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What are 2.6 million people who produce a GNP of $5,638.2 million?

An interesting market.

What is a well-managed economy purposefully developing secondary industries?

An interesting market for machinery and equipment.

What is a producer of 823,000 tons of meat, 272,000 tons of butter, 106,000 tons of cheese and 109,000 tons of powdered milk products?

An interesting market for agricultural supplies and equipment.

What do you have when you speak the same language as your customer, have the same political heritage, are accorded tariff preferences by your customer, and are considered a close relation?

Market acceptance.

What do you do if sales performance is hindered by apathy, indifference, unanswered inquiries, high prices, weak agents, poor market knowledge?

Recommend aggressive market investigation, sharp prices, strong agents, flexibility in approach.

Don't Neglect New Zealand

R. H. GAYNER,
Commercial Secretary, Wellington.

NEW ZEALAND is the market described above and too many Canadians fit into the picture as indifferent salesmen.

Admittedly, the New Zealand market is no Garden of Eden, free of pitfalls or problems. But the problems are those of growth and the volume of imports into the country continues to expand. Many of these imports are available from Canada. We have supplied a good proportion of the New Zealand demand for power, transport and forestry equipment, chemicals, plastics, metals and so on. Through the years Canadian exporters have earned an enviable reputation in New Zealand. Our competition would give their eye-teeth for such acceptance. But we have perhaps become complacent and our competitors have made headway.

Foreign Exchange Still Problem

New Zealand's ability to buy has waxed and waned with the fluctuations of the wool, meat and butter markets. At the present time, the foreign exchange situation is under stress. Although the country exports more than it imports, (estimated N.Z.£376 million exports, vs. £365 million imports in 1966; £368 million vs. £331 million in 1965), outlays in foreign funds on freight, travel, royalties and the like lead to a chronic shortage of foreign exchange on current account. This is the situation at present.

The New Zealand authorities have met this problem by fiscal means designed to slow the economy's growth rate and slacken import demand, by borrowing overseas on capital account, and by promoting aggressively overseas sales both of traditional agricultural products and of some newer industrial products (forest products), equipment (electronics), and appliances (refrigerators, stoves). Principal targets for these promotion activities have been Britain, New Zealand's traditional major market; the United States, whose imports of New Zealand products (mainly meat and wool) have risen from £19 million in 1956 to an estimated £53 million in 1966; Japan, where mutton sales are changing national eating habits and where New Zealand's sales have multiplied 13 times in the last ten years and now are valued at £28 million; Australia, with which New Zealand recently signed a trade pact liberalizing terms

of access to each other's market; and Canada, where New Zealand sold goods, mostly lamb and wool, worth £4.4 million in 1966, £4.7 million in 1965 and £4.7 million last year. New Zealand will be participating in three trade shows abroad next year and one of these will be the British Columbia International Trade Fair in Vancouver.

Competition Is Active

The British-New Zealand relationship is well known and needs no detailing here, except perhaps to note the large number of trade missions from Britain that visit New Zealand each year and the impressive amount of publicity on the efforts being made to find a special place for New Zealand in Britain's negotiations with the European Economic Community. Britain continues to be New Zealand's major supplier of almost everything (estimated imports from Britain in 1966 £139 million). The next largest supplier is Australia, with £67.5 million. The United States is increasing its export sales to New Zealand faster than to any other world market except the West Indies, according to local U.S. trade authorities. Products of major importance in this trade are specialized industrial equipment, electronics, construction equipment and machine tools.

Japanese marketing efforts in New Zealand are, however, the most notable. Significant successes of late are the sale of 55 diesel electric locomotives to the New Zealand Railways and the continued growth of Japanese electronic and auto sales. It can be safely assumed that Japanese officials and businessmen selling to New Zealand are conscious of New Zealand's efforts to sell its meat and dairy products in their homeland.

What of Canada? It is true that Canadian sales to New Zealand have expanded comfortably over the last ten years—from Can.$23.1 million to $41.7 million last year. But our sales of many products have not tended to increase as quickly as the market, despite the advantages of the British Commonwealth preferential tariffs. Approximately one third of our sales to New Zealand are accounted for by five groups: plastics, aluminum, copper, locomotives and hydroelectric equipment.

Canadian sales of plastics and copper are being promoted fairly successfully, but the other three face grave problems, either from new local industries or from aggressive foreign competition. Thus our exports to New Zealand could drop appreciably in the next few years unless new Canadian products are sold there.

Selling on the Spot

Too few of our newer exporters are marking an effort to capitalize on the advantages they have in selling to New Zealand. Any exporter travelling to the Far East should make an Australian-New Zealand swing a part of his tour. A word of caution to those who do. If you are looking for agents, don't appoint one firm to cover both Australia and New Zealand until you are certain there isn't a firm in each

Jersey cows graze peacefully on the rich dairy land of Taranaki, North Island. Rising in the background is Mount Egmont, as famous in the South Pacific as Japan's Fujiyama is north of the equator.

country suited to your needs. New Zealanders are sensitive about this and it makes sense to have a local man working for you wherever possible.

Do visits pay off? We have records in our office of several firms who refused to believe that import restrictions through licensing could cut them out of the market, and whose visiting sales representatives were able to find new customers after assessing the situation on the ground. Often this means modifying the product or selling components rather than the fully assembled product. Only a personal assessment can provide the full answer. Other exporters have been surprised at the volume of potential business that New Zealand offers as a result of the expansion in secondary industry, the growing need for more sophisticated communications, and development of natural resources.

What to Sell

What are the areas of greatest opportunity? Table II lists some classes of imports which have substantial market possibilities.

The New Zealand licensing system is quite restrictive, but small quantities of some surprising products can be imported even though they are near-luxuries. Generally speaking, you probably can sell here if you producc industrial raw materials or equipment, more or less sophisticated components for hard goods and electronic gear, or quality consumer products at prices that are competitive in the world market. Remember that New Zealand customs duties tend to be high and that Canadian goods enjoy a preferential tariff rate over goods from non-Commonwealth sources.

It is also worth noting that a wide range of industrial and consumer products covering nearly one third in value of all New Zealand's imports are not subject to licensing restriction. The Commonwealth Division of the Office of Trade Relations, Department of Trade and Commerce, Ottawa, can tell you whether your product is subject to licensing or not.

We particularly urge manufacturers of specialized industrial equipment to take a good look at the New Zealand market. Increased industrialization is creating a demand for a wide variety of machinery and equipment that can be operated economically on small runs and be adapted to a multiplicity of uses. There are several excellent potential sales and service representatives here. New Zealand continues to need more communications, transport and power equipment, but here a degree of patience is involved. The foreign exchange situation is difficult and may worsen if prices for some of New Zealand's major exports fall. The three items named above are mainly imported by various government entities and they are naturally most susceptible to restriction and control in their purchases. Nevertheless, the need is there and will have to be satisfied sooner or later. The appointment of suitable representatives now will put you in a good position when the market opens up.

Manufacturers of domestic gas appliances may find an interesting short-term market in New Zealand if the Government decides to distribute natural gas from a field northeast of Wellington. This could develop into a long-term market on the basis of licensee relationships with local appliance manufacturers. This, by the way, is typical of the adaptability that the New Zealand market calls for.

Export managers of subsidiary firms in Canada should pay special attention to the New Zealand market. Canadian plants are often better able to service New Zealand's needs than larger plants in other countries, because of the economics of market dimension.

Whatever your product line, you can only know for certain whether to sell in New Zealand by visiting the country. Give the Commercial Division of the High Commission in Wellington a little advance notice and we will provide market information and introductions to potential customers and representatives. ●

TABLE I

MAJOR CANADIAN EXPORTS TO NEW ZEALAND

	1963	1964	1965	1966
	(Can.$ million)			
Aluminum	3.5	4.4	4.2	4.2
Copper	2.11	3.5	3.4	3.4
Locomotives	1.8	3.7	2.9	3.5
Plastics	1.7	2	2.6	2.7
Hydro power equipment	2.5	2.2	0.8	0.9
Total of above	**10.9**	**15.8**	**13.8**	**14.7**
Total from Canada	**30.5**	**33.7**	**36.8**	**41.7**

Source: DBS

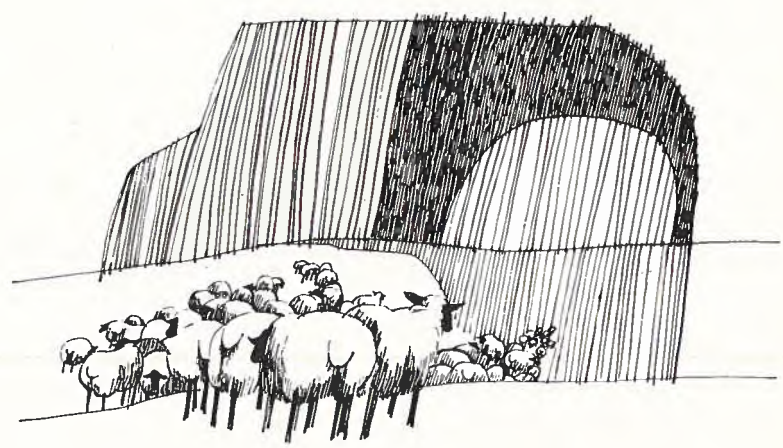
TABLE II

IMPORTS INTO NEW ZEALAND

Year ended June 1966

	Value (millions of Can.$)
Agricultural machinery and plant (complete and components)	51.9
Industrial machinery and plant	57.0
Construction machinery and plant (complete and components)	7.5
Transport and communications systems and components	70.2

Source: Monthly Abstract of Statistics, Wellington, Oct.-Nov. 1966.



How New Zealand Controls Imports

Economic expansion has increased demand for imports and encouraged relaxation of controls. Fall in export earnings in 1966, however, has made restraint necessary, as this article explains.

R. H. GAYNER, *Commercial Secretary, Wellington.*

NEW ZEALAND'S economic history has reflected that country's dependence largely upon earnings from exports of three agricultural commodities—wool, lamb and dairy products. The world prices of these commodities are thus important elements in the pace of New Zealand's economy. Traditionally, more than 25 per cent of the gross national product is exported and more than 90 per cent of these exports are in the form of the three products named above.

New Zealand has, however, reaped benefits from its efforts to broaden its industrial base. Employment has been provided for a rising population and its natural resources have undergone vigorous development. A wide range of consumer goods is now manufactured locally. Most automobiles and trucks are assembled at home, and an increasing variety of heavy fabrication is done in New Zealand. The forest products industry has grown substantially and the fisheries are beginning to be exploited. A new steel mill is being erected which will use local iron-bearing sands. Hydro power resources are being developed rapidly and show promise of attracting an aluminum smelter. This could be the basis for a wide range of new industrial activities.

Balance-of-Payments Problems

So much economic development coupled with extensive capital investment in agriculture has, however, meant an intense demand for imported goods which the country has found it difficult to pay for out of export earnings. A long-standing feature of New Zealand's foreign trade is the control of imports by government legislation. Foreign exchange controls, first introduced in 1938, still are in effect. The present Government is committed to a policy of removing import controls and the International Monetary Fund, from which New Zealand has borrowed substantially, continues to press for further steps in this direction. Last year a fairly wide range of items was classified as unlicensed. But at the same time it was found necessary to cut import licences for specific categories of products by amounts varying from 15 to 25 per cent. This followed cuts in the previous year of up to 25 per cent and 1967 has brought further cuts averaging 20 per cent.

Until late 1965 it looked as if export earnings would be able to keep pace with import expenditures. The Government instituted a series of measures to liberalize imports, but world prices for New Zealand's major exports began to fall. Businessmen were building stocks as fast as they were able and the Government found that it could not cut back on the import demands of a more industrialized economy as easily as it could when imports consisted largely of consumer goods. The Government consequently instituted a policy aimed at reducing over-all demand rather than attempting to impose tighter direct import controls. Nevertheless, the import demand continued, largely in order to supply industrial raw materials and capital equipment for industry.

Expansion Is Slowed

Over the last year, agricultural commodity prices and general overseas market conditions have continued to deteriorate. As a result, in an emergency budget announcement on February 10, 1967, the New Zealand Government introduced several measures to restrain the rate of growth in national expenditure. These included:

1. Elimination of consumer subsidies on butter, bread and flour.

2. Containment of the annual increase in government expenditures to 4 per cent compared with 11 per cent as previously announced.

3. Closer scrutiny of state loans, with farm improvements getting the priority in acceptances.

4. Increasing postal, telephone and telegraph rates.

5. Increasing the minimum deposits required for instalment buying.

6. The reduction by 17 per cent of daily allowances for overseas travel.

7. Closer scrutinizing of invisible payments.

8. Elimination of the scheme which enabled overseas funds which were not repatriated to New Zealand to be used for the payment of imports into that country.

In a further budget statement on May 9, taxes on cigarettes, spirits and gasoline were increased and so were motor vehicle registration fees.

New Import Licence Allocations

The Government has also considered it necessary to impose further cuts in import licences. Details of the new licensing year beginning July 1 have been given by the New Zealand authorities and are obtainable from the Commonwealth Division, Office of Trade Relations, Department of Trade and Commerce, Ottawa. Allocations for 1967/68 for consumer goods generally have been reduced 20 per cent below 1966/67 levels. So have allocations for industrial raw materials and manufacturers' components. For the two latter types of imports, the New Zealand authorities are prepared to give special consideration to further imports where warranted. Licences for industrial plant and machinery will be issued only for urgent replacements and where needed for manufacturing for export or for important public utilities. To maintain existing machinery, however, the allocation for spare parts will be 100 per cent of the 1966/67 quota. The token licence scheme and the schedule of imports which are exempt from licensing remain unchanged, and small license-holders with licences of NZ £100 (NZ $200) or less will not have the value of these reduced.

When these allocations were announced, the New Zealand Minister of Industries and Commerce and the Minister of Customs stated that these quotas reflect the Government's estimate of both the need to adjust to expected overseas earnings in the next twelve months and of the continued strength of internal demand. The lower allocation for industrial raw materials is considered to be consistent with the probably lower level of demand resulting from the planned slowing down in the rate of growth of New Zealand's economy. The New Zealand authorities have indicated, however, that they continue to be guided by the basic objective of developing the country's economy, bearing in mind the earning power of its overseas transactions.

Import Licensing Structure

The New Zealand licensing system is currently set up in this way.

First, any licence is valid for import from any country in the world. (It should be noted that as licences are cut and shortages develop, the system tends to reduce the beneficial effect of the Commonwealth preferential tariff.) If demand for a particular item is large enough, the licence holder will tend to maximize the volume of product he can bring in by importing from the cheapest source, ignoring the import duty he has to pay, knowing he can pass these costs on to his customers. (Licences are based on the c.i.f. and not on the duty-paid value.)

Imports are classified into five categories:

I. "Basic" Items—These are items for which an allocation is provided which is based on the importer's historical imports of a particular article.

II. "C" Items—These are generally items for which individual applications for licences must be made. During the 1967-68 period, many items have been moved from the "Basic" to the "C" category.

III. "D" Items—These are items for which a licence to import will be granted only in the most exceptional circumstances.

IV. "E" Items—These are items which are exempt from licensing.

V. "Token" Items—These are items for which minimal token licences will be issued. The idea is to permit small imports, mostly of consumer goods, which will allow price comparisons with similar locally made goods, keep the public aware of new styles, etc., and maintain traditional trade links with foreign suppliers.

In recent years the Government has attempted to make the system more flexible and responsive to changes in demand by introducing the concept of "industry groups" and "interchangeability groups". An importer who is entitled to import separate items can aggregate the value of these items and devote the entire amount to the import of one or a few of them within the same group.

There have been cases where importers have been able to demonstrate a serious disruption to the economy if extra licences are not issued, and the Government is free to grant special licences. Similarly, when the Government has approved the creation of some new industrial undertaking, new licences are issued where necessary to provide new materials or to obtain machinery and equipment from abroad. Practice has varied where a new industrial undertaking replaces traditionally imported items. Sometimes the old licences have been cancelled, and sometimes the holder is allowed to use the licence for importing some different item.

