explored	6,000

*Two hectares equal five acres, approximately.

Industry Grows Up

It is no accident, therefore, that a land so well wooded and richly endowed with large supplies of water-power resources should emerge as a leading producer of pulp and paper. Although the first Brazilian paper mill was established in 1890, it was not until 1939 that the foundation was laid for a national wood pulp industry. The initiative came from a group headed by Samuel Klabin, who built at Monte Alegre in the State of Paraná what has now developed into one of the largest industrial complexes in Brazil, employing 3,300 people. This move by Klabin was followed by others and in the late fifties three firms—Industrias de Papel Simão S.A., Champion Celulose S.A. and Industria de Papel Leon Feffer S.A.—began to exploit the vast eucalyptus resources to produce a short-fibre pulp.

Since then, a number of foreign and local industries have entered the field, (see Table II) with the result that Brazil has moved from heavy reliance on foreign sources of wood

TABLE II

BRAZIL'S MAIN WOOD PULP PRODUCERS

	Pulp	Paper	Factories at:
	(metric tons)		
Cia. Melhoramentos de São Paulo	18,500	30,000	Caieiras, State of São Paulo
Cia. Suzano de Papel e Celulose	59,500	27,000	Suzano, State of São Paulo
Fabrica de Papel N.S. Aparecida	.....	24,000	Aparecida, State of São Paulo
Cia. Fabricadora de Papel	5,500	25,000	São Paulo, State of São Paulo
Industria de Papel Leon Feffer S.A.	.....	16,000	São Paulo, State of São Paulo
Industrias de Papel Simão S.A.	39,500	45,000	Mogi das Cruzes, Jacarei and São Paulo in the State of São Paulo
Rigesa S.A.	18,000	33,000	Valinhos, State of São Paulo
Champion Celulose S.A.	65,000	.....	Mogi Guacu, State of São Paulo
Olinkraft S.A.—Celulose e Papel	18,000	.....	Lages, State of Santa Catarina
Industrias Klabin do Parana de Celulose S.A.	210,000	190,000	Monte Alegre, State of Parana.

Source: Anuario Banas.

(1)Calmon, Pedro—*Espirito da Sociedade Colonial*, São Paulo, 1935. 194-96.

pulp to near self-sufficiency. Local production (see Table III), which was estimated at 100,000 tons a year in 1956, increased to 316,000 tons in 1962 and to 480,000 tons in 1965; indications are that it will probably reach 800,000 tons in 1966. Imports have declined correspondingly and in 1964 totalled only 28,056 tons (see Tables IV and V). The same trend is

TABLE III

BRAZILIAN PRODUCTION OF WOOD PULP

	(metric tons)
1958	180,000
1959	161,500
1960	210,300
1961	273,300
1962	316,000

Source: Anuario Banas.

reflected in Canadian exports of wood pulp (see Table VI) which have decreased from $1.35 million in 1960 to $355,129 in 1965. At the same time, Brazil has begun to export wood pulp to countries like the Argentine and Uruguay, with sales averaging 2,500 to 3,000 tons a month.

Obtaining Raw Materials

The main raw materials used for the production of pulp are the Araucaria or Parana pine, which yields a long fibre particularly suitable for papermaking, and the eucalyptus, which produces a short fibre.

TABLE IV

ORIGIN OF WOOD PULP CONSUMED IN BRAZIL

Year	Foreign	Domestic
	(in per cent)	
1958	38.7	61.3
1959	38.4	61.6
1960	31.6	68.4
1961	19.9	80.1
1962	17.2	82.8
1963*	13.5	86.5

*estimate
Source: Anuario Banas.

The refuse from sugar cane mills, or bagasse, is also pulped successfully, although it is still mainly used as fuel. Another process in widespread use among small manufacturers is making pulp from old papers. There have been attempts to use bamboo which grows rapidly and may be employed more extensively in the future.

TABLE V

BRAZILIAN IMPORTS OF WOOD PULP

	1959	1960	1961	1962	1963	1964
			(metric tons)			
Bleached sulphite	31,008	20,541	8,464	5,558	4,956	3,198
Unbleached sulphite	18,191	12,078	6,294	5,075	1,634	406
Bleached sulphate	10,163	13,312	9,452	11,712	10,161	2,896
Unbleached sulphate	28,747	35,200	23,172	20,938	15,338	3,793
Rayon	12,385	16,201	20,713	22,748	21,476	17,763
Total	**100,494**	**97,332**	**68,095**	**66,031**	**53,565**	**28,056**

Source: Cia. T. Janer.

TABLE VI

CANADIAN EXPORTS OF WOOD PULP

	1960	1961	1962	1963	1964	1965
			(in Can.$)			
Dissolving (spec. alpha)	.....	144,131	369,370	515,105	498,790	318,135
Bleached sulphate	873,136	411,834	81,277	8,900	88,088	10,967
Sulphate, semi-bleached	.....	21,800	16,710	.....	6,614	.....
Sulphate, unbleached	428,763	551,743	132,052	37,439	.....	26,027
Sulphite, unbleached strong	48,416	162,298	45,544	.....	.....	.....
Total	**1,350,315**	**1,291,806**	**644,953**	**560,444**	**593,492**	**355,129**

New Mills Coming

Quick to recognize Brazil's exceptional combination of ample supplies of raw materials and vast waterpower resources, a number of companies have decided to expand existing facilities or to set up new mills. For instance, it was recently announced that the International Finance Corporation would join a group of other financial institutions and private Brazilian investors in assisting the Klabin group to build a mill near Lages in the State of Santa Catarina which will have a daily production of 180 tons of kraft pulp and 150 tons of kraft paper. Norway's Borregaard Company has also announced plans to build a U.S. $20 million wood pulp plant near Porto Alegre in the State of Rio Grande do Sul. Construction is scheduled to start later this year and production will reach 165,000 tons a year by 1970. The plant will make wood pulp from acacia and eucalyptus, which will then be sent to existing Borregaard plants for bleaching and drying.

Although Brazil has developed a high degree of self-sufficiency in wood pulp, its resources of Araucaria pine are being rapidly depleted and long-fibre pulp imports may be revived unless the Government and private companies initiate large-scale reforestation programs. However, the current trend is not expected to be reversed in the near future and the foreign share of the wood pulp market will probably continue to decline.

Canadian Opportunities

At the same time, planned or current expansion programs are likely to require foreign financing, thus opening the door to joint venture operations. They will also be accompanied by substantial purchases of capital goods. But it should be kept in mind that Brazil produces a wide range of pulp and paper equipment with a tradition going back to the turn of the century. In other words, there is already a broad industrial base and opportunities for exporters of capital equipment would seem to lie mainly in the field of licensing agreements. The office of the Consul and Trade Commissioner in São Paulo has compiled a list of Brazilian manufacturers of pulp and paper equipment from which fabrication gaps can easily be identified. This and related information we would be glad to supply on request.

Foreign Trade Service Abroad

ARGENTINA

Commercial Counsellor
Canadian Embassy
Bartolome Mitre 478
Buenos Aires, Argentina

M. B. Bursey, Commercial Counsellor
H. E. Ryan, Assistant Commercial Secretary (Agriculture)

Cable: CANADIAN *Phone*: 33-8237
Territory: Paraguay.

AUSTRALIA

Commercial Counsellor for Canada
P.O. Box 3952, G.P.O.
A.M.P. Building, 21st Floor
Circular Quay
Sydney, Australia

J. A. Stiles, Commercial Counsellor for Canada
W. G. Roberts, Assistant Commercial Secretary
A. D. Schulman, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 27-7565
Telex: SYD 600 (CANADIAN SYD)
Territory: States of New South Wales and Queensland, Capital Territory, Northern Territory, and Dependencies.

Commercial Counsellor for Canada
Mobil Centre
2 City Road
South Melbourne S.C. 4, Australia

H. A. Gilbert, Commercial Counsellor for Canada
J. D. Tennant, Assistant Commercial Secretary
W. A. McKenzie, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 61-3473
Telex: MLB 501 (CANADIAN MLB)
Territory: States of Victoria, South Australia, Western Australia, Tasmania.

Commercial Counsellor
Office of the High Commissioner for Canada
Commonwealth Avenue
Canberra, Australia

J. B. O'Neill, Commercial Counsellor
J. E. G. Gibson, Assistant Commercial Secretary

Cable: DOMCAN *Phone*: 7-2541
Telex: CBA 62017 (DOMCAN CBA)

AUSTRIA

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P.O. Box 190, Vienna 1/8
Obere Donaustrasse 49/51
Vienna II, Austria

C. F. Wilson, Minister-Counsellor (Commercial)
F. I. Wood, Commercial Secretary
R. G. Godson, Assistant Commercial Secretary
R. J. L. Berlet, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 23-32-94
Telex: 07-5320 (DOMCAN VIENNA)
Territory: Albania, Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia.

BELGIUM

Commercial Counsellor
Canadian Embassy
35 rue de la Science
Brussels 4, Belgium

D. M. Holton, Commercial Counsellor
B. A. Gagosz, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 13.38.50
Telex: 221613 (DOMCAN BRU)
Territory: European Economic Community, European Atomic Energy Community, European Coal and Steel Community. Other countries: Luxembourg.

BRAZIL

Commercial Counsellor
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Caixa Postal 2164-ZC-00
Edificio Metropol
Av. Presidente Wilson 165
Rio de Janeiro, Brazil

C. M. Forsyth-Smith, Commercial Counsellor
R. W. Burchill, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 42-4140
Telex: Rio 175 (DOMINION RIO)

Consul and Trade Commissioner
Canadian Consulate
Caixa Postal 6034
Edificio Scarpa
Av. Paulista, 1765, 9°
São Paulo, Brazil

C. T. Charland, Consul and Trade Commissioner

Cable: CANADIAN *Phone*: 36-6301, 36-6302

BRITAIN

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Office of the High Commissioner for Canada
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L. H. Ausman, Minister (Commercial)
W. D. Wallace, Commercial Counsellor
G. E. Woollam, Commercial Counsellor (Agriculture)
J. M. Rochon, Commercial Counsellor (Metals and Minerals)
H. M. Maddick, Commercial Counsellor
E. J. Ward, Commercial Counsellor (Timber)
O. Hickie, Commercial Secretary (Timber)
R. M. Shaw, Attaché (Publicity)
M. R. Bell, Assistant Commercial Secretary
F. G. Beaudette, Assistant Commercial Secretary (Agriculture)
A. L. Lyons, Assistant Commercial Secretary
H. G. Garland, Attaché (Fisheries)
Miss M. A. Armstrong, Attaché (Exhibitions)

Cable: SLEIGHING, London, W.1. *Phone*: MAYfair 9492
Telex: 22526 (DOMINION LDN)

Canadian Government Trade Commissioner
Martins Bank Building
Water Street
Liverpool, England

K. R. Higham, Acting Trade Commissioner

Cable: CANADIAN *Phone*: MARitime 2177
Territory: Midlands, North England.

