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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA

Canada's Trade Is Still Expanding

Capital Equipment Mission Visits Eastern Europe

Your Business Visit to Italy

FOREIGN TRADE

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Canada's Trade Is Still Expanding

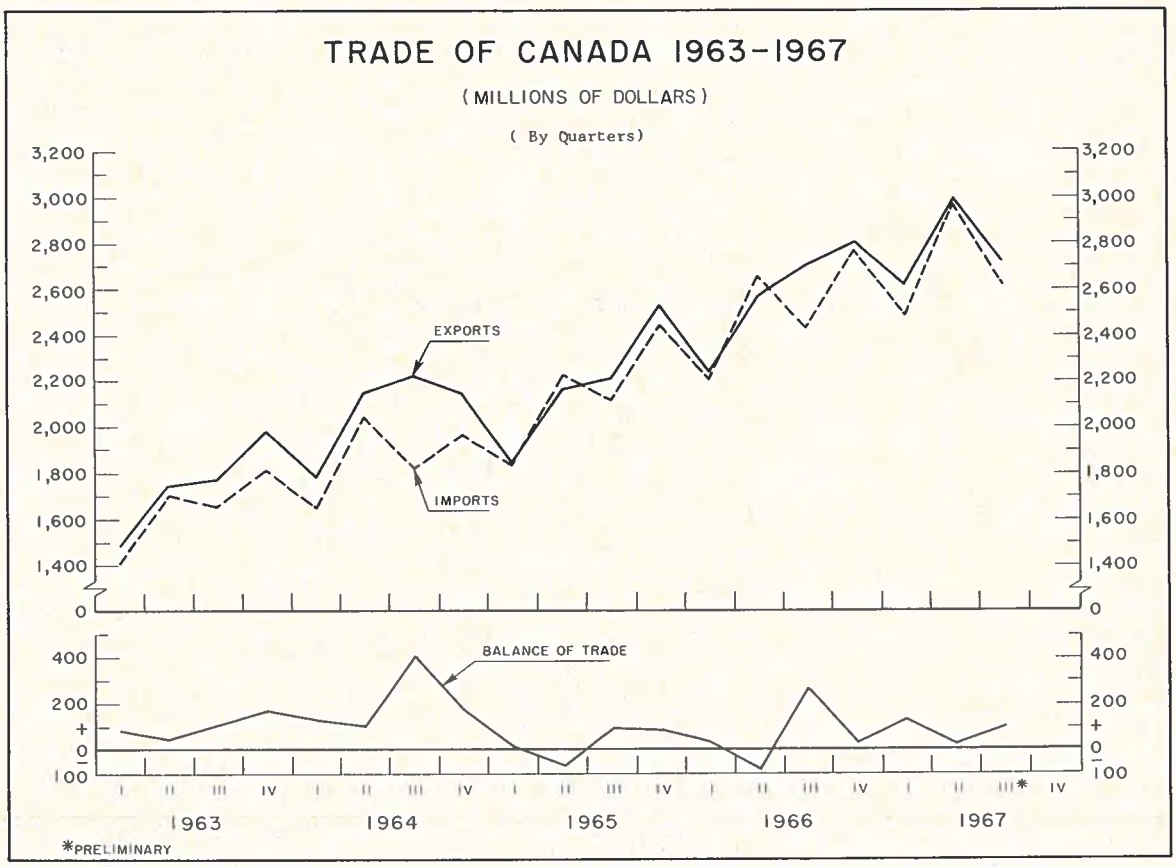
In the first half of 1967 Canadians

expanded their total trade by more than 14 per cent,

pushed exports up by 16.8 per cent,

sold more fully manufactured goods abroad than ever before,

shipped 62 per cent of their exports to the U.S.



J. L. SKEGGS, *External Trade Division, Dominion Bureau of Statistics.*

CANADA'S foreign trade is now in its fifth successive year of rapid expansion. Significant increases in sales of many kinds of goods to both new and long-standing trading partners have continued in the first half of 1967. This, combined with an increasing volume of imports drawn into a domestic economy enjoying an exceptionally long-lived period of prosperity, has enabled Canadian trade once again to attain the highest level ever.

