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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Operation Export 1967—Coming Up

Tested Appliances Sell Better in Britain

Procurement under World Bank Loans and IDA Credits

Geographical Listing for Exporters



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Tested Appliances Sell Better in Britain

2

Area Electricity Boards and Area Gas Boards have a large share of the appliance market in Britain and will only sell products that meet British standards. Thanks to an arrangement with the Canadian Standards Association, the necessary testing can usually be carried out in Canada and approval received before shipment.

Copper: King of Chile's Economy

12

Now that the form of government partnership has been decided upon, the copper industry can settle down to achieving its objective of doubling output by 1971.

Operation Export 1967—Coming Up

17

Trade and Commerce is already geared to deal with applications from businessmen to interview Canadian Trade Commissioners who will visit, as a group, eight Canadian cities this spring. If you haven't heard about Operation Export, turn to page 17 and find out what it is all about and how you can participate in it.

Geophysics Goes Personal—and Sells

25

Personal selling trips have proved to be one of the main keys to export success for the geophysical instruments firm of Sharpe Instruments of Canada Ltd. in Toronto. Senior company executives recently took two such trips to Eastern Europe and the author interviewed them about the sales techniques that they used.

Procurement under World Bank Loans and IDA Credits

27

World Bank business is big by any yardstick and many Canadian firms have succeeded in obtaining orders under projects it finances, against international competition. The first step, naturally, is to learn the rules and these guidelines, prepared by the Bank staff in Washington, should be most helpful.

Canada Sells Woodworking Machinery to Taiwan

4

How Pakistan Fosters Industry

5

What's Current in Commodities?

Towels—Britain

7

Pleasure Boats—Southern California

9

Hungary to Process More Aluminum

11

Development Planning in Peru

30

The Ocean Freight Market

32

Shippers' Council Organized

33

Marketing Data Sheet: Pakistan

40

Foreign Exchange Rates

38

Trade Commissioners on Tour

37

Foreign Tariffs and
Trade Regulations

34

Trade Fairs

14

Geographical Listing

22

Trade Lines

35

CANADIAN TIMBER IN BRITAIN, TODAY AND TOMORROW, MARCH 4 ISSUE

A. L. LYONS, *Assistant Commercial Secretary, London.*

Tested Appliances

Sell Better in Britain

Compliance with British Standards is not mandatory, but Canadian exporters will find a large section of the British appliance market closed to them if their products don't comply. The author shows where to get information on testing and suggests a simple and much quicker way of obtaining the needed approvals.

IN BRITAIN, the British Standards Institution is the recognized body for the preparation of safety and performance standards. BSI committees, composed of representatives of the industry in question and users, may prepare standards for almost any durable commodity. Under British law, compliance with the BSI standard is not mandatory in order to sell a product, but BSI approval is vital to success in the British market because it is universally recognized as an indication of safety and reliability.

Arrangements between BSI (and other British organizations) and CSA (and other Canadian organizations) make it easier for Canadians than for their competitors to obtain British approval for their goods. This article describes the arrangements and shows how the Canadian manufacturer may take advantage of them for five categories of appliances:

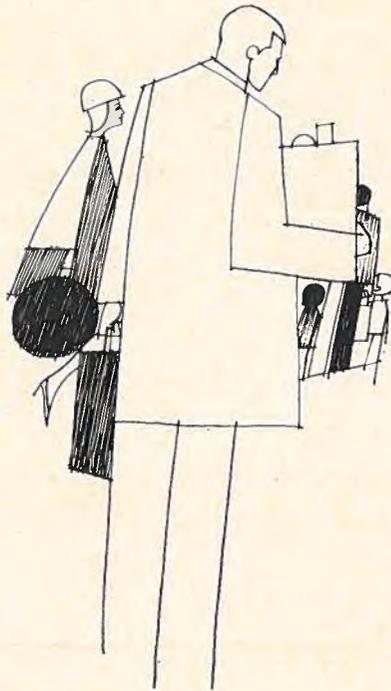
1. Domestic electrical appliances
2. Electrical institutional catering equipment
3. Electrically-operated office equipment
4. Other electrical consumer equipment, such as portable motor-operated tools
5. Domestic, catering and commercial gas appliances and equipment.

Domestic Electrical Appliances

The British Electrical Approvals Board for Domestic Appliances is an independent authority recognized by the Government and backed by the electrical industry. At the Electricity Council's appliance testing laboratories, it tests and approves domestic electrical appliances for safety and durability of safety in accordance with British Standard 3456. The approved appliance may carry the BEAB "Mark of Safety", a registered Certification Trademark. Certificates of Approval are renewable yearly. Quality control surveillance and inspection determine whether subsequent production complies with the Standard.

Under reciprocal arrangements, however, Canadian appliances may be tested to BS 3456 at the CSA laboratories in Canada and the results submitted to BEAB for formal approval under the normal procedure followed for British-made appliances. The program of quality control surveillance and inspection may also be carried out in Canada by CSA. This makes it unnecessary to send a product to Britain for testing, except for electric blankets which must be tested by BEAB itself.

British Standard 3456 currently covers 25 different classes of appliances: blankets, clothes-drying cabinets, coffee percolators, cookers (ranges), dishwashing machines, fire-



lighters, floor polishers, food preparation machines, hair dryers, immersion heaters, irons and ironers, kettles, plate warmers, refrigerators and freezers, room heaters, shavers, spin extractors, toasters, towel rails, tumbler dryers, vacuum cleaners, wash boilers, washing machines, storage water heaters and thermal-storage electric room heaters. New classes of appliances are added to BS 3456 from time to time; for example, sections for garbage-disposal units and extractor fans are now under preparation.

The Electricity Council, created by statute as the central council of the nationalized electrical distribution industry in England and Wales, has announced that its twelve Area Electricity Boards, also statutory bodies, will only sell and display domestic appliances which have BEAB approval. This decision is supported by the distributive trade associations and some large retail outlets. About 60 per cent of the domestic appliances covered by BS 3456 marketed in Britain have passed the BEAB tests. BEAB approval, although not a legal requirement, is therefore a practical necessity.

A new development is the integration of the BEAB scheme with the Consumer Council's "Teltag". These labels on consumer goods give information on performance: for example, the tag on electric kettles (the first appliance to come under the integrated plan) tells the consumer how long the kettle takes to boil water. As new BSI standards for measuring performance become available, testing for safety under BS 3456 and for performance will be carried out simultaneously. Approvals will result in a Consumer Council label with the BEAB mark on it too. Details of the standards and procedures can be obtained from:

Canadian Standards Association,
Testing Laboratories,
178 Rexdale Boulevard,
Rexdale, Ontario.

or

British Electrical Approvals Board for
Domestic Appliances,
Mark House, 153 London Road,
Kingston upon Thames, Surrey,
England.

Electrical Catering Equipment

So far, there is only a draft British Standard for ovens; no BSI approvals scheme has yet been set up for electri-

cal institutional catering equipment. The BSI's intention is eventually to bring all classes of this equipment into a scheme with prepared standards and tests. Arrangements will probably be made for CSA to test Canadian equipment when these standards come into being.

Canadian manufacturers of electrical institutional catering equipment should write to: British Standards Institution, 2 Park Street, London, W.1, England. The BSI will be able to advise whether a standard is in preparation which would apply to their particular products and what steps should be taken.

The London Electricity Board Catering Centre displays and sells institutional catering equipment at Salem Road, London, W.2, and handles only equipment which it has tested for safety to its satisfaction. The Catering Centre has an excellent reputation in the trade for carrying only high-quality products and in addition, officials of the twelve Area Electricity Boards visit it before making their own decisions on what to stock and offer for sale. Manufacturers who would like their equipment to be considered for display at the Centre should write direct to the address given above.

Electrical Office Equipment

BS 3861 prescribes safety standards for electrically-operated office equipment such as typewriters, accounting machines, addressing machines, duplicating machines, printing machines, stencil-cutting machines, dictating machines, adding machines, teledictation machines, cash registers and postal franking machines. Testing to this Standard is carried out at BSI's testing centre.

Canadian equipment must be sent there for original approval, but subsequent surveillance and periodic inspection to ensure that the product continues to comply with the Standard is done by CSA in Canada. Particulars of the procedure may be obtained from the testing centre at: British Standards Institution, Hemel Hempstead Centre, Maylands Avenue, Hemel Hempstead, Herts., England.

Approval under BS 3861 does not entitle the manufacturer to use the BSI "Kite Mark", a registered Certification Trademark, because the

Standard deals only with safety. In certain cases, however, performance Standards applicable to office equipment may be used and the product successfully tested for both safety and performance. This will qualify it for the "Kite Mark". Particulars may be obtained from BSI's London office.

Other Consumer Equipment

BS 2769 covers portable motor-operated tools such as drills, screwdrivers, impact wrenches, grinders, polishers, rotating disc sanders, other sanders, circular saws, hammers, spray guns and hedge trimmers.

No Canadian applications for BSI approval have yet been received for this category of equipment, but guidance on the procedure may be obtained from BSI's London office. It is possible that arrangements may be made for CSA testing to the British Standard on behalf of BSI, but for the moment each application will be treated on its own merits. Approval under BS 2769 results in the manufacturer being licensed to use the "Kite Mark" on the product.

Information on approvals procedures for electrical equipment not covered by these four categories above may be obtained by writing to BSI's London office or the CSA Testing Laboratories.

Gas Appliances and Equipment

Approvals testing to BSI Standards for gas appliances and equipment is carried out by the Gas Council at Watson House, Peterborough Road, Fulham, London, England. Full particulars can be obtained from this address.

Since the North Sea natural gas discoveries, all new appliances and equipment submitted for approval must satisfy both the existing Standards for testing with manufactured gas and the interim requirements for conversion to natural gas which will eventually be incorporated into the Standards. These requirements include sending with the equipment a conversion set which, with a minimum of labor and cost, will convert the appliance to burn natural gas. Reference and limit gases currently in use for natural gas are the IGU gases.

Canadian-made units must be sent to Watson House for approvals testing and the manufacturer must have a British agent or representative for liaison with Watson House. Quality

control tests to ensure that production models continue to meet the Standards are carried out at the manufacturer's plant by the Canadian Gas Association on behalf of Watson House. This avoids sending further units to Britain for this purpose.

To obtain approval, the applicant must be prepared to send to Watson House not only the actual product and a conversion set but also conversion instructions, an instruction booklet for fitters, servicing instructions, user's instructions, a list of all parts, and a list of normally-required spare parts. All of these must satisfy stipulated requirements. Successful applicants are authorized to use the Gas Council "Seal of Approval" on their product for seven years, after which a further sample has to be submitted to Watson House for testing to current Standards.

The twelve Area Gas Boards, responsible for virtually all sales of gas appliances and equipment in Britain, are only allowed to stock and sell approved products. The Canadian manufacturer cannot hope for success if his product does not have the approval of the Gas Council.

How to Begin

The Canadian manufacturer wishing to sell his products in the British market should first obtain details of all relevant British Standards. He will find the *British Standards Yearbook* most helpful and can purchase a copy from the Canadian Standards Association, 235 Montreal Road, Ottawa 7, Ontario (price \$2.50, cash with order) or from the British Standards Institution, Sales Branch, 2 Park Street, London, W.1., (price 15 shillings). The *British Standards Yearbook* gives a brief description of every British Standard, with its number, when it was promulgated or last revised, and the price of a copy; the information is only accurate at the time of going to press and does not include subsequent revisions.

The manufacturer should then ensure that his product conforms as closely as possible, making modifications where necessary. This is important because fees for testing are partly based on the time required and a little forethought can save delay and expense. Schedules of fees are available from the various testing organizations which will help the manufacturer budget for the cost. ●



Canada Sells Woodworking Machinery to Taiwan

CANADIAN woodworking equipment is being installed in a Taiwan factory where Chinese ex-servicemen are learning civilian trades. This is a \$5 million project to more than double the factory's present payroll of 300, increase both the volume and variety of its products, and build up an export trade. The photograph shows the first shipment of woodworking machinery being slung aboard at Vancouver, watched by (left to right) James Ling, Chinese Consulate General, Vancouver; S. G. Gardiner, President, S. G. Gardiner Engineering Services Ltd.; R. F. Renwick, Manager, Vancouver office, Department of Trade and Commerce, and Captain F. Chen, Master of MV *Tailung*.

Transoceanic Technical Services Ltd. of Vancouver arranged the sale and undertook engineering work and the installation of the equipment. Training of personnel to operate the new project was obviously important. After studying the problem, Transoceanic decided to bring key personnel to Canada and give them practical experience in operating a similar plant. The men selected spoke good English, were able to learn quickly, and some had teaching experience which will be an important asset when it comes to passing on their knowledge to workers in Taiwan. The actual training took place in plants in Vancouver and at the Galt Wood Tool and Machine Co. Ltd. in Galt, Ontario.

The Canadian equipment for the Taiwan factory includes a saw mill, planer mill, dry kiln, plywood plant and furniture-making machinery which, together with the engineering and other services, adds up to \$5 million. This was financed by a loan made under Section 21A of the Export Credits Insurance Act, repayable in eight years (with a 30-month period of grace) and carrying a 6 per cent interest charge; it was the first such loan made to support Canadian exports to Taiwan. ●

How Pakistan Fosters Industry

Set up nearly ten years ago, Pakistan's Industrial Credit and Investment Corporation is playing a major part in channelling both external and domestic capital into productive enterprises.

R. D. LEE,
*Assistant Commercial Secretary,
Karachi.*

IN OCTOBER 1957 Pakistan set up the Industrial Credit and Investment Corporation (PICIC) to provide for the setting-up of new industries in the country and help to modernize and balance existing ones. It followed the creation in 1949 of the Pakistan Industrial Finance Corporation and was established for the following purposes:

- To lend funds both in local and in foreign currencies to create new assets and additional industrial capacity.
- To take equity capital in enterprises.
- To encourage, co-ordinate and channel the flow of foreign capital and external loans into private industrial enterprises.

To foster development of industries in the private sector, PICIC is authorized to undertake the following:

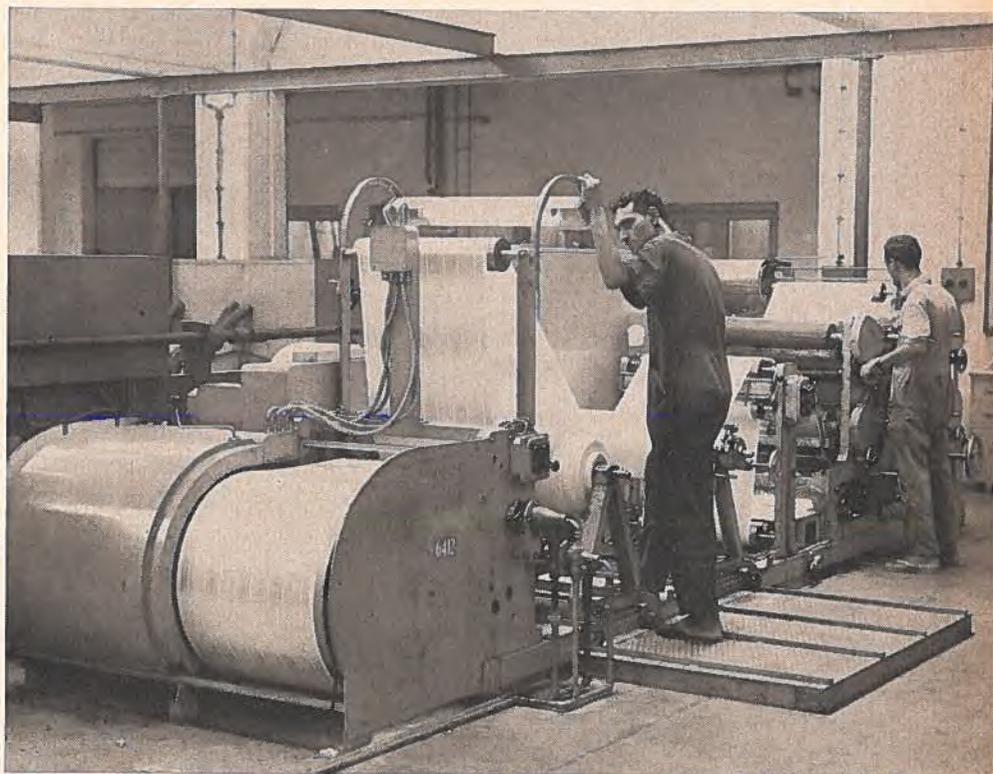
1. Provide finance to the private sector of industry in the form of long or medium-term loans in local or foreign currencies, or share participation, or purchase of debentures.
2. Underwrite any public issue of shares and debentures.
3. Guarantee and counter-guarantee loans and obligations.
4. Arrange participation in industry of local and external finance from private and institutional investors.
5. Furnish managerial, technical and administrative advice to the private sector of industry or assist industrialists in procuring such services.
6. Facilitate the creation, issue or conversion of capital in any form and to act as a trustee.