Despite current difficulties, New Zealand is still a relatively affluent market of 2.6 million people. Price-conscious, it will continue to look for many of Canada's traditional exports of heavy equipment, industrial raw materials and specialized industrial equipment—provided, of course, that Canadian exporters are able to meet increasing competition from other sources of supply. ●

Aiding India's Railways

THE International Development Association (IDA), an affiliate of the World Bank, has just approved a credit equivalent to $68 million to India to assist the development program of the Indian Railways.

During the 13 months ending December 31, 1966, the railways are investing the equivalent of $690 million, of which $116 million will be foreign exchange. The present credit will cover more than half the foreign exchange needed during this period.

The IDA credit will be used to buy components and materials to build in India about 250 steam locomotives, 80 electric locomotives, 33 two-coach units of diesel rail cars, 900 passenger coaches and approximately 10,500 freight cars. It will also finance overhead equipment for electrification and other electrical stores, plant and machinery, track material and other equipment and materials. ●

Selling Domestic Appliances in Britain

One of the best means of selling everything from washing machines to oven timers is to show your products at the annual convention and exhibition of the Electricity Council in Britain.

A. LLOYD,
Commercial Officer, Liverpool.

CANADIAN MANUFACTURERS of electrical domestic appliances may not realize that the national electricity supply industry in Britain, which provides the electrical power and distribution throughout the country, is also the largest retailer of domestic appliances. This side of its operations is handled by 14 area boards, all of which maintain showrooms, primarily retail shops, in the towns and villages within their jurisdiction. There are hundreds of these showrooms throughout the country; in the Liverpool area alone there are 17. At present each board is responsible for its own buying, but rumour has it that a central purchasing office is being established. Should this happen, it will be by far the largest single purchaser of domestic electrical appliances in Britain.

In February each year the commercial staff from all 14 areas hold an annual conference. At the same time, to take advantage of this occasion, the Electrical Development Advisory Division of the Electricity Council—the central authority for the national electricity supply industry—organizes an exhibition of household electrical appliances at which manufacturers and importers have the opportunity to show their goods to the conference. The electrical wholesale and retail trade is usually also invited to attend.

The exhibition is primarily concerned with complete electrical appliances, but components of appliances and associated equipment may also be shown. The following are among the products shown: washing machines, immersion heaters, storage radiators, electric fireplaces, water heaters for sinks, kettles, coffee percolators, dishwashers, electric blankets, refrigerators, freezers, toasters, irons, knife sharpeners, food mixers, vacuum cleaners, toothbrushes, hair dryers, cooker hot plates, thermostats, kettle elements, switches, oven timers, time switches, and so on. Radiators, T.V.'s, record players and tape recorders are not included.

This year the show was held at Harrogate in Yorkshire, where approximately 100 exhibitors shared 24,500 square feet of actual stand space. Four Canadian companies were represented by British agents, and all agreed that they could not afford to miss this exhibition because of the importance of bringing their products to the attention of the electricity boards. One of the agents has already booked space for the 1968 show, and has requested an area three times larger than it had this year.

All goods displayed at this exhibition should have BEAB approval where applicable. The BEAB (British Electrical Approvals Board) is an independent body which recommends the minimum standards of safety for appliances. Although compliance with these standards is not mandatory, it is a fact that none of the electricity boards will sell appliances which do not have BEAB approval.*

For certain appliances, standards have not yet been set (we believe that electric bread knives and toothbrushes fall into this category), and obviously the exhibition organizers have no objection to such items being shown. In addition, firms may wish to display prototypes which they have not had time to submit to the Board, and permission will be granted provided that the manufacturer expresses his intention of applying subsequently for approval.

Applications from firms wishing to show Commonwealth or other foreign goods which have not previously been sold in Britain are also treated sympathetically, but again the exhibitor must show that he intends to apply for approval.

At this year's exhibition in Harrogate, approximately 100 exhibitors displayed products which were seen by more than 4,700 visitors. Next year's show will be in Brighton on the south coast of England from February 13 to 15. Applications for space should be addressed to:

Mr. Norman F. Phillips
Exhibition & Conference Executive
Electricity Council, EDA Division
Trafalgar Building, 1 Charing Cross
London S.W.1., England

The cost to the exhibitor is 28/-per sq. ft. (approximately Can.$4.20) inclusive of stand erection charges, lighting, heating, fascia boards, painting, etc. We advise early application because this year eight applicants had to be turned away.

Canadian manufacturers interested in the British market should not miss this ideal opportunity to bring their goods to the attention of the Electricity Boards, to say nothing of the normal wholesale and retail traders. Firms which have not previously sold in Britain must, of course, first make a study of the market to ensure that their products have a reasonable chance of being accepted. ●

* See article "Tested Appliances Sell Better in Britain" in the February 18, 1967, issue of *Foreign Trade*.

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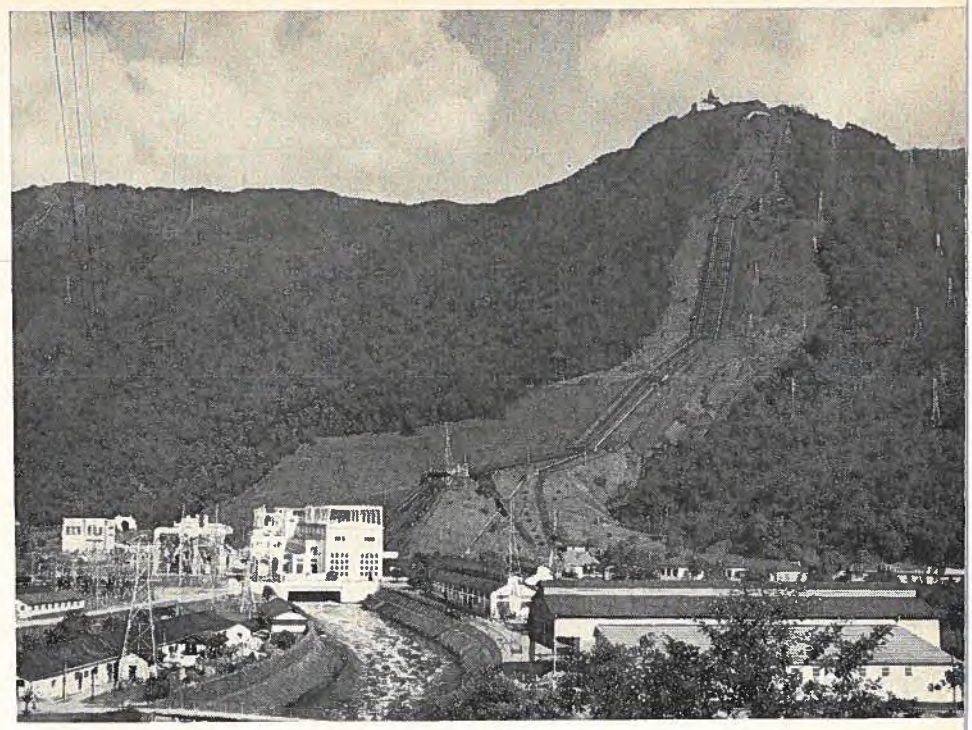
Rapid industrial expansion, rising standards of living and a growing population have created the need for a massive increase in Brazil's hydroelectric generating capacity. Canadian exporters of engineering services and capital equipment should find good opportunities as a result.



The Henry Borden station at Cubatao has a capacity of 913,600 kilowatts.

Brazil Develops Hydro Resources

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

APTLY DESCRIBED as the best watered of all the great land masses, Brazil is one of the most richly endowed nations in the world in waterpower resources. Yet the contribution of hydroelectric power towards satisfying the country's energy needs has been relatively small in the past.

In fact, the Government estimated that in 1946 hydroelectric power accounted for less than 20 per cent of all energy consumed.[1] Firewood was by far the most important source of energy and was used for stoking locomotives, river steamers, thermal power plants and factories. Other fuels used were coal, petroleum, charcoal, bagasse, sugar-cane and even surplus coffee. However, a veritable revolution in sources of energy has since taken place, with a steady rise in the installation of new hydroelectric generating capacity.

From a modest total of 1.3 million kw. installed at the end of 1941, Brazil's total electric generating capacity rose to 6.8 million kw. at the end of 1964 and to an estimated 7.5 million kw. at the end of 1965. This is less than planned and inadequate to meet demand.

The Government has given high priority to the development of hydroelectric power in the formulation of its economic policy and set a goal of 13 million kw. by 1970 and 20 million by 1975. The attainment of these objectives would allow the per capita consumption of electricity to rise from 365 kwh. in 1964 to 550 kwh. in 1970 and 800 kwh. in 1975, when the population should reach 110 million.

Concentration of Demand

If Brazil's over-all per capita consumption of electricity seems low compared with Norway's 10,417 kwh. and Canada's 6,417 kwh., it has now reached 700 kwh. in the south central region and 1,170 kwh. in the greater São Paulo area. And it is precisely the populated and highly developed south central region that has most of the hydroelectric potential. This is estimated at 84 million kw. which is certain to be revised upwards as the

[1] Ministerio das Minas e Energia, Recursos Energeticos e Panorama da Energia Eletrica — August 1966.

power resources become better known. Apart from the south central region, potential power resources include the vast reserves of the Iguaçú Falls and the Sete Quedas or Guayra on the Paraná River, both of which are international sites.

Brazil's recent industrial expansion and rapidly growing residential developments have imposed extremely heavy demands on power generating facilities. To stay abreast of these demands and meet the growing needs of industry will require the addition of new generating capacity at a rate higher than at any time in Brazil's history. An extensive program of hydroelectric plant expansion and construction has therefore been started and will eventually add 6 million kw. to the present generating capacity (see Table I).

Urubupungá Project

The largest of the new power complexes is the gigantic Urubupungá project now under construction on the Paraná River (which separates the States of São Paulo and Mato Grosso). The scheme will harness the headwaters of the Paraná River and construction of hydroelectric generating facilities will be carried out in two stages. The first stage is the construction of a dam at Jupiá which will ultimately produce 1.2 million kw. of power. The second will be the construction of a dam above Jupiá at Ilha Solteira. It was initially planned to produce 3.2 million kw. but there are reports that this has now been revised downwards to about 2.5 million kw. The Jupiá dam is already under construction and the generators are expected to go on stream in the early part of 1968. The only construction under way at Ilha Solteira is a cofferdam; nevertheless this project is expected to produce power in 1973.

The Jupiá dam is an earth-fill structure with a large central concrete section for a lock, spillways and turbines. It stretches across the Paraná River in a lazy S shape, and when completed will carry a four-lane highway from São Paulo State into Mato Grosso. It will have a lock for navigation. The 12 turbines will provide 1.2 million kw. and there is space for two additional turbines. Most of the engineering has been done by an Italian firm and it is estimated that about 70 per cent of the capital equipment will be imported. The bulk of the equipment ordered so far is from Italy, which has participated in financing the project.

The earth-fill Ilha Solteira dam will be located 30 miles from the Jupiá station, on the upper reaches of the river. It will have a 250-metre spillway, and 13 sluice gates and 15 turbines initially.

Centrais Elétricas de Urubupungá (CELUSA), the company originally entrusted with the Urubupungá project, is one of 11 public power companies which are to be merged into one entity known as Centrais Elétricas de São Paulo (CESP). The new concern, whose constituent companies at present possess 24 per cent of installed generating capacity in the State of São Paulo, is to increase this to 52 per cent by 1970 and to 70 per cent by 1975.

Together with other notable power stations, such as the Furnas and Estreito plants in the State of Minas Gerais with eventual capacities of 1.2 million and 900,000 kw. respectively, and the Henry Borden plants in Cubatão near the seaport of Santos (present capacity of 913,600 kw.), the Urubupungá complex will serve the rich south central region. The south central area comprises the States of Espirito Santo, Rio de Janeiro, Guanabara, Minas Gerais, and São Paulo and is the industrial heart of Brazil. It covers an area of 400,000 square miles, contains two-thirds of Brazil's population, and accounts for about three quarters of its industrial production. In 1964, 5.2 million of the 6.8 million kw. generated in the entire country was in the south central region.

Though most of the present hydroelectric development is located in the south central region, a major station has also been erected at the Paulo Alfonso falls on the lower São Francisco River in the State of Bahia. This plant, which will ultimately have a capacity of 1.8 million kw., is about 250 miles from the coastal cities of Recife and Salvador. It will serve these as well as other smaller communities in the northeast.

Canadian Expertise Admired

Even a brief account of the history of electric power development in Brazil would not be complete without a reference to the first large electric power enterprise in the country, the Brazilian Light & Power Company, a Canadian company founded in 1912, which for years supplied electricity, transport, gas and telephone service to the cities of Rio de Janeiro, São Paulo and Santos. The company has withdrawn from both transportation and telephone fields and its business is now primarily the generation and distribution of electrical energy. Over the years an increasing number of key positions have been filled by Brazilians and Canadian specialists today represent a small fraction of the company's management personnel. However, the pioneering role and the high quality of the performance of Canadian

TABLE I

NEW HYDROELECTRIC PLANTS IN BRAZIL

Plant	State	Developed (mw.)	Under Construction (mw.)	Ultimate Capacity (mw.)	Estimated Completion Date
Ilha Solteira	São Paulo	—	800	3,200	1973/76
Paulo Afonso	Bahia	375	540	1,815	1967/71
Furnas	Minas Gerais	900	300	1,200	1972
Jupiá	São Paulo	—	1,200	1,200	1968/71
Estreito	Minas Gerais	—	600	900	1969/70
Jaguára	Minas Gerais	—	400	600	1971/72
Três Marias	Minas Gerais	260	130	520	1967
Peixotos	Minas Gerais	175	300	475	1967/68
Chavantes	São Paulo	—	400	400	1969
Cachoeira Dourada	Goiás	28	104	430	1967/68
Bôa Esperança	Piauí-Mato Grosso	—	108	216	1969/70
Funil	Rio de Janeiro	—	210	210	1969

engineers and executives have never been forgotten.

The "Grupo Light", as the Brazilian Light & Power Company is known locally, has a combined hydro and thermal capacity of 2.5 million kw. and in 1965 supplied 35 per cent of the national electric power production. Its dual plant at Cubatão, between the cities of Santos and São Paulo, is considered one of the most remarkable electrical installations in the world. The source of power is the large reservoirs supplied from the Tieté River, a westward flowing stream that enters the sea at Montevideo. By means of a system of dams, dikes, canals and pumping stations, the streams that flow out of the high rain belt of the mountain range Serra do Mar and whose normal outlet was towards the west have been diverted backward through the hills to fall 2,300 feet to the Henry Borden generating plants.

In 1963, a consortium of power consultants headed by a Canadian engineering firm was commissioned to conduct a study of electric power requirements in the south central region. Their report recommends both the expansion of existing facilities and the building of new stations to provide a total capacity of 16 million kw. by 1980. This means that, depending on the growth of demand, from 8 million to 12 million kw. of new capacity will have to be added to the south central electric system between 1970 and 1980. The same consortium has since been awarded a contract for a power study of the southern region, (the states of Paraná, Santa Catarina and Rio Grande do Sul) and this work is already under way.

The expansion of generating facilities in Brazil will require massive amounts of both local and foreign capital. It will also call for large purchases of capital equipment. The cost of the Urubupungá project alone is calculated at Can.$900 million and it is estimated the sum of Can.$1.5 billion will be required to carry out the entire expansion program until 1970.

Opportunities

The importance of Brazil's power development in generating opportunities for Canadian companies to sell goods and services is plain to see. The rate of installation of hydroelectric capacity will accelerate sharply during the next decade and Canadian exporters should make sure they participate in this unprecedented expansion. Their task should be easier because of the high reputation which Canadian engineering services and equipment enjoy in Brazil. Canadian Trade Commissioners in Brazil are keeping developments in the hydroelectric sector under constant review and will be pleased to provide information on any specific project. Canadian engineers and manufacturers interested in Brazil's current power development should communicate with the Manufacturing Industries & Engineering Branch, Department of Trade and Commerce, Ottawa, or write to one of the following addresses:

Consul and Trade Commissioner, Canadian Consulate, Caixa Postal 6034, São Paulo, Brazil, or

Commercial Counsellor, Canadian Embassy, Caixa Postal 2164—ZC-00, Rio de Janeiro, Gb., Brazil.