In the half-year from January-June 1967 total foreign trade amounted to $11,091 million, 14.6 per cent higher than the $9,681 million reached in the same period last year. Total exports rose 16.8 per cent to $5,623 million and imports rose 12.5 per cent to $5,468 million. With exports moving ahead faster than imports, the surplus on the revised balance of commodity trade widened sharply in the first six months, to $155 million from $51 million the year before. Preliminary figures for the third quarter of 1967 indicate a somewhat reduced rate of expansion of trade, attributable in part to labour disputes and to smaller wheat shipments. In August, for example, exports declined by 3.4 per cent to $912 million—the first time in two years that they had failed to increase over the same month of the previous year. Exports also declined in September to $848 million, though imports rose to $871 million. Looking at the over-all picture for the first nine months, however, the export balance of $256 million was well ahead of that for the comparable period a year earlier.

Changes since 1963

The chart opposite traces on a quarterly basis the growth of Canada's trade since 1963. It is clear that, allowing for seasonal factors, both imports and exports have risen steadily and rapidly during the period. International trade generally has increased considerably in the past five years, as buoyant business conditions enjoyed by the majority of our trading partners have stimulated a strong demand for imports from Canada and elsewhere.

Table I

Canada's Leading Trading Partners

Domestic Exports		Country	Imports	
January-June			*January-June*	
1966	*1967*		*1966*	*1967*
(Can.$million)			*(Can.$million)*	
2,851.5	3,402.3	United States	3,563.4	4,061.6
550.3	589.0	Britain	326.2	342.8
175.5	291.5	Japan	116.1	140.6
30.1	98.4	India	15.9	17.1
160.0	85.2	U.S.S.R.	3.9	9.2
81.7	77.1	West Germany	104.2	116.8
52.6	78.7	Australia	19.0	26.9
63.6	76.9	Netherlands	26.2	29.5
68.2	70.8	Communist China	10.9	13.4
54.9	67.9	Italy	38.0	51.6
40.1	47.4	Venezuela	116.4	102.7
55.3	45.6	Norway	18.4	17.0
48.5	44.6	Belgium-Luxembourg	25.8	31.1
34.3	41.2	South Africa	8.8	12.8
35.4	39.5	France	45.2	56.4

Nevertheless, between 1963 and the first half of 1967, Canada's exports have expanded almost 50 per cent faster than world trade. In the circumstances, it is not surprising that our trade balance has remained in surplus throughout almost the entire period, (as shown in the lower half of the chart) although there are wide fluctuations from one quarter to another.

Another factor working in Canada's favour during the past five years has been an improvement in our terms of trade. Between 1963 and the first half of 1967, export prices increased by 8.7 per cent and import prices by less than half that amount, 3.8 per cent. Export prices increased particularly rapidly in 1966—by more than 4 per cent—the result of substantial rises in the prices of certain materials. Preliminary figures so far available for 1967 indicate a considerable reduction in the rate of increase of these prices. Import prices have shown only modest rises for some years, following the substantial increases in late 1962 and early 1963, when the fall in the exchange value of the Canadian dollar brought about higher prices of many imported goods in terms of our currency. The gains in the volume indexes of trade moving in and out of Canada in the past five years are additional measures of our expanding international commerce.

Direction of Trade

Turning to an analysis of Canada's trade by countries, Table I, presenting the value of trade with our leading partners in the first half of 1966 and 1967, shows that the United States is maintaining its position as our best customer and supplier, taking 62 per cent of our exports and providing 74 per cent of our imports so far this year. Both these percentages represent considerable increases over the levels of a few years earlier: the comparable figures for 1963, for example, were 55 per cent for exports and 68 per cent for imports. A major factor in this rapid increase in trade with the United States has been the automotive agreement between the two countries, but the generally good business climate on both sides of the border has produced a vigorous demand for one another's goods. Britain remains our second largest trading partner, although in both directions trade is not expanding as quickly as with other

areas. Trade with Japan, on the other hand, continued to grow apace and this country is now firmly established as Canada's third largest customer and supplier.

Our trade with other long-standing trading partners, in Europe and elsewhere, is in 1967 mostly running ahead of the year before. For the Communist countries, where our largest exports are wheat and wheat flour, shipments are down because of improved crops and other factors in these countries. Our small imports, on the other hand, from every one of the Communist states are bigger in 1967 than in 1966.

Exports to Commonwealth countries other than Britain are up sharply this year, particularly to Australia, Pakistan and India. There has been a more than threefold increase in exports to India, largely accounted for by a large shipment of wheat. Imports from the Commonwealth other than Britain are also higher this year than last—$191 million compared with $179 million. Canadian purchases from Venezuela are down but those from other oil producers in the Middle East, particularly Libya, have risen.