Canadian Government Trade Commissioner
Cornhill House
144 West George St.
Glasgow C.2, Scotland

D. G. Nelson, Acting Trade Commissioner

Cable: CANTRACOM *Phone*: DOUglas 6751
Territory: Scotland.

Canadian Government Trade Commissioner
15-17 Chichester St.
Belfast 1, Northern Ireland

D. G. Nelson, Acting Trade Commissioner

Phone: 21867
Territory: Northern Ireland.

CEYLON

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Office of the High Commissioner for Canada
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Cinnamon Gardens
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Cable: CANADIAN *Phone*: 91341
Telex: 106 (DOMCAN COLOMBO)

CHILE

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R. E. Gravel, Commercial Counsellor
Z. W. Burianyk, Assistant Commercial Secretary

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COLOMBIA

Commercial Secretary
Canadian Embassy
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Edificio Banco de Los Andes
Carrera 10, No. 16-92
Bogota, Colombia

J. G. Ireland, Commercial Secretary

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

CUBA

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Canadian Embassy
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Miramar
Havana, Cuba

Cable: CANADIAN *Phone*: 2-6421

DENMARK

Commercial Counsellor
Canadian Embassy
Prinsesse Maries Allé 2
Copenhagen V, Denmark

K. Nyenhuis, Commercial Counsellor
W. R. Hickman, Commercial Counsellor (Agriculture)

Cable: CANADIAN *Phone*: Hilda 3306
Telex: 5036 (DOMCAN KH)
Territory: Greenland, Poland.

DOMINICAN REPUBLIC

Commercial Secretary
Canadian Embassy
Apartado 1393
Edificio Copello 408
Calle El Conde
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W. A. Stewart, Commercial Secretary

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

FRANCE

Minister-Counsellor (Economic/Commercial)
Canadian Embassy
35 Avenue Montaigne
Paris 8e, France

R. Campbell Smith, Minister-Counsellor (Economic/Commercial)
G. F. Mintenko, Commercial Counsellor
J. E. Montgomery, Commercial Secretary (Agriculture)
G. P. Morin, Commercial Secretary
C. J. St. Pierre, Assistant Commercial Secretary
F. M. Wanklyn, Assistant Commercial Secretary
P. E. Labbé, Assistant Commercial Secretary

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

GERMANY

Commercial Counsellor
Canadian Embassy
Kennedy-Allee 35
Bad Godesberg, West Germany

H. J. Horne, Commercial Counsellor
G. H. Musgrove, Assistant Commercial Secretary (Agriculture)
R. J. Buchan, Assistant Commercial Secretary

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

Consul
Canadian Consulate
Koenigsallee 82
4 Duesseldorf 1, West Germany

G. A. Browne, Consul
J. A. Elliott, Consul
G. D. Valentine, Vice Consul

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

Consul General
Canadian Consulate General
Ferdinandstrasse 69
Hamburg, West Germany

R. W. Blake, Consul General
D. S. McCracken, Consul

Cable: CANADIAN *Phone*: 326149
Territory: City States of Bremen and Hamburg; States of Lower Saxony and Schleswig-Holstein.

GHANA

Commercial Secretary
Office of the High Commissioner for Canada
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E 115/3 Independence Ave.
Accra, Ghana **(continued)**

GHANA (continued)

V. B. Chew, Commercial Secretary
R. J. G. Ledoux, Assistant Commercial Secretary

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

GREECE

Commercial Counsellor
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31 Vassilissis Sophias Ave.
Athens 138, Greece

B. A. Macdonald, Commercial Counsellor

Cable: DOMCAN ATHENS 5584 *Phone*: 714-041
Telex: 5584 (DOMCAN ATHENS 5584)
Territory: Turkey.

GUATEMALA

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5a Avenida 11-70, Zone 1
Guatemala City, C.A., Guatemala

R. D. Sirrs, Commercial Secretary
P. D. Donohue, Assistant Commercial Secretary
D. J. Browne, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 28448
Territory: Costa Rica, El Salvador, Honduras, Nicaragua, Panama, and Canal Zone.

HAITI

Chargé d'Affaires, a.i., and Consul
Canadian Embassy
P.O. Box 826
Route du Canape Vert
St. Louis de Turgeau
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HONG KONG

Senior Canadian Government Trade Commissioner
P.O. Box 126
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Hong Kong, Hong Kong

C. R. Gallow, Senior Trade Commissioner
R. G. Woolham, Trade Commissioner
John M. Fraser, Trade Commissioner
D. A. Anderson, Assistant Trade Commissioner
A. Blum, Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 224087
Telex: HKG 391 (DOMCAN HKG)
Territory: Cambodia, Communist China, Laos, Vietnam, Macao.

INDIA

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R. R. Parlour, Commercial Counsellor for Canada
K. G. DeWolf, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 61-8254
Telex: 346 (DOMCAN DLI)
Territory: Bhutan, Nepal, Sikkim.

IRAN

Commercial Division
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Cable: CANTRACOM *Phone*: 613560,4-9291

IRELAND

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66 Upper O'Connell St.
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W. G. Huxtable, Commercial Secretary for Canada

Cable: CANADIAN *Phone*: 44251

ISRAEL

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S. G. Harris, Commercial Secretary
D. S. Armour, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 37161/2
Telex: 740 (DOMCAN TV)
Territory: Cyprus.

ITALY

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J. H. Stone, Commercial Counsellor
P. A. Freyseng, Commercial Secretary
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Cable: CANADIAN *Phone*: 864-327
Telex: 61056 (DOMCAN ROME)
Territory: Provinces of Toscana, Marche, Umbria, Lazio, Abruzzi-Molise, Puglia, Campania, Basilicata, Calabria, Sicilia, Sardegna. Other countries: Libya, Malta.

(continued)

ITALY (continued)

Consul General and Trade Commissioner
Canadian Consulate General
C.P. 3977
Via Pirelli 19
Milan, Italy

A. B. Brodie, Consul General and Trade Commissioner
N. R. Cumming, Consul and Trade Commissioner
C. E. Rufelds, Consul and Assistant Trade Commissioner

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

JAMAICA

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L. D. Burke, Commercial Counsellor
D. I. Ditto, Assistant Commercial Secretary

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Territory: Bahamas, British Honduras.

JAPAN

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% Akasaka Post Office
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J. C. Britton, Minister (Commercial)
W. G. Brett, Commercial Secretary
R. A. Food, Assistant Commercial Secretary
E. L. Gray, Assistant Commercial Secretary (Agriculture)

Cable: CANADIAN *Phone*: 408-2101/8
Telex: TK 2218 (DOMCAN TK 2218)
Territory: Korea, Okinawa.

LEBANON

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Alpha Building
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Beirut, Lebanon

I. V. Macdonald, Commercial Counsellor
R. H. M. Cathcart, Assistant Commercial Secretary
P. W. Aubin, Assistant Commercial Secretary

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

MALAYSIA

Commercial Counsellor
Office of the High Commissioner for Canada
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P. Stuchen, Commercial Counsellor

Cable: DOMCAN *Phone*: 89722/4
Telex: KL/TX279 (DOMCAN KL)
Territory: Brunei, Burma.

MEXICO

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Melchor Ocampo 463, 7th Floor
Mexico 5, D.F., Mexico

M. B. Blackwood, Commercial Counsellor (absent)
R. A. Kilpatrick, Assistant Commercial Secretary
A. D. McArthur, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 33-14-00
Telex: 00017716 (DOMCAN MEX)

NETHERLANDS

Commercial Counsellor
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Sophialaan 5-7
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D. A. B. Marshall, Commercial Counsellor
J. B. McLaren, Commercial Secretary

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Telex: 31270 (DOMCAN HAGUE)

NEW ZEALAND

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R. H. Gayner, Commercial Secretary
C. D. Caldwell, Assistant Commercial Secretary (Agriculture)

Cable: CANADIAN *Phone*: 70-644
Telex: Wellington NZ 3505 (DOMCAN NZ 3505)
Territory: Fiji, Tahiti, Tonga, Western Samoa.

NIGERIA

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40 Marina Road
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N. L. Currie, Commercial Secretary
H. R. Wilson, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 25262
Territory: Dahomey, Gambia, Niger, Senegal, Sierra Leone.

NORWAY

Commercial Counsellor
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J. E. P. Lancaster, Commercial Counsellor
D. B. Browne, Assistant Commercial Secretary

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Telex: Oslo 1880 (DOMCAN OSLO)
Territory: Iceland.

PAKISTAN

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Office of the High Commissioner for Canada
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W. J. Jenkins, Commercial Counsellor

Cable: DOMCAN RAWALPINDI
Territory: Afghanistan.

Commercial Secretary
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K. D. Taylor, Commercial Secretary

Cable: CANADIAN *Phone*: 50322
Telex: Karachi 10 (DOMCAN KHI)

PERU

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E. E. Price, Commercial Secretary
A. T. Eyton, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 72760
Telex: WLA 5323 (DOMCAN LIMA)
Territory: Bolivia.

PHILIPPINES

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J. L. Mutter, Consul General and Trade Commissioner
E. L. Bobinski, Consul and Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 5-85-97, 5-86-15
Telex: 3252 (DOMCAN MN)
Territory: Republic of China (Taiwan).

PORTUGAL

Commercial Counsellor
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Rua Marques de Fronteira, No. 8—4° D°
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P. A. Thébèrge, Acting Commercial Secretary

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

SINGAPORE

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J. H. Bailey, Commercial Counsellor
D. H. M. Branion, Assistant Commercial Secretary

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Telex: SE TC 277 (DOMCAN SPORE)
Territory: Indonesia, Thailand.

SOUTH AFRICA

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Wm. Jones, Canadian Government Trade Commissioner
S. B. McDowall, Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 834-6521
Telex: 7189 (DOMCAN J)
Territory: States of Natal, Orange Free State, Transvaal.
Other countries: Malagasy, Mauritius, Mozambique, Reunion.