Trade Commissioners on Tour

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.

H. G. Garland, Attaché (Fisheries) in London, June 12-16.

E. L. Gray, Assistant Commercial Secretary (Agriculture) in Tokyo, Japan, June 12-16.

S. G. Harris, Commercial Secretary in Tel Aviv, Israel, June 5-16.

O. Hickie, Commercial Secretary (Timber) in London, June 26-July 7.

R. E. Pedersen, Vice Consul and Assistant Trade Commissioner in New Orleans, June 14-16.

L. R. Wilson, who will be posted to Tokyo, Japan, as Assistant Commercial Secretary, June 26-30.

In Territory

Costa Rica—D. J. Browne, Assistant Commercial Secretary in Guatemala, will visit San José June 22-25.

Honduras—D. J. Browne, Assistant Commercial Secretary in Guatemala, will visit San Pedro Sula June 13-15 and Tegucigalpa June 16-18.

Iceland—D. B. Browne, Assistant Commercial Secretary in Oslo, Norway, will visit Iceland June 14-23.

Nicaragua—D. J. Browne, Assistant Commercial Secretary in Guatemala, will visit Managua June 19-21.

Panama—D. J. Browne, Assistant Commercial Secretary in Guatemala, will visit Panama City June 26-29.

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

Switzerland Chooses Nuclear Power

The rising cost of harnessing the remaining waterpower resources and the importance attached to clean air has led Swiss industrialists to concentrate on the development of nuclear power, in co-operation with other countries, to meet the country's power needs.

MAX MEISTER,
Commercial Assistant, Berne.

SWITZERLAND'S topography and abundant supply of water has made it one of the richest countries in Europe in hydraulic power, with some 380 hydroelectric plants producing 27.5 billion kwh. a year. By 1970, 23 new plants now under construction will be in operation, bringing the total production of hydroelectric power to 30.4 billion kwh. a year from an installed capacity of 9.6 million kw. The readily available water resources are, however, rapidly becoming exhausted and construction of hydroelectric plants in less accessible places requires enormous amounts of capital with a consequent increase in the cost of the electricity. Switzerland must therefore find other ways to produce cheap electric current to keep up with ever-increasing demands.

Nuclear Power Preferred

Because of possible air pollution, there is strong opposition to the construction of thermal power plants using fuel oil—the only plant so far is in the Canton of Valais and has an installed capacity of 300,000 kw. It is not planned to build others because the development of nuclear power has progressed much more rapidly than was expected and today the cost per kilowatt produced by nuclear energy can be competitive with the cost from hydro and conventional thermal plants.

The Swiss Federal Council decided to encourage the use of nuclear power as far back as 1946 but made it clear that the responsibility for the development of a Swiss reactor would lie with industry; the Swiss Confederation would only act in an advisory capacity and grant financial assistance. A special commission was formed to study the possibility of designing a reactor specially adapted to Swiss needs. A few projects were worked out in collaboration with the Swiss firms of Brown Boveri AG, Escher Wyss AG, and Sulzer AG, but not until 1955 was Switzerland able to obtain uranium and heavy water from abroad to begin construction of an experimental reactor at Würenlingen.

Great interest was shown by both the Canadian Government and private companies engaged in nuclear power development and production. In 1960 the installation at Würenlingen was handed over to the Ecole Polytechnique Fédéral in Zurich and became a Federal Government operation. Its purpose was still to study the construction of experimental reactors and all aspects of reactors for commercial purposes.

Under Swiss law, the various industries interested in nuclear power must make their own plans for the use of this energy. At the request of the Federal Government, they combined in the Société Nationale pour l'Encouragement de la Technique Atomique Industrielle (SNA) in 1961, with capitalization equally divided between the Government and private industry. In the private sector, the three principal shareholders are Energie Nucléaire SA, Lausanne, Suisatom AG, Zurich, and Therm-Atom AG, Winterthur. Each had planned originally to build its own experimental reactor but later agreed to work together on Therm-Atom's project at Lucens.

The Lucens reactor, a pilot plant operation, has a capacity of 8.5 mw., and uses heavy water and slightly enriched uranium. It went critical on December 29, 1966. To date 110.5 million Swiss francs (about Can.$27.6 million) has been invested in the project. It was originally intended as the first step towards a larger reactor working on the same principles but neither the capital nor qualified technicians were available. Switzerland realized that it was not possible to continue an independent reactor policy and that it was essential to co-operate with countries more advanced in the nuclear field. The Federal Government decided to negotiate with the United States, Canada, France and Britain. The agreements which resulted provide for the exchange of technical and scientific information on the peaceful uses of atomic energy. A projected heavy water reactor with light water vapour as a cooling agent (which involved Atomic Energy of Canada Ltd.) was abandoned because of lack of interest by Swiss industry.

Switzerland does not produce nuclear fuel. For the reactors at Würenlingen and Lucens, the fuel and other requirements are supplied by France, Canada, the United States and Germany. In December 1965, Switzerland signed an agreement with the United States for the supply of enriched uranium requirements for five Swiss nuclear power plants for 30 years. This uranium will remain the property of the Swiss Confederation.

Construction Goes Ahead

The Swiss power companies are now convinced that nuclear power plants are the proper alternative to

new hydroelectric installations. At Beznau on the Rhine a nuclear plant is being built with a capacity of 350 mw., using a Westinghouse reactor. Other plants will be constructed at Kaiseraugst near Basle (600 mw.), Muhleberg near Berne (302 mw.), Leibstadt near Zurich, and Versoix near Geneva. General Electric and Westinghouse reactors will probably be installed but other companies in the U.S., Germany, France and Canada are interested in submitting bids for the whole or part. This does not mean that the Swiss industry will be bypassed completely. Motor Columbus AG, Aare-Tessin AG, Brown Boveri AG, Sulzer AG, Escher-Wyss AG, and Elektro-Watt AG are working closely with foreign companies and large parts of the installations will be manufactured in Switzerland.

Research at Würenlingen will continue and the Swiss Confederation is prepared to make funds available for any worthwhile reactor project. Western Europe already has an interconnected system of electric power supply, with Switzerland in a key position.

Canada and NUCLEX

Switzerland's great interest in nuclear energy was clearly apparent at the First International Nuclear Industries Fair (NUCLEX '66), held in Basle in September 1966. Under the aegis of the Department of Trade and Commerce and the Department of Industry and Trade of the Ontario Government, Canadian companies engaged in various aspects of the nuclear field co-operated with the Nuclear Association of Canada to exhibit at this Fair. They were able to establish useful contacts among the 12,000 visitors from 49 countries.

The next Nuclear Industries Fair will be held in Basle from October 6 to 11, 1969, in just over two years from now. Both Canada and other countries are already showing interest in this forthcoming exhibition. ●

trade fairs

ASTME a Success at Chicago

ENGINEERING IMAGINATION plus lively inventiveness paid dividends for Canada at the American Society of Tool Manufacturing Engineers Conference in Chicago, April 24 to 28.

Buyers attending the show reacted with enthusiasm, resulting in many orders and purchases for Canadian manufacturers. Products shown included a wide range of Canadian-made diamond-impregnated tools, presses, die casting machinery, milling machines, automatic welding and cutting controls. All manufacturers reported excellent results from exposure to the show. Three companies sold several thousand dollars worth of machines off the floor; others received positive orders or prospects of immediate sales.

Reaction to Canada's stand ran high during all five show days. Visiting buyers not only looked but *bought* and *ordered*.

Nine prominent Canadian companies participated in the show, sponsored by the Department of Trade and Commerce—a show that enthusiastic buyers described as ". . . a most thrilling adventure in engineering equipment".

A representative of Standard-Modern Tool Company Limited explains the operation of a newly developed radial drill at the ASTME Conference held in Chicago this spring.

Buyers from 32 countries including Japan visited Cologne's International Fair for the Child, April 14 to 16. Helping Alan Lewis of Norfolk Knitters Ltd., Montreal, to surmount a language problem is E. G. Gerridzen (left), Department of Trade and Commerce. An interested German buyer looks on.

Children's Wear at Cologne

CANADA'S FASHION-CONSCIOUS DESIGNS for small fry made a hit at the International Fair for the Child, Cologne, West Germany, April 14 to 16. Reports from participating companies show that Canada's first exposure to the vast European children's wear industry met with encouraging success.

Although buyers attending the fair did not sharpen their order-book pencils on the spot, after-show interest resulted in several high-priced orders.

One company producing terry cloth playclothes and blanket sleepers is now working on a positive $12,000 order from Switzerland. This company also received a tentative order from Belgium worth $80,000 and it could spiral to a healthy $100,000 by the end of 1967. Other companies report serious interest from European markets although actual orders have not yet come through.

In co-operation with the Department of Trade and Commerce, 15 manufacturers represented Canada's children's wear industry at the Cologne fair, showing distinctively Canadian wear in fabrics and styles.

In tune with today's colour tempo, bright, splashy colours were stressed in many of the products. Garments ranging from playclothes to dress-up suits and winter-warm outerwear followed the trend toward eye-catching colour. Sizes included tiny tots wear for the new baby to the active toddler and pre-teens.

Several exhibitors worked with European agents, strengthening established markets through on-the-spot contact. Others found good representation based in Germany. All agreed the fair was a good medium for Canadian exposure to Europe's important children's wear market.

Italy's Showcases for the World

THE ITALIAN BUSINESSMAN regards trade fairs, particularly specialized shows, as important media in most sales promotion programs. This is clearly confirmed by the official 1967 schedule, published by the Italian Ministry of Industry and Commerce. Included in this list are some 150 fairs, shows, fashion displays, etc. About half are international and encourage foreign participation; the others are either national or provincial.

Spring, autumn, and winter are peak periods for the Italian fair season. Summer, Christmas, and Easter holidays and certain contiguous periods are usually avoided.

Italian fairs cover a wide range of industries and commodities. Apart from those held in Milan, agriculture leads in importance. Many of these are devoted primarily to cattle, dairy products, prepared foodstuffs, and agricultural machinery. This year, Canadian cattle will be exhibited at the International Dairy Cattle Fair in Cremona, September 9 to 17.

The largest fair of the year is the Milan International Samples Fair in April, where Canada maintains an information office in the International Trade Centre. This is a huge horizontal international showcase for the public as well as the trade. Virtually all industries are represented. It is regarded as one of the principal annual fairs in Europe and claims to be among the largest of its kind in the world.

Of growing importance are the specialized vertical shows, such as the Domestic Appliances Show (Milan), the International Electronic Components Show (Milan), and the International Automobile Show (Turin). Each year sees the birth of more shows of this type, most of which are designed more for the trade than for the public.

The Canadian Government, in addition to sponsoring full participation in certain fairs through Trade Commissioners in Milan and Rome, uses other fairs for market research. Commercial offices or information

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booths have already been operated at fairs in Milan, Padua, Cagliari (Sardinia), and Bari.

Whenever possible, a Canadian trade officer visits each principal fair during the year to assess its potential value vis-à-vis official government participation and also its value to individual private firms, either directly or through an Italian agent. Fairs can be a good place to locate potential agents for Canadian exporters. More and more, aggressive firms realize the value of fairs, particularly the specialized shows, for making both national and international trade contacts.

By not participating in Italian fairs, Canadian manufacturers may be overlooking a valuable introduction to the Italian market. This is true not only for new products but also for products which have been exposed to the Italian market for some time but have not been too well introduced.

Naturally, nothing can take the place of a personal visit to a fair. An exporter can tell at a glance what potential markets there are and can assess his competitors. Canadian businessmen are reminded, however, that hotel accommodation is usually in short supply during fair periods. Reservations should be booked early and the Trade Commissioner's office advised. He can then arrange a program which will use to the full the time available.

Inquiries about participation in displays sponsored by the Canadian Government should be directed to the Director, Trade Fairs and Missions Branch, Department of Trade and Commerce, Ottawa. Correspondence on commercial information stands and general trade survey visits should be addressed to the Trade Commissioner's office in Rome or Milan.

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

Switzerland Hosts Textile Machinery Fair

SWITZERLAND is to play host to the 5th International Exhibition of Textile Machinery (ITMA 67), scheduled for September 27 to October 6. This is the first time the fair has been held in Switzerland and preparations are being made for a large influx of people.

More than 800 exhibitors from 18 Western European and other countries are expected, displaying a wide range of machinery—all geared to the textile trade.

Organized by the European Community of Manufacturers of Textile Machinery, the previous four fairs were held in Lille (1951), Brussels (1955), Milan (1959), and Hanover (1963). Manufacturers interested in this fair should contact the Trade Fairs Abroad Division, Department of Trade and Commerce, Ottawa.

Blackpool's International Gift Fair

FOR FIVE DAYS early every February, the Lancashire resort town of Blackpool in Britain becomes an enormous gift shop, as the popular International Gifts Fair attracts manufacturers, agents, representatives and, most important, buyers from all over Britain, Europe, and North America. Well over 30,000 buyers each year choose from thousands of quality goods on display at attractive prices (see product list below).

Products Displayed at the Blackpool International Giftware Exhibition

China	Jewellery
Fine china	Silverware
Glassware	Leather goods
Crystal glass	Handbags
Pottery	Small leather goods
Ornamental pottery	Smokers' requisites
Fancy goods	Tableware
Lampshades	Table mats
Lighting fittings	Cutlery
Mirrors	Stainless steel
Fine Art	Brassware
Pictures	Chromeware
Picture frames	Toilet goods
Stationery	Dressing table sets
Basketware	Travel goods
Electro-plate	Trays and trolleys
Watches and clocks	Umbrellas

This year some 1,100 companies scrambled for 500,000 square feet of exhibition space spread throughout two large hotels and two exhibition halls. Basically an order-taking, highly competitive fair, many British firms count on business picked up here to keep them busy for the year.

Canadian manufacturers of giftware or products related to the trade could make use of this exhibition to test the suitability of their products for both British and European markets. This can be done either by direct participation in the fair or by appointing a representative to show Canadian products.

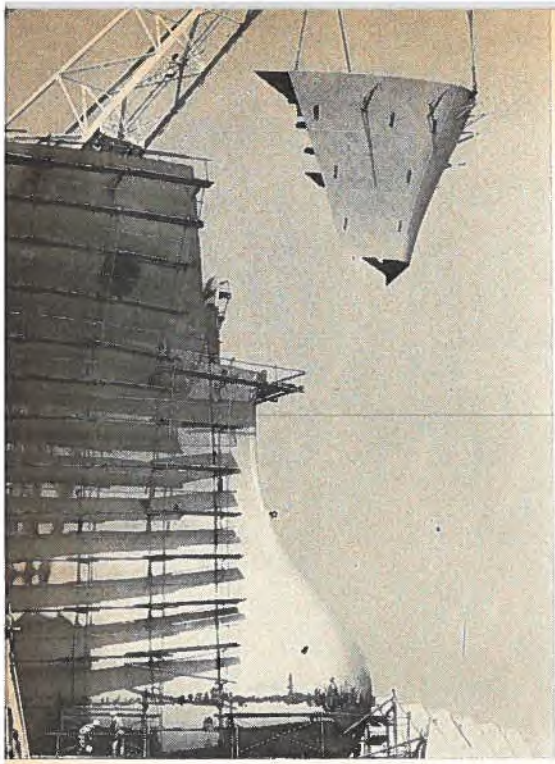
Because of the rush for space, it is advisable to make reservations at least a year in advance. The cost is approximately Can.$2.25 per square foot.

For Canadian giftware manufacturers new to the British market who wish to appoint a suitable representative, a visit to the fair would simplify any problems. A well-organized catalogue lists firms which import giftware, shows their location, what type of products each firm handles, and whether it is exhibiting as a manufacturer, wholesaler, agent or importer.

The Blackpool International Gifts Fair is reputed to be the largest giftware exhibition in the world. The selling is hard and fast but foreign firms stand a good chance to break into this enormous market if they come equipped with an attractive, well-priced product, c.i.f. prices and delivery information.