What Canada Sold

Table II gives a breakdown of Canada's domestic exports by sections for the first half of 1966 and of 1967, together with the values of the chief commodities or groups of commodities covered by each of the sections. It will be apparent that most of our principal commodities are in greater demand this year than last. The striking feature, however, is the kinds of products with sales running sharply ahead of last year's values. Although such traditional exports as wood pulp, newsprint and whisky have all increased this year, the really large gains have been in the categories of fully manufactured goods. Exports of inedible end products are running about 60 per cent higher than in 1966, with the result that this section constituted 30 per cent of Canada's domestic exports during the first half year.

This increase in manufactured exports is of course in large measure the result of the automotive pact already mentioned. Exports of motor vehicle products almost doubled in the period under review, to $846 million. The United States was the principal destination for these goods, but significant amounts of automotive products were also dispatched to South Africa, Australia and Venezuela, among others. All told, automotive products have accounted for more than half of the increase in our exports this year.

The great attention given this industry has tended to overshadow the growing success of a broad spectrum of Canadian manufacturing industry in capturing foreign markets. The aircraft industry increased its exports by more than 50 per cent in the first half of this year, to $149 million. Most of these sales were to the United States but the industry has been successful in selling overseas as well. The same may be said for agricultural machinery, particularly to Britain and Western Europe.

The table also shows the increase in exports of industrial machinery from $100 million in the first half of 1966 to $123 million in the same period this year. This increase is very widely based, covering such products as electric generators, materials-handling machinery, and equipment for the plastics and construction industries. Once again, these products go chiefly to the United States but also to many other countries around the world. Exports of navigation equipment and parts have continued to rise—from $27 million in January to June last year to $33 million this year

Table II

Canada's Domestic Exports by Sections and Selected Commodities

Section and Commodity	*January-June* 1966	1967
	(Can.$million)	
Live animals	33.9	15.2
Food, feed, beverages and tobacco	803.4	861.5
Wheat and wheat flour	457.4	460.1
Fish and fish products	84.2	94.7
Whisky	52.4	56.8
Tobacco	27.5	39.6
Barley	21.6	37.0
Crude materials, inedible	888.5	960.8
Crude petroleum	153.0	179.8
Iron ores and concentrates	131.7	134.7
Nickel in ores, concentrates and scrap	105.5	105.7
Copper in ore, concentrates and scrap	56.3	75.9
Asbestos, unmanufactured	73.9	75.6
Natural gas	55.8	62.8
Flaxseed and rapeseed	51.0	46.7
Fabricated materials, inedible	1,994.6	2,097.1
Newsprint paper	463.1	473.2
Woodpulp and similar pulp	254.4	275.0
Lumber, softwood	237.5	224.5
Aluminum, including alloys	191.0	207.0
Copper and alloys	124.2	158.5
Nickel and alloys	116.1	114.8
Steel, primary and fabricated	111.6	109.6
Fertilizers and fertilizer materials	72.8	83.9
End products, inedible	960.1	1,533.0
Motor vehicles	254.5	589.3
Motor vehicle parts	169.8	256.9
Aircraft and parts	98.4	149.2
Industrial machinery and parts	100.4	122.7
Agricultural machinery and parts	104.5	115.6
Special transactions-trade	11.5	11.4
Total domestic exports	**4,692.0**	**5,479.0**

so far. Besides the United States, significant sales were made to Britain, West Germany and Italy.

For all end products taken together, the share of these goods which goes to the United States has been increasing, partly (but not exclusively) as a result of the automotive agreement. In the first half of 1967, 83 per cent of these goods went to the U.S. compared with 74 per cent in the same period last year and 62 per cent in 1965.

Canadian Purchases

Table III presents a similar analysis of Canada's imports* during the first half of 1966 and 1967. As in exports, most sections and major commodities have been imported in greater amounts this year than last. The most noteworthy changes are again in inedible end products, where imports have increased by 23 per cent between the two periods, more than twice the rate of increase of imports as a whole. As a result, this section's share of total imports rose from 56 to 61 per cent. The United States was even more the principal source of goods in this section than over-all, supplying $2,738 million out of $3,324 million, or 82 per cent.