PICIC's resources are comprised of its paid-up capital, reserves, long-term government loans, and credits from foreign governments and international agencies.

Share Capital—The Corporation has an authorized capital of Rs. 150 million and an initial paid-up capital of Rs. 20 million. This was increased to Rs. 30 million in 1961 and Rs. 40 million in 1963. Sixty per cent of the capital has been subscribed by private Pakistani investors and the remaining 40 per cent is held by the Interna-

tional Finance Corporation and private investors in the United States, Britain, Japan and West Germany, as shown in Table I on page six.

Government Assistance—The Government of Pakistan, as a measure of assistance to PICIC, has advanced three long-term loans, two of Rs. 30 million each and one of Rs. 10 million. The first advance, made available in 1957, is interest-free but the second one (sanctioned in 1961) carries interest of 4 per cent a year. The third loan was sanctioned in



—IFC Photo

Pakistani printers carefully check a modern press at the Packages Limited plant at Lahore. The International Finance Corporation (IFC) and the Pakistan Industrial Credit and Investment Corporation Ltd. together financed the \$5½ million plant.

1965 with an interest rate of 5.5 per cent. A special feature of these advances is that until repaid, these are subordinate to all debts, liabilities and share capital of the Corporation, and therefore count as equity for the purposes of debt-equity ratio.

Foreign Currency Borrowings—Besides rupee funds, the Corporation requires foreign currency resources to meet industry's demand for the import of capital goods and machinery. As of December 31, 1965, PICIC had received the equivalent of U.S.\$202.97 million in foreign credits from the following:

Agency or Country	Millions of	
	Dollars	Rupees
World Bank	109.01	519.1
West Germany	27.50	131.0
United States	21.60	102.9
Japan	10.45	49.8
Britain	10.34	49.2
France	8.00	38.1
Yugoslavia	3.00	14.3
Czechoslovakia	3.00	14.3
Poland	10.00	47.6
Italy	3.00	14.3
Total	205.90	980.6

As of December 31, 1965, total resources of the Corporation amounted to Rs. 1,102.1 million, made up of:

	million rupees
Paid-in capital and reserves	51.5
Long-term government loans	70.0
Lines of credit in foreign currencies	980.6
Total	1,102.1

Management

The control over policy and administration of the Corporation is vested in the shareholders who exercise it through elected directors. PICIC's board of directors consists of 21 members, 17 of whom are

elected by Pakistani and foreign shareholders, and three appointed by the Government of Pakistan (the representatives of the Central and the Provincial Governments of East and West Pakistan, and a Managing Director). The appointment of directors by the Government is because of loans aggregating Rs. 70 million granted to PICIC. The present composition of the Board is:

Representing private Pakistani shareholders	12
Representing U.S. shareholders	1
Representing British shareholders	1
Representing Japanese shareholders	1
Representing German shareholders	1
Government directors	3
International Finance Corporation (an affiliate of the World Bank), Washington	1
Managing Director	1

The chief executive of the Corporation is the Managing Director, who is assisted by Deputy Managing Directors at Karachi, Dacca and Lahore. PICIC has also recently appointed a Senior Advisor at Dacca for East Pakistan operations. Other staff consists of financial analysts, engineers, economists, market specialists, chartered accountants, etc. From time to time the Corporation obtains the services of qualified foreigners to work as advisers in specialized fields. It now has three foreign advisers who are specialists in their fields and whose services have been obtained under the Technical Assistance Programs of the Governments of Britain, West Germany and Canada.

The Corporation has two regional offices (at Dacca and Lahore) and a liaison office at Rawalpindi.

Business Policies

Finances are made available only for viable projects which will con-

tribute to the economic growth of the country and to the saving or earning of foreign exchange. For this purpose, all projects are subject to careful examination by qualified staff, and only those judged economically viable, technically sound and financially profitable are considered for assistance. Money is made available to projects which are in line with the development plans of the Government, preference being given to those based principally on local raw materials. Financing is diversified, as far as possible, both as to different regions of the country and as to different industries and their ownership. Preference is given to the financing of projects in the under-developed areas of the two wings of the country, as long as these satisfy the conditions of economic viability and financial soundness.

In accordance with normal business practice, adequate security is obtained to cover the loans but in addition, the main considerations are soundness of management and projected profitability of the enterprise to cover repayments. The Corporation does not seek any controlling interest in any enterprise it finances, but (consistent with the safety of its interests) leaves the management and control in the hands of the entrepreneurs. Even after providing the finances, it carefully watches the projects, and those in difficulties are assisted till the loans are repaid. The Corporation does not finance working capital requirements by means of short-term local currency loans; this business is left to the commercial banks. In other respects also PICIC does not compete with commercial banks.

Progressively, and as desired by Government, the Corporation has raised the minimum limit for its lending operations. These minimum limits (except where the enterprise is already mortgaged with PICIC for earlier loans or where permitted by Government for special reasons) for the time being are Rs. 1.5 million for foreign currency loans and Rs. 2.5 million for rupee loans. Normally the management intends to restrict financial assistance to any one enterprise to 20 per cent of the Corporation's equity and quasi-equity funds. In line with this policy, the Corporation has participated in larger loans with IFC

TABLE I
COMPOSITION OF PICIC SHAREHOLDERS DECEMBER 31, 1965

	Number of Shareholders	Rupees in Thousands	Per cent
Pakistani private shareholders	722	240.00	60.0
British shareholders	31	42.70	10.7
U.S. and Canadian shareholders	6	44.10	11.0
Japanese shareholders	12	29.20	7.3
German shareholders	3	24.00	6.0
IFC (Washington), an affiliate of the World Bank	1	20.00	5.0
	775	400.00	100.00

and other financing agencies. In granting foreign exchange loans, the exchange risk is passed on to the ultimate borrowers.

To strengthen its own management and staff as well as to assist its clients formulate and appraise their projects, the Corporation is seeking to build up an effective organization and develop an adequate staff skilled in finance, marketing, economic analysis, engineering, accountancy and law. It has been sending out members of its technical staff for training at the In-

ternational Bank for Reconstruction and Development and its affiliate, the International Finance Corporation, the Economic Development Institute and other development financing agencies abroad. The Corporation is now in a position to receive officers for training from newly established development finance companies in other countries. Already officers from development finance companies in South Vietnam, Malaysia, Iran and Cyprus have received their initial training, and arrangements have been made to

receive officers from Jordan and Ceylon.

For new as well as existing large industrial enterprises, the Corporation has required as a condition of financing that a certain percentage of the share capital be offered to the general public to broaden the base of industrial ownership. Further, wherever practicable, it makes direct equity investment or obtains conversion rights with a view to selling some of its investments in the open market to foster the growth of the capital market. ●

What's current in commodities?

Towels

Britain—Canadian towels enter Britain duty free and sales there are rising. This report discusses British tastes, price ranges, and the competition from other suppliers in this promising market.

M. R. BELL, *Assistant Commercial Secretary, London.*

CANADA'S TOWEL EXPORTS to Britain have increased from just \$90,000 three years ago to \$263,000 last year and to \$214,000 in the first six months of 1966, according to DBS figures. This rise in sales has occurred despite the 10 per cent import surtax (removed on November 30) and the more recent wage freeze in Britain. Local buyers now say that they would take more from Canadian towel makers if larger quantities were offered.

Describing the Market

The British towel market is estimated roughly at between Can.\$200 and \$225 million a year at retail prices. This figure includes everything from the high class terry towels (or "Turkish" as they are known in Britain) to dishcloths ("glass cloths") to huck ("huckaback") towels and

towel rolls for the linen rental business and it is extremely difficult to obtain a breakdown of the total. The largest British linen rental firms are believed to buy \$1.5 to \$1.75 million worth of huck towelling each year and a rough estimate of \$30 to \$40 million for all linen rental firms seems reasonable. Estimates of \$50 to \$60 million for dishcloths and \$110 to \$125 million for terry towels round out the picture. With strong competition in lower-priced huck towelling and dishcloths from domestic manufacturers, from Ireland and from the Far East, it is the terry towel market, and specifically the higher range of this market, which is of primary interest to Canadian manufacturers.

Plain Shades Most Popular

There are mainly three types of terry towels—plain shades, jacquards

and prints. Plain shades seem from our inquiries to be the most important and probably six out of ten household terries sold in Britain are in plain shades. This proportion is even higher in some better stores; lower-priced outlets sell relatively more prints and designs. The colours themselves are the vital factor in sales of plain shade towels—the basic attractiveness, the colour fastness and perhaps most of all, the range of colours offered. One complaint of buyers in better class British stores about domestic merchandise is the lack of good 20 to 25 colour ranges and the ability of Canadian manufacturers to supply these has led to substantial sales.

Jacquards and prints contain more of a fashion element than plain shade towels and the market for them tends to fluctuate more. Wide variations are apparent from area to area according to the income and tastes of the buying public. Jacquards are at the moment increasing in popularity and probably 15 to 20 per cent of the terries sold today are jacquards. Luxury jacquards are proving popular in the higher class trade while Hong Kong and other Eastern producers have scored major successes with cheaper lines. One large

TABLE I
POPULAR TOWEL SIZES

	Sample A (Dutch)	Sample B (British)	Sample C (Austrian)	Sample D (American)	Sample E (Canadian)
	(in inches)				
Face cloth	12 x 12	12 x 12	12 x 12	12 x 12	12 x 12
Hand towel	16 x 24	14 x 24	16 x 28	14 x 28	16 x 28
Guest towel	22 x 44	22 x 44	23 x 47	19 x 40	24 x 45
Bath towel	30 x 60	30 x 54	25 x 55	26 x 52	25 x 50
Bath sheet	40 x 62	40 x 70	39 x 59	40 x 60	40 x 68

TABLE II
TOWEL PRICES IN BETTER STORES

	Sample A (Dutch) Printed	Sample B (British) Plain	Sample C (Austrian) Plain	Sample D (American) Printed	Sample E (Canadian) Plain
Face cloth	3s. 6d.*	2s. 6d.	3s. 0d.	5s. 9d.	3s. 6d.
Hand towel	6s.11d.	8s. 9d.	8s. 0d.	6s. 6d.	7s.11d.
Guest towel	15s.11d.	18s. 9d.	20s. 0d.	15s. 0d.	12s.11d.
Bath towel	29s.11d.	35s. 0d.	29s. 6d.	27s. 6d.	19s.11d.
Bath sheet	45s.11d.	59s. 6d.	42s. 6d.		45s. 9d.

*1s. 0d. = Can.\$0.15.

TABLE III
BRITISH TOWEL IMPORTS 1963-66

Item	1963	1964	1965	Jan.-
				June 1966
	(Can.\$'000)			
Terry towels	6,949	7,756	8,935	5,333
Other towels	4,501	5,892	6,678	3,904
Total	11,450	13,648	15,613	9,237

TABLE IV
BRITISH IMPORTS OF CANADIAN TOWELS 1963-66

Item	1963	1964	1965	Jan.-
				June 1966
	(Can.\$'000)			
Terry towels	35	77	133	145
Other towels	30	99	90	39
Total	65	176	223	184

Source: H.M. Customs & Excise Statistical Office.

TABLE V
IMPORTS OF TOWELS INTO BRITAIN BY SOURCE 1965

Country of Origin	Terry	Other	Total
	Towels	Towels	
	(Can.\$'000)		
Commonwealth	6,078	5,078	11,156
Of which:			
Hong Kong	3,668	3,612	7,280
India	2,028	881	2,909
Malaysia	140	293	433
Pakistan	84	169	253
Canada	133	90	223
Irish Republic	549	111	660
EFTA	499	338	837
Of which:			
Portugal	435	294	729
EEC	959	481	1,440
Of which:			
Belgium	423	113	536
Netherlands	343	127	470
East Bloc (including Communist China)	249	192	441
Japan	321	120	441
United States	163	45	208
Total, all countries	8,935	6,678	15,613

TABLE VI
IMPORT DUTIES ON COTTON TOWELS

Cotton towels enter Britain under tariff classification 62.02(C)2 at the following rates:
62.02 Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles:

(C.2) Bedspreads, quilts, sheets, pillow cases, bolster cases, mattress cases and face, hand and bath towels wholly of cotton.	17½ per cent Full MFN	Free Commonwealth Preference	Free EFTA
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U.S. producer has an exclusive arrangement with a leading store in London and supplies are also coming in from the Benelux countries, Italy and Canada.

Printed towels, out of favour for several years now, account for the remaining 10 to 15 per cent of sales and appear to be on the verge of a comeback. Some buyers tend to be more wary of prints because of their greater susceptibility to changes in taste with consequent increase in risk, but the reactions to Canadian prints and to prints-on-jacquard have been encouraging this year.

Sizes, Weights and Prices

Face cloths, guest towels, hand towels, bath towels and bath sheets are the five major categories of towels sold in Britain. Actual sizes vary greatly from manufacturer to manufacturer as Table I, giving the selection of size ranges obtained in our conversations with some of the stores in London, shows. The first four items when sold in better class stores may be slightly larger—for example, a 13" x 13" face cloth is not uncommon and an extra large bath sheet measuring as much as 60" to 80" may be included. Imports from the Far East for the lower priced trade are often smaller than the above sizes, although buyers in stores of interest to Canadian manufacturers tend to resist anything that is even slightly smaller. The actual sizes are, in fact, not as important in most cases as having a full range of five different towels. Canadian manufacturers, used to a more limited range of sizes, may run into some resistance from local buyers if they do not offer this full range.

Towel weights in Britain vary widely but apart from Hong Kong merchandise, most buyers attribute more importance to the "handle" of the product than to the technical weight. Retail prices for towels cover a wide range, varying with class of outlet, size of towels and source. A selection of prices from the upper middle class to luxury stores is given in Table II. These prices include a retail markup of approximately 37 to 38 per cent on selling, 60 per cent on cost. There is no purchase tax applicable and no duty, except on towels from the United States and the Netherlands which are subject to 17½ per cent

ad valorem. (See details on tariffs below and in Table VI.)

Imports Still Rising

Britain's towels imports have risen steadily in the past three years from \$11.5 million in 1963 to \$15.6 million in 1965 and to \$9.2 million in the first six months of 1966. Of the total, imports of terry towels were worth almost \$9 million in 1965 and \$5.3 million in the first half of 1966, yielding a total value at retail of close to \$22 million or approximately 20 per cent of the terry towel market. The

actual significance of imports is probably under emphasized to some extent because domestic manufacturers import terry towelling for making up. The majority of imported towels are in the lower price range, with almost two-thirds of the total coming from Hong Kong and India alone. The overall breakdown of imports by source in 1965 is given in Table V.

Import Duties and Taxes

The temporary import surcharge of 10 per cent, first imposed in November 1964 and applied to imports from

all countries, was removed effective December 1, 1966. From that date Canadian towels entered Britain free of duty under the Commonwealth Preference.

The EFTA rate has been falling steadily over the past three years and disappeared from January 1, 1967. This development has been reflected in rising British imports from the EFTA countries, especially Portugal, whose towel sales in the first six months of 1966 almost equalled the total for all of 1965 and was 75 per cent above the total for 1964. ●

Pleasure Boats

Southern California—The boom in pleasure boating, backed by rising incomes, heightens opportunities for makers of sail and power boats, motors, marine hardware and accessories.

JOHN H. SUGGITT,

Consul and Assistant Trade Commissioner, Los Angeles.

THE 1967 California boating season really began late in 1966, with the novel Doubleheader Boat Show in Long Beach, just south of Los Angeles. In the first two days, this huge retail marine show reported off-the-floor purchases totalling over \$500,000, including two Cal 34's that are still on the drawing board. These sales are not surprising because Long Beach is at the heart of one of the fastest-growing, wealthiest pleasure boat markets in the world—Southern California.