—K. ROBERT HIGHAM,
Acting Trade Commissioner, Liverpool.

Your Business Visit to JAPAN



WE OF THE TOKYO OFFICE are glad that you are coming to Japan. We have seen many Canadian businessmen come and go, not one of whom was sorry to have come. Even if business is not completely successful, one leaves here somehow enriched, for Japan is a unique and valued experience.

The stark statistics on Japan are really not startling. It is composed of four main islands and many small ones; the area totals 142,726 square miles. The islands themselves are not all that promising because only 16 per cent of their area can be used for agriculture. There are only scant natural resources and power potential is limited. Yet these islands sustain almost 100 million people who, with their hardihood and industry, are themselves their country's greatest resource.

These 100 million people have done some astounding things. At the present time they are producing goods to the value of $107.7 billion per year. In 1966 they sold the world goods valued at U.S.$9.7 billion and they bought from the world U.S.$9.5 billion worth of imports, almost $400 million of which came from Canada. The Japanese are world leaders or close challengers in many fields. Shipbuilding, textiles, ceramics, cameras, locomotives and heavy machinery are just a few.

PHOTOGRAPHS

Cover—washing dyed textiles near Kyoto.

This page—top, shipbuilding at Hitachi; centre, assembling cameras.

Opposite page—top, the new/old Japan: traditional and modern architecture; ancient dress streamlined for modern misses. Bottom, the author, Bill Brett, examines an exhibit of Canadian glassware in a local department store. The sign on the shelf reads, "First Imports into Japan—Newly Arrived from Canada".

The basis of Japanese economic survival is simple but demanding: the import of raw materials and energy from many sources abroad and the sale of manufactured goods in large volume to world markets. So successful has this stern discipline been in raising the buying standard that Japan is now able to absorb a growing range of finished goods from abroad.

And so we have a unique situation. Here is a land steeped in tradition, yet enthusiastically western in attitude and outward appearance. Here is an Asian nation with a high rate of industrial development. Here is a land as old as can be and a land as new as can be. Let's examine how you, the visitor, can best approach this new/old Japan and how you can make your visit a success.

W. G. BRETT, *Commercial Counsellor, Tokyo.*

Canada's Sales to Japan

CANADIAN EXPORTS to Japan in 1966 reached $394 million and Japan's position as Canada's third largest market was thus maintained. The increase over 1965, when sales totalled $316 million, resulted mainly from the revival of Japanese industry after a relatively depressed period. There are also a number of new elements in our export trade that deserve comment.

Initial deliveries of a number of commodities were made last year; among the substantial first-time sellers were LPG and powdered milk. There were also improved opportunities for radioactive ores and concentrates, plywood, sulphur, potash and coal. But basically, our exports in 1966 were largely dominated by the traditional sellers—wheat, copper ores and concentrates, wood pulp, rapeseed, lumber, iron ore, aluminum, flaxseed, potassium chloride, and coal.

Although most of our sales to Japan consist of industrial materials and bulk foodstuffs, as noted above, there are interesting possibilities for selling a wide range of consumer goods. Our recent experience with foodstuffs has been particularly hopeful. But to sell consumer goods, Canadian exporters must be more aggressive in dealing with Japanese purchasers.

Japan is in many ways a unique market but it is not a particularly difficult one. The Japanese have a high sense of business morality and we seldom run into any collection cases. To sell in Japan, a Canadian only has to keep in mind the obvious common-sense things: reliable price quotations, quality up to the standards of the sample, and delivery on time. A responsible exporter with an acceptable product competitively priced may well find Japan heading his list of foreign markets. This country has 100 million people with rising incomes, sophisticated tastes and something approaching idolatry for things foreign. If you get only a piece of a market like this, you have really got something.

There is every indication that the Japanese industrial recovery is gaining momentum. If more Canadian exporters try selling here energetically, it may not be too early for us to set our sights on the $500 million export mark.

Information Please

It is wise to secure all the background information you can before setting out. This is more true of a trip to Japan than any other place I can think of. The Japanese outlook and the resulting business practices are so ingrained that one must go well back if one hopes to understand the Japanese mentality. It is often forgotten that Japan did not really evolve; in terms of historical perspective modern Japan happened in one day. For thousands of years these islands lay introspective and self-absorbed until scarcely a century ago when Commodore Perry's "Black Ships" appeared off the coast of Honshu. So the business visitor preparing himself for Japan need not accuse himself of dilettantism if he starts with some relatively basic stuff. Reischauer is always good, drawing on his experience as U.S. Ambassador to Japan. Another standard work which I found informative and enjoyable is the Japan section of Will Durant's *Story of Civilization.* Equally relevant is the last half of Koestler's *The Lotus and the Robot.*

As the time for departure draws closer, you may want to focus on some recognized authorities on general business practice. One work that meets with general approval is Boye de Mente's *How Business Is Done in Japan.* I know one Canadian businessman, a lifetime resident of Japan, who makes it a practice to send gift copies of this work to prospective visitors. Once arrived in Japan, there are any number of books that make light and informative hotel-room reading. One is *For Men with Yen* by Rosenberg and O'Neill, or *Tokyo after Dark.* Books of this genre are useful sources of information on Japanese social behaviour.

In the Commercial Section of the Embassy we are always pleased when people write to tell us of their visit well in advance, giving us some idea of its purpose. This enables us to do a thorough job of setting things up and perhaps getting down to some research into up-to-the-minute developments in a particular business field. It is nice to have sufficient time to reply to you before you leave Canada. We may recommend that you visit certain officials in Ottawa, perhaps a commodity expert or, again, a visit to the Japanese Embassy or the nearest Consulate may be indicated. Another reason (and this applies only to Japan) is that we may suggest you call at the nearest Canadian office of one of the large Japanese trading firms. These are in close contact with their head offices in Tokyo or Osaka and, because they are so well informed about both countries, they can often help to clear up a point or outline a program that will enhance the use of your time in Japan.

Japanese Trading Companies

THE VISITOR to Japan should be aware of the important part played in both importing and exporting by the trading companies. They came into being about 100 years ago when Japan first opened its doors to trade with the world. At that time, inexperienced Japanese manufacturers were faced with the problem of dealing with foreigners who spoke different languages and used unfamiliar business practices. The trading companies assumed the responsibility of handling all contacts with the outside world until eventually they undertook the whole selling function for their clients. As profits accumulated, these middlemen became involved in the financing of raw materials for manufacturers. More recently, the trading companies have invested their profits in equity stocks of growth industries, and many have expanded from small intermediaries into large complex holding companies.

From the Canadian exporter's point of view, these companies are vital because they channel the main stream of Japanese imports and because they can provide tremendous help when the exporter meets the inevitable problems of documentation and language. In fact, they are the most efficient commercial nexus between Japan and the rest of the world and serve to organize the fragmented sections of Japanese industry. In some cases, like direct sales to department stores and to quasi-official boards or committees, trading companies may be bypassed. But normally an exporter approaching the Japanese market should ask himself how he can best use these organizations.

Originally there was a fairly obvious degree of specialization in the larger trading companies. As production and foreign trade increased in volume, these distinctions tended to become obscured. This is particularly true of the four largest—the "Big Four"—Mitsui & Co. Ltd., Mitsubishi Shoji Kaisha Ltd., Marubeni-Iida Co. Ltd., and C. Itoh & Co. Ltd.

Listed opposite are 15 top trading companies, chosen only for their trading function as distinct from any banking, manufacturing or shipping interests with which they may be associated. The Canadian branches of each are also listed. The Tokyo office has a fairly broad knowledge of the interests of the 15 companies listed and would be pleased to approach any of them on the Canadian exporter's behalf.

Mitsui & Co., Ltd.,
2-9, Nishi Shimbashi, 1-chome,
Minato-ku,
Tokyo.

Mitsui & Co. (Canada) Ltd.,
3333 Place Ville Marie,
Montreal 2, Quebec

302 Board of Trade Bldg.,
11 Adelaide St. West,
Toronto, Ontario.

1101 United Kingdom Bldg.,
409 Granville St.,
Vancouver 2, B.C.

Mitsubishi Shoji Kaisha, Ltd.,
Mitsubishi Shoji Bldg.,
20, 2-chome, Marunouchi,
Chiyoda-ku,
Tokyo.

Mitsubishi International Corp.,
302 Toronto-Dominion Bank Bldg.,
717 West Pender St.,
Vancouver, B.C.
418-420, 159 Bay St.,
Toronto, Ontario.

Marubeni-Iida Co., Ltd.,
3, 3-chome, Hommachi,
Higashi-ku,
Osaka, Japan.

Marubeni-Iida Canada Ltd.,
702 North American Life Assurance Bldg.,
105 Adelaide St. West,
Toronto 1, Ontario.

Suite 2140 CIL House,
630 Dorchester Blvd., West,
Montreal, Quebec.

C. Itoh & Co., Ltd.,
4, 2-chome, Nihonbashi,
Honcho, Chuo-ku,
Tokyo.

C. Itoh (Canada) Inc.,
1450 City Councillors St.,
Montreal 2, Quebec.

613 United Kingdom Bldg.,
409 Granville St.,
Vancouver 2, B.C.

604, 88 University Ave.,
Toronto 1, Ontario.

Nichimen Co., Ltd.,
15, 2-chome, Nakaroshima,
Kita-ku,
Osaka, Japan.

Nichimen & Co., Inc.,
270 City Centre Bldg.,
1450 City Councillors St.,
Montreal, Quebec.

208 United Kingdom Bldg.,
409 Granville St.,
Vancouver 2, B.C.

Toyo Menka Kaisha, Ltd.,
1, 3-chome, Koraibashi,
Higashi-ku,
(P.O. Box 61, Osaka Central),
Osaka, Japan.

Toyo Menka Inc.,
610, 1310 Green Ave.,
Montreal, Quebec.

The Nissho Co., Ltd.,
30, Imabashi 3-chome,
Higashi-ku,
Osaka, Japan.

Nissho (Canada) Ltd.,
100 University Ave.,
Toronto, Ontario.

512 United Kingdom Bldg.,
409 Granville St.,
Vancouver 2, B.C.

Sumitomo Shoji Kaisha, Ltd.,
15, 5-chome Kitahama,
Higashi-ku,
Osaka, Japan.

Sumitomo (Canada) Ltd.,
510 West Hastings St.,
Vancouver, B.C.

Mr. Toshio Takabayashi,
Representative,
Sumitomo Shoji Kaisha, Ltd.,
805, 62 Richmond St. West,
Toronto 1, Ontario.

F. Kanematsu & Co., Ltd.,
119, Ito-machi,
Ikuta-ku,
Kobe, Japan.

F. Kanematsu, New York, Inc.,
1203-4 Gordon Brown Bldg.,
395 Mayor St.,
Montreal, Quebec.

Ataka & Co., Ltd.,
14, 5-chome, Imabashi,
Higashi-ku,
Osaka, Japan.

Ataka (Canada) Ltd.,
207-208 Rodgers Bldg.,
470 Granville St.,
Vancouver, B.C.

Mr. A. T. Takaguchi,
Representative,
Ataka & Co., Ltd.,
822 Carlaw Ave.,
Toronto 6, Ontario.

The Gosho Company, Ltd.,
25, Nakanoshima 2-chome,
Kita-ku,
Osaka, Japan.

Gosho Co., Ltd.,
400 Ontario St. West,
Montreal, Quebec.

920, 510 West Hastings St.,
Vancouver, B.C.

Iwai & Company, Ltd.,
6, 3-chome, Nihonbashi Edobashi,
Chuo-ku,
Tokyo.

Chori Company, Ltd.,
32, 4-chome, Azuchi-machi,
Higashi-ku,
Osaka, Japan.

Kinsho-Mataichi Co., Ltd.,
8, 2-chome, Nihonbashi Kayaba-cho,
Chuo-ku,
Tokyo.

Itoman & Co., Ltd.,
46, 4-chome, Hon-machi,
Higashi-ku,
Osaka, Japan.

Early Planning

If you do not have a time-table dictated by circumstances, you will probably wish to pick the best time to come to Japan. It is true that Japan has a fairly uniform "moderate" climate, but it's best to be selective. Don't come in July, August, or the weeks on either side of these months. It is really hot here in the summer and somehow the heat co-operates with the smog to make the climate enervating.

Most people get out of Tokyo in the summer if they can. One hears a lot about spring in Japan, cherry blossoms and so on, and indeed there are some absolutely delightful days in the spring. But they are all too few. Don't forget that Japan has a heavy rainfall, 60 inches, and a lot of it seems to fall in the spring. The best time in Japan is probably late fall and winter. It seldom is unpleasantly cold and somehow the air is clearer. However, don't come just after New Year's. New Year's is the time for a glorious, nation-wide party and the after-effects seem to last for days. Unless you are anxious to experience a typhoon, try to avoid the period from June to October. Earthquakes we get at any time.

Gold-sheathed pavilion in the garden of Rokuonji Temple, Kyoto.

Your Itinerary

Obviously your itinerary in Japan will depend on the nature of your business and whether you already know your way around. For first-timers and most others there are two "musts"—the Tokyo area (Kanto) and the Osaka-Kobe area (Kansai). These centres of Japan lie about 350 miles apart along the south coast of the main island, Honshu. The strip between them, the Tokaido corridor, also contains Nagoya, Japan's third largest city. This is the strip which is serviced by the now famous Hikari trains, which whisk along at speeds up to 137 miles per hour. The Tokaido strip contains almost half of Japan's population and produces the preponderance of its wealth. Most people find themselves allotting equal time to Kanto and Kansai, particularly now that an even overlay of quickly developing industry has largely done away with the former regional specialization.

You are a rare visitor if your business takes you beyond the Tokaido strip. A cattle man may visit the northernmost and largest island, Hokkaido, and a tobacco man, say, may visit the southern island of Kyushu, but usually it is the tourist who strays beyond.

Much of Japan is wildly beautiful but often these very places are the most unyielding to the western visitor. Accommodation is hard to come by and the language problem, grave everywhere in Japan, is particularly acute beyond the Tokaido strip. Since most people travel the Tokaido line anyway, they visit the old capital of Japan, Kyoto, which is close to Osaka. Even if you are a "one temple is enough" man, it is well worth the short side trip.

So far as administrative impedimenta to your travels are concerned, there is nothing very daunting. There is the occasional hitch at Customs, particularly with samples. If you intend to bring samples, let us know at the Embassy as we can often be helpful. For ready reference, set out below, checklist style, are the various entry requirements.