As the table reveals, imports of all the major categories of end products increased. Imports of machinery, which includes both general-purpose items such as generators, compressors and machine tools and also such special-purpose items as a wide range of agricultural machinery, including tractors, increased by 7 per cent to $866 million. Imports of transportation and communication equipment rose by more than one-third to $1,455 million. Of this total, automotive products accounted for $1,100 million in the first half of this year, compared with $752 million in the same period in 1966. Imports of aircraft and parts, on the other hand, at $146 million, were little changed during January to June ($142 million last year).

Imports in the three remaining categories—other equipment and tools, personal and household goods, and miscellaneous end products—are also higher than last year by 20 to 25 per cent. Of special interest is the sharp rise in imports of electronic computers and parts, from $18 million in the first half of 1965 to $41 million last year and to $68 million this year, during the same period.

Table III

Canada's Imports by Sections and Selected Commodities

Section and Commodity	*January-June* 1966	1967
	(Can.$million)	
Live animals	6.4	9.6
Food, feed, beverages and tobacco	363.3	394.9
Meat and meat preparations	25.6	32.9
Fruit and fruit preparations	86.6	88.7
Coffee	37.5	39.2
Tea, cocoa and chocolate	18.6	21.0
Crude materials, inedible	474.6	465.0
Textile fibres	63.1	64.3
Aluminum ores, concentrates and scrap	33.6	32.1
Coal	41.0	49.3
Crude petroleum	152.0	158.0
Fabricated materials, inedible	1,089.0	1,140.9
Paper and paperboard	30.8	32.8
Broad woven fabrics	89.5	99.1
Inorganic chemicals	31.9	34.3
Organic chemicals	50.7	56.7
Petroleum and coal products	69.6	81.4
Iron and steel and alloys	169.7	173.4
Non-ferrous metals and alloys	136.0	105.2
Metal fabricated basic products	98.7	116.7
End products, inedible	2,701.0	3,324.2
Agricultural machinery, tractors and parts	236.2	258.0
Industrial machinery and parts	572.6	608.2
Motor vehicles and parts	752.0	1,100.0
Other transportation and communication equipment	329.7	354.9
Other equipment and tools	413.5	514.1
Personal and household goods	151.0	188.1
Miscellaneous end products	245.9	300.8
Special transactions-trade	159.9	140.8
Total imports	**4,794.2**	**5,475.3**

Looking Ahead

In summary, this year has seen substantial advances in Canada's foreign trade. The improvement in exports has been all the more noteworthy because it has occurred during a period of decline in the rate of expansion of business activity in the industrial regions of the world, which has brought about a general slowdown in the rate of growth of international trade during 1967. Present signs give grounds for some optimism about the prospects during the coming year for the economic climate of many of our leading trading partners. In particular, there is a widespread belief that the United States will be embarking upon a period of renewed expansion, although the situation in Britain is as yet uncertain, following the recent devaluation of sterling. There is a good possibility that business conditions in Western Europe could improve, notably in the Federal Republic of Germany, inducing a stronger demand for our exports. The outlook in other major markets is mostly favourable, and although the spectacular growth in exports of certain commodities, such as motor vehicles and cereals, has moderated somewhat, prospects are excellent for an advance in our export trade and in diversification of products and markets. ●

*It should be noted that delays in the receipt of import entries from a major Canadian customs port during nine months of 1966 and seven months of 1967 required a subsequent revision of import value totals. These revised figures are used in this report where possible.

Acres Is Working Across the World

The Warsak dam project in Pakistan first tested this firm's capability for foreign work. Since then, it has carried out varied assignments in 17 different countries scattered across the world. Ray Pillman, president of Acres International, discusses the problems and the rewards of entering the international field.

O. MARY HILL,
Editor, "Foreign Trade".

ENERGY AND EFFORT put into obtaining foreign engineering assignments, especially in the developing countries, on the basis of experience with grant-aid projects alone may not bring worthwhile returns. This word of caution comes from Ray Pillman, president of Acres International, which has carried out consulting assignments in some seventeen countries overseas in the last fifteen years. Currently it is busy in nine of them, located in Latin America, Asia, Africa, and the West Indies.