Many thousands of small craft and motors, millions of dollars worth of marine hardware, clothing and gadgetry are sold annually to Southern California sailors. Rising incomes, rapid population growth, and the high cost of alternative recreational activities, make water sports very popular. Entire housing developments are built around marinas. At Huntington Beach, green lawns slope to private landings on recently dredged canals in new luxury subdivisions. Boats are sold in certain locations much as automobiles are and two-boat families are the new trend-setters.

Most of the craft sold in Southern California are manufactured here but

major eastern United States companies and even overseas builders from Norway, Japan, Britain and Hong Kong have found California a profitable place in which to do business. Eastern European countries have also entered the rich Southern California market: five Polish-built sailboats were sold recently by a Los Angeles dealer at an average retail price of \$24,000. Surprisingly, Canadian firms generally have not exploited this opportunity.

Marinas Are Mushrooming

The growth of marina facilities in Southern California and Los Angeles in particular is a good indicator of the demand for and increasing popularity of large boats. The outstanding Long Beach Marina, (one good example), has complete berthing facilities for 1,800 craft. In fact, it could easily handle all the pleasure boats Canada exported to the United States in 1965. So successful has this project been, (as the 5,000-name waiting list shows), that the City of Long Beach will open another 3,000 spaces in 1968 in a new marina close by. There will be 11,400 marina docking spaces by the end of 1966 in Los Angeles County, nearly double the

1960 total and it is expected that 8,000 more will soon be provided to meet an expected Los Angeles County demand for 21,000 slips by 1975.

The California Division of Smallcraft Harbors, studying the State's marina requirements, has projected that by 1975 Southern California yachtsmen will need 85,000 berths just to accommodate the 20 per cent of California boats that are too big for hauling by car and trailer.

Apparently the real growth in California boating has only just begun. State-wide forecasts prepared by the Smallcraft Harbors Division estimates 557,000 registrations there by 1975 and 1.1 million by the year 2000. Carried to its logical conclusion, the salt spray fraternity could at some point run completely out of oceans on which to sail. Until this happens, the market potential can only be described as wonderful.

While it was predicting and planning California's future marina needs, the Division of Smallcraft Harbors found 357,000 registered boats in the state at the end of 1965 compared with 225,000 in 1960. Registrations in the Los Angeles-Orange County megalopolis climbed to 108,561 in 1965 from 71,509 in 1960 and 140,000 smallcraft registrations are expected in Los Angeles County alone by 1975.

Power Boats Lead

By far the bulk of California's registered pleasure boats are power boats as opposed to sail. As of December

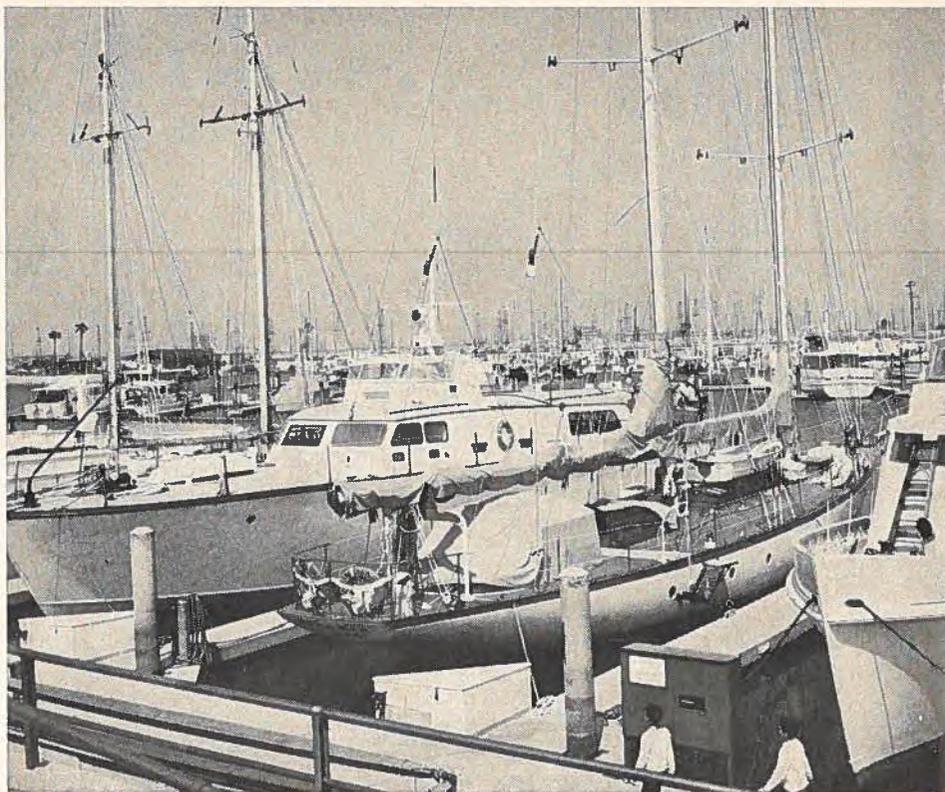
The Californians' love of the surf is equalled only by their love of good cruising water, if this shipside view of the Wilmington Marina in Los Angeles Harbor is any indication. Studies show that by 1975 the skippers of Southern California will need 85,000 slips like these to berth 20 per cent of boats in this area that cannot be carried from place to place by car and trailer.

1961, 15 per cent of boats had in-board power and 81 per cent outboard; the remainder were barges, houseboats and sailboats. Nevertheless, a significant percentage of the sailing fleet is included in the power grouping because of auxiliary power. Current estimates suggest some 50,000 sailboats 12 feet long or better in Los Angeles County alone.

This area certainly has the fastest growing sailboat fraternity in the country. About 40 per cent of all Cruising Club of America rated vessels are in California and of these 70 per cent are in Southern California. This last statistic probably accounts for the fact that Southern California has more racing schedules than anywhere else in the United States, including major long-distance events like the Los Angeles to Honolulu, the Los Angeles to Acapulco, the Tahiti and Ensenada races. Barely two months ago, 500 sailboats in 80-odd classes participated in the 43rd Annual Southern California Yachting Association Summer Regatta. This event was so popular that nine Santa Monica Bay yacht clubs acted as hosts because no one club could handle the crowds.

Market Still Growing

Last year was a surprisingly good year for boat sales generally, considering the success enjoyed in 1965 and in spite of the fact that the buying public has been pressed by higher interest costs. The banks here, as everywhere, have not been as free with their money as they once were. Even so, industry



sales are up 10 per cent over 1965 and 1967 prospects indicate a further 6 to 7 per cent gain. It is interesting to note that the marine industry in Southern California has shown a consistent 6 to 7 per cent growth in sales each year for the past ten. Last year was a banner one for sailboats as well as for small power boats and outboard motors chalked up a 35 per cent sales increase over 1965. General marine store items such as hardware, paint, rope and accessories are showing sales advances of 8 to 9 per cent over 1965.

There is one very good reason for the continuous strength and rapid expansion of pleasure boating in California—lots of money. Income per household totals \$9,384, according to *Editor and Publisher* magazine and is steadily rising. Much of this higher income is spent on recreational activities like boating; in fact, the average California master spends about \$2,900 per year on his hobby.

During the first six months of 1966 California's economic growth broke all previous records. In January 1966 state economists cheerfully forecast a climb in personal income of 7 per cent

but recent figures indicate an 8.3 per cent increase, or a gross state product of \$64 billion. Because California is the top agricultural state in the U.S. and prosperous farmers are good boat buyers, it will interest Canadian boat manufacturers to know that farmers in the 14 counties of Southern California this year will produce 250 different million-dollar-plus crops.

In pointing out expanding markets in this area, the desert State of Arizona should not be forgotten; it has one boat for every 66 persons. Nevada, too, is fast becoming a pleasure boating state.

Strong Local Competition

As might be expected, Southern California is a major builder of boats, particularly sailboats. Among these builders, Columbia Yacht Corporation anticipates 1966 sales of about \$6½ million, up a million from 1965. The second largest builder is Pearson Yachts, followed by Jetson, Wayfarer Yacht Corporation and W. D. Shock Co. Catamarans are produced by Aqua-Cat and Pacific. Globemaster markets a fiberglass Trimarran. There

is, in short, plenty of local manufacture that will give an imported product fierce competition.

Many of the local builders now have national distribution and they "export" to Gulf, Atlantic and Great Lakes boating areas. Ever mindful of the 1950 crash in small outboards as well as the cyclical nature of their industry, California firms know that the powerboat builders who survived the 1950 shakeout were those who used the profits of prosperity to create a strong national dealer network. These California companies are now creating that business insurance policy that they will surely need. Canadian firms, for the same reason, may want to diversify their markets.

Successful market entry depends greatly on the strength of the dealer or the master dealer. He should be chosen carefully. The average dealer buys his established line boats in the fall for delivery in April and generally makes his franchise decisions in the late summer or fall. A good dealer will race the boat and will also exhibit it. Master dealers or distributors usually require a maximum commission of 30/10 per cent for small boats and 20/10 per cent for large craft; however, many dealers will work on 15 per cent commission. Marine hardware and accessories are usually sold by a manufacturer's representative calling on distributors and major dealers. Discounts for the distributors are generally 50/10 per cent.

Begin with Boat Show

In addition to choosing a good dealer, the successful introduction of a line not made in California is predicated on the fact that the boat be physically present in California waters where it can be seen, examined, and sailed by a prospective purchaser. Although a potential dealer may be chosen in a preliminary personal visit to the market by the manufacturer, the boat show is the proven road to sales.

There are two major annual retail boat shows in Los Angeles and a smaller one in San Diego. All make special arrangements for visiting dealers. The Eleventh Annual Southern California Boat Show is being held from February 17 to 26 and is, as the name implies, exclusively marine. It is sponsored, produced and managed by the 200-company Southern Califor-

nia Marine Association Inc. Held in the Pan Pacific Auditorium in downtown Los Angeles and occupying 160,000 square feet of sales area, the 1966 Show accommodated 71 separate manufacturers exhibiting 59 boats plus 156 different accessory displays. Retail sales in 1965 were somewhere between \$4 and \$6 million. In 1964 a 44-foot Annapolis Sloop had a mast so tall that a hole had to be cut through the roof of the auditorium to accommodate it. According to Boat Show management, the Pan Pacific will have two new mast holes cut in the roof for the 1967 show.

The Doubleheader Boat Show late last year had exhibits covering 324,000 square feet in the Long Beach Arena and the Municipal Auditorium which

adjoins it. The 14-day show is divided: the first week features sail, and the second power boats. The 1967 edition opened on November 23 with sail and closed on December 11 with power craft. According to show management, 353 boats were exhibited at the Sail Show, attendance reached 138,000, and sales of 822 boats realized a total of \$4.2 million—a million dollars more than total Canadian boat exports to the United States in all of 1965. The power boat section, following one week later, was equally successful.

There is ample room for new products in this rich, quality-conscious Western boating market. Canadians could well begin investigating it now. ●

Hungary to Process More Aluminum

HUNGARY is taking energetic steps to make better use of bauxite—its only mineral deposit of importance. Although the country is rich in bauxite, it is poor in electric power resources and is therefore unable to employ the single-stage process for direct production pioneered by ALCAN. Under an agreement with the Soviet Union signed in 1962 to become operative this year, Hungary will send alumina to the Soviet Union for reduction to aluminum at Volgograd. The ingot will be returned to Hungary for processing by a rapidly expanding domestic industry. Shipments of alumina will start at an estimated annual rate of 30,000 metric tons.

Alumina production, already a flourishing industry, is to be stepped up. Production reached 235,000 metric tons in 1965 compared with 31,000 in 1949 and will be doubled by 1970. Seven new bauxite mines are to be opened in the next few years. It is expected that ore deliveries will reach two million metric tons by the end of the current Plan. In addition to expanding present capacity, plans have been completed for the construction of Hungary's largest alumina works (maximum annual capacity—500,000 metric tons) which is scheduled to begin production in 1971.

By 1980, it is expected Hungary will be receiving 165,000 metric tons of aluminum ingot from the Soviet Union under the existing agreement. These sup-

plies will be augmented from domestic production (60,000 metric tons in 1965) and from an alumina-ingot exchange now in force with Poland.

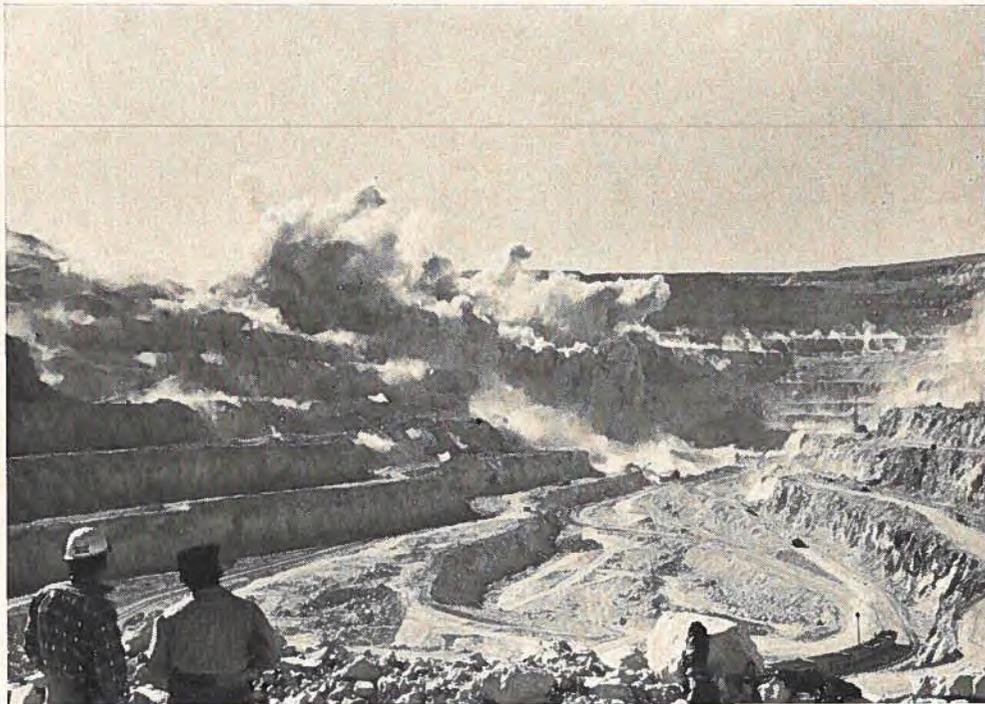
Hungarian industry is preparing for these greater supplies. It now produces cold-rolled sheet, hot-rolled plate, extruded bars, sections and tubes. Of particular interest to the food industry is aluminum foil now made in a variety of states. Manufacture of improved thin-walled tubes for telecommunications, of welding wires and of light metal screws is now in the pilot stage. The industry is also experimenting with a wide variety of products for the building trade.

Altogether this industry employs 10,000 people (including bauxite mining). Investment projects scheduled for the next five years reflect the attention being given aluminum and its applications in the economic development program. Between \$100 to \$130 million is allocated to the industry for the next five years. Some of this will be spent on specialized equipment bought from abroad: for instance, furnaces, rolling mills, and electronic control equipment.

In view of the shortage of hard currency, there can be little doubt that in the coming years Hungarian aluminum products will be vigorously promoted in the West.

—F. IAN WOOD,
Commercial Secretary, Vienna.

Copper: King of Chile's Economy



—Chile Exploration Company

This blast was the largest ever to be detonated at Anaconda's Chuquicamata mine.

The country's new copper law has now started to come into effect. Under it, the Government will go into partnership with copper mining companies. Production is rising and expansion going ahead.

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

CHILE'S ECONOMIC SPINE has copper mines for vertebrae. Their production gives the country the major part of its foreign exchange earnings, although the fishing and forest industries are beginning to add more and more to the plus side of the balance-of-payments ledger.

Copper is king in Chile. The big three of the industry, the Gran Minería Mines—Chuquicamata and El Salvador (Anaconda) and El Teniente (Kennecott)—in 1965 returned more than U.S.\$263 million to the Government of Chile, or 50.5 per cent of all the foreign exchange earned, despite a 9.2 per cent drop

in production from the previous year. The drop can be largely attributed to the illegal 37-day strike which affected the three, lowering their production by 60,000 metric tons. However, the medium and small mines raised their output by about 10 per cent to 103,359 metric tons, and would have done still better had it not been for strikes at Mantos Blancos and Disputada de Las Condes.

Total production for all mines in 1966 may equal the 582,576 metric tons produced in 1965, but the chances of surpassing this figure and returning to a more normal annual production of 620,000 metric tons

were smashed when, in the first quarter, Braden's El Teniente mine suffered a strike which resulted in a production loss of 41,000 metric tons of copper.