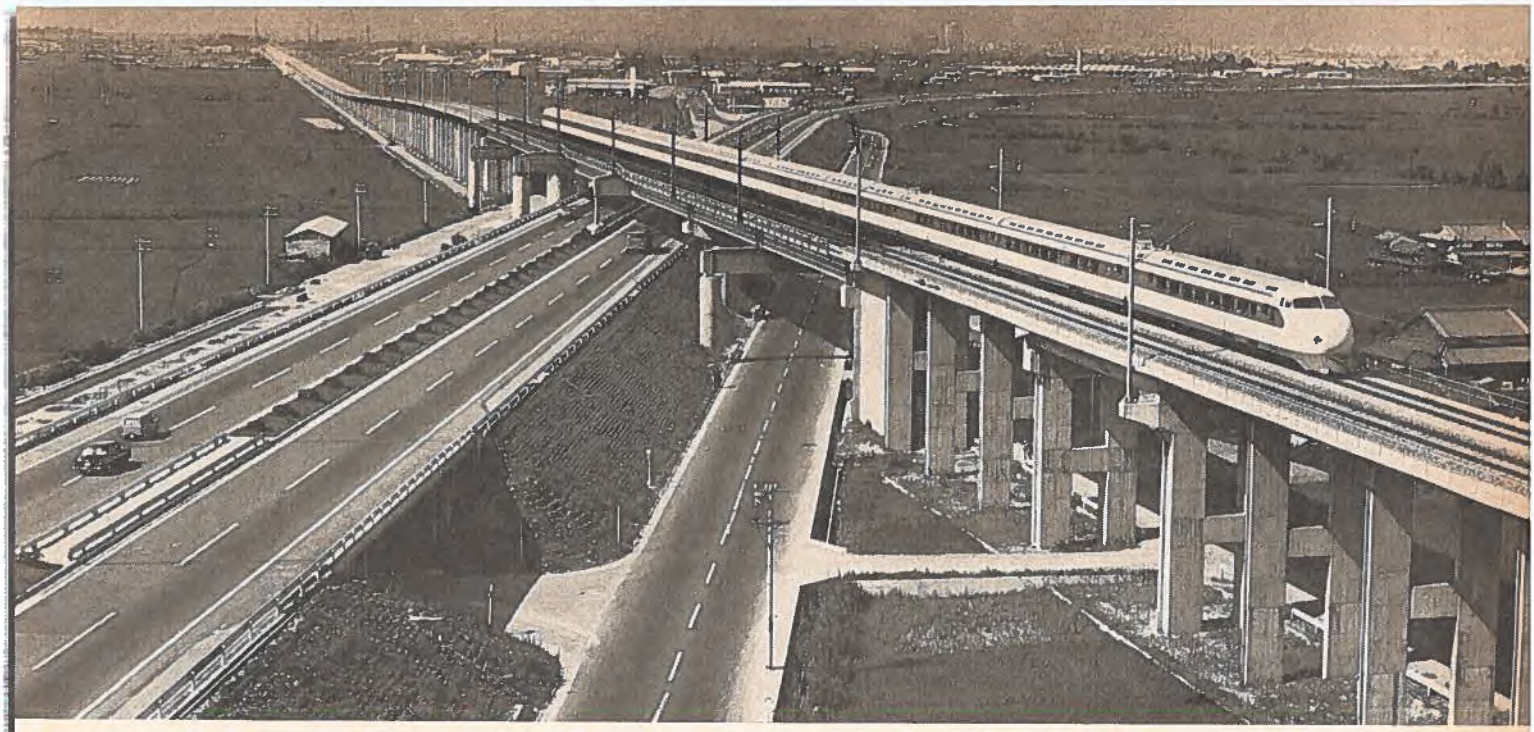
Passport: Just that—a valid passport.

Visa: No visa required for a stay of less than three months. A commercial visa may be obtained if your stay extends beyond that period.

Currency Restrictions: You may bring in any amount of foreign or Japanese currency.

Samples: A complicated field. Since December 1966, unconditional duty-free entry of samples has been suspended. However, some samples, particularly those of no commercial value in state of entry, are admitted. There are special restrictions on samples of value-intensive consumer goods. (Value to be less than $10.00 in the case of handbags, pharmaceuticals, pens, etc.) If you care to write to us about goods in an inconclusive category, we will attempt to get a ruling.

Vaccination and Inoculation: Arrivals in Japan from all countries require vaccination against smallpox. Arrivals from infected areas require a cholera injection.



One of the famous Hikari express trains which travel the Tokaido corridor between Tokyo and Osaka.

How Much Will It Cost?

Your visit to Japan will almost surely be pleasant and probably successful but it will certainly be memorable. You will remember it every time you check your bank balance. Prices in the large cities of Japan are high, but this is not all. There are some subtleties about the rate of exchange between the Canadian dollar and the Japanese yen. The ready calculating rate is Y333 to the dollar, a good round and easily managed bundle of yen. Lulled by all these psychological comforts, you may not concern yourself with the mechanics of conversion so that without care you really will not know what you are spending. There is one negative compensation in this constant outflow of cash and that is that none of it goes to tipping. They say "no tipping" here and they mean it. They say that provision for service will be made in the bill—they mean that, too.

Getting down to figures, your hotel room, a single with bath, will probably cost you a basic $18.00 per day, plus 15 per cent tax, plus 10 per cent gratuity service. These pluses also apply to your meals. The basic for meals at the cafeteria or around the corner runs at about $3.00, $4.50 and $6.00. Orange juice, toast and coffee at one hotel amounts to a tidy Y1,200 ($3.96). Watch the orange juice. You get a small glass for Y400 ($1.32) and a large glass for Y700 ($2.31). (We find that few people use room service after receiving their first bill.) When you dine out at a rooftop restaurant and include a couple of drinks or wine, there is quite an escalation factor.

Do not think you can avoid all this by booking into a neighbourhood "Ryokan" or Japanese inn, living as the Japanese do. In the first place you don't just "book in", and if you did you probably would not last too long. You would sleep on the floor mattress with a log for a pillow. Even more compelling, it is just as expensive as the western hotel. If you feel that your business expenses will run too high in the better known hotels, the Tokyo office can arrange accommodation for you in modest but perfectly clean and comfortable hotels where a single with bath would cost $10 or $11, breakfast $1.50, lunch $2.00, and dinner $3.00.

Getting About

Travelling facilities within Japan are on the whole quite adequate. You can fly between Tokyo and Osaka for $20.50, or you can take the fast Hikari train service for $20.10 and do the trip pleasantly in about three hours. You would be wise to book first-class on any train—and that is not just a case of marching up to the wicket. Get your agent or the hotel to do it for you. The Japan Travel Bureau is unfailingly helpful in these matters. Travel within Japan, other than between Tokyo and Osaka, is quite an experience. First of all, the trains are very often unbelievably crowded. This is particularly true of Tokyo suburban lines. The main Tokyo stations at rush hour cannot be described. There is something quite terrifying in the thronging cross-current of people. There actually are chaps whose job it is to push more people into the carriages until the door will barely close.

Inter-city air travel in Japan is like air travel anywhere. There is a very good grid in Japan but it is hard to make air travel pleasant over such short runs when one has to go to and from airports and cities.

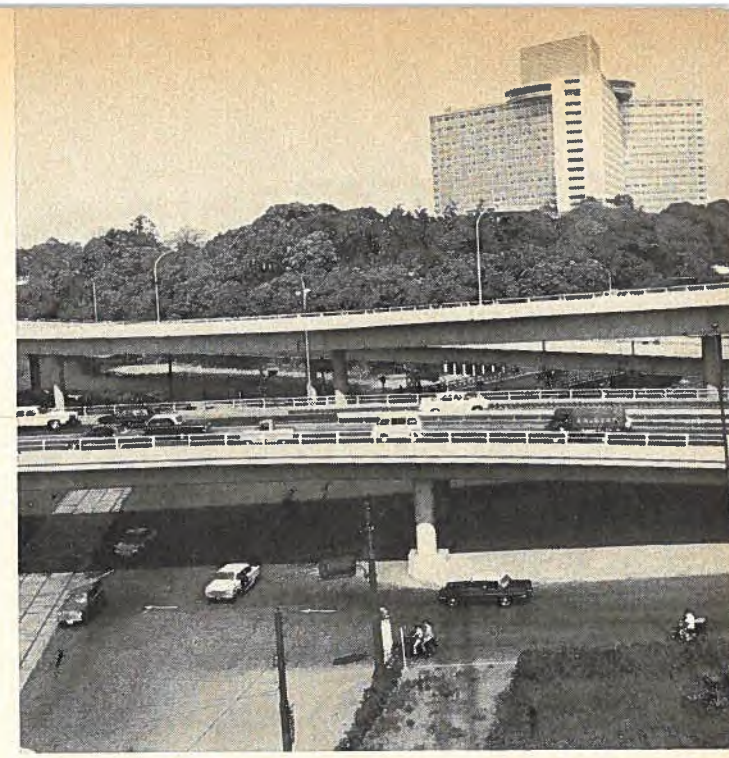
Planning the Trip

Obviously the optimum length of your visit will depend upon its aims, but if the aim is business exploration or to visit customers or select an agent, we suggest a minimum ten days or two weeks, preferably with some latitude.

When it comes to ticketing and accommodation, it is as well to use an experienced and recognized travel agent, if only because the carriers and the hotels will pay more attention to him. (Besides, you always have someone to blame if anything goes wrong.) For internal arrangements, we in the Embassy can often be useful in suggesting the order of your comings and goings and we can undertake the making of appointments and perhaps help with communications. For all of these, it is a help for us to have your firm arrival date.

There is really little to say about what to pack. In all seasons you would do well to have rain protection of some sort. Here almost all the hotels and larger stores have little stands where you can park your "brollie". For summer here, pack the lightest clothes you can find. In winter a light overcoat is enough protection. One other thing, be sure to pack a couple of sober business suits; the darker and more conservative, the better.

There is a sort of sanctity surrounding business here that must have its due. I would not bother with formal wear. Black tie is the exception rather than the rule and in a pinch—literally—it can all be rented.



Part of the Tokyo freeway system and, rising in the background, the tallest of the city's many new western style hotels.

Cards and Giveaways

Clothes aside, we have only a couple of suggestions. For one thing, take along a few business cards—enough to tide you over until you can have some printed upon your arrival here. This can be done within a day or two at a cost of only $1.50 per 100. The card should have Japanese on one side and English on the other. A lot of credence and respect is paid the business card in Japan and it is important that it be done correctly. Few people realize that sometimes the Japanese they have had printed on their cards in Canada is more often than not done in archaic characters which raise eyebrows over here. The safest way is to send us a sample card well before arrival and we can have a stack waiting for you in proper Japanese.

It is nice to have some sort of giveaway. The Japanese like it. Preferably it should be something evocative of Canada or symbolic of your line of business—in any case, something patently foreign. By all means send or bring samples. These are quite necessary in the consumer field and appreciated everywhere. Don't despair if you have overlooked your shaving brush. Everything is available in the splendid arcades in the hotels, including pharmaceuticals of excellent quality—local and imported. Books and magazines are available in English. Japanese cigarettes are quite good. If you have some compact portable dictating or recording equipment, bring it along if it is the sort of thing you use in your business. If not, a lot of people buy the excellent Japanese electronic products.

When You Get There

Hotel accommodation is both ample and central. Listed below are the main hotels in the main centres. The list is not exhaustive but it does comprise those hotels where western visitors stay.

Kita Kyushu City	—Kokura Nikkatsu Hotel
Kobe	—Kobe International Hotel
	—Oriental Hotel
Nagoya	—International Hotel Nagoya
	—Nagoya Miyako Hotel
Osaka	—Hotel New Hankyu
	—Osaka Miyako Hotel
	—Osaka Royal Hotel
Sapporo	—Sapporo Grand Hotel
	—Sapporo Park Hotel
Tokyo	—Hilton Hotel
	—Imperial Hotel
	—Marunouchi Hotel
	—New Japan Hotel
	—Okura Hotel
	—Otani Hotel
	—Palace Hotel
	—Tokyo Prince Hotel

Shortly after you are installed, please check with us as we like to know how we can be helpful to you. If you have no contacts here, we can often get you started on your calls.

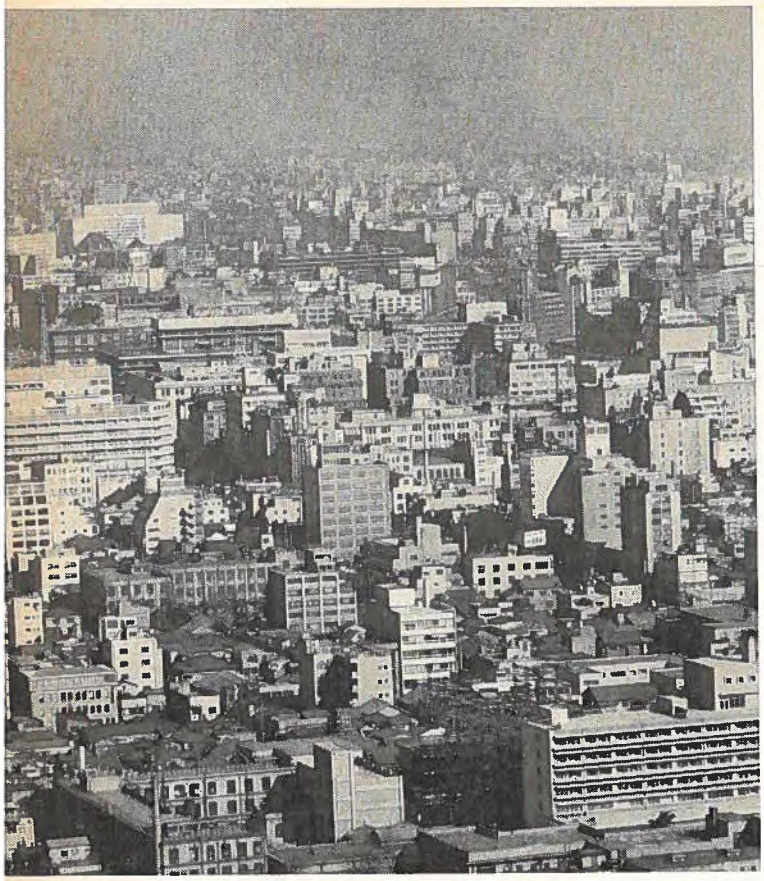
Traffic curls around the moat that surrounds the Palace in Tokyo.

Travelling by Taxi

Tokyo is a rather difficult city to move around in: traffic is dense but it moves quite rapidly over some of the most startling skeins of overheads and underpasses you have ever seen. There are swarms of taxis and all one has to do is flag one down. There the trouble starts. The driver will not speak English and even if he did understand, there is little you could tell him because addresses as you know them do not exist here. Most of the streets have no names and the number given a house expresses when it was built in relation to other houses in the same ward rather than where it is. However, happily in most cases you will be bound for a business block which he probably knows and recognizes. Another risk with the taxi driver is that he may be new to Tokyo and really not know his way around. I have encountered drivers who did not know where the Foreign Office or the Imperial Hotel were located.

The best way to travel by taxi is to have the hotel clerk write down your destination in Japanese. This you will show to the doorman who will then instruct the first taxi-driver in the queue where you want to go. Many firms and organizations will send around a printed map to help get you there. These are a feature of social life in Japan. Almost any invitation you receive will be accompanied by a map showing you how to get there. The adventurous may like to try the subway. Once one knows one's way around, it is the quickest way to get about—but not at rush hour.

Given the physical problem of getting around and the need for an interpreter at most interviews and allowing for other fractional losses of time, you will be doing well to get in about four calls a day and these of the run-of-the-mill variety.



Downtown Tokyo looking towards the Marunouchi business district.

Making Business Calls

There is very little ritual surrounding the business call. More often than not an interpreter will be there and he helps to cushion the first moments of your discussion. Usually the Japanese businessman produces the interpreter if one is needed, but he may ask you to do so. Present daily rates for a competent interpreter are $16.50 to $60.00 (plus meals and transportation), depending on the complexity of the subject and the degree of expertise required. Usually at any interview the Japanese principal is backed up by a team of experts on various matters which are likely to arise during your discussion.

Upon meeting and being introduced, you will bow to the Japanese and he to you. Between Japanese the depth and duration of the bow is significant as an indication of their assessment of each other's importance and dignity. For a westerner, it is as well to make a quick, bobbing sort of bow that is not likely to be understood or misunderstood by anybody. Then you exchange business cards, Japanese side up, and sit down for talks. Before long a girl will bring in some tea or coffee and the discussion really gets under way. We have never been particularly aware of any necessity for prolonged niceties or any sort of oblique approach to the subject of a discussion. Perhaps a little extra courtesy is called for when the other man is older. In any case, address your Japanese friend by just putting "san" at the end of his name; thus, Yoshida-san, Ishikawa-san, etc. Don't use "Mr.". You will find that the Japanese is a quite direct talker—which is not to say that you get business over and done with quickly in this country.

On the contrary, you can expect considerable delay while a sort of unanimous consensus evolves concerning their corporate attitude towards your proposal. An individual decision will simply not do because this is not the way of doing business in Japan. Here is another thing to remember in dealing with most Japanese businessmen: it does not do to prove them wrong and certainly it does not do to voice the fact. This will be far more hurtful to them than it would be to you.

The business lunch is an accepted and favoured form of hospitality in Japan, welcomed by Japanese who are hard pressed for time, particularly as they almost certainly stay in town for lunch anyway. There are any number of excellent restaurants. If you decide on Japanese food, let your Japanese friend do the picking as he may prefer Tempura, Sukiyaki, or some other specialty. If not, you can hardly do better than the main or upstairs dining rooms of the hotel where you are staying.