(continued)

SOUTH AFRICA (continued)

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

Cable: CANADIAN *Phone*: 2-5134/5
Telex: 7060 CT
Territory: Cape Province. Other countries: St. Helena, South West Africa.

SPAIN

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L. A. Campeau, Commercial Counsellor
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Telex: 7347
Territory: Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Spanish Sahara.

SWEDEN

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Skeppsbron 24
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D. S. Armstrong, Commercial Counsellor
J. P. Bell, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 24-87-42
Territory: Finland.

SWITZERLAND

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Canadian Embassy
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S. G. MacDonald, Commercial Counsellor
G. E. Blackstock, Commercial Secretary

Cable: CANADIAN *Phone*: 44-63-81
Telex: 32-489 TT TANDC BERNE (DOMCAN BERNE)
Territory: Tunisia.

TRINIDAD AND TOBAGO

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D. H. Clemons, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 34787
Territory: Barbados, Leeward and Windward Islands, Guyana, French Guiana, Surinam, Guadeloupe, Martinique.

UNION OF SOVIET SOCIALIST REPUBLICS

Commercial Secretary
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W. J. Collett, Commercial Secretary
Y. C. Jauron, Assistant Commercial Secretary

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

UNITED ARAB REPUBLIC

Commercial Division
Canadian Embassy
Kasr el Doubara Post Office
6 Sharia Rouston Pasha
Garden City
Cairo, Egypt

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

UNITED STATES

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G. W. Green, Commercial Counsellor
W. F. Hillhouse, Commercial Counsellor (Agriculture)
H. C. Armstrong, Commercial Counsellor
Miss V. F. Wightman, Attaché (Agriculture)

Cable: CANADIAN *Phone*: DEcatur 2-1011 (Area Code 202)
Telex: 0089664 (DOMCAN WSH)
Territory: District of Columbia.

(continued)

UNITED STATES (continued)

Counsellor (Energy)
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N. R. Chappell, Counsellor (Energy)

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B. C. Steers, Consul and Trade Commissioner
C. G. Bullis, Consul and Trade Commissioner
George Hazen, Consul and Trade Commissioner
J. D. Welsh, Vice Consul and Assistant Trade Commissioner

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

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

M. R. M. Dale, Consul and Senior Trade Commissioner
R. C. Anderson, Consul and Trade Commissioner
C. A. Carruthers, Consul and Assistant Trade Commissioner

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

Consul and Senior Trade Commissioner
Canadian Consulate General
310 South Michigan Ave., Suite 2000
Chicago, Illinois 60604

D. H. Cheney, Consul and Senior Trade Commissioner
J. A. Doyle, Consul and Trade Commissioner
M. Rowan, Consul and Trade Commissioner
L. G. Lee, Vice Consul and Assistant Trade Commissioner

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

(continued)

Foreign Trade Service Abroad

UNITED STATES (continued)

Consul and Senior Trade Commissioner
Canadian Consulate
Illuminating Building
55 Public Square
Cleveland, Ohio 44113

A. W. Evans, Consul and Senior Trade Commissioner
J. C. Bradford, Vice Consul and Assistant Trade Commissioner

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

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

H. S. Hay, Consul and Trade Commissioner
V. G. Lotto, Vice Consul and Assistant Trade Commissioner
R. J. P. Archambault, Vice Consul and Assistant Trade Commissioner

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

Consul and Senior Trade Commissioner
Canadian Consulate General
510 West Sixth St.
Los Angeles, California 90014

F. B. Clark, Consul and Senior Trade Commissioner
J. H. Suggitt, Consul and Assistant Trade Commissioner
R. B. Blake, Vice Consul and Assistant Trade Commissioner

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

Consul and Trade Commissioner
Commercial Division
Canadian Consulate General
2110 International Trade Mart
2 Canal Street
New Orleans, Louisiana 70130

P. A. Savard, Consul and Trade Commissioner
R. E. Pedersen, Vice Consul and Assistant Trade Commissioner

Phone: JAckson 5-2136, 5-2137 (Area Code 504)
Telex: 0058237 (DOMCAN NLN)
Territory: States of Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida.

(continued)

UNITED STATES (continued)

Consul and Trade Commissioner
Canadian Consulate
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W. J. Millyard, Consul and Trade Commissioner
A. C. W. Davis, Vice Consul and Assistant Trade Commissioner

Cable: CANADIAN *Phone*: LOcust 35838 (Area Code 215)
Telex: 0083396 (DOMCAN PHA)
Territory: States of Delaware, Maryland, New Jersey (nine southern counties), Pennsylvania, Virginia, West Virginia.

Consul and Trade Commissioner
Commercial Division
Canadian Consulate General
111 Pine Street
San Francisco, California 94111

R. M. Dawson, Consul and Trade Commissioner

Cable: CANADIAN *Phone*: 433-2517 (Area Code 415)
Telex: 0034321 (DOMCAN SFO)
Territory: States of California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado.

Consul General
Canadian Consulate General
1308 Tower Building
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Seattle, Washington 98101

Phone: MUtual 2-3515 (Area Code 206)
Telex: 0032462 (DOMCAN SEA)
Territory: States of Oregon, Idaho, Washington, Montana, Alaska.

URUGUAY

Commercial Counsellor
Canadian Embassy
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Montevideo, Uruguay

B. S. Shapiro, Commercial Counsellor

Cable: CANADIAN *Phone*: 96096
Telex: 398078 (DOMCAN MVD)
Territory: Falkland Islands.

VENEZUELA

Commercial Secretary
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Avenida La Estancia No. 10
Ciudad Comercial Tamanaco
Caracas, Venezuela

J. D. Blackwood, Commercial Secretary
J. E. Kepper, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 32.40.41/44
Telex: DOMCAN CARACAS VENEZUELA 877 (877 DOMCAN)
Territory: Netherlands Antilles.

What's current in commodities?

Biscuits

United States—Sales of almost all classes of biscuits and biscuit products have been rising during the past 13 years; Canadian exports have more than kept pace. Comprehensive marketing programs should keep our sales constantly on the rise.

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

THE UNITED STATES BISCUIT MARKET has been on an uninterrupted if somewhat irregular upward trend since 1958—and this in spite of the fact that the present per capita consumption of bakery products has dropped to 90 per cent of the 1950 level. The dollar value of the market has continued to rise through a combination of more consumers and higher prices; the latter in 1964 reached 140 per cent of the 1950 level. The average yearly rate of increase in the total market has approximated 4 per cent.

Because statistical classifications were changed by the Bureau of Commerce between 1963 and 1964, it is difficult to relate recent market activity to previous years. Comparing 1963 and 1964 statistics shows an apparently appreciable expansion in imports into the United States. However, basket classes have been changed so much that direct comparison is not possible. Between 1964 and 1965 imports rose by $653,000. This is a 5.7 per cent gain over the 1964 base of $11.4 million.

Canadian imports represent approximately one third of this figure and seem to be increasing rapidly. According to DBS statistics, exports of bakery products and biscuits to the United States increased approximately 3 per cent between 1963 and 1964 and between 1964 and 1965 this rate jumped to 30 per cent. According to Bureau of Commerce statistics, Canadian exports of biscuits and related products to the U.S. between 1964 and 1965 went up 31 per cent: from a 1964 base of $2.6 million to a 1965 total of $3.4 million. This was based on a 3.3 million pound gain from the 1964 base of 8.8 million pounds, an increase of 38 per cent. Once again the U.S. Bureau of Commerce has no comparable statistics for the 1963/1964 period. However, looking at comparable basket items the rise was apparently $48,000.

Canada Outpaces Britain

Canada and Britain have been by far the largest biscuit suppliers to the U.S. over the period 1958-63. However, Canadian sales have risen considerably at the expense of Britain. Biscuit imports from Canada in 1958 were worth $1.5 million to Britain's $2.9 million, but 1964 figures show Canadian sales of $2.6 million to approximately the same figure for Britain. Imports from Canada have thus risen 73 per cent but those from Britain are off 10 per cent.

Other countries selling to the U.S. include the Netherlands, Belgium, West Germany, Switzerland, Japan, France, Sweden and Italy. Although sales of some of these suppliers have risen rapidly over the past six years (163 per cent for France, 109 per cent for Belgium and 85 per cent for West Germany), the volume in all cases was substantially below the $1 million mark, and they appear to pose no threat to Canadian manufacturers.

TABLE I

U.S. BISCUIT IMPORTS FROM TEN LEADING COUNTRIES

Country	1958 (U.S.$)	1963 (U.S.$)	Per cent Change 1958/1963
Britain	2,916,177	2,637,579	− 10
Canada	1,544,000	2,622,749	+ 73
Netherlands	477,335	681,421	+ 43
Belgium	268,184	562,894	+109
West Germany	254,511	471,043	+ 85
Switzerland	274,275	442,118	+ 67
Japan	224,820	374,369	+ 66
France	88,817	234,017	+163
Sweden	347,942	229,276	− 34
Italy	105,183	109,091	+ 4

Analyzing the Market

Analyzing the figures for the years 1961-63, we can break the total U.S. biscuit market down into three classes.

- **Biscuits and related items** (including crackers and pretzels). These goods have typically experienced irregular growth. Between 1961 and 1962 sales expanded a fraction over 1 per cent or from $409.1 million to $414.8 million, but 1963 saw an increase of $35.3 million or 8.5 per cent over the previous year.

- **Other dry bakery products** (including ice cream cones). This second group increased approximately 8.5 per cent—from $629.3 million to $683.1 million—between 1961 and 1962. Over the next year it dropped by .5 per cent.

- **Biscuit products not classed elsewhere.** Class 3 showed a downward movement, off .3 per cent in 1962 from 1961 and down 13 per cent in the following year. Under a more definite method of gathering statistics, some of these products may have been listed under the more specific Classes 1 and 2 at later dates. This would explain partially the downward movement of the classification.

The industry as a whole increased its sales 5.6 per cent between 1961 and 1962 and 1.6 per cent between 1962 and 1963.

Comparison: 1958 and 1963

For a more detailed, longer-range report on the growth of the biscuit industry, the market can be broken down into five classes:

- **Crackers** (sponge, grahams, sprayed varieties, low sugar content, and sandwich)—During the six-year period,

Class 1 has increased 29.3 per cent—from $313.2 million to $405 million—an average growth of 5.4 per cent a year.

• **Pretzels**—This class has gone up nearly 19 per cent—from $36.7 million in 1958 to $43.5 million in 1963, for a yearly average of slightly over 3 per cent.