With harmonious labour relations, this and the immediately following years could see substantial increases in copper production, as the first fruits of President Frei's copper bill which finally became law on January 24, 1966, after a stormy passage through Congress which took over a year. Essentially, the bill was passed as originally proposed (and described in *Foreign Trade* of July 24, 1965) and will involve, not the complete nationalization of the industry, but a qualified partnership arrangement in which the Government is the majority stock holder in some operations and the minority holder in others, with an over-all goal of doubling the 1964 production of 617,000 metric tons to 1,200,000 metric tons or more by 1971.

The first major step in implementing this important legislation was the signing of the agreement between the Government and Braden Copper Company concerning the take-over of the El Teniente Mine; the Government will assume 51 per cent of the ownership, with the value of this share established at U.S.\$80 million. Expansion will bring the mine's production from the current level of 100,000 metric tons per year to an annual 280,000 metric tons by 1971.

Anaconda has also announced plans (to be put into effect immediately upon the signing of the agreement between the company and the Government) for an increase in copper production from the present level of 600,000 metric tons to 900,000 metric tons per year. This will include the formation of a new company and the exploitation of the recently discovered Exotica deposits near the mammoth Chuquicamata mine; the new body is estimated to contain 153 million tons of ore and an annual production potential of 100,000 metric tons.

Here are details of some of the important Chilean copper mines.

Gran Minería

Chuquicamata Mine (Anaconda)—The 37-day strike which affected all the big three which make up the Gran Minería (in addition to numerous "slow downs" and port difficulties), caused the Chuquicamata's production to fall sharply in 1965 to 278,577 short tons from the 317,516 short tons of the previous year. It is expected that 1966 figures will indicate a full recovery and may perhaps exceed 1964 production.

To produce rather more than quarter of a million tons in 1965, the mine handled more than 26 million tons of ore and 22 million tons of waste with ore grades averaging 1.138 per cent copper for oxides and 1.343 per cent for sulphides, with concentrates averaging 45 per cent.

At the end of 1965, the fifth 300-foot tailings thickener was put into operation resulting in a saving of water and enabling the concentrator to operate closer to its rated capacity of 55,000 tons per day. A second casting wheel and furnace were added and by the end of 1966 a new suspended brick arch reverberatory furnace will be in operation.

Partially as a result of the company's participation in the Chilean Government's schemes to expand production, the following changes are planned:

1. Enlargement of the concentrator through the addition of grinding and flotation units.
2. Additional converters for the smelter and another suspended arch reverberatory furnace.
3. Construction of a 15,000 tons per month refinery.
4. A new shaft furnace and casting wheel.
5. New shops and a crusher conveyor system to be integrated to the truck hauling operation.
6. An increase of 50,000 tons daily in the water supply (to be piped from the Andes).
7. A 50,000 kw. expansion of the Tocopilla power plant.

El Salvador Mine (Anaconda)—1965 production totalled 81,725 short tons of which 68,193 tons were blister and 13,532 electrolytic copper from the slightly more than 7.6 million tons of ore at an average grade of 1.465 per cent. Concentrate grade averaged 49.2 per cent copper.

In keeping with the overall expansion plans for the industry, the new 3,000 tons per month electrolytic copper refinery is being enlarged to an eventual 6,000 tons per month and it is also planned to install a 20,000 kw. diesel generating plant at the company's present power site at Barquito.

El Teniente Mine (Kennecott)—Despite the strike which adversely affected smelting production of fine copper, 1965 mine-mill production reached its highest annual rate in the history of the company. This can be attributed to the fact that mine-mill and smelter schedules were on a seven-day basis and at full equipment capacity, made possible by the mild winter and an abundance of water and power during the winter months when shortages of both power and water are more normal.

The El Teniente Mine was the first of the big three to reach an accord with the Government, and in a signing ceremony which took place at

Rancagua on October 2, 1966, the Government assumed 51 per cent control of the operation. Expansion is slated to increase production from the present capacity level of 100,000 tons per annum to 270,000 tons by 1970.

Medium Sized Mines

Compañía Minera Disputada de Las Condes—This company is a subsidiary of the Société Minière et Métallurgique de Penarroya and owns two copper producing mines in Chile, the Disputada de Las Condes and El Soldado.

The Disputada mine produced 1,107,000 metric tons of ore in 1965, a 20 per cent drop from the previous year as the result of a two month strike and severe winter conditions. Production for 1966 is expected to increase 10 per cent above normal production levels.

The El Soldado Mine produced 573,000 metric tons of ore in 1965 at an average grade of 2.14 per cent with a 20 per cent increase in production expected for 1966.

The company's Chagres smelter processed a total of 15,712 metric tons of blister copper from the concentrates of both mines in addition to shipping 23,430 tons as concentrates.

Empresa Minera de Mantos Blancos—Following the pattern of operation at El Teniente, this mine experienced record production rates but a lower total for the year because of a strike which resulted in the loss of more than 4,000 tons of production. The higher production rates are reflected in the fact that despite the strike period, production in 1965 was 23,656 metric tons of copper, a decrease of only 984 metric tons from the previous year.

As the grade of ore is expected to deteriorate to 1.6 per cent by 1968, the company is examining the possibility of increasing plant capacity to handle 175,000 tons of ore monthly to maintain present levels of production. It is expected that this program would require two years to complete at a cost of about U.S.\$2 million.

Rio Blanco Mine (Cerro Corporation)—Although work has been in progress at this mine site for more than two years, the signing of the agreement between the company and the Government will see development work

increased to a much higher level. Working at a stepped-up pace, four years will probably be required to bring the mine into operation at a cost of U.S.\$81 million. The Government has indicated a 25 per cent equity interest and would underwrite a portion of the debt. When completed, the mine will produce 65,000 tons of concentrates annually.

Smaller Mines

La Africana Mine (Anaconda)—This mine processed 312,976 short tons of ore at an average grade of 2.69 per cent in 1965, up-grading it to 30,699 short tons of concentrates with a grade of 25.38 per cent, equivalent to 7,792 tons of copper. Exports of concentrates from this mine have ceased, the concentrates now going to the government smelter at Las Ventanas which is now in full production. This refinery has an annual output of 84,000 tons of electrolytic copper and, as by-products of the refining process, 3,300 pounds of gold, 30,000 pounds of silver, 900 tons of copper sulphides and 300 tons of nickel salts.

Sali Hochschild Mines—Current production from all properties is about 600 metric tons of copper per month, but should rise shortly to 1,000 metric tons per month due to the following:

1. Development of two new properties supplying 3,500 metric tons of ore monthly near Ovalle.
2. Modernization of the company's Copiapó plant which will increase capacity by 100 tons per day.
3. Development of two new properties supplying the Copiapó mill, one containing sulphide copper of 1.5 per cent grade and the other containing oxides at about 2.2 per cent.
4. Completion in 1968 of the Michilla mill at a cost of approximately U.S.\$6 million.

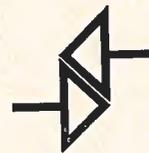
Chile-Canadian Mines (Noranda Limited)—This mine is located near Antofagasta and began operations in March 1964. Total production in 1965 was 5,834 tons of concentrates with a grade of approximately 60 per cent copper.

With investment in the planned expansion expected to total at least U.S.\$590 million over the next five years, a Canadian Government mining mission visited Chile in November 1965 to explore possibilities of Canadian participation. It was composed of a cross-section of Canadian mining experts from the advisory and design sectors to representatives of firms supplying mining machinery and related electrical and transportation equipment. Its findings are in a report which is available from the Trade Fairs and Missions Branch, Department of Trade and Commerce, Ottawa. Before you contact mining concerns directly (most of whom purchase through their New York offices) we recommend that you examine the report in detail.

Interested firms may also direct further questions to R. E. Gravel, Commercial Counsellor, Canadian Embassy, Casilla 771, Santiago, Chile



trade fairs



Fire Destroys McCormick Place

IN THE EARLY HOURS of Monday, January 9, 1967, McCormick Place, Chicago's ultra-modern \$35 million exhibition centre and familiar haunt of hundreds of Canadian businessmen, was destroyed by fire. The huge National Housewares Show was set up and ready to open when the fire broke out in one of the 2,400 booths. It spread rapidly and intense heat from highly combustible exhibits melted steel beams, causing the roof and walls to collapse. Damage to the structure is so severe that total reconstruction will be necessary. Losses from destruction of exhibits are estimated at about \$100 million.

The loss of McCormick Place in the midst of the busy convention season has dealt a severe blow to Chicago's status as the convention centre of the world.

In a normal year more than 1,200 shows and conventions have used its facilities, bringing some \$100 million in convention business to the city.

When the fire broke out, plans were ready for a \$15 million addition to the structure. Within a week, the city's Metropolitan Fair and Exhibition Authority announced plans to rebuild McCormick Place on the same site on the shores of Lake Michigan. The new building will offer almost 700,000 square feet of exhibit space compared with 486,000 before. Experts claim that construction could be completed in nine months.

The Department of Trade and Commerce has participated in about 50 shows at McCormick Place since its completion in 1960. Many hundreds of our readers have manned their displays under the Canadian banner at the National Sporting Goods Association Show, the

Marine Trades Exhibit, the American Society for Metals Show, the National Electronics Conference, the Instrument Society of America, Design Engineering, and National Association of Home Builders Shows.

About \$45 million of the \$100 million in 1967 convention business scheduled for Chicago has been relocated in other facilities such as the Navy Pier, the International Amphitheatre, and large hotels which have extensive display facilities. Eight of the 31 trade shows scheduled for McCormick Place this year have already agreed to stay in the city, and 28 of the 31 will do so if they can find alternative locations.

Following is an outline of trade show participation in Chicago scheduled by the Department of Trade and Commerce for 1967, including relocation where necessary:

Feb. 5-9—National Sporting Goods Association Show (NSGA) relocated at Navy Pier—same dates.

April 24-28—American Society of Tool & Manufacturing Engineers (ASTME) Show. International Amphitheatre. No change in location or dates.

May 7-10—Supermarket Institute Show (SMI) relocated in the Convention Centre, Cleveland, Ohio. Dates changed to June 4 to 7. (Contact: Consul & Senior Trade Commissioner, Illuminating Building, Cleveland, Ohio).

Sept. 21-24—National Stationery and Office Equipment Association Show. Scheduled for McCormick Place. May be relocated at Hilton Hotel or the McCormick Place Amphitheatre. This, however, is not yet definite.

Oct. 8-11—National Shoe Fair of America. Canada's display will be located on the fourth floor of the Palmer House.

Dec. 3-7—National Association of Home Builders Show (NAHB). Scheduled for McCormick Place, but now relocated in the International Amphitheatre.

If you are interested in shows other than those listed above, contact the Consul & Senior Trade Com-

This is a view of part of the 5,000-square-foot Canadian exhibit at the recent National Boat Show in New York. The 15 exhibitors from Canada showed a wide range of marine products (including waterway charts) to over 39,000 trade visitors from all over the United States. The 1967 on-site sales totalled \$193,340 compared with \$128,585 in 1966; the biggest sellers were fibreglass sailboats but marine accessories were also shown. Besides the shopping bags shown in the picture, giveaways included the popular maple leaf pins.

missioner, Canadian Consulate General, 310 South Michigan Avenue, Chicago, Illinois 60604. He will be pleased to make inquiries for you.

—D. H. CHENEY,
Consul and Senior Trade Commissioner, Chicago.

Canada At SIAL 66

WHEN THE SALON INTERNATIONAL DE L'ALIMENTATION opened its doors for the second time in four years on November 13, 1966, Canada was represented at this, France's only national food fair, for the first time. Canadian participation in 1966 was a result of the first successful SIAL in 1964 which had demonstrated that an international food fair could not fail to attract the food world's attention in Paris—the centre of gastronomy.

Over 30 other countries participated in what the Commissioner General described as a bird's eye view of the world of good food.

The Canadians treated their customers and friends to a 200-square-metre display of virtually all the food products we have available for sale. Buyers were able to examine products from over 80 Canadian producers.

For several years Canadian sales of food to France have been rising steadily, and SIAL offered an opportunity to back this trend. Many Canadian foods were virtually unknown in France, and buyers were unaware of Canadian supplies and capabilities. SIAL was thus



an initial step in extending penetration of the French market.

Canada's position as a supplier of salmon and live lobster is well-known in France, so the Canadian stand emphasized other lines such as freshwater fish, frozen beef and edible offals which had been introduced into France during the last three years but required a sales drive. Because many new contacts were made for Canadian exporters, participation in SIAL provided the "push" required.

The highlights of the Canadian exhibit were the visit of Canada's Dairy Princess, Gaylene Miller of Dalemead, Alberta, and the sampling of Canadian food for buyers supervised by Werner Ledermann, a chef from Hull, Quebec. Mr. Ledermann's special menus for whitefish, trout, beef and salmon, including his contribution to a dinner at the Table du Roi, a leading Paris restaurant, brought praise and publicity for Canada's cuisine.

A carefully prepared publicity campaign based on press conferences, appearances by Miss Miller, direct mail campaigns and advertising in the French food trade journals brought out the buyers.

What were the buyers looking for?

In fish: salmon, lobster, pike, whitefish, scallops (roe in), sole filets.

In meat: boneless frozen strip loins, edible offals (tongues, livers, sweetbreads), turkeys.

In other lines: honey, maple syrup, cheese.

Topped by film shows and gifts of maple leaf key rings (the latest French collectors' item), France was made aware of the products available from Canada's Horn of Plenty.

—J. E. MONTGOMERY,
Commercial Secretary (Agriculture), Paris.

Austria Goes Calling

AUSTRIA WILL BE OFFICIALLY REPRESENTED at 55 foreign trade fairs and exhibitions in 1967. The Federal Chamber of Commerce will organize 22 group exhibits, including a display at the British Columbia International Trade Fair (May 19-26) where Austria has never exhibited before. In addition, commitments have been made for five representative shows and 22 information booths at various international trade fairs. For the first time Austria will have information booths at the International Trade Fair at Accra, Ghana, and at the Novi Sad Agricultural Fair in Yugoslavia. Participation in six book fairs (Frankfurt, Zurich, Berne, St. Gall, Warsaw and Jerusalem) is also being organized. Planning includes a special technical and scientific show for Bucharest, Rumania. This exhibition will

feature a series of lectures by a group of prominent Austrian specialists for the benefit of Rumanian technical organizations and authorities.

Yugoslavia Trade Fairs

THE LJUBLJANA FAIR authorities have announced five specialized fairs for 1967. They include the following: FASHION 1967, The 12th Fair of Ready-Made Clothes, Fashion Tissues, Knitted Goods, Leather, Leather Products and Other Fashion Articles; ALPS-ADRIATIC, The 6th International Fair of Border Commerce, from May 13 to 21; and two concurrent exhibitions, the 13th International Fair of Wines, Spirits, Fruit Juices and Equipment, and the 2nd Fair of Hotel-keeping and Tourist Equipment, running for 10 days from September 1, 1967. The last show is the Furniture Salon which will be held from November 4 to 12.

First Time for Food Show

QUALITY was the keynote at the Canadian Government stand at IKOFA (the International Exhibition of Fine Foods and Provisions) which was held late last year in Munich. The stand itself was designed to promote this theme, and the products were chosen both for their variety and reputation.

The Canadian stand was a small information area containing representative products of twelve Canadian firms, including canned fruits and vegetables, fruit cake and plum pudding, whisky, maple syrup, canned fish and fish products. The range of quality products and the design and location of the stand attracted many visitors. Inquiries for Canadian products were numerous, especially from Southern Germany, an area where Canadian goods are not yet well known. All in all, it was considered a great success, although it will be some time before this success can be measured in dollars and cents.

Approximately 70,000 square meters of covered hall space was available to 2,200 exhibitors, including 28 countries which sponsored national exhibits. The national pavilions were concentrated in the "Hall of Nations", a 20,000-square-meter building of three floors. The Canadian stand was located on the main floor and was easily accessible because it was near one of the principal entrances. The majority of the 263,000 people who visited the fair during the eight days (September 17 to September 25) covered the "Hall of the Nations" and the Canadian Government stand.

—G. H. MUSGROVE,
*Assistant Commercial Secretary (Agriculture),
Bad Godesberg.*

Operation Export 1967

Coming Up

IT'S NINE O'CLOCK on the morning of April 17. Operation Export 1967 is just beginning.