In voicing this opinion, Mr. Pillman has in mind mainly the overseas business ventures of smaller engineering firms. Often they do not have the necessary resources to spend in competing for international business and to go on doing this until success comes their way. To compete abroad, he believes, a company should first have a substantial amount of work at home and sufficient money and manpower to allocate enough of both to scouting on its own for assignments internationally and to the cost of preparation and submission of proposals. Today, after lengthy, costly and varied experience in the international field, foreign contracts represent about 12 per cent of the workload of the Acres organization—a notable achievement.

ACRES INTERNATIONAL has recently undertaken the following projects; some are in the early stages, others have been recently completed.

Antigua—Study for a water supply project, financed by the External Aid Office.

Colombia—Feasibility and design studies for the Alto Anchicaya hydroelectric station on the Pacific slope of the Andes, for the Corporacion Regional del Cauca. This station is to be part of the national grid.

East Pakistan—Work on the final study for and design of an east and west interconnector transmission project, crossing the six-mile-wide Jamuna River. The assignment is being carried out for the East Pakistan Water and Power Development Authority and Acres will also supervise the construction. Six of its staff are in Pakistan now working on the project and this number will increase as plans move forward. The project is being financed by a Canadian development loan.

Guatemala—Thermal power plant for a private company.

Kenya—Engineering studies of the Tana River in Kenya to determine its power and irrigation potential. Financed by the UN Special Fund and supervised by FAO, this assignment was carried out in conjunction with a Dutch firm which specialized in the agricultural aspects of the study. The report on this has just been finished.

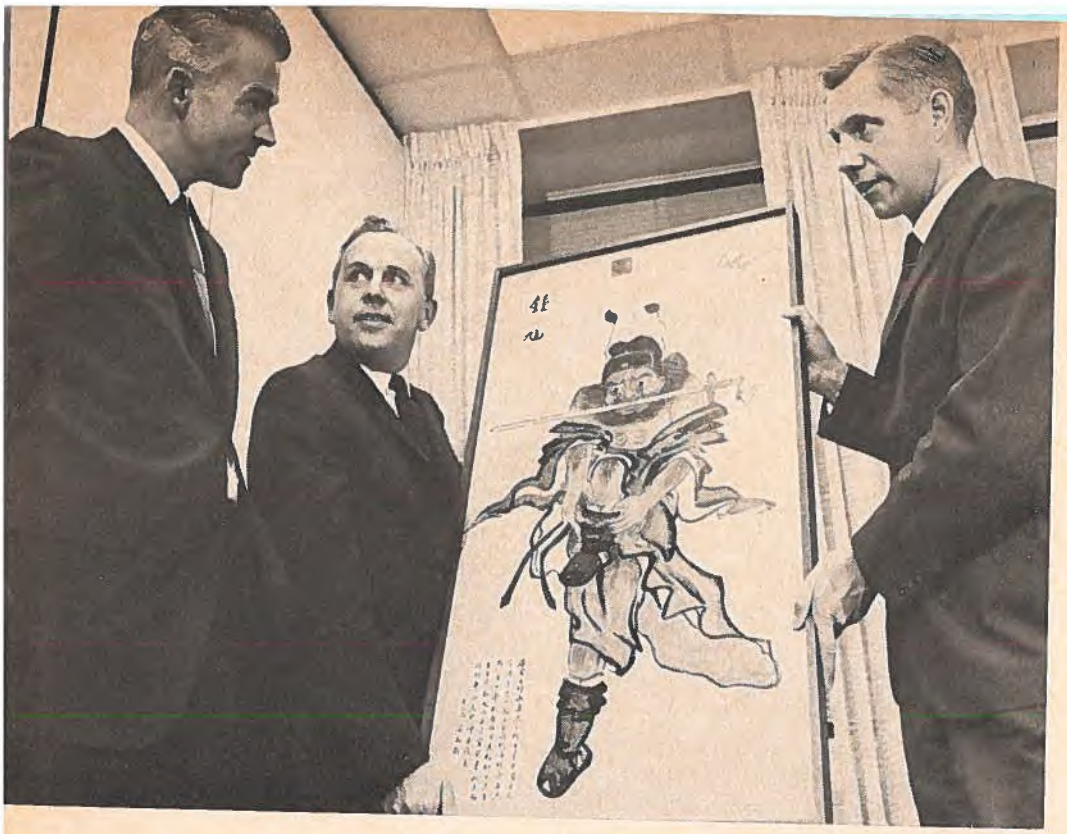
Laos—Supervision of the building of a hydroelectric development on the Nam Ngum River. The project is being financed by an international consortium and the World Bank is administering the project. Construction, which has not yet started, will take from 3½ to 4 years.