• **Cookies and wafers**—In this group the increase was 8.6 per cent, a rise of $51.3 million from a base of $597.2 million for a yearly average of about 1.4 per cent.

• **Ice cream cones and cups**—A modest 3 per cent growth over the six-year period was recorded by Class 4: from a 1958 base of $21.6 million to a 1964 total of $22.3 million. The yearly average works out to approximately .5 per cent.

• **Biscuit products not classed elsewhere**—Class 5 dropped by 77 per cent, a yearly decrease of nearly 13 per cent, from $13.4 million in 1958 to $7.5 million in 1963. This also could be the result of better reporting techniques.

The industry's total increase in production during this period was approximately 24 per cent for a yearly average of 4 per cent.

The biscuit industry, as I have already said, has made a steady if not spectacular advance. Although per capita consumption has gone down, increasing population has brought some growth in volume. This factor, combined with higher selling prices, has resulted in greater dollar returns for the industry generally in recent years. Available statistics do not, however, allow a precise analysis by class.

Crackers and related products seem to have the best prospects among imports.

In view of recent advances in prices, premium quality goods will probably sell best, but Canadian biscuit manufacturers should plan an extensive marketing effort over a long period to be successful in this market. •

School Furnishings and Equipment

Ohio—**Big school expansion program in Ohio points up need for building products, school furnishings, and classroom equipment. Canadian companies could compete for some of this business.**

G. ROBERT WYNN, *Commercial Officer, Cleveland.*

THE RAPID GROWTH in the number of children and the length of time they remain in school are the main factors in the increased demand for school facilities in the United States. To satisfy this demand, over 51 per cent of all Ohio city school districts are carrying out expansion programs.

The Canadian Consulate in Cleveland recently undertook an extensive survey of school systems in the state to determine their needs over the next school year. From 80 per cent of these we obtained information on their intention to buy various types of classroom equipment, seating, etc., and on their projected building programs. The results of this survey should interest Canadian manufacturers of building products and school equipment who may wish to sell in the Ohio market.

Construction Program Large

More than $155 million will be spent on public school construction in 1966 and 1967. As expected, the greater portion of these construction dollars will be spent in the larger cities, such as Columbus, Dayton, Cleveland and Cincinnati. This amount includes new construction as well as remodelling and additions and excludes any colleges or universities that have construction programs under way or in the planning stages. Evidently there is definite potential for Canadian manufacturers of building components.

The importance of contacting the school architects cannot be overemphasized. School districts usually require assistance in designing their buildings and, with few exceptions, do not use architectural firms from outside the state. The liaison between the architect and the school district is close and together they ascertain what is needed and how it will fit into the entire scheme. The architect becomes an integral part of the planning and specification writing. Because only a small number of Ohio architectural firms specialize in school planning, Canadian manufacturers or their representatives can contact them personally.

Purchases of Equipment

Emphasis on curriculum development means more specialized teaching equipment. No longer are science laboratories equipped with microscopes, test tubes and bunsen burners alone. Plant growth chambers, electronic devices and similar things are becoming commonplace.

Elementary schools are taking libraries out of a corner of the classroom and devoting space to bringing more books to more students. A fine example is a recent opening of 100 fully equipped libraries in the Cleveland Public School System's elementary buildings. Over one third of Ohio city school districts reported that they will be adding additional or new library facilities in the next two years.

Electrical and electronic teaching devices are receiving increased attention in the fields of mathematics, languages and science. One school superintendent indicated that because of the demand for and shortage of teachers in these areas, the trend will be toward greater use of mechanical devices. This is reflected in the pur-

chasing intentions reported for laboratory equipment of the above types.

Vocational shop equipment ranks high in future procurement plans. Slightly less than one third of the school districts intend to expand their present facilities or include new vocational courses not offered previously. Once again, a local school administrator indicated that this possibly resulted from local programs to combat school dropouts by providing up-to-date training equipment.

Mass in-school feeding, subsidized by the Federal Government, brings hot lunches to more students and increases the need for cooking, serving and dining facilities in the various school districts. This type of equipment is a necessity for schools ranging from the large urban to the small rural ones. More efficient systems of food handling are being welcomed by school administrators and dietitians.

Furnishing the Classroom

There is a rapidly growing trend toward greater use of carpeting, drapes and wall coverings. Sixty-two per cent of the reporting Ohio school districts have indicated that they are considering installation of one or more of these. Although few chose wall coverings, a large number indicated a preference for draperies and specifically carpeting. Administrators appear to have been influenced by articles in trade journals dealing with public and private institutions which state that these two items reduce maintenance and cleaning costs considerably. This pace-setting trend is gaining strength in spite of the higher initial investment for this type of material.

Today's modern schoolroom uses functional design in student seating equipment. The solid wood desks are becoming obsolete. The majority of Ohio city school districts report that they are currently purchasing desks made in a combination of wood-metal and wood-plastic but metal-plastic appears to be the favorite. In many instances they buy more than one of these seating material combinations, depending upon the type and grade level of use within any given district.

The life expectancy of student desks is directly related to the quality of materials and workmanship. The greatest number of reporting districts anticipate that their seating equipment will have to be replaced at the end of twenty years. Some 35 per cent of these city districts expect 15 years of use. Based on a nine-month school year, this closely parallels depreciation schedules used by business and industry for their clerical equipment.

Whether it is one piece of equipment or facilities for an entire school building, the demand is for high quality products. The few Canadian manufacturers who have investigated and approached this market have found they can compete effectively in Ohio. Just as important is the fact that not one school district has indicated a policy against buying products made in Canada. The only apparent limitation was the suggestion that Ohio sales outlets be utilized.

Bidding for Business

Canadian manufacturers may wish to bid directly for school equipment requirements. We therefore asked about purchasing procedures. The majority of school districts reported that they automatically mail invitations to bid to all interested firms and

TABLE I

PURCHASING AND CONSTRUCTION BY OHIO PUBLIC SCHOOLS

	Student Enrollment								
	0 to 1,999	2,000 to 3,999	4,000 to 5,999	6,000 to 7,999	8,000 to 9,999	10,000 to 11,999	12,000 to 13,999	14,000 and over	Total
Purchasing Intentions									
Classroom Equipment									
Audio-visual	1	18	7	5	4	1	3	8	
Cafeteria	2	13	6	3	3	1	3	7	
Home economics labs	1	9	5	2	1	1	3	6	
Language labs	2	11	3	2	3	1	2	3	
Kitchen	1	12	4	3	2	1	1	6	
Library	1	21	7	6	2	1	3	7	
Mathematics labs	0	9	6	4	3	1	1	1	
Science labs	2	15	7	3	2	1	3	6	
Vocational shops	2	16	6	3	3	1	4	7	
Installations Being Considered									
Carpets	1	15	9	5	3	..	2	4	39
Drapes	2	29	9	6	3	1	1	7	58
Wall covering	..	8	..	3	..	..	1	3	15
None	5	22	11	2	2	1	4	3	50
Construction Planned									
Total No. Reporting	8	57	24	14	7	2	6	13	131
No. Reporting Construction Activity	3	27	12	10	6	2	4	10	67
Type of Construction									
Remodel	1	7	2	3	3	..	1	3	20
Addition	2	10	6	6	4	1	3	7	39
New building	1	20	11	6	4	2	4	9	57
Value Reported ($'000)	1,000	26,216	16,369	12,528	5,210	4,400	15,462	46,465	127,750
Value n.a.	1	8	1	..	2	..	..	2	14

Ohio Architects

The firms listed below are engaged to a great extent in school design and specification work.

Canton
Firestone and Motter
Lawrence Dykes & Associates

Cincinnati Area
Potter, Tyler, Martin & Roth
Russell Champlin, Jr.
Howard & Thomas McClorey
Baxter, Hodell, Donnelly & Preston
Pistler and Brown

Cleveland Area
Dela Motte, Larson, Nassau
Joseph A. Regner & Associates
Heine, Cridec & Williamson
Franklin G. Scott & Associates
Outlcalt, Guenther, Rode & Bonebrake
Rowley, Payer, Huffman & Leithold
Fred S. Toguchi
Lesko and Associates
John Lipaj and Associates

Columbus Area
Dan Charmichael
Schooley, Cornelius & Schooley,
Benham Armstrong & Richards
Van Buren & Associates
Joseph Baker & Associates (Newark)
Kellarn—Foley

Dayton Area
Thomas & Moll (Xenia)
Rial Parrish Associates
Lagedost & Walter
Ralph Harmon (Springfield)

Lima
Strong, Strong, Strong
McLaughlin—Keil

Mansfield
Glen L. Robinson
Marr-Knapp & Crawfis
Winkler-Ranck & Beeghly
Siegel & Steed

Toledo
Bueher & Stough
Munger & Munger
Barber, Normand & Associates

the majority of school districts will add anyone to their bid lists. Fifteen per cent of those replying volunteered additional information on their approach to purchasing procedures. Specific comments on factors in their buying include:

"Previous experience, distance of supplier, previous knowledge of quality of product or price range."

"Some degree of investigation."

"Research as to qualifications and service—if good, then will mail request for bid."

"Only if they are in the price range we can afford and have a quality product."

"Available service facilities are needed."

"Naturally we must limit the number of letters we mail—so our bid list would be only a reasonable number of firms. If we thought someone had a product at a price we wanted, we would add his name to our list."

"Want companies that can give service."

"We want to know something about the bidder."

The above comments may be useful in establishing guidelines for Canadian manufacturers who wish to sell to the Ohio school market.

We do not recommend that Canadian companies sell directly to individual school districts. Instead, we urge that they use existing channels of distribution to reach this market. The need for service, installation, and job-site delivery all play a part in this recommendation.

A number of methods can be used for marketing in this area. The first is to select a manufacturers' representative who is familiar with the equipment and the market, the second to use a distributor, and the third to make use of dealers. A combination of all three also deserves consideration.

Whatever the method used, we urge Canadian school equipment manufacturers to investigate the great potential in the state of Ohio. ●

Aqaba—a Mid-East Hong Kong?

AQABA, Jordan's only outlet to the sea, is the site of an ambitious project to develop both the city and port facilities so vitally needed. Through Aqaba must flow exports of phosphates, the country's major earner of foreign exchange.

Until now the major obstacle has been lack of funds but in June of this year a loan of Can.$5.6 million was obtained from the German Bank for Development.

The first stage of the harbour development project will double the storage capacity from 40,000 to 100,000 tons and will permit vessels of 50,000 tons to have access to its berths (25,000-ton vessels can be accommodated now).