In the Queen Elizabeth Hotel, Montreal, more than 60 Canadian Trade Commissioners, recalled from their posts around the world, are ready to receive their first business visitors. At half-hour intervals throughout the day, from 9 a.m. to 12:30 p.m. and from 2 p.m. to 6 p.m., present or potential exporters will come to discuss with individual Trade Commissioners the possibilities of selling their products abroad and the techniques of entering foreign markets. And this will be the program for the five days that Operation Export 1967 will be centered in Montreal.

On the weekend of April 22, the Trade Commissioner group will leave Montreal to fly to Vancouver. There, at the Hotel Vancouver, the procedure of individual and private interviews in hotel rooms will be repeated from April 25 to 28. Succeeding weeks will see the group visit Edmonton (Chateau Lacombe, May 1 and 2); Saskatoon (Sheraton-Cavalier, May 4 and 5); Winnipeg (Fort Garry, May 8 to 10); Toronto (Westbury Hotel, May 11 to 24); Halifax (Lord Nelson, May 29 and 30); and Saint John, N.B. (Admiral Beatty, June 1 and 2). On June 3, the movement back to foreign posts will begin.

Operation Export 1967 was conceived and planned as part of the larger ESP* campaign designed to push exports up to \$11.25 billion in Canada's Centennial Year. This was the target set last October by the Minister of Trade and Commerce when he spoke to the annual meeting of the Canadian Export Association. Later, in launching the ESP* promotion, the Minister promised: "No businessman

will have to venture far from his own locality to get the benefit of our contribution to the Export Selling Partnership." Through Operation Export 1967, the knowledge of foreign markets and the export expertise that the Trade Commissioner Service has will be offered to every businessman right on his own doorstep.

No matter what your product and whether you want to sell to Aden, Yugoslavia, and many countries in between, (see the list on pages 22 to 24) you may apply for interviews with the officers who cover the areas. There is no limit on the number of Trade Commissioners that you may see but you are restricted to one half-hour with each.

Making these appointments is a simple matter. Get in touch with any one of the following:

1. The Provincial Government Department in your province that concerns itself with trade.
2. Your trade association.
3. The Board of Trade or Chamber of Commerce to which you belong.
4. The nearest Regional Office of the Department of Trade and Commerce (Halifax, St. John's, Montreal, Winnipeg, Edmonton, or Vancouver).
5. The Director, Operation Export 1967, Department of Trade and Commerce, Ottawa.

From any of these, you may obtain a Registration Form in English and in French, plus a pre-addressed envelope. Fill in the form and send it in the envelope supplied to Operation Export 1967, Ottawa. (There is no registration fee and no charge for the interviews; you have only to pay transportation and living expenses as needed.)

Within a short time and well before the program begins in each city, the Director of Operation Export will notify you of the date, time and place of your interviews and the name of each Trade Commissioner you will see.

In the hotel in each city in which these interviews will take place there will be a reception area and a lounge, complete with receptionists and guides. There you may wait between appointments, have a cup of coffee, and examine copies of export literature put out by Trade and Commerce.

In the planning of Operation Export, the Provincial Departments of Trade and Industry have played an important part. They are also arranging, with the help of trade organizations, in each city to be visited a luncheon or dinner at which the Minister of Trade and Commerce, the Hon. Robert Winters, will speak. Normally this luncheon or dinner will take place on the first day of the program in each city.

Operation Export is designed for every firm interested in export trade—from the experienced to the inexperienced, and whether it offers products large or small or wants to sell services abroad. Register at once to make sure that you will be able to get full value from the program.

And when Operation Export 1967 has ended and the 60 or more Trade Commissioners have returned to their posts, what then? For one thing, they will continue to be in touch with the businessmen who have sought their help and advice. And this teamwork will have an important influence on our total export achievement. As the Minister put it: "If Canadian businessmen rally to the cause as I believe they will, that heady target of eleven and a quarter billion dollars in export trade can and will be realized . . . and all Canada will benefit."

You don't recognize the ESP formula? A company's Export Sales Potential can become Export Selling Power if it joins the Department of Trade and Commerce in an Export Sales Partnership.

Lift out pages 17 to 24 inclusive for a useful reference booklet.

**These are the men
you will be meeting
April 17 – June 2**

Place	Date	Location
Montreal	April 17-21	Queen Elizabeth Hotel
Vancouver	April 25-28	Hotel Vancouver
Edmonton	May 1 and 2	Chateau Lacombe
Saskatoon	May 4 and 5	Sheraton-Cavalier Hotel
Winnipeg	May 8-10	Fort Garry Hotel
Toronto	May 11-24	Westbury Hotel
Halifax	May 29 and 30	Lord Nelson Hotel
Saint John	June 1 and 2	Admiral Beatty Hotel

Argentina



M. B. Bursey

Australia

Brazil



R. W. Burchill

Britain

Chile



R. E. Gravel

Colombia



J. G. Ireland

Denmark



K. Nyenhuis

Dominican Republic



W. A. Stewart

France



C. O. R. Rousseau

Ghana



V. B. Chew

Greece



B. A. Macdonald

Guatemala



R. D. Sirrs

Hong Kong



C. R. Gallow

India



R. R. Parlour

Sydney



J. A. Stiles

Melbourne



H. A. Gilbert



Austria



F. I. Wood

Belgium



B. A. Gagosz

London



L. H. Ausman



W. D. Wallace



G. E. Woollam



O. Hickie



J. H. Nelson

Liverpool



G. P. Morin



Germany



H. J. Horne

Bad Godesberg



G. A. Browne

Duesseldorf



R. W. Blake

Hamburg

Ireland



W. G. Huxtable

Israel



S. G. Harris



Italy

Rome



J. H. Stone

Milan



A. B. Brodle

Jamaica



L. D. Burke

Japan



W. G. Brett

Kenya



J. B. McLaren

Lebanon



I. V. Macdonald

Mexico



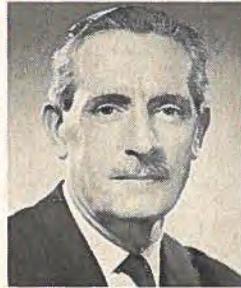
M. B. Blackwood

Peru



E. E. Price

Philippines



J. L. Mutter

Portugal

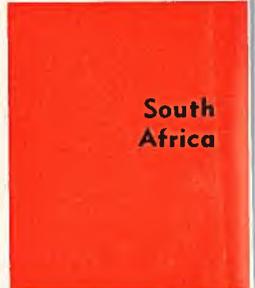


P. A. Theberge

Singapore



J. H. Bailey



**South
Africa**

Switzerland



S. G. MacDonald

Trinidad & Tobago

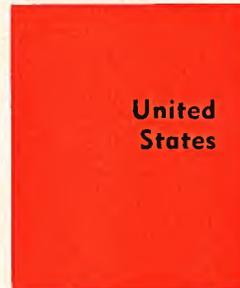


K. G. Ramsay

U.S.S.R.



W. J. Collett



**United
States**

Washington



S. G. Tregaskes

Cleveland



A. W. Evans

Detroit



H. S. Hay

Los Angeles



F. B. Clark

New Orleans



P. A. Savard

Philadelphia



W. J. Millyard

Netherlands



D. A. B. Marshall

New Zealand



R. H. Gayner

Nigeria



N. L. Currie

Norway



J. E. Lancaster

Pakistan



K. D. Taylor

Johannesburg



W. Jones

Cape Town



H. W. Richardson



Spain



L. A. Campeau

Sweden



D. S. Armstrong

New York



C. J. Van Tighem

Boston



J. D. Welsh



M. R. M. Dale

Chicago



D. H. Cheney



M. Rowan

San Francisco



R. M. Dawson

Venezuela



J. D. Blackwood



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	Country	TC Post	OTR Division
Aden	Beirut	Commonwealth	Burundi	—	Europe
Afghanistan	Rawalpindi	Asia and Middle East	Cambodia	Hong Kong	Asia and Middle East
Albania	Vienna	Europe	Cameroun	—	Europe
Algeria	Paris	Europe	Canary Islands	Madrid	Europe
Angola	Johannesburg	Europe	Cape Verde Islands	Lisbon	Europe
Argentina	Buenos Aires	Latin America	Cayman Islands	Kingston	Commonwealth
Aruba	Caracas	Europe	Central African Republic	—	Europe
Australia	Sydney, Melbourne and Canberra	Commonwealth	Ceylon	New Delhi	Commonwealth
Austria	Vienna	Europe	Cbad	—	Europe
Azores	Lisbon	Europe	Cbile	Santiago	Latin America
Bahamas	Kingston	Commonwealth	Cbina, Communist	Hong Kong	Asia and Middle East
Balearic Islands	Madrid	Europe	Cbina, Republic of (Taiwan)	Manila	Asia and Middle East
Barbados	Port-of-Spain	Commonwealth	Christmas Island (Indian Ocean)	Sydney	Commonwealth
Belgium	Brussels	Europe	Cocos-Keeling Islands	Sydney	Commonwealth
Bermuda	New York	Commonwealth	Colombia	Bogota	Latin America
Bhutan	New Delhi	Asia and Middle East	Congo (Brazzaville)	—	Europe
Bolivia	Lima	Latin America	Congo (Kinshasa)	—	Europe
Bonaire	Caracas	Europe	Cook Islands	Wellington	Commonwealth
Botswana	Johannesburg	Commonwealth	Costa Rica	Guatemala City	Latin America
Brazil	Rio de Janeiro and Sao Paulo	Latin America	Cuba	Havana	Latin America
Britain	London Liverpool Glasgow Belfast	Commonwealth	Curacao	Caracas	Europe
British Honduras	Kingston	Commonwealth	Cyprus	Tel Aviv	Commonwealth
British Solomon Islands	Sydney	Commonwealth	Czechoslovakia	Vienna	Europe
Brunei	Kuala Lumpur	Commonwealth	Dahomey	Lagos	Europe
Bulgaria	Vienna	Europe	Denmark	Copenhagen	Europe
Burma	Kuala Lumpur	Asia and Middle East	Dominican Republic	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	Country	TC Post	OTR Division
England	London and Liverpool	Commonwealth	Japan	Tokyo	Asia and Middle East
Ethiopia	Cairo	Asia and Middle East	Jordan	Beirut	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth	Kenya	—	Commonwealth
Fiji	Wellington	Commonwealth	Korea	Tokyo	Asia and Middle East
Finland	Stockholm	Europe	Kuwait	Beirut	Asia and Middle East
France	Paris	Europe	Laos	Hong Kong	Asia and Middle East
French Guiana	Port-of-Spain	Europe	Lebanon	Beirut	Asia and Middle East
French Oceania	Wellington	Europe	Leeward Islands	Port-of-Spain	Commonwealth
French Somaliland	Cairo	Europe	Lesotho	Johannesburg	Commonwealth
Gabon	—	Europe	Liberia	Accra	Asia and Middle East
Gambia	Lagos	Commonwealth	Libya	Rome	Asia and Middle East
Germany	Bad Godesberg, Duesseldorf, Hamburg	Europe	Liechtenstein	Berne	Europe
Ghana	Accra	Commonwealth	Luxembourg	Brussels	Europe
Gibraltar	Madrid	Commonwealth	Macao	Hong Kong	Europe
Gilbert and Ellice Islands	Wellington	Commonwealth	Madeira	Lisbon	Europe
Greece	Athens	Europe	Malagasy Republic	Johannesburg	Europe
Greenland	Copenhagen	Europe	Malawi	—	Commonwealth
Guadeloupe	Port-of-Spain	Europe	Malaysia	Kuala Lumpur	Commonwealth
Guatemala	Guatemala City	Latin America	Mali, Republic of	Accra	Europe
Guinea, Republic of	Accra	Europe	Malta	Rome	Commonwealth
Guyana	Port-of-Spain	Commonwealth	Martinique	Port-of-Spain	Europe
Haiti	Santo Domingo	Latin America	Mauritania, Republic of	Accra	Europe
Honduras	Guatemala City	Latin America	Mauritius	Johannesburg	Commonwealth
Honduras, British	Kingston	Commonwealth	Mexico	Mexico City	Latin America
Hong Kong	Hong Kong	Commonwealth	Monaco	Paris	Europe
Hungary	Vienna	Europe	Morocco	Paris	Europe
Iceland	Oslo	Europe	Mozambique (Portuguese East Africa)	Johannesburg	Europe
India	New Delhi	Commonwealth	Nepal	New Delhi	Asia and Middle East
Indonesia	Singapore	Asia and Middle East	Netherlands	The Hague	Europe
Iran	Tehran	Asia and Middle East	Netherlands Antilles	Caracas	Europe
Iraq	Beirut	Asia and Middle East	Netherlands Guiana	Port-of-Spain	Europe
Ireland, Northern	Belfast	Commonwealth	New Caledonia	Sydney	Europe
Ireland, Republic of	Dublin	Commonwealth	New Guinea (North-east) and Papua	Sydney	Commonwealth
Israel	Tel Aviv	Asia and Middle East	New Hebrides (French)	Sydney	Europe
Italy	Rome	Europe	New Zealand	Wellington	Commonwealth
Ivory Coast, Republic of	Accra	Europe	Nicaragua	Guatemala City	Latin America
Jamaica	Kingston	Commonwealth			

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

Geophysics Goes Personal—and Sells



Dr. R. A. Bosschart, vice-president of Sharpe Instruments, demonstrates a CG-2 Gravimeter at the Institute of Geophysical Research in Moscow. He was a member of the 1966 Ontario Trade Mission to Eastern Europe, visiting such centres as Vienna, Bucharest, Budapest and Brno. The firm leans heavily on visits such as this to promote its engineering services and geophysical instruments.

Seigel Associates Ltd. of Toronto is head and shoulders into the foreign market for geophysical instruments. The company uses a unique brand of advertising that has proved acceptable in many areas, including Eastern Europe.

F. A. COCKRAM, "Foreign Trade"

SEIGEL ASSOCIATES LTD. of Toronto deals in geophysics in a big way. The firm is one of two associated companies which have between them four subsidiary foreign companies that complement each other in almost all aspects of natural resources development. Among the services that the group offers are geophysical consultation, geophysical instrument design and custom manufacture, airborne geophysical surveys, ground geophysical surveys, groundwater exploration, and quantitative evaluation and interpretation of various types of geophysical data.

Why such complete co-operation between a number of firms which could with ease stand on their own? The ability to provide economical package deals is perhaps the most important reason. In fact, the export success of one of the firms, Sharpe Instruments of Canada Ltd., is to a great extent interwoven with the over-all activities of Seigel Associates.

Instruments on the Job

Sharpe Instruments manufactures a wide range of surveying equipment—including electromagnetic systems, magnetometers, land gravity meters, induced polarisation and resistivity measuring systems. These are sent out with the various teams from Seigel Associates and its subsidiaries when

they go on surveys to various parts of the world. Local technical people see them in action and are able to discover at first hand how reliable and easy to operate they are. One of the best forms of advertising, the company finds, is a job well done.

The contract work of Seigel Associates and its subsidiaries abroad has had a great bearing on the design and construction of the instruments themselves. The company is active not only in commercial contract work but also in surveys carried out for such international programs as those financed by the United Nations Development Program. The company feels that these projects are important and bids on them whenever it can. Developing nations are searching intensively for natural resources such as water, oil and minerals; to find these, experienced survey crews with sophisticated equipment are essential. Canadians are well known for their expertise in this field and the Seigel group is in the forefront. Its personnel are equipped with units specifically designed to provide efficient and accurate service under the harshest of conditions. As one of the company's executives told *Foreign Trade*, "Geophysical work is usually done in a remote area. There is nothing more aggravating than to have your equipment break down at the first opportunity. Reliability of equipment is a major consideration both in Canada and elsewhere."

Watch Your Weight

The size and weight of the instruments, although not as important as their reliability, are other factors in their success. The firm miniaturizes as much as possible and this has enabled it to manufacture a number of portable instruments which would otherwise be too heavy or bulky to carry. At the same time, it realizes that this trend could be carried to extremes. Although some instruments could be made considerably smaller than their present size, they would be less reliable and more difficult to repair should they break down. The company's maxim on this point? "As soon as an instrument is easily portable, there is no sense in making it smaller just for the sake of miniaturization."