Hakone, a mountain resort near Tokyo with beautiful lakes, hot springs, fishing and golf.

Time Off

There is no lack of amusement in the large cities of Japan, especially Tokyo and Osaka. Some people are fascinated by traditional Japanese arts. There is Kabuki Theatre, the classic drama of Japan, and Bunraku, the traditional puppets of Japan. Perhaps more popular are the Noh plays, Japan's masked theatre, and Sumo wrestling. If these things appeal to you, you should have your hotel or your agent get to work on the tickets as soon as possible. They seem to be invariably difficult to get.

Often at the end of the day a western visitor and the Japanese he has been with during the day will meet in any of the scores of bars in the Ginza or Akasaka areas. The bars start swinging early, about 6:00 p.m., but they close early too, about 11.30 p.m.

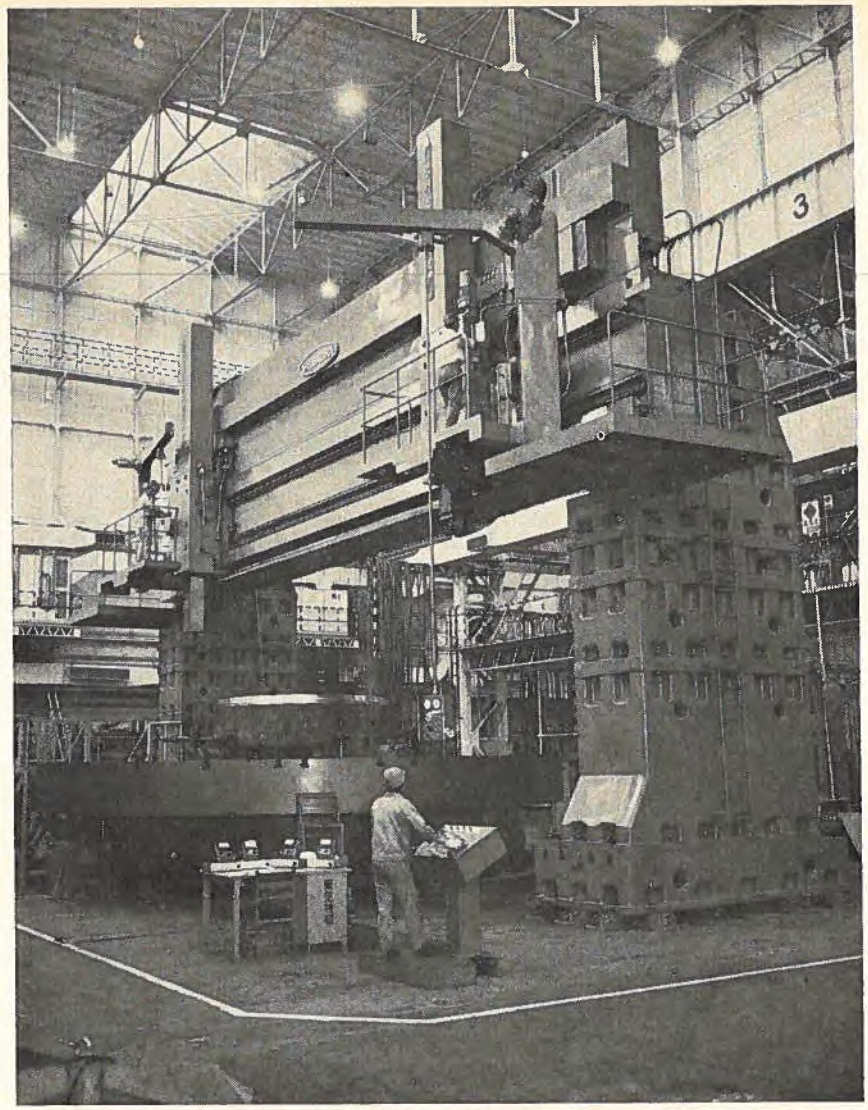
After that hour there is little to do in the way of conventional amusement. The bars, particularly where there is a show, are expensive. You will probably be asked if you want company and if you do, you have only to point out the hostess of your choice. Hostessing in Japan is rather an anomalous profession. There is absolutely no odium attached to the calling but it is an expedient, a sort of chimerical version of the old Geisha tradition, and a reluctant concession to modern times and western influence.

You may well be invited to a Geisha party. There you will sit on the floor around a large table eating Japanese food while the Geishas keep your cup filled with sake and otherwise entertain you with dancing or musical instruments. But don't expect to reciprocate with another Geisha party. These take some organizing and I have never seen a westerner manage it yet. Besides, they are prohibitively expensive. Instead, take your Japanese friend out to dinner. There are any number of fine restaurants with specialized cuisine and the hotel fare is first-rate. If you have a lot of people to entertain, then do a buffet supper in any of the reception rooms in the large hotels. They set up islands of tables which are absolutely laden with the most delicious and attractive food you can imagine. There is a bar in one corner and you are served by kimono-clad girls engaged by the management from a hostess service. This is a free-and-easy and yet very satisfactory manner of entertaining. Some friends of mine who recently passed this way had such a supper for about eighty people. The bill was a sobering $1,800.

Having wined and dined your Japanese friend, don't expect to be invited to his home. We know very few people who have been in a Japanese home. It is not that the Japanese is inhospitable or ungrateful, but he has an entirely different conception of the use of a house. It simply would not occur to him to invite you.

You will find Tokyo and Osaka tiring and demanding cities, so a weekend in the country is almost a necessity. If you are in Osaka, go to Nara. If you are in Tokyo, go to Nikko or Hakone, mountain resorts within a reasonable distance. They are an expensive but welcome respite.

So there is your trip to Japan. A unique experience in an increasingly homogenized world. So much to do, so much to wonder at. Enjoy yourself!



A vertical lathe, type TWI-80/120, at Shibaura engineering works.

For Information

IN TOKYO
Minister (Commercial)
Embassy of Canada
Akasaka Post Office
Tokyo, Japan

IN OTTAWA
Asia and Middle East Division
Office of Trade Relations
Department of Trade and Commerce
Ottawa

Malaysia Uses Canadians for Aerial Survey

A survey which will help Malaysia to develop its resources more efficiently has just been completed by Lockwood Survey Corporation Ltd. of Toronto. It was financed under the Canadian Colombo Plan and cost some Can.$600,000.

PHILIP STUCHEN, *Commercial Counsellor, Kuala Lumpur.*

MALAYSIA is a thriving developing country with a stable government doing everything possible to hasten progress and development. Most of its wealth comes from tin, natural rubber, oil palm and timber. Development of these resources can only be properly planned if sufficient scientific data is available. It requires many well qualified technicians and up-to-date aerial photography to assess these resources, and good maps on which to plot the results. Malaysia has sought the aid of various countries in making its resources inventory and Canada has provided a great deal of assistance.

Under a Colombo Plan agreement with the Malaysian Government, the Canadian Government contracted with Lockwood Survey Corporation Ltd. of Toronto late in 1965 for aerial photography of the whole of West Malaysia (formerly known as the States of Malaya). Before the end of the year, the project manager and photographic technician were in Kuala Lumpur and a Canadian survey aircraft was on its way. The Riley Rocket —a small, twin-engined aircraft with a crew of two and capable of operating at altitudes up to 35,000 feet— arrived in Malaysia in mid-January 1966. Canada also provided the navigator/photographer for a Cessna 310 aircraft which was leased from the Malaysian Government for the duration of the project. The Canadian aircraft started work within a few days of arrival but the Cessna took two weeks to modify.

The main flying program consisted of vertical photography at a scale of 1/25,000 of the whole of West Malaysia, requiring some 22,000 line miles of productive flying, and some 2,200 line miles of high-level photography at altitudes of 32,000 and 27,000 feet to speed the production of new topographic maps of the northwest part of the country. Because the work was begun during the "confrontation" with Indonesia all film negatives were censored immediately after development and those sent to Canada for printing went under diplomatic seal.

Weather Problems

The weather needed for aerial photography is complete absence of cloud between the aircraft and the ground. In the tropics, the periods during which these conditions obtain are very short, and it is a good day when one aircraft can produce a hundred miles of acceptable photography. The only way to get the work done is to fly every day—the crews worked 13 days out of every 14, taking alternate Sundays off, to complete the project within the specified time.

Progress at first was excellent—50 per cent of the area was covered within three months of starting and 80 per cent within eight months. However, the task became more difficult as time went on and one period of six weeks passed without a single mile of photography. Thereafter conditions improved gradually but never enough to allow more than very short bursts of production. It was originally hoped to complete all the work within one year, but the late monsoon season and consequent unstable weather made it impossible. The Canadian and Malaysian Governments, however, agreed to continue the survey and both tasks were completed on February 12, 1967.

A separate job was the photography of various small areas with three cameras simultaneously, using three types of film: colour, infra-red and panchromatic (black and white). This was an experiment to investigate the differences between the details shown in each type of film under the conditions of vegetation, climate and light encountered in Malaysia. Originally a special project for the Forestry Department, it was expanded to include crops and vegetation types in the country. Seventeen areas were photographed and the work was completed on February 23, 1967.

Many other small projects were done at the request of the Malaysian Government during normal production flights. One involved photographing six widely scattered river mouths at monthly intervals over a period of six months to provide data for a study of river silting. Another was done to assist in a drainage and sewerage study in Penang and the Klang/Port Swettenham areas, also being undertaken as a Canadian Colombo Plan project.

Canadian Materials Used

In addition to aircraft and crew, Canada provided all the materials for the work and the special equipment used in both aircraft as well as in processing and checking the results. Nine sets of contact prints were made of all photographs necessary to complete the coverage. Seventy-five per cent of the printing was done in Canada, amounting to over 108,000 prints, and the rest by the Malaysian Directorate of National Mapping using materials supplied by the Canadian Government. Complete sets of prints were supplied to the Malaysian Ministries of Agriculture, Forestry, Lands and Mines, Town and Country Planning, and Public Works, the National Electricity Board and the University of Malaysia, and two sets to the Directorate of National Mapping. Other government departments and private companies have shown great interest and, with the end of "confrontation" and the relaxation of security regulations, Malaysia's competent and well-qualified professional workers will certainly make good use of the results for many years to come.

The cost of this Canadian Colombo Plan project was just over Can.$500,000 to Canada and Can.$100,000 to the Malaysian Government; it involved the professional services of five Canadians (a project manager, one pilot, two navigators and one ground photographer) and Canadian equipment and scientific instruments were used wherever possible. ●

The Canadian High Commissioner to Malaysia, B. C. Butler, confers with the Canadian team that carried out an aerial survey of the whole of West Malaysia. The contract for the survey under a Colombo Plan agreement with the Malaysian Government was awarded to Lockwood Survey Corporation Ltd. of Toronto. The aircraft in the background is a Riley Rocket, flown from Canada for the job. Standing beside Mr. Butler is Dato Abdul Jamil bin Abdul Rais, Permanent Secretary to the Prime Minister of Malaysia.

Norway's Fur Breeders Face Problems

Mink and blue fox from Norway hold a high place in world markets. Industry is based on Canadian breeding stock and could use greater supplies of Canadian offals for feed.

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

NORWAY ranks third in the world in mink production, next to the United States and Denmark, and second to Poland in blue fox. Today it produces about 2.3 million mink pelts a year and about 100,000 of blue fox. This impressive expansion received its original impetus from Canada when Norway first imported in 1914 some Canadian silver fox breeder stock, and in 1927 some Canadian mink stock. Since that time, and especially since the Second World War, the import of North American breeder stock has helped produce the present wide variety of colours and shades that are being offered. Just recently, some jet black mutation stock was imported from Nova Scotia to keep Norway in the forefront of this fashion-conscious industry. To illustrate the growth that has taken place, Norway produced 39,000 mink skins in 1946, 600,000 in 1956 and 2.3 million in 1966 (this last represents about 10 per cent of world output).

Factors in Growth

The structure of the industry has altered appreciably from the days when fur breeding was a sideline to other agricultural pursuits. With increased specialization has come larger fur-raising units that average 150 female breeder stock per farm. However, the farms do not yet approach the size of some of the North American establishments. The growth results from some advantages that Norway provides. The climate is favourable for fox and excellent for development of coloured mink, and the fisheries provide the high-protein feedstuffs so vital to the fur industry. Government regulations require long periods of quarantine for imported breeding stock. These tight health regulations, combined with the Veterinary Institute establishments located around the countryside, have assisted producers in keeping the incidence of diseases like distemper and virus enteritis to a minimum.

One disadvantage at present is the shortage of slaughterhouse offal which in many producing countries forms the basis for feedstuffs. Another problem is the high cost of moving the feed inland to the farms. A number of refrigerating plants and feedstuffs depots have already been established with ready-made fodder distributed directly to the farms by truck. There is a potential market for Canadian offal in Norway.

Most Norwegian breeders belong to the 6,000-member Fur Breeders' Association (Norges Pelsdralslag) and all sales are made competitively at the Oslo Fur Auctions which run from December into the spring months each year. Because 98 per cent of all Norwegian furs are exported, the industry is directly affected by the outcome of the auctions in the U.S., Canada, Britain, the U.S.S.R., Sweden and Denmark, as well as in Oslo. It is natural, therefore, that the industry should endeavour to establish some type of international co-operation. To assist in marketing their output, Norway, Finland and Denmark have developed the brand name SAGA to denote top-quality skins and have combined forces to advertise their products internationally under this brand.

Norway's largest fur markets are the U.S., West Germany, Britain, Canada, Italy and Japan. The U.S. absorbs 55 per cent of total exports of mink skins and West Germany approximately 20 per cent. Sales to the U.S. are mostly of commercial-grade skins rather than the SAGA brand. The U.S. is also the principal market for fox skins, taking two-thirds of the total; Japan is becoming another key outlet. In the 1965/1966 season Norway marketed 1,915,000 mink and 84,000 fox skins, compared with 1,960,000 and 87,000 in 1964/1965.

In the 1967 winter season, prices have been considerably lower and many fur farmers will find it difficult to break even. This reflects the number of unsold skins overhanging the market which, in turn, underlines the expansion in world output of mink, which rose to 23.2 million pelts from 20.8 million the previous year. Faced with such trends, the Norwegian breeders refer to the passing of "the golden age" for mink production. These circumstances suggest that the emphasis will have to be placed on quality to maintain Norway's position in the international market. The Norwegian industry will continue to be affected by international developments, but as the world economy expands and standards of living increase, its prospects should remain promising. ●

What's current in commodities?

Dairy Cattle

Italy—Active program to improve breeding stock and raise milk production has made this an attractive and expanding market for Canadian-raised, high-class Holstein-Friesian stock.

J. H. STONE,
Commercial Counsellor, Rome.

ITALY has become over the past few years Canada's largest overseas market for dairy cattle and second only to the United States. New programs of stock improvement, the slaughter of diseased animals, and the growing reputation of our cattle should expand the Italian market, starting this year, to almost double its present size.

Great progress has been made since the war in improving the dairy industry. Government and other farm policies have encouraged better selection of breeding stock, improved farm methods and high production per cow. Under the impetus of the Common Market agricultural arrangements, high milk prices and a dwindling farm labour force, a growing interest by Italian farmers in higher milk output per cow has led to a great improvement in the dairy industry. In addition, the high cost of feed and the need to use expensive irrigated land in some parts of Italy for forage crops and grazing mean that a dairy animal which is not an efficient converter no longer pays. Recent years have therefore seen a trend towards a smaller number of better quality dairy breeds and the import of high class breeding cattle to improve the existing stock.