A major part of the plan is a tourist centre and a resort community on Aqaba's beaches, with boulevards along the sea and a green belt of grass and flowers. In January 1966 Jordan acquired from Saudi Arabia ten miles of seacoast for this purpose, in exchange for an equal area of Jordanian hinterland.

The Aqaba Planning Commission envisages a fivefold increase in the population of the city (from 9,000 to 45,000) which the establishment of new commercial and residential areas will make possible.

The Jordanian Government proposes to create a free port at Aqaba where manufacturers of radios, tractors and automobiles could assemble their products. However, the major problem of communication dominates most of these development projects. To get to Aqaba by land, one must take the 210-mile road from Amman or the train to Ras El-Nakab and drive the rest of the way by car. All this underlines the importance of building a railroad between Amman and Aqaba via Ma'an.

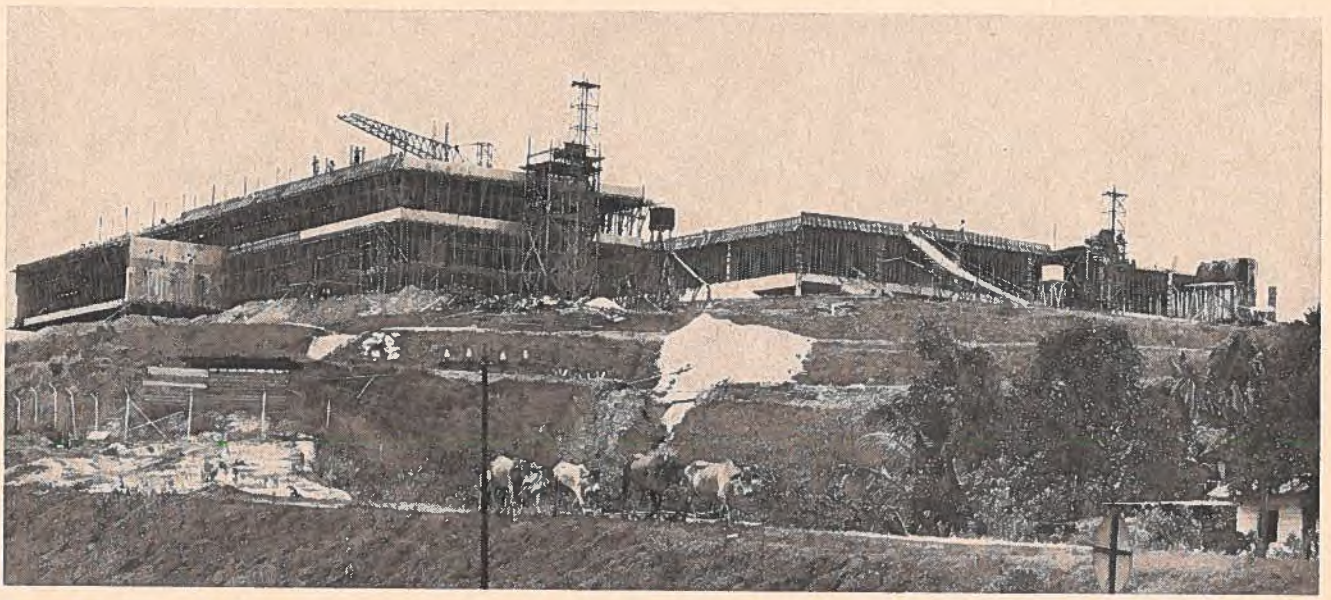
For maritime communication, a ferry boat between Tarba (U.A.R.) and Aqaba will be put into service to increase the flow of tourists and merchandise and to create a new outlet for Iraqi products (Baghdad-Amman-Aqaba-Suez).

An airport will also be built near Aqaba; at the moment there is a temporary runway that the Government plans to enlarge. A helicopter service has been studied but set aside as being too costly.

All these projects result from one need: the improvement of communications for the predicted increase in traffic. There can be no progress without a railroad. The proposed Damascus-Amman-Ma'an-Medina (Hedjaz) railway is now being built and a short railroad link between Aqaba and Ma'an would connect the city with the Hedjaz line and serve its development needs.

—P. W. AUBIN,
Assistant Commercial Secretary, Beirut.

Malaysia Builds for Broadcasting



Various buildings of Radio Malaysia's new television and radio complex rise on the outskirts of Kuala Lumpur. Although a Malaysian firm is building the project, consulting engineers and architects are a Canadian firm N. J. Pappas and Associates.

One Canadian firm has already played a pioneering role in planning and designing part of Radio Malaysia's new radio and television facilities. The M $35 million project will be the largest consolidated broadcast centre in South East Asia.

P. STUCHEN, *Commercial Counsellor, Kuala Lumpur.*

BACK IN LATE 1962 the Malaysian Government, having decided to introduce television into the States of Malaya, requested aid from the Canadian Government. In early 1963 a firm of consulting engineers and architects, N. J. Pappas & Associates, was commissioned by the Canadian External Aid Office to design and supervise the proposed Television Centre. The centre was to consist of an administration block complete with three studios and related equipment; the estimated cost was a little over M $10 million. Realizing that the introduction of television throughout the peninsula was a long-term project, the two Governments agreed to the following schedule:

1. Construction of a pilot operation (which became known as Phase I) consisting of temporary studio and transmitter buildings.

2. Construction of a West Coast network consisting of seven transmitting stations linked by a north-south microwave system.

3. Construction of the permanent Kuala Lumpur transmitting station.

4. Construction of the permanent Kuala Lumpur studio buildings (Phase II).

Late in 1963, after studying various broadcasting organizations throughout the world, the Malaysian Government decided that Radio Malaysia and the new television services should be amalgamated because they came under the portfolio of the Minister of Information and Broadcasting, and a number of facilities were common to both. With this idea in mind, the Malaysian Government in 1963 commissioned N. J. Pappas & Associates to design and supervise what is known today as the Malaysian Broadcasting Centre which consists of the following buildings: Television House, Radio House, Integrated Services (Administration) Building, Plant (Services) Building, Engineering & Research Building. This meant that the project, which was originally estimated at M $10 million, would now cost approximately M $35 million.

The temporary Phase I facilities were completed early in December 1963 and the official opening took place on December 28, 1963. The temporary facilities consisted of two small studios, two telecine chains which are used to broadcast films and slides, two solid-state video tape machines with which programs are pre-

recorded, and one outside-broadcast van.

Meanwhile, a 33-acre site was purchased for the proposed complex midway between the capital, Kuala Lumpur, and the satellite town Petaling Jaya. Approximately half of the site is being allocated for the new centre, leaving the other half for future development.

In December 1964 contracts totalling over $500,000 were awarded to clear the land, build a system of roads and a 450-car parking lot, and finally a system of piles to carry the Television House building.

Because of the size of the Centre and the fact that the Phase I facilities would prove inadequate in a few years, officials agreed to build Television House, the Integrated Services (Administration) Building and the Plant (Services) Building first, with the Radio House and Engineering Building to follow.

Integrated Services Building

This building, located on the northern edge of the site overlooking the federal highway connecting Kuala Lumpur to Petaling Jaya, will be a ten-storey building made up of seven floors of office space, a roof garden, a kitchen and cafeteria for 400 people, and a ground floor V.I.P. car park. It is designed to house all the Ministry of Information & Broadcasting personnel and also senior executives of the radio, television, engineering and programming departments. The seven floors of office space will have a total area of approximately 80,000 square feet with about 6,000 square feet left for future expansion. The building is designed to permit the addition of another two bays which will increase the total usable office floor area by 16,000 square feet.

Television House

Located immediately behind the Integrated Services (Administration) Building, the three-storey Television House will contain all the facilities necessary to produce programs. The lower ground floor will contain the storage, rehearsal and film processing areas. The ground floor will house the four studios and the first floor will consist of the technical areas. Again, the design of Television House will allow fast and easy expansion. Local authorities propose to expand the television facilities in approximately seven to ten years' time; the plan calls for four new studios for a total of eight. One of these will be able to hold an audience of 250 people.

Plant (Services) Building

This building, which is located approximately 120 feet south of Television House, will house main electrical and air conditioning plant. Two high-voltage powerlines (11 kv.) will supply the required power, each able to carry the full load if one line fails. The high voltage will be then reduced to an intermediate step (3.3 kv.) and carried via underground cables to each building where the final transformation to 415 volts will take place. Next to the main electrical plant will be two 800-ton air conditioning compressors which will produce the chilled water required by the fans in each building. Again, the building has been designed to allow for future expansion.

These three buildings come under the contract which was awarded in August 1965 to a Malaysian construction firm for approximately M $10 million. They should be completed by June 1967 with the Television House electronic systems (totalling approximately $10 million) being commissioned in early November 1967.

Radio House and Engineering

Both of these are now at the design stage, and there are a number of factors to be taken into account. The Ministry of Radio is faced with the problems of broadcasting in four languages: Malay, English, Tamil and Chinese. It also has to cope with an internal service, school broadcast service and last but not least, an overseas service. In order to cater to all these, the present radio plan calls for a 1,000-seat auditorium which will be able to be used also as a concert hall, a 250-seat auditorium, plus 12 continuity and talks studios, five drama studios, a central recording room and other associated technical areas. The estimated cost is approximately $12 million including electronic systems. The present schedule calls for piling to begin in July or August with contracts for the construction of the building to be awarded in September. The Engineering Building will house the research laboratories and workshop which will be set up once the centre is in operation to enable the engineering department of the Ministry to carry out its own development and testing of the equipment. Classroom lectures and training for staff will probably take place in this building.

Even though bigger broadcasting complexes exist in this part of the world, the Malaysian Broadcasting Centre when completed will be the biggest consolidated centre in South East Asia, and is designed to cater to the Government's needs over the next 25 years. ●

New Roads for Iraq

IRAQ has a road construction and maintenance project currently under way, with the assistance of a $23 million loan from the World Bank to cover the foreign exchange requirements. The total program will cost $54 million.

Main project is completion of the trunk road from the port of Basrah on the Gulf to Baghdad, the capital, and to Mosul in the north, the second largest city in Iraq. The missing links in this trunk road are:

1. The Sharqat-Mosul road (68 miles), the last leg in the Baghdad-Mosul highway. Two spurs will be built to serve the towns of Hamam Alil and Qaiyarah on the existing road.