Who, When and Why

Sharpe Instruments has been exporting for the last five years and in that

time has sold instruments in more than 70 different countries. Among these are a number of Eastern European customers. This may seem surprising, but not to Sharpe Instruments. An executive put it this way, "People who are involved in mineral exploration in the Eastern European countries need hardware which we have been able to up-date and improve." The lessening of tension between Eastern and Western nations, the firm feels, will open up opportunities for substantial sales (although some of these would of course be subject to the requirements of the Export and Import Permits Act). At the same time, Seigel's people can learn from these clients about their own particular geophysical techniques.

The end users of the instruments are commonly professionals who are not unduly susceptible. Direct advertising has very limited effectiveness. More convincing are publications of senior staff members in technical and scientific papers, describing new instrument developments or results obtained in field surveys. However, direct customer contact, properly combined with lectures and field demonstrations, is undoubtedly the best means to penetrate new markets.

Dr. H. O. Seigel and Dr. R. A. Bosschart, president and vice-president of Sharpe Instruments, both prefer this approach. Their efforts to make the name Sharpe better known in the gradually broadening market in East Europe are a case in point. Dr. Seigel visited Czechoslovakia in the fall of 1964, holding a series of lectures and field demonstrations in Brno, which were attended by representatives of geological and geophysical institutes of half a dozen Eastern European countries. He went to the U.S.S.R. in 1965 for four days of lectures and field demonstrations in Moscow and followed this by lectures in Bucharest. Dr. Bosschart, as a member of the 1966 Ontario Trade Mission to Eastern Europe, visited many of the satellite countries and the U.S.S.R., and lectured in Vienna, Bucharest, Budapest, Brno and Moscow.

The response to these visits is impressive. Delegates from most geological and geophysical institutes in the respective countries attend the lectures and view the instruments. Question time usually far exceeds the length of the lecture. A fruitful exchange of

ideas often results and the flow of information is not necessarily one way only.

Shipping and servicing (because most servicing has to be done at the factory) are closely related, and shipping in particular is a matter of great concern. The trend in geophysical equipment fortunately is from mechanical to electronic measuring devices and the latter are less susceptible to damage in transit. The gravimeter, as the last survivor of the mechanical balances, is packed in double suspended containers, the latter often floating within impact-absorbing material in a third box.

Even though modern electronic instruments are rapidly becoming more complex, servicing problems are actually declining. Solid state circuitry, once properly assembled, is remarkably durable, and because of the small mass of the components has great shock resistance. Parts of instruments that are very complex and miniaturized are assembled and mounted in such a fashion that they can be replaced as units, and these units can be provided as spares. As in many other fields, rigid quality control and careful testing of each individual instrument pays off handsomely in fewer complaints and less warranty servicing, as well as in an enhanced reputation for reliability and durability of "Sharpe" instruments.

What's in a Name?

Reputation, to Seigel Associates and Sharpe Instruments, is all-important. The companies constantly strive to justify the trust in their men, methods and equipment that they have built up over many years of painstaking effort. They know that success breeds success, and try to ensure that each new contract or sale of equipment will advertise the high standard of importance of their engineers. Their experience proves that integrated services not only result in consulting engineering contracts but also sell highly sophisticated and expensive instruments.



Procurement under World Bank Loans and IDA Credits

In the November 26, 1966, issue "Foreign Trade" reprinted the World Bank pamphlet "How the World Bank and Its Borrowers Use Consultants." Below we carry the text of a companion booklet, recently revised and reprinted, on procedures for procurement.

General

Purposes and Objective—The International Bank for Reconstruction and Development (the Bank) and the International Development Association (IDA) are required by their Articles of Agreement to insure that the proceeds of their loans and credits are used with due attention to considerations of economy and efficiency. For this reason, and as co-operative international institutions, the Bank and IDA require their borrowers to obtain goods and services (other than consultants' services) on an international competitive basis unless another procedure, more appropriate to the circumstances, has been agreed between the Bank or IDA and the borrower. The Bank and IDA believe that it is in the interest both of borrowers and their suppliers that certain guidelines should be generally followed in the bidding and contracting procedures relating to cases where international competitive bidding is involved. This statement sets forth those guidelines. It is intended that this statement will be made applicable, as appropriate, to procurement under Bank loans and IDA credits.

Borrowers are free to use the proceeds of Bank loans and IDA credits to make purchases in any member country and Switzerland. The arrangements between the Bank or IDA and the borrower regarding the use of the proceeds of the particular loan or credit, the contracts which are to be financed, the currency or currencies to be supplied by the Bank or IDA, and the extent to which procurement documents are subject to Bank/IDA review or approval will be set forth in each case in the contractual documents for the loan or credit.

International Competition and Advertising—On all contracts large enough to merit international competition, all appropriate member countries of the Bank and Switzerland should be canvassed for bids. Invitations to bid or to prequalify bidders should be transmitted to local official representatives of these countries and advertised in at least one newspaper of general circulation in the borrower's country. In countries where some of the Bank's members

who are potential suppliers have no official representation, invitations to bid or to prequalify should be sent promptly to the foreign offices of such countries. For large and important contracts, advertisements should be placed in well-known technical magazines and trade publications of wide international circulation.

Prequalification of Bidders—When contracts are to be sought for large or complex works involving considerable expense for the preparation of bids, a list of prequalified bidders should be established thus saving the cost of bid preparation to those who would fail to qualify in any case. Prequalification should be based entirely upon ability to perform satisfactorily, taking into account: (i) the experience of the firm on similar work, (ii) its capabilities with respect to personnel, equipment and plant, and (iii) its financial position. Advertisement of the prequalification procedure should be carried out along the lines of the procedure described in the paragraph on International Competition and Advertising, on this page. Abbreviated specifications should be made available to contractors desiring to be considered for qualification. It is not normal practice to require prequalification for equipment suppliers.

Size of Contracts—In order to foster widespread competition individual contracts, whenever feasible, should be of a size large enough to attract bidders. On the other hand, if the project can easily be divided into contracts of a specialized character,¹ it should be so divided. Turnkey contracts² are acceptable only in special circumstances, such as industrial projects involving processing or manufacturing. In such cases it may be appropriate, after

¹ Such as a power, water supply or large industrial project where it is feasible to invite bids separately for civil works and equipment or different types of equipment.

² Turnkey contract is a term used to describe a contract where the engineering, the equipment and the construction are all provided as a package by one party.

discussions with the Bank or IDA, to invite turnkey bids for the component sections or the whole of the project.

References to Bank or IDA—If it is necessary and appropriate to refer to the Bank or IDA in bidding documents the following language is suggested:

“... (the name of borrower) ... has received (or in appropriate cases ‘has applied for’) a loan (credit) from the International Bank for Reconstruction and Development (International Development Association) in various currencies equivalent to \$..... toward the cost of (name of project), and it is intended that proceeds of this loan (credit) will be applied to payments under the contract (contracts) for which this invitation to bid is issued. Payments by the International Bank for Reconstruction and Development (International Development Association) will be made only upon approval by the International Bank for Reconstruction and Development (International Development Association) of an application presented by (name of borrower) in accordance with the terms and conditions of the Loan (Credit) Agreement and will be subject in all respects to the terms and conditions of that Agreement.”

Language Interpretation—In cases where tender invitations, specifications and contracts are prepared in more than one language, it is desirable to indicate the ruling language.

Specifications

Clarity of Specifications—Every effort should be made by the borrower to insure that specifications and conditions of contract are clearly drawn to include all necessary details and conditions and that drawings are consistent therewith. They should be so worded as to permit and encourage free and full international competition.

Standards—If national standards to which equipment or materials must comply are cited, the specifications should state that goods meeting other authoritative standards, which insure an equal or higher quality than the standards mentioned, will also be accepted.

Use of Brand Name and Phrase “or equal”—Descriptions contained in specifications should not prescribe brand names, catalogue numbers, or types of equipment of a specific manufacturer unless it has been determined that this is necessary to insure inclusion of certain essential features. In such a case the reference should be followed by the words “or equal”. The specifications should, as a rule, permit offers of alternative equipment, articles or materials which have similar characteristics and provide equal performance and quality to those specified.

Currency Clauses

(a) Currency used for payments—The Bank and IDA require that their borrowers make reasonable efforts to assure that payment for goods and services procured

under Bank loans and IDA credits be made in the currency of the country of origin.

(b) Indication of currencies—Whenever expenditures in both local currency and foreign currency are involved, the tender documents should require that the amounts of these expenditures be shown separately.

(c) Currency equivalents for bid comparison—Under contracts requiring expenditures in more than one currency or in cases where it is expected that bidders from several countries will submit bids expressed, in part or in whole, in their national currencies it will be necessary that, for the purpose of comparison of bids, all currencies be converted into one specified currency at a specified rate (or rates) of exchange. Such rates should be fixed as of a reasonable date (say 30 days) prior to the date fixed for the opening of the bids and the borrower should make arrangements whereby all prospective bidders may receive notification of such rates at a reasonable time before (say 15 days) the date fixed for the opening of the bids.

(d) Exchange risks—Where a payment to be made to a contractor or supplier is based upon a conversion of local currency into foreign currency, the exchange risk should not be borne by the contractor or supplier. The manner in which this can best be effected will depend on the precise payment provisions of the contract and this statement of guidelines does not attempt to deal with the different ways in which this can be handled.

Bid Bonds—Bid bonds or other bidding guarantees are a usual requirement, but they should not be set so high as to discourage suitable bidders. Bid bonds or guarantees should be released to unsuccessful bidders as soon as possible after the bids have been opened.

Performance Bonds—Specifications for civil works should require performance bonds or other surety adequate to guarantee that the work will be carried on to completion. The amount required varies with the type and magnitude of the work, but should be sufficient to protect the borrower in case of default by the contractor in performance. The life of the bonds or surety should extend sufficiently beyond completion of the contract to cover a reasonable warranty period. If desired, nominal performance bonds or sureties may be required in connection with contracts for the supply of equipment.

Insurance—The specifications should state precisely the types of insurance, if any, to be provided by the successful bidder.

Protection of Domestic Suppliers—A degree of protection is generally accepted by the Bank and IDA as a legitimate method of promoting the growth of sound domestic industries. In appropriate cases, the Bank or IDA will consider the extent to which protection should be taken into account in comparing bids from domestic and foreign suppliers of materials and equipment before it approves bidding arrangements for a Bank or IDA financed project. Whenever a degree of protection is agreed to by the Bank

or IDA, an appropriate reference to the extent of this protection should be made in the bidding documents. In the case of civil construction contracts, no special arrangements should be made for adjustments in respect of import duties.

Bid Opening, Evaluation and Award of Contract

Time Interval between Advertising and Bid Opening—The time allowed for preparation of bids will depend to a large extent upon the magnitude and complexity of the contract involved and the remoteness of the project from areas from which bids may be expected. Where large civil works are involved, generally about 90 days should be allowed for contractors to conduct investigations at the site. The time allowed, however, should be governed by the circumstances relating to each project.

Bid Opening Procedures—The date, hour and place of bid opening should be announced in the invitations and all bids should be opened publicly at the stipulated time. Bids received after this time should be returned unopened. The amounts of each bid should be read aloud and recorded.

Clarifications or Alterations of Bids—No bidder should be permitted to alter his bid after the bids have been opened, but clarifications not changing the substance of the bid may be accepted. The borrower may ask any bidder for a clarification of his bid but should not ask any bidder to change the substance of his bid.

Procedures to be Confidential—Except as may be required by law, no information relating to the examination, clarification and evaluation of bids and recommendations concerning awards should be communicated after the public opening of bids to any persons not officially concerned with these procedures before the announcement of the award of a contract to the successful bidder.

Examination of Bids—Following the opening, it should be ascertained whether material errors in computation have been made in the bids, whether the bids are fully responsive to the terms of the specifications, whether the required guarantees and sureties have been provided, whether documents have been properly signed and whether the bids are otherwise generally in order. If a bid does not substantially conform to the specifications or is not otherwise substantially responsive to the invitation, it should be rejected. A technical analysis should then be made to evaluate each responsive bid and to enable bids to be compared.

Rejection of Bids—Tender documents usually provide that owners may reject all bids. Such rejection is justified where bids do not meet the intent of the specifications or where there is evidence of lack of competition. Calls for new bids solely for reasons of price are discouraged in cases where the bid prices are only slightly higher than

the original cost estimates. However, borrowers may, after consultation with the Bank or IDA, reject all bids if the lower bids exceed the cost estimates by an amount sufficient to provide a reasonable justification for such action. In such cases, new bids should be requested from all who were invited to submit bids in the first instance and a reasonable amount of time should be allowed for the submission of the new bids.

Evaluation of Bids—In analyzing bids, factors other than price, such as the efficiency and reliability of the equipment offered by various bidders, the time of delivery, the time of completion of construction and the availability of service and spare parts, should also be taken into consideration (being expressed in monetary terms wherever possible) for the purpose of determining the lowest evaluated bid.

Postqualification of Bidders—In the absence of prequalification, the borrower should determine whether the bidder whose bid has been evaluated the lowest has the capability and financial responsibility effectively to carry out the contract concerned. If the bidder does not meet that test, his bid should be rejected.

Award of Contract—The award of a contract should be made to the bidder whose bid has been determined to be the lowest evaluated bid and who meets the appropriate standards of capability and financial responsibility. Such bidder should not be required, as a condition of award, to undertake responsibilities or work not stipulated in the specifications.

Contracts

Expenditures under Contracts—Contracts should state that the contractor or supplier shall not make any expenditures for the purposes of the contract in the territories of any country which is not a member of the International Bank for Reconstruction and Development (except Switzerland).

General Conditions of Contracts—Contracts should contain general conditions which should cover, inter alia, definitions, the contractor's general obligations, provisions for bonds, indemnities and insurance, penalties and bonus, percentage of payments to be retained, termination, advances to be made and how payment is to be made for work. When appropriate, the general conditions should also cover the duties and responsibilities of the engineer, arrangements for engagement of labor, special risks, variation orders, and any special situation at the site of the work.

Advance Payments—The percentage of the total payment to be made in advance upon signature of the contract for mobilization expenses should be reasonable. Other advances to be made, as for example for materials delivered to the site for incorporation in the works, should also be clearly described in the contract documents.

Escalation Clauses—In appropriate cases, provision may be made for adjustment (upwards or downwards) in the contract price in the event that changes occur over which the contractor has no control, in the prices of the major cost constituents of the contract, such as labor and important materials.

Penalty Clauses—Provisions for penalty, sometimes called liquidated damage, clauses should be contained in contracts when delays in completion will result in extra cost, loss of revenues, or inconvenience to the borrower. A bonus may also be paid to contractors for completion of civil works contracts at times specified in the contract or ahead of time.

Force Majeure—It is desirable that the general conditions of contract contain clauses, when appropriate, stipulating that failure on the part of the parties to perform any of their obligations under the contract shall not be considered a default in the performance of such obligations insofar as such failure is the result of an event of **force majeure** (to be defined in the general conditions of contract).

Settlement of Disputes—It is desirable that provisions dealing with the settlement of disputes be included in contract documents, but the Bank or IDA should not be named arbitrator nor asked to name an arbitrator. ●

Development Planning in Peru

Planning Procedure

The Instituto Nacional de Planificación (INP), a government agency established in October 1962, reviews investment programs of individual Ministries and agencies. The resulting over-all program for the coming year is submitted to the Government and normally is modified substantially before being implemented in the Budget. Individual Ministries retain balance of power in final investment decisions.

Planning Agency

Instituto Nacional de Planificación
Av. Uruguay 163
Lima, Peru.

Duration of Plan

One year (within general framework of economic projections to 1970). However, work is proceeding on a Three Year Plan 1967-70. There have been only two plans to date: 1964/65 and 1965/66.

Sectors Emphasized

Agriculture, roadbuilding and social improvements.

Priority Projects

- (a) Irrigation: Chira-Piura, Olmos, Chao y Viru and Majes y Lagunillas, Tumbes and several others.
- (b) Land reform and colonization.
- (c) Completion of Pan-American and central highways.

(d) Marginal highway, Selva (a north/south highway east of the Andes).

(e) Mass housing programs.

(f) Technical education facilities (SENATI).

(g) Various programs in water supply and sanitation.

Opportunities for Canadians

- Consulting services are still needed for many priority projects.
- Construction companies should consider the highway, Lima Metro, irrigation and water-supply projects now under study.
- Technical equipment is required for the SENATI project and heavy equipment for other projects.

Estimated Total Investment 1965-66

U.S.\$308 million.