Dairy Industry Modernized

Although the average farm dairy herd is small, with fewer than ten cows, there are also large modern dairy farms in Italy. Substantial numbers of highly organized big farms are found in the Po Valley, the Florence-Pisa area around Rome, and near Naples and can hold their own with milk production units anywhere in the world. These large producers import champion breeding stock for careful breeding programs, install the most modern and efficient machinery, and in general spare no effort to produce the highest quality product at the lowest cost of production, handling and marketing. One famous farm near Caserta regularly milks over 1,000 cows and lays down bottled milk in Naples which has not seen the light of day nor been subject to human handling from the milking ma-

Registration procedures, health and performance standards of Canadian Holstein-Friesian herds were some of the points these livestock experts were looking for during a recent tour of Canada. Among the group are six Italian members of a mission sponsored by the Department of Trade and Commerce in a bid to capture a share of the developing Italian cattle market for Canadian breeders. The group is seen with Romandale Re-Echo April—an excellent example of Canadian cattle breeding.

chine to delivery at the customer's doorstep by the farm's own trucks.

Holstein-Friesian Breed Gains Favour

In recent years Holsteins (la Frisona in Italy) have overtaken all other breeds as the preferred dairy animal. In 1964, the latest year for breed estimates, there were over 2 million Holsteins in Italy, out of a total bovine population of 9.2 million. This total figure includes beef and draft breeds, and multi-purpose animals such as the Bufalino which is used for milk, meat and work. There were just over four million milk cows in that year. Since 1964 the Holstein has steadily gained favour because of its reputation as a high milk producer; there are probably 2.4 million head in Italy today.

Holstein-Friesian breeders register their cattle more often than do those with other breeds, although in 1964 there were fewer than 200,000 registered in the Association's herd-book.

The impressive progress which Italy has achieved in the dairy field will this year be accelerated by a vast program of eradicating bovine T.B. and brucellosis. The Government has set aside $70 million to be spent over ten years to pay compensation to farmers who dispose of diseased animals and replace them with healthy stock. Until now, slaughter of diseased animals has been compulsory only in certain areas, but the pressure will steadily increase on farms throughout the country to take advantage of the replacement program. By 1968, all animals producing fluid milk for human consumption must be T.B. and brucellosis free. Mass imports of young dairy cattle will be necessary to provide replacement stock and an office has been established to handle the import program which is described below.

Italian Imports to Expand

Although statistics of dairy cattle imports into Italy involve a high degree of guesswork, it is estimated that total dairy cattle imports in 1966 approached 70,000 head. Of the purebred animals imported, nearly half were Friesians and Holsteins, of which a very large proportion came from the Netherlands, with Canada and the United States each furnishing over 3,000 head and Germany and Denmark providing most of the remainder. The Brown Swiss breed is second in importance and Simmenthal make up the rest of purebred dairy cattle imports. Canadian imports have expanded from zero in the early sixties to several hundred head brought in in 1963 and 1964 and to the present level of between 3,000 and 4,000 animals a year. This growth has been favoured by the excellent reputation for high production and easy handling which our cattle established after the war, when several large herds were brought from Canada to replace those destroyed by the conflict. After this initial trade, Italian grading and production requirements were raised to a level which eliminated all but a few expensive bulls. Some relaxation in Italian requirements in 1963 and the following year enabled our producers to make Italy our chief overseas market for purebred Holsteins.

For the current replacement program, Italy hopes to import no less than 50,000 extra young females per year for ten years. Most of these cattle will be Holstein-bred heifers, with Brown Swiss and Simmenthal making up the balance. No other breeds are to be included in the program, in accordance with the policy of reducing the number of dairy breeds. Obviously it will be difficult to find so large a number of extra good dairy cattle each year and the traditional suppliers of Europe are not expected to be able to furnish more than 30,000 to 40,000 head. The remainder, 10,000 to 20,000, will be sought in North America and our breeders will thus find a good market for any suitable animals they can ship to Italy.

In a program of this size, largely financed from public funds, price will be a very important factor. The program will not accept animals which are not registered purebreds with some suitable records of production, because the aim is to raise the over-all quality of dairy cattle in line with

To Sell Dairy Cattle in Italy

1. Visit the country. At the outset, we recommend two trips a year. You will have the opportunity of meeting the more important breeders and importers and also officers from the various provincial breeding associations in Italy. Often senior officials from these associations travel abroad and purchase on behalf of their members. They are very valuable contacts.

2. Attend one or more of the leading agricultural fairs in Italy. These are the Fiera Internazionale del Bovino da Latte, at Cremona, usually in mid-September, and the Fiera Internazionale dell'Agricoltura e della Zootecnia, at Verona, about mid-March.

3. Gain the confidence of the Italian breeders and create a sincere interest in your herd. Remember that many of the smaller breeders cannot afford to buy all their animal requirements with "Very Good" or "Good Plus" ratings. Give them useful, truthful and constructive guidance if they are not selecting good cattle. Such advice may lead to the purchase of an "Excellent" animal later on.

4. Use the language of the country. Make an effort to write to buyers in the language of the country. Remember that most Italian dairy cattle breeders do not speak or read any language but Italian.

5. Advertise in Italian publications. Little or no advertising is done by Canadian Holstein-Friesian cattle exporters in Italian trade journals. There are three or four such magazines, including the official Italian Holstein-Friesian journal *Bianco e Nero*, which are worth investigating. The Canadian Consulate General in Milan will be able to assist you for the northern part of Italy if you wish to consider this suggestion and the Commercial Division of the Canadian Embassy in Rome for other parts of Italy.

—A. B. BRODIE, *Consul General and Trade Commissioner, Milan.*

general agricultural policy. It is expected that Italian buyers will look for heifers costing no more than $600 to $650 c.i.f. Italian ports for the vast majority of their purchases. Canadian breeders may well find this price marginal, but it should nevertheless be possible to meet if efficient purchasing, handling and transportation arrangements are made for large-scale movements. Italy will also continue to purchase the higher quality Holsteins which have made our cattle famous throughout the country, both as a minor proportion of the replacement program and for normal commercial sales to regular customers. We anticipate that Italian buyers may be sent to Canada to handle purchasing for the replacement program which is due to shift into high gear this fall.

Entry Requirements

During recent years there have been two main and separate markets for dairy in Italy. First there is the Italian requirement for high quality breeding stock of "good plus" and higher grade, with extended pedigrees showing records of production and butterfat content of over 3.5 per cent. These cattle enter Italy duty-free and normally are sold to large farms, either direct or through established Italian breeders. Canada has supplied a significant proportion of the Holsteins imported under this duty-free provision and most Canadian cattle shipped to Italy in recent years have been of this class.

Second, there is a much larger and fast-growing market for producing dairy animals of good quality or for young dairy stock to raise on dairy farms. These cattle benefit from a reduced rate of duty, provided they are purebred and meet certain minimum standards. If cattle imported under this provision, however, do not on arrival meet the quality controls administered by the Italian authorities, they are either slaughtered at a heavy loss to the buyer or at best must pay extra duty and levies on the basis of their value as beef. A third type of import is young Holstein calves raised for beef. Canadian prices plus transportation costs have been too high to allow us to participate in this trade.

Italy requires health certificates and other immunization procedures more strict than those needed for most other markets. Because these requirements are subject to change, exporters should ensure that they have current information on Italian health and documentation requirements before shipping to Italy. The local inspector of the Health of Animals Branch, Canada Department of Agriculture, can supply full information. He can also advise on the Italian requirements on freedom from brucellosis, which were imposed this year to harmonize Italian health practices with those of other Common Market countries. These have caused inconvenience and extra expense to Canadian exporters and require close attention.

Italy offers a large and growing market to Canadian farmers, producers and exporters who are able and willing to take the required steps to sell in this market. The coming season could be a big one for Canadian dairy cattle sales to Italy and there is no obvious reason why our exports of good quality Holsteins should not continue to expand in the years ahead. Unfortunately Italy will accept only Holstein-Friesians from Canada so that there is no market here for other breeds. ●

South African Fisheries Thrive

SOUTH AFRICA, together with South West Africa, moved up to seventh place in 1965 among the world's fishing nations, netting a record catch of 1,342,400 metric tons. Since 1945, when 100,000 tons of fish were landed, the catch from the rich West Coast Atlantic fishing grounds has increased almost 14 times and nearly a thousand power-driven boats are supplying 50 factories along the coast. Today, the industry's products are valued at about $100 million or more a year, and exports account for five-eighths of this total.

The Republic and South West Africa together are the world's largest exporters of canned pilchards, the largest producer of fish products for human consumption in the Southern Hemisphere, and the second largest exporter of fish meal in the world. In addition, the South African fishing industry—as the fishing industries of the Republic and South West Africa are known collectively—is the third largest exporter of fish body oils.

Pilchards and anchovy form the main part of the catch but deep-sea trawling is also expanding rapidly, with hake accounting for more than half the 125,000 tons caught during 1966. Other activities include tuna by means of long line, snoek (a type of barracuda), and shark.

Frozen rock lobster tails, whole cooked and live rock lobsters from South Africa are enjoying ever-increasing popularity in many parts of the world. The main market for frozen tails is the United States, which imported about $11 million worth during 1965. The export value of live rock lobsters by air, mainly to France, is said to be worth the equivalent of Can.$1.5 million a year. It is of interest that aircraft freight holds are pressurized to sea level conditions and kept at sea temperature when conveying the live rock lobster to Europe.

The expanding fisheries have given a boost to the South African boatbuilding and other industries and today most types of fishing boats and trawlers are built in the Republic. Laminated glass-fibre motor vessels up to 85 feet in length have been launched. Many types of fishing gear and equipment—such as cordage, wire ropes, nets and winches—are also produced locally.

However, most types of equipment connected with the fishing industry and especially propulsion units and sophisticated electronic equipment are still being imported and there are increasing demands for modern fish-processing machinery from overseas.

Recently, the first South African Fishing Industry Exhibition was held at Cape Town and exhibits valued at over Can.$5 million were displayed by local and foreign firms, including Japanese. Canada was not represented. Plans are now proceeding to hold a much larger exhibition in 1968 in conjunction with a display of merchant ships' gear. The expanding market for fishing industry equipment in South Africa is one where Canada is not yet actively exporting, but there seem to be valuable trade opportunities for Canadian manufacturers in future.

—H. VAN ALPHEN,
Commercial Assistant, Cape Town.

trade lines

A million Londoners shop at the Co-op

Customers spent Can.$188 million last year at the stores of the world's largest retail co-operative in London, England. The London Co-operative Society has over a million members and markets fifty CWS brands manufactured by the Co-operative Wholesale Society with which it is affiliated. More effort is being made to promote these "own brands" and to reduce reliance on food by emphasizing dry goods and other consumer lines—London.

New Zealand evaluates pyrites deposits

Drilling has revealed large deposits of pyrites in the Waihi area of New Zealand. The Zeacan Mining Company expects to have enough information by the end of 1967 to decide whether it is economically feasible to produce sulphur. New Zealand imports 200,000 tons a year, mainly from Canada and the United States, and used for the production of fertilizers —Wellington.

New synthetic rubber plants in Holland

Netherlands State Mines are producing ethylene-propylene terpolymer and ethylene-propylene copolymers on a pilot plant and will begin large-scale production in the second half of 1967. The new plants will be at Beek, Limburg and will have a capacity of 12,000 tons —The Hague.

Ceylon to expand crockery industry

The Ceylon Ceramics Corporation plans to increase output of table crockery by 300 tons in 1967, thanks to a new factory in Piliyandala. Supply of table crockery will, however, still be 700 tons below domestic requirements. Output of the Piliyandala factory at full capacity by 1969/70 will be 1,600 tons of table crockery, 300 tons of wall tiles, and 500 tons of sanitaryware—Colombo.

Sweden's order-books shorten

The Swedish Institute for Economic Research says that in the first quarter of 1967 most companies surveyed felt that orders were small in relation to production and stocks were still large. Higher production for home and export markets was expected in the second quarter, but there will be no expansion in engineering, and output of some kinds of pulp will fall. The number employed in the construction industry is expected to fall—Stockholm.

West Africa improves external communications

The Nigerian Government recently announced plans to build a telecommunication satellite earth station which, in conjunction with a similar station planned for the Ivory Coast, will greatly improve external communications for West Africa as a whole—Lagos.

Ceylon builds flour mill

Ceylon is building its new Can.$5 million State Flour Mill at Mutwal, Colombo, which will go into production later this year. It will have an estimated milling capacity of 50,000 tons of flour and 16,000 tons of animal feeds. The U.S.S.R. is supplying 40 per cent of the cost in the form of machinery and technical assistance—Colombo.

Mexico plans desalinization plant

The Mexican Federal Electricity Commission has granted a contract to a U.S. firm for the design and construction of its first desalinization plant near Tijuana. The Can. $6.8 million plant will convert over seven million gallons of salt water to fresh water every day—Mexico.

Pakistan to process cottonseed

The Government of Pakistan plans to set up a Can.$1 million plant at Lahore, West Pakistan, which will process 100 tons of cottonseed per day into edible oils. The Government may have to fix a minimum price for the oil seeds as an incentive to ensure a regular supply—Karachi.

Chicago plans rapid transit lines

The Federal Department of Housing and Urban Development (HUD) has given the Chicago Transit Authority two grants totalling $45,942,999 to help finance 15 miles of new rapid transit facilities along the Dan Ryan and John F. Kennedy Expressways. The 5.2 mile extension for the Kennedy line will include

construction of five stations, subway and elevated tracks, power facilities, signal equipment, a transportation building, an inspection shed, and car storage areas.

The Dan Ryan project will involve construction of a 9.5 mile extension, including nine stations, rail bed and tracks, power facilities, signal equipment, a transportation building, an inspection shed and car storage areas—Chicago.

Hong Kong seeks Swedish knowhow

A delegation from the Hong Kong Trade Development Council visited Sweden in April to interest manufacturers in having their office machine components with high labour content made in Hong Kong for the Asian market. Agreements of this kind have been made by United States companies with firms in Hong Kong and Japan—Stockholm.

Dutch brewery to advise Lebanon

The United Netherlands Breweries of Oranjeboom has agreed to give technical and marketing assistance to the Grande Brasserie du Levant in Beirut. The Dutch firm recently consented to provide similar assistance to the Brasserie Hellenique in Athens—The Hague.

Irish foods get marketing muscle

Erin Foods Limited was set up by the Irish Government to build export business for Irish agriculture and has concentrated on dehydrated foods. A joint company is being formed with H. J. Heinz Company of Britain to develop sales in Britain. The joint company will handle marketing and promotion and Heinz will do the selling—Dublin.

Chile to expand steel capacity

Chile will expand its steel-producing capacity from the present 650,000 tons a year to some one million tons by 1971. To achieve this, the Eximbank of the U.S. will grant a loan of about U.S.$25 million to the National Steel plant of Chile (CAP). Equipment acquired with this credit will be purchased through CAP's New York office—Santiago.

British tailoring companies merge

The merger of Montagne Burton and United Drapery in Britain has created a chain of 1,100 men's wear stores with sales averaging 92,000 suits a week. Both firms concentrated on the middle price range with two-piece suits selling for about Can.$45—London.

Automation makes progress in Rumania

The Rumania iron ore works at Telinc is using automation and an engineering works at Cimpina has automated the basic operation of its first annealing furnace. At the Galati iron and steel combine the 1700-cubic metre furnaces will be automated and it is planned to automate the soaking pits of the new slabbing mill. Numerical control is being added to all types of vertical lathes at the Arad and Bucharest machine tool works—Vienna.

Spain will build Freedom ships

Astilleros de Cadiz will build Freedom ships under licence from Algonquin International of Montreal and Ishikawajima Harima of Japan. The Freedom ships, which are intended to replace Liberty ships, are designed to carry bulk cargo, general cargo, vehicles or containers and are approximately 13,650 d.w. tons with a speed of 14.5 knots. Repair facilities for Freedom ships in south European waters will be provided by the Spanish shipyard and the Japanese firm will provide the same service for the Spanish-built ships—Madrid.