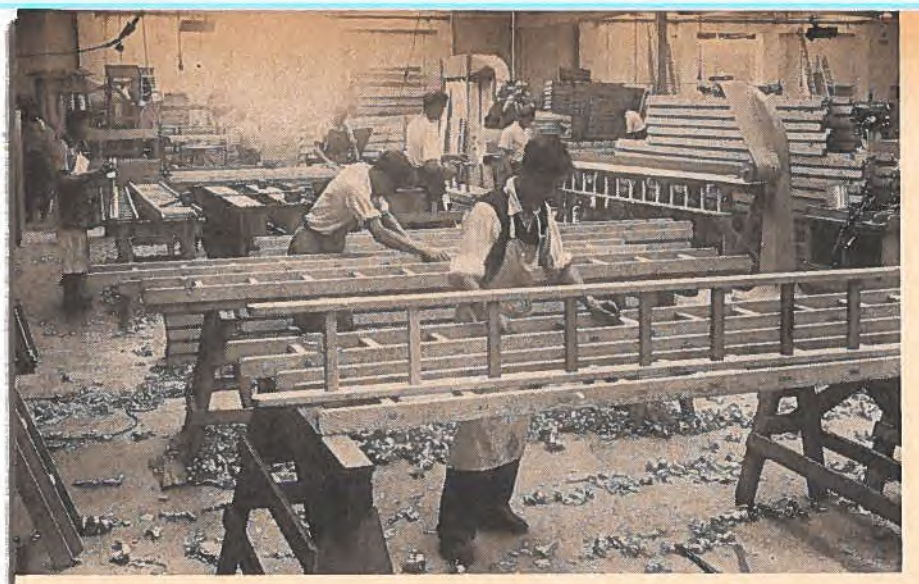
2. A 43-mile road to Khalis, which will be the final link in the new highway between Baghdad and the Kirkuk oil fields. It will also serve important agricultural areas en route.

3. The longest road in the project, extending 110 miles between Kut and Nassiriya, two of the largest cities in Southern Iraq. It will connect the Euphrates and Tigris Rivers and pass through an intensively cultivated area.

4. Two other roads in the extreme south.

All of these roads will reduce travel time and transport costs and should stimulate production and trade.

The Bank funds will be used for the purchase of additional modern equipment for road maintenance and the employment of outside experts to study and recommend improvements in the present organization of maintenance operations. ●



(Left) Canadian Douglas fir is used for the stiles of the ladders being made in this British factory. Other ladders made by the same firm are of Canadian hemlock. A "bull bucker" (below) at work in the forests in the northern part of the island of Luzon in the Philippines uses a Canadian-made, gasoline-powered portable chain saw to do the job.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

(Left) These prefabricated building sections called "Cassetas", made by a Manitoba company, are shown as they started on their way to Mexico City and Acapulco. Made of fibreglass and polyurethane foam, they will be placed on display on arrival. Cassetas can be used for homes, motels, or office buildings.

Enterprising Exporters in Western Canada

They Keep Cars Warm

THE BITING COLD OF A WESTERN WINTER has proved to be a prime sales factor in the United States for the Canadian automotive division of James B. Carter Limited in Winnipeg. Add to this a comprehensive marketing program plus a sound reputation for quality heating products and the result is rapidly growing exports.

The 30-year-old company has two major markets for engine heaters: one for the automotive after market, the other for original equipment manufacturers of automobiles, trucks and tractors. Engine heaters, interior car warmers and battery blankets are examples of the products made in Winnipeg. Radiators for trucks and tractors and specialty equipment for original equipment manufacturers and the replacement market are produced in the Montreal plant.

Export operations out of Winnipeg started six years ago when the company set up a marketing organization, James B. Carter, Inc., in Fargo, North Dakota, to handle all after-market sales in the United States. A trial period showed that commission agents were the best bet. The heaters could only be sold on a seasonal basis, and agents selling to jobbers and distributors were much more effective than full-time salaried personnel.

The U.S. agents are given as much help as possible. Executives from Winnipeg make frequent trips across the border to work at the dealer and jobber level. They also show agents how to sell and service the equipment, what its unique features are, and how to highlight these in sales talks.

A great deal of groundwork was necessary before the firm was able to export in any volume. With engine heaters, for example, importers had to be impressed both with the company's design (which was, in fact, ahead of comparable U.S. products) and its production facilities. Senior executives from several marketing organizations south of the border who had never carried a Canadian product before were invited to Winnipeg to see James B. Carter Limited in action. After a two-day visit, the company clinched a major contract—and the trip was perhaps the most important part of the sales pitch.

Choosing an agent is an important part of any export program, and the Carter Company has used two methods. One is to wait for agents with initiative to come to Canada to ask for the account. The other is to go to the jobbers and warehouse distributors in the U.S. to ask them who they consider to be successful agents. The sales manager interviews all prospects and checks on the credit rating and reputation of each. They may then be taken on for a trial period or may, in some cases, immediately sign a contract.

Sales aids are another important aspect of promotion. Although Carter's does some direct mail advertising, it considers point-of-sale promotion perhaps the most effective means of keeping the company's name before the public. For this reason, packaging gets a lot of attention. Individual engine heaters come in blue and yellow cartons, car warmers in a white carton printed in red and yellow. The boxes themselves are designed to provide the longest shelf life possible and, for the United States market, are printed without the French wording used in Canada.

The firm also cultivates the utility companies in the U.S. The power companies have very large advertising programs and can put on displays or demonstrations at state fairs. One of the main selling points for these utilities is that the heaters, while bringing in revenue, are used at off-peak hours when loads are light.

Salesmen are primed to stress that the heaters are made in Canada, because Americans believe that we know more about cold weather equipment than they do because of our severe winters. Company officers also believe that the Canadian product image in the U.S. is one of quality. Design awards are good selling points too, and prospects are reminded that one of the car warmers has won an award plus other stamps of approval, and that the firm's battery blanket has also won an award for good design.

Another interesting point is that car heaters are something of a novelty for drivers in the northern states. The power companies have not been as aggressive as their Canadian counterparts and builders have not been prodded to install outside plugs. Thus the Canadians found themselves cultivating almost virgin territory.

James B. Carter Limited now sells its products almost everywhere north of the Mason-Dixon line and from Boston to Seattle. The battery blanket has been patented around the world, and frost shields are manufactured in Europe. A Dutch company, N. V. Carter

Europe, has a joint-venture arrangement with the Canadian firm to sell the frost shields throughout Europe and Britain.

What are the secrets of this company's export success? A reputation for honesty seems to be the most important. Dealers are offered simple, reliable products that are backed by an air-tight warranty. Auto manufacturers can rely upon Carter's completely when advanced models are being planned. Because a new engine means an adaptation of an existing heater (or a new design), company engineers must approach their Detroit counterparts in the January of the year preceding the model in question. A set of engineering drawings comes with the price tag of a tightly-zippered mouth. The Canadians have never betrayed the confidence of the auto manufacturers.

Honesty, reliability and good merchandising—three watchwords for success in Canada. Three watchwords for success abroad as well. ●

Ancient Crafts Find New Outlet

MOST VISITORS to the California Gift Show in Los Angeles last year stopped short when they came abreast of a booth in the Canadian section marked "Prairie Crafts". In it sat a young Indian girl clad in the traditional Cree costume, complete with headband. Amid the crowds and the clamour she was patiently turning out hand-stencilled Indian designs on Hastinotes. The products on display around her included smoked leather moccasins, mukluks, cornhusk dolls, birchbark baskets trimmed with spruce root, and other Indian handicrafts. Presiding over the exhibit were genial John Garman of Saskatoon and his wife, busy making contact with the buyers who flocked around.

The Garmans weren't there primarily to make sales but to explore the tastes of U.S. buyers, find a good agent in the Western States, and possibly take orders for future delivery. When the Gift Show ended, they had an agent to cover the four desert states east of California (Arizona, Utah, Nevada, and New Mexico), some direct orders for shipment to California, (agents weren't interested in taking on the line there) and others from a man catering to the tourist trade in the Grand Tetons. And nearly all their U.S. business since has stemmed from these show contacts. Proof of this is Prairie Crafts' entry into the Gift Show again this year.

When I went to see Mr. Garman and talk to him about his export experience, I found him in his retail store, "Trading Post", on one of the broad main streets of Saskatoon. He explained to me that he leads a double life, commercially speaking—as a wholesaler with Prairie Crafts and as a retailer at the Trading Post. But both these businesses have a connection with the Indians, particularly those in Saskatchewan's Lac La Ronge district, where the Provincial Government maintains a Northern Handicrafts Center. There the Indians are helped to turn out quality handicrafts both at the Centre and on the nearby reservations by a craft specialist. This keeps alive the authentic old crafts and also brings the Indians more income.

John Garman came into the picture when the Centre needed help and advice about selling its output. Prairie Crafts, in effect, acts as a wholesaler for it, buying what the Indians produce and then retailing it, partly in Canada and since 1965 also in the United States. Actually, says Mr. Garman, he made a few sales to Wisconsin earlier but his real interest in the U.S. mar-

John Garman (left) of Prairie Crafts shows a few samples of Indian handicrafts to two Assistant Trade Commissioners who visited him in Saskatoon, Saskatchewan, last June. They are (centre and right) Robert Kelly and Paul Labbé.

ket dates from his entry into the Los Angeles fair. Garman also advises the Centre on prices, obtains supplies for the workers, and sometimes provides patterns.

He went to the Fair armed with the information that prospective agents or buyers would ask for—duty-paid delivered prices. This involved getting rulings from the U.S. Customs on the classifications for his products and the rates of duty. In doing this, he worked through the U.S. Customs office at Pembina, North Dakota, mailing the necessary samples and leaving it to the Customs officers to work out the classification for duty. These duties range from about 8 per cent on prints and Hasti-notes to 35 per cent on the cornhusk dolls, but most are in the 10 to 20 per cent range. The most popular product in the U.S., he has discovered, is smoked leather moccasins; close behind it is decorative porcupine work but this comes largely from Ontario.

He follows the practice of sending to the U.S. customer a mimeographed letter on receipt of his order; the letter informs him that the goods will be shipped in the first week of the following month from Scobie, Montana. At Scobie all the parcels are cleared at the one time and dispatched to destination by express or parcel post.

When I asked Mr. Garman about the particular problems of carrying on an export business of this kind, he mentioned supply of raw materials and especially obtaining enough deer, elk and moose hides for the Indians to tan and use in their handicrafts. He pointed out that he could sell in the U.S. many more moosehide jackets with bead trimming if the supply were larger. The Saskatchewan Government is helping by appealing to sportsmen in the province to save these hides. Garman then picks them up and takes them to the reserves.