Internal Financing: U.S.\$189 million (U.S.\$70 million of this amount was left as a "gap" figure to be financed ad hoc).

External Financing: U.S.\$119 million (sources not specified). The 1966 Budget submitted differed slightly from INP estimates and envisaged total public investment for 1966 at U.S.\$263 million.

Role of International Financing Organizations

Approaches were made by various Ministries direct to the World Bank and the Inter-American Development Bank, according to the project. INP has no direct part in this and can only influence Ministry decisions in individual budget talks.

Loans Provided by International Financing Organizations*

Loans already concluded:

- (a) IADB—U.S.\$20 million for highland Indian communities.
- (b) IADB—U.S.\$4 million to surface 110 kilometers of Pan-American Highway (Montalvo to Puente Fiscal).
- (c) IADB—U.S.\$8 million to Banco Industrial.
- (d) IADB—U.S.\$8.1 million for rural water-supply program.
- (e) UN Development Program—U.S.\$2.96 million for oceanographic research institution.
- (f) UN Development Program—U.S.\$4.81 million for technical assistance to SENATI.
- (g) IBRD—U.S.\$15 million to Banco de Fomento Agropecuario del Peru (farmer loan bank).

Two loans have yet to receive final approval: one from the World Bank—\$18 million for school construction—and the other from IADB—\$55 million for housing and potable water projects, and development of Tingo Maria area.

Private and Public Industrial Development Banks

- Banco de la Industria de la Construcción (public) channels government money into mass housing projects.
- Banco Industrial del Peru (government-controlled) makes loans to new manufacturers or manufacturers enlarging their facilities.
- Banco de Fomento Agropecuario (public) makes short- and medium-term loans to farmers.
- Peruinvest S.A. (private) is an industrial finance company with capital resources of some \$5 million.
- Banco Pesquero del Pacífico (public) has not yet received official approval but will finance operations of commercial fishing companies.
- Banco Minero del Peru (public) makes loans to mining companies and buys and sells minerals.

*In addition, AID of the U.S. granted U.S.\$15.4 million for various projects in 1965, and the Eximbank \$7.3 million.

- Banco de la Vivienda del Peru (public) extends loans for mass housing projects.

International Consultative Group

A World Bank-sponsored consultative group is being considered and Canada attended meetings called to discuss its formation.

Canadian Aid

The Canadian Development Loan Trust Fund for Latin America provides long-term, low-interest loans administered through the Inter-American Development Bank. Canada also participates through the Canadian ECIC Section 21A financing, which provides \$15 million in long-term "Special Credits" for development projects in Latin America.

Medium and Long-Term Financing

The Export Credits Insurance Corporation is prepared to consider Section 21A long-term financing for suitable projects which meet normal ECIC criteria and are submitted to the Corporation by Canadian exporters. The Corporation is also prepared to consider short- and medium-term insurance in support of business obtained by Canadian exporters.

Canadian Private Investment

Three projects in Peru have large amounts of Canadian money invested.

Specific inquiries about the plan may be sent to the Commercial Secretary, Canadian Embassy, Casilla 1212, Edificio El Pacifico, Corner Avenida Arequipa and Plaza Washington, Lima, Peru. ●



Going to Moscow?

THE BUSINESSMAN planning a visit to Moscow should be aware of certain alterations to the regulations governing visits to the Soviet Union. If he has been officially invited to come by one of the state trading organizations and the invitation stipulates that it will pay all expenses, his host will arrange his hotel accommodation. If, on the other hand, he has decided to come on his own initiative, he can no longer rely on the Canadian Embassy to arrange his accommodation. Intourist now requests foreign visitors to book and prepay their tours through travel agencies in the West before coming to the U.S.S.R. The Trade Commissioner in Moscow therefore suggests that the businessman make his reservations in advance through travel agents representing Intourist in Canada or other Western countries. ●

The Ocean Freight Market

AVERAGE RATES in most Canadian trades were higher than those of the previous quarter but appreciably below average rates of the same quarter a year ago. Under the influence of an improved demand transatlantic grain rates rose sharply in October. Chartering activity slackened in mid-November and rates declined.

Following a prolonged slack period in the black oil trade from the Caribbean to the United States North Atlantic ports, a burst of chartering at the

beginning of the quarter caused rates to move up sharply. Towards the end of the quarter, rates dropped to the lower level of the previous quarter.

In 1966, average dry cargo rates declined below the level of a year ago. Time charter rates held steadily at the relatively high level reached late in 1965 before falling off in the last quarter of the year. The average rate for black oil from the Caribbean to the United States North Atlantic ports was approximately 49¢ per ton less than the average rate for 1965.

CHARTER RATES—FOURTH QUARTER 1966

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in column B calculated at £ = \$3.01 and U.S. \$ = \$1.08. For comparison the rates a year ago are shown in column C with the Canadian dollar equivalent in column D calculated at £ = \$3.01 and U.S. \$ = \$1.08.

TIME CHARTERS

The classes of ships indicated have been selected as representative for the purpose of illustrating time charter rates. Average rates per deadweight ton per month for the fourth quarter of the year were as follows:

	1966		1965	
	Fourth Quarter		Fourth Quarter	
	A	B	C	D
	£ or U.S.\$	Can.\$	£ or U.S.\$	Can.\$
General Trading (approximately 6 months)				
Motorships 11,000-12,999 dwt. 13-14.9 knots	21s.9d	3.27	4.21	4.55
Motorships 13,000-14,999 dwt. 13-14.9 knots	23s.3d	3.50	3.93	4.24
Steamships 9,000-10,999 dwt. 9-10.9 knots	15s.1d	2.27	2.78	3.00

TRIP CHARTERS

Average rates for the fourth quarter of the year were as follows:

	1966		1965	
	Fourth Quarter		Fourth Quarter	
	A	B	C	D
	£ or U.S.\$	Can.\$	£ or U.S.\$	Can.\$
Heavy Grain (per long ton)				
St. Lawrence to Britain	36s.7d	5.51	45s.0d	6.77
St. Lawrence to Belgium/Holland	4.06	4.38	5.45	5.89
St. Lawrence to France	5.10	5.51	5.90	6.37
St. Lawrence to West Germany	3.75	4.05	4.67	5.04
St. Lawrence to East Coast of India	85s.11d	12.93	.....	.....
St. Lawrence to West Coast of India	83s.5d	12.55	.....	.....
St. Lawrence to Italy	7.50	8.10	7.75	8.37
St. Lawrence to Poland	5.00	5.40	.....	.....
Great Lakes to Britain	61s.8d	9.28	.....	.....
Completing St. Lawrence	35s.8d	5.37	.....	.....
Great Lakes to Belgium/Holland	8.31	8.97	10.53	11.37
Completing St. Lawrence	3.68	3.97	5.00	5.40
Great Lakes to France	9.00	9.72	.....	.....
Completing St. Lawrence	5.00	5.40	.....	.....
Great Lakes to West Germany	8.75	9.45	10.49	11.33
Completing St. Lawrence	4.00	4.32	.....	.....

	1966		1965	
	Fourth Quarter		Fourth Quarter	
	A	B	C	D
	£ or U.S.\$	Can.\$	£ or U.S.\$	Can.\$
Great Lakes to Italy	10.67	11.52	.....	.....
British Columbia/North Pacific to Japan	7.23	7.81	8.34	9.01
Coal (per long ton)				
Hampton Roads to Japan	6.32	6.83	7.83	8.46
British Columbia to Japan	4.17	4.50	.....	.....
Lumber and General Cargo (per long ton)				
British Columbia to Britain	13.00	14.04	15.33	16.56
Oilseeds (per long ton)				
British Columbia to Japan	6.10	6.59	8.40	9.07
Scrap Iron or Steel (per long ton)				
U.S. Atlantic to Japan	10.78	11.64	13.91	15.02
California to Japan	5.33	5.76	9.65	10.42
Great Lakes to Japan	14.19	15.33	.....	.....
Ammonium Sulphate (per long ton)				
British Columbia to East Coast of India	10.00	10.80	.....	.....
Oil Black (per long ton)				
Venezuela to Portland, Maine	1.35	1.46	1.98	2.14
Persian Gulf to Portland, Maine	5.86	6.33	6.32	6.83
Venezuela to Montreal	2.66	2.87	2.44	2.64

Shippers' Council Organized

A NEW national organization, the Canadian Shippers' Council, has been incorporated under the Canada Corporations Act and its founding directors met in Montreal recently to lay the groundwork for future activities.

Created as a result of preliminary meetings initiated by the Canadian Export Association, the Council will not duplicate the efforts of existing organizations. It is set up to provide a forum for trade associations whose members, as principals, have a direct interest in export or import trade, to enable them to speak with a united voice in dealing with common problems in international transportation of cargo.

The main purposes of the Council will be to seek improved communication and relationships with carrier interests and to deal with such matters as harbour facilities, administration and costs, standardization of documents, government regulation, and transportation problems and policy issues. The Council will not get involved in individual rate negotiations or disputes.

Patterned on the lines of Shippers' Councils formed in recent years in Britain and Europe but designed to fit Canadian circumstances, the new Canadian body will undertake as one of its primary tasks to develop closer co-operation and consultation between shippers and carriers in international trade. A spokesman for the group indicated that this is a matter of increasing importance in the light of rising costs and significant changes in ship design and materials-handling equipment, and in such labour-saving practices as pre-palletization and containerization.

At its inaugural meeting, the Board of Directors made plans for early consideration of the Restrictive Trade Practices Commission report concerning steamship conferences, and other important issues.

The following officers were elected to serve for the first year:

Chairman: I. C. Campbell, Vice-President and Treasurer, Asbestos Corporation Ltd. (representing the Canadian Export Association).

Vice-Chairman: R. M. Mapp, Vice-President Marketing, Canadian Cannery Ltd. (representing the Canadian Food Processors Association).

Secretary and Treasurer: J. M. McAvity, President, Canadian Export Association.

The headquarters and secretariat of the Council will be furnished initially by the Canadian Export Association, based in Montreal.

Sixteen important trade organizations have joined to create the Council and several others have indicated interest in becoming affiliated. The founding members are:

- Association of Canadian Distillers
- B.C. Council of Forest Industries
- Canadian Chemical Producers' Association
- Canadian Electrical Manufacturers Association
- Canadian Export Association
- Canadian Food Processors Association
- Canadian Importers Association
- The Canadian Industrial Traffic League
- Canadian Lumbermen's Association
- The Canadian Manufacturers' Association
- Canadian National Millers Association
- Canadian Pulp and Paper Association
- Canadian Seed Trade Association
- Canadian Textile Institute
- Meat Packers Council of Canada
- Mining Association of Canada

foreign tariffs and trade regulations



Chile

BRUSSELS NOMENCLATURE ADOPTED—On January 4, 1967, with the publication of a decree in the *Official Gazette*, the Chilean Government adopted a new customs tariff structure based on the Brussels Nomenclature. The new structure has been under study for the last 16 years and abolishes the outmoded and cumbersome system in effect in this country since 1928.

Customs and duties will be reduced to only two categories: specific basic taxes which are applied by weight, volume or unit, and ad valorem duties which will be applied on the c.i.f. value of merchandise imported. Customs duties in the past have consisted of ad valorem taxes, basic taxes, surcharges, consular fees and various other duties on merchandise imported or exported. The official announcement of the new tariff structure stated the Government's intention eventually to simplify customs procedures further by abolishing the basic tax and applying ad valorem duties only.

Under Article 185 of Law 16.464 the President of the Republic was charged with maintaining the same level of total customs charges prevailing as of April 25, 1966. He has the authority to revise customs duties according to the needs of the country and to refund any charges under the new structure which are more than 15 per cent higher than taxes applied under the old structure. The basic premise of the new tariff structure is unchanged: highest customs duties apply to merchandise for which local production could be substituted and lowest charges to raw materials and other items deemed essential to the economy and the expansion of industry.

In conjunction with the new structure, the Chilean Customs has adopted the Brussels Nomenclature, thus making Chile the sixth LAFTA member country to do so. The new structure comprises approximately 6,000 merchandise classifications compared with 1,800 under the old system.

The new system was worked out by officials of the Chilean Customs and the Central Bank, in collaboration with the Executive Secretariat of LAFTA. Customs employees have been given courses of instruction in the new system.

The Central Bank retains the right to fix prior deposits and the Ministry of Economy the right to establish the list of permitted imports—Santiago.

South Africa

IMPORT CONTROLS RELAXED—Further to the report published in the January 21 issue of *Foreign Trade*, additional details have now been received from South Africa on the extent of the liberalization. Forty-one items have been added to the Free List and may be imported without a permit. These include: sausage casings; man-made staple fibres; shaving brushes; binding and stapling machines and tools; industrial sewing machines; office equipment, including typewriters, calculating, adding, duplicating and dictating machines; cash registers; hearing aids, and vacuum flasks.

In addition, a number of products were removed from the restricted list (goods requiring specific import permit) and placed under a more liberal quota allocated on the basis of 110 per cent of 1964 imports. The initial permit is 50 per cent of an importer's direct imports of such goods in 1964. Items in this category include: jams and jellies, including honey; canned vegetables; paints; certain plastic sheeting and tubing; household articles made wholly or mainly of moulded or extruded plastic; transmission and conveyor belts; wooden handles; certain papers and tapes; hosiery; electric cable; refrigerators, including industrial; domestic and cooking apparatus; washing machines; lawn mowers; electric motors not less than one horsepower, and selected agricultural machinery.

Full details may be obtained from the Commonwealth Division, Office of Trade Relations.

United States

CUSTOMS INVOICES—Effective December 12, 1966, District Directors of Customs were authorized to waive production of special and commercial customs invoices in certain circumstances.

These circumstances have been defined as when the District Director is satisfied (1) that the importer cannot by reasons of conditions beyond his control furnish a complete and accurate invoice or (2) that a classification, appraisalment, and liquidation can properly be made without the production of such an invoice. In these cases the importer must file with the entry any invoice received from the seller or shipper; a statement pointing out in exact detail any inaccuracies or omissions in such invoice; an executed pro forma invoice; and any other information required by the

District Director for purposes of classification or appraisal of the merchandise. The granting of such a waiver shall be deemed to satisfy the liability under the entry bond for the production of a correct invoice.

A number of other provisions of the Customs Regulations have been amended to conform with this change in the requirement for the filing of special or commercial invoices.

trade lines



Oil and Natural Gas

Rumania will intensify economy and efficiency in the refining of oil during its present Five Year Plan (1966-1970). The value of products obtained from one ton of crude oil in 1970 will be increased by 8 per cent over the current figure.

Thirty per cent of the production rise in the oil industry in the coming five years will be achieved by improved processing. The large refineries at Brazi and Ploiesti will be expanded and a modern refinery brought into service in the Arges region, a major oil-bearing area. The value of products processed from one ton of oil at the recently completed Borzesti refinery is half again higher than the index attained by the Rumanian refineries in 1960. Rumanian authorities have stressed the use of automated control systems in co-ordinating technological processes in refineries—Vienna.

Agreement on the supply of Netherlands natural gas to the Mannheim area has been reached by the Netherlands Petroleum Company and the Energie und Wasserwerke Rhein-Neckar A.G. of Mannheim, West Germany. Deliveries, which will gradually increase to about 17,700 million cubic feet per year, will start in the second half of 1968. The contract will cover 25 years. Agreement has still to be reached on the conditions of transportation through Germany, but this will probably be settled shortly—The Hague.

The Irish Government is considering legislation determining oil and mineral rights off the coast of Ireland. The Ambassador Irish Oil Company Ltd., a subsidiary of the Marathon Oil Company, has completed a preliminary survey of oil and gas prospects in Irish east coast territorial waters. The company has had exclusive exploration rights for oil and natural gas under Irish

territorial waters for five years dating from 1960. The results of their preliminary survey have not yet been issued—Dublin.

A joint Netherlands-U.S. organization will construct a plant for the production of acetylene by the Wulff process in the Europort area near Rotterdam. Production will begin at the end of 1967. The production capacity will be 10,000 tons a year—The Hague.

Turkey's crude oil output in 1965 totalled 1.53 million tons, up 60 per cent over the 921,000 tons of 1964. After completion of the 310-mile pipeline from the state-owned oilfields at Batman to the Mediterranean port of Iskenderum, it is hoped that domestic crude output may rise 3.5 million tons annually. Imports of crude, over 3 million tons in 1965, will still be required for some time to meet growing consumption—Athens.