Foreign Tariffs and Trade Regulations

South Africa

IMPORT LICENCE QUOTAS INCREASED—The South African Minister of Economic Affairs in mid-May announced an increase in import licence quotas for several categories of imported products for the current licensing year ending December 31. In the case of articles classified under Paragraph 4(a) of the 1967 Import Licensing Schedule, the quota has been increased by 9 per cent, covering such items as electrical equipment, household appliances, photographic equipment, cutlery, arms and ammunition, fabrics, canned goods, musical instruments, aircraft, agricultural equipment, building equipment, and blankets and rugs. The quota on other goods such as textile piecegoods, television apparatus and equipment, timber, milled rice and fertilizers, which are classified under Paragraph 4 (b), has been enlarged by 16.6 per cent. There has been an increase of 8.7 per cent on the quota for imports of engineering supplies, hardware and raw materials, but excluding machine tools. Initial grants of permits for wholesalers have been raised from R10,000 to R15,000 and for retailers from R6,000 to R7,000. For the rest of the current year, import permits will not be granted piecemeal but will be issued in one instalment.

The South African authorities have expressed the hope that, in the face of inflationary pressures, these measures will encourage local manufacturers to lower prices with the expected increased competition from overseas suppliers.

Geographical Listing for Exporters

Need Information on Foreign Markets?

You can get it from the Trade Commissioner posts around the world, or from the Office of Trade Relations in Ottawa. This breakdown tells you which TC post and which OTR Division is responsible for the country in which you are interested.

Country	TC Post	OTR Division
Aden	Beirut	Commonwealth
Afghanistan	Rawalpindi	Asia and Middle East
Albania	Vienna	Europe
Algeria	Paris	Europe
Andorra	Paris	Europe
Angola	Johannesburg	Europe
Argentina	Buenos Aires	Latin America
Aruba	Caracas	Europe
Australia	Sydney, Melbourne and Canberra	Commonwealth
Austria	Vienna	Europe
Azores	Lisbon	Europe
Bahamas	Kingston	Commonwealth
Balearic Islands	Madrid	Europe
Barbados	Port-of-Spain	Commonwealth
Belgium	Brussels	Europe
Bermuda	New York	Commonwealth
Bhutan	New Delhi	Asia and Middle East
Bolivia	Lima	Latin America
Bonaire	Caracas	Europe
Botswana	Johannesburg	Commonwealth
Brazil	Rio de Janeiro and Sao Paulo	Latin America
Britain	London Liverpool Glasgow Belfast	Commonwealth
British Honduras	Kingston	Commonwealth
British Solomon Islands	Sydney	Commonwealth
Brunei	Kuala Lumpur	Commonwealth
Bulgaria	Vienna	Europe
Burma	Kuala Lumpur	Asia and Middle East
Burundi	—	Europe
Camhodia	Hong Kong	Asia and Middle East
Cameroun	—	Europe
Canary Islands	Madrid	Europe
Cape Verde Islands	Lisbon	Europe
Cayman Islands	Kingston	Commonwealth
Central African Republic	—	Europe
Ceylon	New Delhi	Commonwealth
Chad	—	Europe
Chile	Santiago	Latin America
China, Communist	Hong Kong	Asia and Middle East
China, Repuhlic of (Taiwan)	Manila	Asia and Middle East
Christmas Island (Indian Ocean)	Sydney	Commonwealth
Cocos-Keeling Islands	Sydney	Commonwealth
Colomhia	Bogota	Latin America
Congo (Brazzaville)	—	Europe
Congo (Kinshasa)	—	Europe
Cook Islands	Wellington	Commonwealth
Costa Rica	Guatemala City	Latin America
Cuba	Havana	Latin America
Curacao	Caracas	Europe
Cyprus	Tel Aviv	Commonwealth
Czechoslovakia	Vienna	Europe
Dahomey	Lagos	Europe
Denmark	Copenhagen	Europe
Dominican Repuhlic	Santo Domingo	Latin America
Ecuador	Bogota	Latin America
Egypt	(see United Arab Republic)	(see United Arab Republic)
El Salvador	Guatemala City	Latin America

Country	TC Post	OTR Division
Ethiopia	Cairo	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth
Fiji	Wellington	Commonwealth
Finland	Stockholm	Europe
France	Paris	Europe
French Guiana	Port-of-Spain	Europe
French Oceania	Wellington	Europe
French Somaliland	Cairo	Europe
Gabon	——	Europe
Gambia	Lagos	Commonwealth
Germany	Bad Godesberg, Duesseldorf, Hamburg	Europe
Ghana	Accra	Commonwealth
Gibraltar	Madrid	Commonwealth
Gilbert and Ellice Islands	Wellington	Commonwealth
Greece	Athens	Europe
Greenland	Copenhagen	Europe
Guadeloupe	Port-of-Spain	Europe
Guatemala	Guatemala City	Latin America
Guinea, Republic of	Accra	Europe
Guyana	Port-of-Spain	Commonwealth
Haiti	Santo Domingo	Latin America
Honduras	Guatemala City	Latin America
Hong Kong	Hong Kong	Commonwealth
Hungary	Vienna	Europe
Iceland	Oslo	Europe
India	New Delhi	Commonwealth
Indonesia	Singapore	Asia and Middle East
Iran	Tehran	Asia and Middle East
Iraq	Beirut	Asia and Middle East
Ireland, Republic of	Dublin	Commonwealth
Israel	Tel Aviv	Asia and Middle East
Italy	Rome	Europe
Ivory Coast, Republic of	Accra	Europe
Jamaica	Kingston	Commonwealth
Japan	Tokyo	Asia and Middle East
Jordan	Beirut	Asia and Middle East
Kenya	Nairobi	Commonwealth
Korea	Tokyo	Asia and Middle East
Kuwait	Beirut	Asia and Middle East
Laos	Hong Kong	Asia and Middle East
Lebanon	Beirut	Asia and Middle East
Leeward Islands	Port-of-Spain	Commonwealth
Lesotho	Johannesburg	Commonwealth
Liberia	Accra	Asia and Middle East
Libya	Rome	Asia and Middle East
Liechtenstein	Berne	Europe
Luxembourg	Brussels	Europe
Macao	Hong Kong	Europe
Madeira	Lisbon	Europe
Malagasy Republic	Johannesburg	Europe
Malawi	Nairobi	Commonwealth
Malaysia	Kuala Lumpur	Commonwealth
Mali, Republic of	Accra	Europe
Malta	Rome	Commonwealth
Martinique	Port-of-Spain	Europe
Mauritania, Republic of	Accra	Europe
Mauritius	Johannesburg	Commonwealth
Mexico	Mexico City	Latin America
Monaco	Paris	Europe
Morocco	Paris	Europe
Mozambique (Portuguese East Africa)	Johannesburg	Europe
Nepal	New Delhi	Asia and Middle East
Netherlands	The Hague	Europe
Netherlands Antilles	Caracas	Europe
Netherlands Guiana	Port-of-Spain	Europe
New Caledonia	Sydney	Europe
New Guinea (Northeast) and Papua	Sydney	Commonwealth
New Hebrides (British-French Condominium)	Sydney	Commonwealth and Europe
New Zealand	Wellington	Commonwealth
Nicaragua	Guatemala City	Latin America
Niger, Republic of	Lagos	Europe

Country	TC Post	OTR Division
Nigeria	Lagos	Commonwealth
Norway	Oslo	Europe
Okinawa	Tokyo	Asia and Middle East
Pakistan	Karachi and Rawalpindi	Commonwealth
Panama and Canal Zone	Guatemala City	Latin America
Paraguay	Buenos Aires	Latin America
Persian Gulf Area	Beirut	Asia and Middle East
Peru	Lima	Latin America
Philippines	Manila	Asia and Middle East
Poland	Copenhagen	Europe
Portugal	Lisbon	Europe
Portuguese Guinea	Lisbon	Europe
Portuguese East Africa	Johannesburg	Europe
Portuguese West Africa	Johannesburg	Europe
Puerto Rico	Santo Domingo	United States
Reunion	Johannesburg	Europe
Rhodesia	——	Commonwealth
Rio de Oro	Madrid	Europe
Rio Muni	Madrid	Europe
Rumania	Vienna	Europe
Rwanda	——	Europe
St. Helena	Cape Town	Commonwealth
St. Pierre and Miquelon	Paris	Europe
Saudi Arabia	Beirut	Asia and Middle East
Senegal, Republic of	Lagos	Europe
Seychelles Islands	——	Commonwealth
Sierra Leone	Lagos	Commonwealth
Sikkim	New Delhi	Asia and Middle East
Singapore	Singapore	Commonwealth
Somali Republic	Cairo	Europe
South Africa, Republic of	Johannesburg and Cape Town	Commonwealth
South West Africa	Cape Town	Commonwealth
Spain	Madrid	Europe
Spanish Sahara	Madrid	Europe
Sudan	Cairo	Asia and Middle East
Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Swaziland	Johannesburg	Commonwealth
Sweden	Stockholm	Europe
Switzerland	Berne	Europe
Syria	Beirut	Asia and Middle East
Tahiti	Wellington	Europe
Taiwan (Republic of China)	Manila	Asia and Middle East
Tanzania	Nairobi	Commonwealth
Thailand	Singapore	Asia and Middle East
Togo	Accra	Europe
Tonga	Wellington	Commonwealth
Trinidad and Tobago	Port-of-Spain	Commonwealth
Trucial States	Beirut	Asia and Middle East
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Nairobi	Commonwealth
United Arab Republic	Cairo	Asia and Middle East
United Kingdom	(see Britain)	(see Britain)
United States	Washington Boston Chicago Cleveland Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Upper Volta, Republic of	Accra	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Santo Domingo	United States
Western Samoa	Wellington	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Beirut	Asia and Middle East
Yugoslavia	Belgrade	Europe
Zambia	Nairobi	Commonwealth

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 May 26	
Algeria Dinar	.2201	4.54
Argentina Peso (free)	.0031	322.58
Australia Dollar	1.21	.8333
Austria Schilling	.0419	23.98
Bahamas Dollar	1.059	.9470
Belgium and Luxembourg Franc	.0218	46.25
Bermuda Pound	3.024	.33
Bolivia Peso	.0914	10.98
Brazil Cruzeiro (official free)	.4004	2.50
Britain Pound	3.024	.33
British Honduras Dollar	.7561	1.32
Burma Kyat	.2273	4.41
Ceylon Rupee	.2368	4.41
Chile Escudo (bank rate)	.2234	4.45
(free)	.1986	5.04
Colombia Peso (intermediate)	.080	12.50
Congo, Republic of[1] Franc	.0072	139.50
Costa Rica Colon	.1633	6.14
Cuba[2] Peso	.....	.....
Czechoslovakia Koruna	.1503	6.67
Denmark Krone	.1563	6.39
Dominican Republic Peso	1.082	.93
Ecuador Sucre (official)	.0601	16.67
(free)	.0547	18.35
El Salvador Colon	.4329	2.31
Fiji Pound	2.725	.37
Finland Markka	.3382	2.96
France, Monaco, etc.[3] Franc	.2201	4.54
Franco-African Republics[4] Franc	.0044	227.79
French Pacific[5] Franc	.0121	82.64
Germany D Mark	.2719	3.68
Ghana New Cedi	1.515	.60
Greece Drachma	.0361	27.86
Guatemala Quetzal	1.082	.93
Guyana Dollar	.6301	1.59
Haiti Gourde	.2164	4.63
Honduras Lempira	.5411	1.84
Hong Kong Dollar	.1890	5.30
Hungary Forint (official)	.0921	10.86
Iceland Krona (official)	.0252	40.00
India Rupee	.1439	6.87
Indonesia[6] Rupiah	.....	.....

Country and Currency	Value of Foreign currency unit in Canadian dollars	Value of Canadian dollar in foreign currency units
	at May 26	
Iran Rial	.0143	69.93
Iraq Dinar	3.030	.33
Ireland Pound	3.024	.33
Israel Pound	.3607	2.78
Italy Lira	.0017	581.86
Japan Yen	.0030	335.37
Kenya Shilling	.1402	7.13
Lebanon Pound (free)	.3511	2.85
Malaysia Dollar	.3535	2.83
Mexico Peso	.0866	11.61
Morocco Dirham	.2164	4.62
Netherlands Florin	.3004	3.33
Netherlands Antilles Florin	.5738	1.75
New Zealand Pound	3.013	.32
Nicaragua Cordoba	.1546	6.49
Nigeria Pound	3.024	.33
Norway Krone	.1515	6.63
Pakistan Rupee	.2268	4.41
Panama Balboa	1.082	.92
Paraguay Guarani (free)	.0087	116.27
Peru Sol (free)	.0403	24.94
Philippines Peso (free)	.2765	3.61
Poland Zloty (fixed basic rate)	.2706	3.69
Portugal & Colonies[7] Escudo	.0376	26.66
Saudi Arabia Ryal	.2066	4.84
Sierra Leone Leone	1.512	.66
South Africa Rand	1.512	.66
Spain & Dependencies Peseta	.0181	55.55
Sweden Krona	.2099	4.76
Switzerland Franc	.2508	3.99
Syria Pound (free)	.2832	3.52
Taiwan New Taiwan Dollar (official)	.0233	42.92
Thailand[1] Baht (free)	.0524	19.25
Tunisia Dinar	2.078	.48
Turkey Lira	.1202	8.35
United Arab Republic Pound (official)	2.489	.40
United States Dollar	1.082	.93
Uruguay Peso (free)	.0126	79.36
Venezuela Bolivar (official free)	.2409	4.16
West Indies Dollar[8]	.6301	1.59
Pound[9]	3.024	.33
Yugoslavia Dinar (official)	.0866	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. Because of the complexity of the Indonesian exchange rate system, it is impractical to quote a single representative rate for the rupiah.
7. Approximately same rate for Portuguese territories in Africa.
8. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
9. Jamaica.

Marketing Data Sheet

ITALY

Area

116,237 square miles.

Climate

In Rome, January temperatures average 44°F and July 77°F. There is considerable difference between temperatures in the north and south of the peninsula.

Population

In 1965, the population was 52.9 million.

	Males	*Females*
35 and over	10.6 million	12.1 million
25 to 34	3.8 million	3.8 million
15 to 24	4.4 million	4.3 million

Households

(1961 census) 13.2 million households, approximately 95 per cent in multiple dwellings.

Income

National income 1965, Lire 35,460 billion (approximately Can.$65 billion); per capita Lire 685,000 (approximately Can. $1,165). Gross average hourly wage for industrial workers is Lire 531 (approximately Can.$0.94).

Retail Sales

Total in 1965, Lire 22,087 billion (approximately Can.$37 billion); per capita Lire 426,662 (approximately Can.$740).

Motor Vehicles

Passenger 4.7 million, commercial 902,000, buses 24,000, motorcycles 2.9 million, motorscooters 1.4 million.

Telephones

113 per 1,000 persons. Total customers 4.9 million.

Radio and Television

10.1 million households with radios, 5.2 million TV receivers. TV (625 lines per picture) and radio facilities are publicly owned.

Water

Normally safe to drink.

Electric Power

50 cycle a.c. 120/220 volts single and three phase. The distribution system has a ground wire and a grounding conductor is required in the electrical cord attached to an appliance. No changes anticipated in the distribution system.

National capacity 85 billion kwh. a year. There are 17.7 million customers. Price varies from Lire 37.90 to 50.90 per kwh.

Coal

Production 384,000 metric tons hard coal, 1 million metric tons lignite per annum. Consumption of hard coal 7.9 million metric tons per annum.

Gas

Production 7.8 billion cubic metres natural gas, 2.7 billion cubic metres manufactured gas, 1.3 million metric tons LPG. Cost varies from Lire 28.70 to 61.50 per cubic metre.

Petroleum Products

In 1965, 69.4 million metric tons of crude were refined. Local production of crude 2.2 million metric tons. Full range of refined products available.

Weights and Measures

Metric

Seven Thread

Metric right hand

Standards

Official approval for electrical, gas and other fuel appliances is strongly recommended but not mandatory. Lack of approval can reduce the product's sales appeal.

Addresses of Approval Organizations

Electrical appliances:

Instituto Italiano del Marchio di Qualità,
Viale Misurata 61,
Milan.

Gas:

Comitato Italiano Gas (CIG),
Piazza Diaz 2,
Milan.

Combustion plants:

Associazione Nazionale per il Controllo della Combustione,
Via Urbana 167,
Rome.

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

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