Last January Garman was back at the California Gift Show and again his sales were rewarding. An unusual product line and a good sales medium have proved to be the right combination for Prairie Crafts —and for its Indian colleagues. ●

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.

Mexico—M. B. Blackwood, Commercial Counsellor in Mexico City:

Winnipeg—October 17-19 Vancouver—October 24-28
Edmonton—October 20-21

Temporary Duty in Ottawa

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

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.

In Territory

Costa Rica—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit San Jose October 19, 20 and 21.

Indo-Chinese States—A. Blum, Assistant Trade Commissioner in Hong Kong, will visit South Vietnam, Cambodia and Laos November 18 to December 2.

Italy—C. E. Rufelds, Consul and Assistant Trade Commissioner in Milan, will visit Turin November 8, 9, and 10.

Norway—D. B. Browne, Assistant Commercial Secretary in Oslo, will visit Kristiansand, Stavanger, and Bergen November 7 to 12 inclusive.

Panama—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit Panama October 22 to 26.

South Africa—H. W. Richardson, Trade Commissioner in Cape Town, will visit East London October 17 to 20 inclusive.

D. H. Leavitt, Assistant Trade Commissioner in Cape Town, will visit Grahamstown October 15, East London October 16 to 21 inclusive, Cathcart October 22, Port Elizabeth October 23 and 24, Knysna October 25, and Oudtshoorn and Mossel Bay October 26.

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

trade lines

The value of Danish pelts exported in 1965 reached a record 206 million D.Kr, compared with 2.5 million D.Kr in 1946. Countries buying the pelts include: Finland, the United States, France, the Netherlands, Canada, Australia, Israel, Austria, the Republic of South Africa, Japan, West Germany, and Britain. Mink, however, represents the major fur exported—193 million D.Kr, or 93.5 per cent of the total export value. The corresponding figures for 1964 were 158 million D.Kr. or 88.8 per cent. The United States tops the list of mink importers—75.3 million D.Kr. or 39.1 per cent of the total value and 47.7 per cent of the total number of pelts—Copenhagen.

The Chilean pulp and paper mills of Industrias Forestales S.A. at Nacimiento achieved a record newsprint production of 5,355 tons in May, 107 per cent of installed capacity. Chilean exports of newsprint and wood pulp during 1966 are expected to total U.S. $21.2 million, an increase of U.S. $9.9 million over 1965—Santiago.

Yugoslovia opened in July a customs free zone at Belgrade on the Danube. The zone has over 20,000 square meters of covered and open storage space, plus adjacent dock facilities—Vienna.

Honduras plans to build a new steel plant in the Agaltaca Valley which will use the nearby iron ore deposits. The charcoal for fuel will be supplied from 100,000 hectares of forest which have been declared a national forest reserve for this purpose—Guatemala City.

German cosmetics manufacturers report their sharpest increase in sales since 1950. Sales at home and abroad in 1965 came to Can. $340 million—a 27 per cent increase over 1964—Duesseldorf.

German employers are offering employees who make suggestions for production improvements substantial rewards. Last year 110 industrial firms paid out more than DM 140 million for ideas on stepping up the quality of the product or bettering working methods—Bad Godesberg.

Olympic Airways of Greece has begun direct transatlantic services linking Athens with New York and North America. This new air service commenced last June and offers seven flights a week: two via Rome and five via Rome and Paris to New York. As of July, two more daily flights were added, linking Athens with New York by a nine-hour non-stop flight. The Greek airline has three Boeing 707-320 superjets servicing this program. Olympic Airways maintains several offices in North America, including Toronto and Montreal—Athens.

The Nicaraguan Government has authorized free ports at its international points of entry. The Ministry of Finance will issue the licences and supervise their operations—Guatemala City.

Hungary will begin the construction of a modern paper mill shortly to make a quality paper previously imported. The new mill, to be situated near an existing one at Lobatlan, will have four production lines and its annual capacity will be 35,000 metric tons. The greater part of the machinery needed will be purchased from foreign suppliers—Vienna.

New Zealand's aerial top dressers spread more than one million tons of fertilizer in 1965, an increase of 12½ per cent over 1964. It was the first time that aerial application exceeded that applied by other means. Continued reliance on aerial top dressing has prompted the introduction of the Fletcher aircraft now in production in New Zealand. In the interests of economy and efficiency, the Fletcher Aviation Company is now embarking on a development program to produce a turboprop variation of the Fletcher capable of carrying a larger payload—Wellington.

Esso Pakistan Fertiliser Company is setting up a urea plant near Sukkur, in West Pakistan. The plant, expected to go into production in mid-1968, will cost Rs. 150 million and have an annual production capacity of 173,000 tons. Output of nitrogenous fertilizers will more than double. Mari gas discovered by Pak-Stanvac Petroleum in 1957 will be used as raw material and fuel—Karachi.

Seven new industrial development areas have been set up under Spain's Four Year Development Plan (1964-1967). To date, 1,102 new factories have been approved, representing a total investment of Can.

$1,311.2 million and the creation of some 107,500 new jobs. Under the plan, companies were invited to apply to establish new industries in these areas, under attractive conditions including government subsidies, loans, and fiscal exemptions—Madrid.

The Mexican Agricultural and Finance Ministries, in co-operation with the Mexican Central Bank, report that agriculture is Mexico's greatest problem. Taking into account the expected population growth over the next 10 years, farm production per capita will be down 8 per cent by 1975. By then, Mexico may need to import 25 per cent of its fruit and vegetable requirements. The Government's report suggested that preventive measures be taken. These would include placing more land under cultivation, stepping up irrigation projects, building additional feeder roads, and investing additional funds in canning and other industries related to farming—Mexico, D.F.

Production of canned fish in West Germany reached a new peak in 1965—50,400 tons, a 19.5 per cent increase over the previous year. The industry also produced 14.7 per cent more deep frozen fish and fish fillets (25,000 tons), of which some 22,736 tons went into consumer packs—Hamburg.

Krupp of Germany and the Brazilian Government have entered into an agreement to supply equipment and technical assistance valued at $10.07 million to deepen and improve the ports of Maceió, Salvador and Belem. These ports will have deep draught facilities in 10 years—Rio de Janeiro.

Business is improving in Germany's textile industry. In the first four months of 1966 its rate of growth was higher than that of industry as a whole. Sales were 6.6 per cent above those of the same period in 1965 and booked orders 7.6 per cent larger—Duesseldorf.

New Zealand exports for the trade year ended June 30, 1966, have been estimated at $1,141.8 million, f.o.b., compared with $1,112.7 million for the previous year.

Value of primary produce exports increased by $26.1 million. The major items to increase were wool $33.9 million, hides and skins $13.2 million, preserved milk $4.5 million, casein $4.2 million and petroleum products $3.6 million. These gains were partially offset by decreases of $26.4 million (8 per cent) in meat and $15.9 million (9 per cent) in butter—Wellington.

West Germany retains second place among world suppliers of passenger automobiles. The United States ranks first with a production of 9,329,000 units, West Germany is second at 2,734,000 units, Britain is third with 1,722,000 and France is fourth with 1,423,000 units. The growth of output presents quite a different pattern. Here Canada leads, with an increase in production of 27 per cent. The U.S. is second (+20.5 per cent), followed closely by Japan, which—despite its weak showing in production as such—turned out 20 per cent more cars last year than in 1964. Germany's production rose slightly (+3.1 per cent), France's hardly at all (+0.6), and Britain's fell off (—8.8 per cent)—Bad Godesberg.

Australia plans to cut ocean freight costs and speed up cargoes through a scheme developed by British and European shipping lines. It provides for each ship to load at no more than three Australian ports and discharge at no more than three overseas ports. This plan will not affect the frequency or regularity of sailings from Australian ports. Shipping authorities state that the scheme can save Australia millions of dollars and result in a quicker turn-around with all ships carrying full loads. The scheme began operating September 1st—Melbourne.

A new Venezuelan sulphuric acid plant will start operations in mid-1967 with an annual capacity of 225,000 tons. The raw material will be crude sulphur 99.5 per cent pure. It has not been determined whether the imported raw material will come from Canada, Mexico or the United States—Caracas.

The Scottish hospital centre in Edinburgh is exhibiting 41 major hospital projects in Scotland, which are valued at more than $240 million. In operation for six months, the centre is designed as a unique arena to display ideas for coping with planning problems involved in a rapidly expanding building program. An exhibition of hospital furniture there until mid-September is to be followed by a display of modern equipment used to help elderly and disabled patients —Glasgow.

One million dollars worth of aluminum has been purchased from the Aluminum Company of Canada for the Rootes Sunbeam Imp car. The Imp car is wholly produced and designed in Scotland. This purchase will more than double the value of the present agreement between Rootes and the Canadian firm—Glasgow.

A chain of 20 motels in Sweden to be built by 1970 will form part of a European-wide motel development by Esso. The motels will have 60 rooms each and restaurant accommodation for 200 persons. Two bigger ones will be built outside Stockholm, each with 100 rooms and restaurant accommodation for 300—Stockholm.

foreign tariffs and trade regulations

Brazil

IMPORT REGULATIONS CHANGED—Our Rio de Janeiro office reports the following changes in import regulations announced by the President of the Central Bank of Brazil on September 17, 1966.

1. Imports of products classified in the General Category no longer require the previous purchase of exchange, as per item II of Instruction 204 of March 13, 1961, of the former Superintendency of Currency and Credit. Consequently, the Certificate of Exchange Coverage, mentioned in sole paragraph of art. 53 of Decree No. 42,820 of December 16, 1957, is now abolished.

2. For the purpose of consular visa and customs clearance, the Foreign Trade Bureau of the Bank of Brazil will issue an Import Bill with the details and data previously contained in the Certificate of Exchange Coverage.

3. The Import Bill will be valid up to 120 days for the purpose of shipment of the corresponding merchandise abroad.

4. Apart from the regulations set in the previous item, the customs clearance of the merchandise imported is subordinated to proof that the respective exchange contract has been closed at the authorized banks.

5. The regulations set out in this Resolution will not prevent the importer from closing an exchange contract before the Import Bill has been issued, should he so desire.

6. Until the new Import Bill forms are available, the forms of the old Certificate of Exchange Coverage may be used, with the amendments that may become necessary.