The first major contract for the purchase of natural gas in Australia has been signed by the South Australian Gas Company and the gas field developers, Dehli-Santos. Although the price has not been disclosed, it is believed to exceed 48 cents Canadian per 1,000 cubic feet and to be worth Can.\$60 million over the 20-year life of the contract. With the question of financing unresolved, no decision has yet been made about the construction of the necessary 500-mile pipeline from the northeast of the state. However, the South Australian Gas Company expects natural gas to reach Adelaide in 1969—Melbourne.

This year the Gas Union plans to construct in the Netherlands approximately 400 miles of main feeder line. This will mark the first use in Europe of pipe with a diameter of 42 inches. It will also be the first

time that Gas Union itself will manage construction of the pipeline. The American engineering firm, Bechtel International Company, will be charged with some details of design and execution. Next year's main feeder-line construction program totals approximately 150 miles—The Hague.

Prospecting off the Yugoslavian coast indicates considerable quantities of oil and natural gas. Several foreign oil companies have already indicated their interest in these finds—Vienna.

The Austrian press reports that 5 billion cubic metres of Algerian natural gas will be delivered to Austria annually under the terms of a contract to be signed this year—Vienna.

The proposed natural gas pipeline between Siberian production centres and the port of Trieste in Italy via Austria has been the subject of recent discussions. Austrian enterprises are expected to participate in the construction of this pipeline, and efforts will be made to achieve financial compensation by balancing Austrian deliveries of material against supplies of Soviet natural gas. The state-owned concern, United Austrian Iron and Steel Works (VOEST), expects to receive an order of approximately 300,000 metric tons of pipe and steel components, equivalent to about one-fifth of total requirements for the system—Vienna.



Brazil has recently negotiated a contract for an earth station with the Northrop Corporation. The station, to become operational in the early part of 1968, will pick up and transmit signals via satellite, permitting direct telephone and television communication with the rest of the world—Rio de Janeiro.

The Chilean National Airline is reported to be acquiring ground-handling equipment with the object of reducing the length of stops at the various stages between Arica and Magallanes. Most of the equipment will come from the United States and Europe and comprises steps, baggage carts, trailers, tractors, fork lifts, and car elevating platforms. Equipment to be acquired later includes cargo hoists and jeeps—Santiago.

Austria has adopted a vigorous forestry control and development program. The Austrian Ministry of Agriculture maintains strict control over felling and reforestation to preserve the original extent of the country's woodlands. In 1965, 120 million young trees were

planted as part of the reforestation and afforestation programs and about 12 million seedlings were imported. West Germany and Czechoslovakia were the major foreign suppliers—Vienna.

Rumania's chemical industry last year increased production 22 per cent over 1965. With 20 per cent of output earmarked for export markets, (thus accounting for a full 7.5 per cent of all Rumanian exports) the chemical industry figures largely in future industrial plans in that country. By 1970 it is planned to have exports of the chemical industry sector account for 15 per cent of Rumania's total exports—Vienna.

The Bahamas received 689,000 tourists during the first ten months of 1966, an increase of 15.6 per cent over the same period in the previous year. Nassau and Freeport still attract most tourists, but Out Islands such as Eleuthera, Abaco and Andros are growing in importance with easier accessibility, particularly by plane, and improved tourist accommodation. In the month of October 1966 alone the number of visitors to the Out Islands increased 21.1 per cent over October 1965—Kingston.

The Italian Apuania shipyards recently launched the first container ship constructed in Italy, the m/s Vento di Levante. This ship, owned by the Tarros Company of Cagliari, will go into service in 1967 between Italy and Sardinia. It will handle 100,000 tons of cargo per year. Its loading system is the "roll-on roll-off" automatic type. The ship has a length of 67.60 metres and a width of 10.5 metres. It carries 31 ISO-1 C unified containers and has a speed of 13.9 knots, fully loaded—Rome.

The Rumanian machine-tool industry supplies about 70 per cent of domestic requirements and exports to 20 countries. It manufactures a wide range of lathes, presses, milling and boring machines, cutters, and planers, and the 1966-1970 Five Year Plan calls for broadening this range until the industry meets 94 per cent of domestic needs—Vienna.

Czechoslovakia's large Slovnaft Chemical Works 1 in Bratislava is the first local firm to manufacture polyethylene. Nylon and cumene phenol are among other products which this refinery has recently begun to produce—Vienna.

A chaffboard plant using agricultural waste was recently inaugurated in South Central Hungary. Built at a cost of about Can.\$7.2 million, annual production is expected to reach some 12½ million board feet of three-ply furniture panelboard valued at Can.\$4.5 million. This will almost double Hungary's output. The fully

automated installation is equipped with Swedish, Belgian and Danish machinery as well as domestic equipment—Vienna.

A comparison of homebuilding within the EEC shows West Germany leading in the construction of both new homes built last year and the number of homes built in proportion to population. Of 1,585,000 new homes built within the Common Market in 1965, the Federal Republic accounted for 592,000 units, or 100 per 10,000 residents. Homes built per 10,000 residents of other EEC countries, with totals in parentheses: Netherlands, 95 per 10,000 (115,000); France 84 (411,000); Italy 80 (410,000); Belgium and Luxembourg 61 (57,000)—Duesseldorf.

Britain's television and washing machine manufacturers report substantial manufacturing cuts over last year. One major firm reports production of television sets down 50 per cent, washing machines down 30 per cent, and electric stoves down 10 per cent. For other companies the drop has not been so severe but overall sales, particularly in the British domestic market, have definitely been off from the previous year—London.

Brazil is to have a new electric power company. The eleven public companies supplying electricity to the State of São Paulo are to be merged into one firm, Centrais Electricas de São Paulo (CESP), with capital assets of \$460 million. The new company, whose constituents at present hold 24 per cent of installed generating capacity in the State, is to increase this to 52 per cent by 1970 and to 70 per cent by 1975. Electricity supply agencies in neighbouring states are to participate in CESP—São Paulo.

More tinplate is to be made in Brazil by Companhia Siderurgica Nacional. It currently has a production capacity of 170,000 tons a year and will raise this to 320,000—Rio de Janeiro.

Chile is expanding its national television network to the southernmost part of the country with construction of a new broadcasting station. The broadcasting aerial, to be installed on high land near Punta Arenas, is to cost some U.S.\$40,000. Tenders for the broadcasting equipment will be called shortly—Santiago.

Nitrogenous steel will soon be produced by a São Paulo Company. Through an agreement with Allegheny Ludlum Steel Co. of the U.S., Aços Villares S.A. will have access to a patented process and technical assistance. The value of the contract is U.S.\$10 million, plus taxes on the value of the parts produced. Nitrogenous steel,

resistant to corrosion, meets the latest requirements of the motor car industry and will be used for the escape valves in combustion engines—São Paulo.

Rumania exports 27 per cent of its tractor production, mostly to Middle Eastern and Asian markets. Tractors are chiefly of the 45 to 65 h.p. class—Vienna.

Expansion plans of the Brazilian steel industry have been revealed in a report prepared by Booz Allen & Hamilton International for the National Bank of Economic Development. It was based on the findings of a committee of Brazilian Ministers, representatives of the steel industry, and officials from the World Bank and the International Monetary Fund. Purpose of the report is obtaining foreign financing for the integrated steel expansion program. The program for 1966-1972 involves investment of U.S.\$603 million to raise the installed capacity of Brazilian steel mills by approximately 200 per cent to 7.5 million tons a year—Rio de Janeiro.

Trade Commissioners on Tour

In Territory

Barbados—D. H. Clemons, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Barbados February 26-March 4.

Costa Rica—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit San Jose February 27 and 28.

Malagasy—S. B. McDowall, Assistant Trade Commissioner in Johannesburg, South Africa, will visit Malagasy February 20-March 10.

Mauritius—S. B. McDowall, Assistant Trade Commissioner in Johannesburg, South Africa, will visit Malagasy February 20-March 10.

Mozambique—W. Jones, Trade Commissioner in Johannesburg, South Africa, will visit Laurencio Marques and Beira February 13-17.

Nicaragua—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit Managua March 1 and 2.

Panama—P. D. Donohue, Assistant Commercial Secretary in Guatemala City, will visit Panama February 21-24.

Reunion—S. B. McDowall, Assistant Trade Commissioner in Johannesburg, South Africa, will visit Reunion February 20-March 10.

Thailand—J. H. Bailey, Commercial Counsellor in Singapore, will visit Thailand March 6-11.

West Indies—K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit the Leeward and Windward Islands, Guadeloupe and Martinique March 10-20.

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

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		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars at Feb. 3	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars at Feb. 3	Canadian dollar in foreign currency units
Algeria Dinar	.2183	4.58	Dominican Republic Peso	1.078	.93
Argentina Peso (free)	.0044	232.56	Ecuador Sucre (official) (free)	.0600 .0545	16.67 18.35
Australia Dollar	1.21	.8333	El Salvador Colon	.4319	2.31
Austria Schilling	.0417	23.98	Fiji Pound	2.719	.37
Bahamas Dollar	1.056	.9470	Finland Markka	.3374	2.96
Belgium and Luxembourg Franc	.0215	46.25	France, Monaco, etc.⁴ Franc	.2173	4.58
Bermuda Pound	3.018	.33	Franco-African Republics⁵ Franc	.0044	227.79
Bolivia Peso	.0911	10.98	French Pacific⁶ Franc	.0120	82.64
Brazil Cruzeiro (official free)	.0005	2,053.39	Germany D Mark	.2717	3.68
Britain Pound	3.018	.33	Ghana Cedi	1.258	.79
British Honduras Dollar	.7545	1.32	Greece Drachma	.0360	27.86
Burma Kyat	.2267	4.41	Guatemala Quetzal	1.080	.93
Ceylon Rupee	.2264	4.41	Guyana Dollar	.6287	1.59
Chile Escudo (brank rate) (free)	.2424 .2134	4.13 4.69	Haiti Gourde	.2159	4.63
Colombia¹ Peso (intermediate)	.080	12.50	Honduras Lempira	.5398	1.85
Congo, Republic of² Franc	.0073	139.50	Hong Kong Dollar	.1886	5.30
Costa Rica Colon	.1630	6.14	Hungary Forint (official)	.0921	10.86
Cuba³ Peso	.....	.....	Iceland² Krona (official)	.0251	40.00
Czechoslovakia Koruna	.1499	6.67	India Rupee	.1431	7.00
Denmark Krone	.1561	6.40	Indonesia⁷ Rupiah	.....	.....

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units at Feb. 3		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units at Feb. 3
Iran			Philippines		
Rial	.0143	69.93	Peso (free)	.2764	3.61
Iraq			Poland		
Dinar	3.023	.33	Zloty (fixed basic rate)	.2699	3.70
Ireland			Portugal & Colonies⁸		
Pound	3.018	.33	Escudo	.0376	26.66
Israel			Saudi Arabia		
Pound	.3599	2.78	Dinar	.2066	4.84
Italy			Sierra Leone		
Lira	.0017	581.86	Leone	1.509	.66
Japan			South Africa		
Yen	.0030	335.37	Rand	1.509	.66
Kenya			Spain & Dependencies		
Shilling	.1402	7.13	Peseta	.0180	55.55
Lebanon			Sweden		
Pound (free)	.3470	2.88	Krona	.2089	4.79
Malaysia			Switzerland		
Dollar	.3527	2.84	Franc	.2490	4.01
Mexico			Syria		
Peso	.0864	11.61	Pound (free)	.2826	3.53
Morocco			Taiwan		
Dirham	.2159	4.63	New Taiwan Dollar (official)	.0233	42.92
Netherlands			Thailand²		
Florin	.2989	3.35	Baht (free)	.0525	19.25
Netherlands Antilles			Tunisia		
Florin	.5725	1.75	Dinar	2.068	.48
New Zealand			Turkey		
Pound	3.007	.33	Lira	.1200	8.35
Nicaragua			United Arab Republic		
Cordoba	.1542	6.49	Pound (official)	2.483	.40
Nigeria			United States		
Pound	3.018	.33	Dollar	1.080	.93
Norway			Uruguay		
Krone	.1510	6.63	Peso (free)	.0142	69.44
Pakistan			Venezuela		
Rupee	.2264	4.42	Bolivar (official free)	.2405	4.16
Panama			West Indies		
Balboa	1.080	.92	Dollar ⁹	.6287	1.59
Paraguay			Pound ¹⁰	3.018	.33
Guarani (free)	.0086	116.27	Yugoslavia		
Peru			Dinar (official)	.0864	11.63
Sol (free)	.0403	24.94			

1. The fixed rate is no longer in effect, as of August 22, 1966.
2. Additional rates are in effect.
3. There is no trading in Cuban pesos in U.S. or Canadian banks at present.
4. Franc is also used in French Guiana, Guadeloupe and Martinique.
5. 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.
6. New Caledonia, New Hebrides, French Polynesia.
7. As Indonesia is no longer a member of the IMF, a realistic rate is not available.
8. Approximately same rate for Portuguese territories in Africa.
9. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
10. Jamaica.

Marketing Data Sheet

PAKISTAN

Area

365,529 square miles.
(West Pakistan 310,403 square miles, East Pakistan 55,126)

Climate

Temperature fluctuates between 68°F and 94°F.
Humidity averages 86 per cent. The Fahrenheit scale is used.

Population

Census of 1961: 93,721,000. Now estimated at 110 million.

	Total	Males	Females
	93,721,000	49,309,000	44,412,000
35 and over	22,956,000	12,695,000	10,261,000
25 to 34	12,813,000	5,707,000	4,960,000
15 to 24	14,335,000	7,297,000	7,038,000

Households

According to 1961 census, the number of private residential dwellings was 15,911,400; multiple dwellings 16,338,746, with an average of five units per dwelling.

Income

National, Rs. 25.2 billion per year; per capita, Rs. 260.
Daily rates for unskilled labour Rs. 3 to Rs. 4.

Motor Vehicles

In 1962: 80,057 passenger, 26,731 commercial, and 39,756 motorcycles and scooters.

Telephones

Approximately 1.1 telephones per 1,000 persons.

Radio and Television

In 1961, households with radios numbered 403,055; there are no statistics on television sets. Television (625 lines per picture) and radio facilities are publicly owned.

Water

Water is reported safe to drink in towns. Water pressure differs from place to place, so does the mineral content.

Electric Power

Fifty cycle a.c. and d.c., 180/220 volts. A three-phase system is used. A grounding conductor is required in the electrical cord attached to an appliance, and the distribution system has a ground wire. Production of public utilities in 1964 was 3,220 million kwh. For refrigerators and water heaters the cost per

unit is 13.125 paisa (Can.\$0.029) for the first 32 units, and 8.75 paisa (Can.\$0.020) per unit for the remainder. For lights and fans the cost is 19.0625 paisa (Can.\$0.044) per unit for the first 50 units, and 21.875 (Can.\$0.050) per unit thereafter.

Coal

Production in 1964 totalled 1,195,000 tons.

Gas

Natural gas is available from the Sui gas field whose reserves are estimated at 6.3 trillion cubic feet. Chemical analysis: methane 94.42 per cent, ethane 1.05, propane 0.28, butane 0.17, carbon dioxide 0.02, nitrogen 3.89, oxygen 0.17.

Operating pressure: Domestic and commercial consumers use a low pressure system. Operating pressure for industrial consumers is 20 pounds per square inch. A high pressure distribution system is used.

Consumers: In Karachi on October 31, 1965, there were 16,069 domestic, 1,163 commercial, and 427 industrial consumers. Consumption estimated at 22,500 million cubic feet in 1966; is expected to reach 37,000 million in 1974.

Cost (Karachi): for domestic consumers is on a sliding scale starting at Rs. 6 per 1,000 cubic feet and falling to Rs. 4. For commercial consumers, the scale starts at Rs. 3.90 and reaches the minimum of Rs. 2.25 at 300,000 cubic feet. For industrial consumers, the scale starts at Rs. 2.25 and reaches a minimum of Rs. 1.25 at 400,000 cubic feet. There are also minimum monthly charges for each class of consumer.

Petroleum Products

In 1964, production of crude petroleum totalled 130.6 million imperial gallons, gasoline 10 million, and kerosene 78.4 million. 100-octane gasoline is imported.

Weights and Measures

Imperial. Local linear, weight and surveyor's measures are also used.

Screw Thread

Right-hand Whitworth.

Standards

Official approval is not mandatory for gas, electrical or other fuel appliances.



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