Guatemala

REGULATIONS FOR FOREIGN FIRMS—New rules governing foreign firms establishing assembly operations in Guatemala were recently passed by the Government. They include the following:

1. Any such firms wishing to avail themselves of tax and tariff concessions must establish an up-to-date operation utilizing at least 15 per cent Guatemalan or Central American raw materials. This proportion must reach 50 per cent over the period during which the concessions are granted.

2. The capital structure of such a company must make provision for participation by Guatemalans or Central Americans.

3. The retail prices of the products made must be lower than the c.i.f. prices of the same articles when imported, without sacrificing quality in any way.

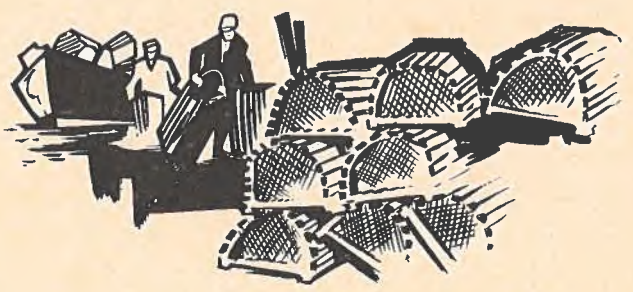
4. Government-owned transportation facilities must be used when importing equipment and raw materials.

5. The firm must provide facilities for training local employees for technical positions so that they will eventually replace foreign technicians.—Guatemala City.

Peru

PACKAGING FOR EXPORT—Special care must be taken that articles which take different rates of duty are packaged separately and shown on different lines of the invoice.

The Peruvian Customs Court ruled on July 6, 1966, that a shipment of "Steel Nuts and Bolts" be assessed as "Steel Bolts" under tariff item 73.32.1.01 at 5.00 soles per gross kilogram plus 180 per cent of the c.i.f. value, because the nuts formed a single whole with the bolts. If the nuts had been packed and invoiced separately, they would have been dutiable under item 73.32.1.02 as "Steel Nuts" at 3.00 soles per gross kilogram plus 30 per cent of the c.i.f. value.



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 of column one to the U.S. dollar equivalent, *multiply* by .93. **To convert column two, *divide* by .93.**

Country and Currency	Value of Foreign currency unit in Canadian dollars	Value of Canadian dollar in foreign currency units
	at Sept. 30	
Algeria		
Dinar	.2184	4.58
Argentina		
Peso (free)	.0049	200.00
Australia		
Dollar	1.20	.8333
Austria		
Schilling	.0418	23.98
Bahamas		
Dollar	1.053	.9523
Belgium and Luxembourg		
Franc	.0216	46.25
Bermuda		
Pound	3.009	.33
Bolivia		
Peso	.0910	11.01
Brazil		
Cruzeiro (official free)	.0005	2,053.39
Britain		
Pound	3.009	.33
British Honduras		
Dollar	.7523	1.33
Burma		
Kyat	.2263	4.43
Ceylon		
Rupee	.2256	4.43
Chile		
Escudo (bank rate)	.2588	3.86
(free)	.2250	4.45
Colombia[10]		
Peso (free)	.0661	15.19
Congo, Republic of[1]		
Franc	.0072	139.50
Costa Rica		
Colon	.1627	6.15
Cuba[2]		
Peso	.....	.....
Czechoslovakia		
Koruna	.1497	6.68
Denmark		
Krone	.1562	6.41

Country and Currency	Value of Foreign currency unit in Canadian dollars	Value of Canadian dollar in foreign currency units
	at Sept. 30	
Dominican Republic		
Peso	1.078	.93
Ecuador		
Sucre (official)	.0599	16.72
(free)	.0550	18.21
El Salvador		
Colon	.4311	2.32
Fiji		
Pound	2.710	.35
Finland		
Markka	.3368	2.97
France, Monaco, etc.[3]		
Franc	.2184	4.58
Franco-African Republics[4]		
Franc	.0044	227.79
French Pacific[5]		
Franc	.0120	82.64
Germany		
D Mark	.2702	3.71
Ghana		
Cedi	1.254	.80
Greece		
Drachma	.0359	27.86
Guatemala		
Quetzal	1.078	.95
Guyana		
Dollar	.6268	1.60
Haiti		
Gourde	.2156	4.65
Honduras		
Lempira	.5389	1.86
Hong Kong		
Dollar	.1880	5.33
Hungary		
Forint (official)	.0921	10.86
Iceland[1]		
Krona (official)	.0251	40.00
India		
Rupee	.1428	7.02
Indonesia[6]		
Rupiah	.....	.....

Country and Currency	Value of Foreign currency unit in Canadian dollars at Sept. 30	Value of Canadian dollar in foreign currency units at Sept. 30
Iran		
Rial	.0142	70.02
Iraq		
Dinar	3.018	.33
Ireland		
Pound	3.009	.33
Israel		
Pound	.3593	2.78
Italy		
Lira	.0017	581.86
Japan		
Yen	.0030	335.37
Lebanon		
Pound (free)	.3467	2.87
Malaysia		
Dollar	.3521	2.84
Mexico		
Peso	.0862	11.61
Morocco		
Dirham	.2156	4.64
Netherlands		
Florin	.2979	3.39
Netherlands Antilles		
Florin	.5715	1.75
New Zealand		
Pound	2.998	.33
Nicaragua		
Cordoba	.1540	6.50
Nigeria		
Pound	3.009	.33
Norway		
Krone	.1508	6.64
Pakistan		
Rupee	.2256	4.43
Panama		
Balboa	1.078	.93
Paraguay		
Guarani (free)	.0086	116.27
Peru		
Sol (free)	.0402	24.94
Philippines		
Peso (free)	.2770	4.41
Poland		
Zloty (fixed basic rate)	.2695	3.72
Portugal & Colonies[7]		
Escudo	.0375	26.66
Sierra Leone		
Leone	1.504	.66
South Africa		
Rand	1.504	.66
Spain & Dependencies		
Peseta	.0179	55.55
Sweden		
Krona	.2084	4.79
Switzerland		
Franc	.2490	4.01
Syria		
Pound (free)	.2821	3.54
Thailand[1]		
Baht (free)	.0521	19.25
Tunisia		
Dinar	2.064	.49
Turkey		
Lira	.1198	8.35
United Arab Republic		
Pound (official)	2.480	.40
United States		
Dollar	1.078	.93
Uruguay		
Peso (free)	.0158	63.29
Venezuela		
Bolivar (official free)	.2401	4.16
West Indies		
Dollar[8]	.6268	1.60
Pound[9]	3.009	.33
Yugoslavia		
Dinar (official)	.0862	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.
10. The fixed rate is no longer in effect, as of August 22, 1966.

Marketing Data Sheet

THE NETHERLANDS

Area

12,950 square miles of land and 2,835 square miles of surface water.

Climate

Mean temperature is 10°C, fluctuating from —15°C. to +27°C. Average humidity is 80 per cent. The Centigrade scale is used.

Population

Total population, December 31, 1965, 12,377,194.

	Males	Females
35 and over	2,485,195	2,694,474
25 to 34	819,496	771,917
15 to 24	1,088,454	1,032,499

Households

At January 1, 1966, 3.05 million total family groups. According to the 1956 census, there was 1,758,000 private residential dwellings and 2,546,000 multiple dwellings.

Income

National income in 1965, Fl.55.3 billion (approximately Can.$16.6 billion); per capita Fl.4,468 (Can.$1,340). Average hourly wage for administrative personnel Fl.4.50 (Can.$1.35); technical personnel Fl.4.90 (Can.$1.47). On July 1, 1966, there were 1.2 million postal chequing accounts. Total retail sales in 1964 Fl.23.94 billion (Can.$7.18 billion); per capita Fl.2,000 (Can.$600).

Motor Vehicles

On January 1, 1966, 1,272,000 passenger vehicles, 138,950 delivery vans, 86,450 trucks, 9,500 buses, 71,000 motorcycles and 68,800 scooters were registered.

Telephones

125 per 1,000 persons.

Radio and Television

2.7 million households have a radio and 1.5 million have a TV receiver (625 lines per picture). TV and broadcasting facilities are both publicly and privately owned.

Water Supply

Water supplied by waterworks is safe to drink. Average pressure is three atmospheres. Mineral content varies with the district. Hardness ranges from 0.44 to 30 German degrees.

Electric Power

50 cycle a.c., 220/380 volts. Single or three-phase systems are available. Cost is approximately Can.$0.026 per kwh. for domestic use. Cost for industrial consumer ranges from Can. $0.019 to Can.$0.016, according to consumption. A grounding conductor in the electrical cord is required for appliances to be used in places where moisture is liable to develop. The distribution system has no ground wire. In 1965, total production was 25,010 million kwh. No changes in the distribution system are envisaged.

Coal

All types available. Production in 1965 was 11,447,000 metric tons. Consumption was 16,461,826 metric tons. Figures on reserves are not published.

Gas

Natural and manufactured gas and LPG available. Manufactured gas will be discontinued in a few years.

Chemical analysis of natural gas (as supplied at source):

	(per cent)
CO_2	0.8
N_2	14.0
CH_4	81.9
C_2H_6	2.7
C_3DH_8	0.4
C_4H_{10}	0.1
C_5H_{12}	0.1

1965 production totalled 1,872 million cubic metres of 7,980 kilocalories. Estimated reserves are 1,150 billion cubic metres. Thermal content is 7,940 kilocalories.

Distribution is by main station to the gasworks through pipelines. There are 3.1 million consumers. Cost of natural gas ranges from Can.$0.075 to Can.$0.014 per cubic metre depending on consumption. Total consumption more than doubled between 1963 and 1965.

Petroleum Products

All kinds of lubricating and fuel oils, gasoline, etc., are available. Local production in 1965 totalled 2,395,000 metric tons. Imports of crude oil in 1965 totalled 26,379,179 metric tons. All large oil companies have refineries in Rotterdam and Amsterdam.

Weights and Measures

Metric system.

Screw Thread

Metric and Whitworth, with trend towards elimination of latter. North American SAE used only when supplied with machines. All screw thread is right hand.

Standards

Official approval mandatory for gas, electrical and water supply appliances. Approval organizations are:

Gas
Gasinstituut V.E.G.
Treubstraat 17,
Rijswijk, 2H.

Electrical
N.V. Kema
Utrecltseweg 310
Arnhem

Water Supply
N.V. Kiwa
Churchill—laan 273
Rijswijk, 2H.

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

CANADA
POSTAGE PAID
PORT PAYÉ