Mexico—A review of the expansion program of Compania de Luz y Fuerza de Centro S.A., which supplies electricity to over a million customers in Mexico City and the surrounding area. The program will be financed by international organizations.

Peru—Study of water supply and services for one of the huge estates.

Taiwan—Study of the potential of two river basins to provide additional irrigation for more intensive farming, to determine power benefits from proposed storage dams and river diversions, and to work out costs. This project is now in the report stage. It is financed by the UN Special Fund with the UN itself as executing agency.

Thailand—Studies and design work for the Phasom hydroelectric power station and transmission lines to Bangkok, under the Yanhee Electricity Authority. This project will probably call for international financing to build it. ●



Ray Pillman (right), president of Acres International Limited, acquired this painting of an Oriental warrior on a visit to Thailand, where his firm is doing a river-basin study for the UN Special Fund. Admiring it are (left) Hugh Rynard, executive vice-president of Acres Limited, and Gavin Warnock, vice-president.

At the same time, Mr. Pillman is not denying the value of undertaking work under the Colombo Plan or other forms of grant aid. Like a number of consultants, Acres has found it a useful way of gaining experience and of becoming better known internationally. Although the company did some work in India and Australia in the 1930's and 1940's, it was the Warsak Dam project in Pakistan in the 1950's that provided the first major test of its capability for overseas work. Acres did the original feasibility studies and followed with the engineering and supervision of construction. About the same time, it carried out two other grant-aid projects in Pakistan—the Shadiwal power plant and the Maple Leaf cement plant.

In addition to experience, Acres has something else to offer that is in demand internationally—specialized capability. Founded in 1924 at Niagara Falls by Dr. Harry G. Acres, a former chief engineer for Ontario Hydro, the firm has made its reputation in the spheres of hydroelectric and thermal power and of water use. Gradually it has broadened its scope to include today, in addition to engineering and architectural services for industrial plants, flood control and conservation projects, transportation facilities, universities and other institutional buildings, a wide range of planning services as well as the management of projects. Most of its international assignments, however, lie in the primary areas of power and water. The growing number and importance of its foreign contracts were recognized by the setting up of Acres International, within the Acres group, in 1961.

Widening Its Reach

Like a number of other Canadian consultants, Acres, with a reputation built up on Canadian projects, moved on to those financed by international organizations such as the World Bank. The transition was certainly not automatic: it required considerable effort by Mr. Pillman and his associates. Acres became the first Canadian consulting firm to win a contract financed by the UN Special Fund. It covered a power and irrigation study in Guatemala begun in 1961, with the World Bank as the executing agency. The work was carried out in conjunction with a Dutch firm, which concentrated on the agricultural aspects of the study. Even before this study was completed, Acres had been retained as consultants for the Los Esclavos power projects, also in Guatemala, and financed by the Inter-American Development Bank. The firm did a feasibility study, the design and specifications, and partial supervision of construction. (The construction contract also went to a Canadian company.) Late last year, the development was finished and producing electric power.

Just as Los Esclavos was nearing completion, on the other side of the world in steamy Laos a new assignment began, again under the aegis of the World Bank. It is Acres' over-all management responsibility for the $24 million hydroelectric power project on the Nam Ngum River, a tributary of the Mekong. The development is being financed by an international consortium to which Canada is contributing $2 million. The engineering consulting firm is Japanese and it will take a group of contractors and suppliers yet to be selected from the donor nations five years to complete the work. Acres will train the personnel who will operate the power generating facilities when these are completed and ultimately they will be turned over to the Laotian Government. Three resident engineers and supporting staff, all fluently bilingual, are already there.

Not all of Acres' overseas assignments are financed by international organizations; it does work for private firms as well. It designed the plant and facilities for Alcan Jamaica Limited, a Canadian subsidiary, and it has carried out power studies for private clients in Africa, New Zealand and Brazil. In Peru it is currently studying

water supply and services for one of the huge estates there, and in Guatemala it is engineering a thermal plant for a Canadian company. But inevitably, many of the best opportunities for consultants lie in the developing countries and that usually means international financing to at least some degree.

Canadians Understand

Acres believes that Canadian companies are particularly well suited to working in these developing countries. Mr. Pillman explains it this way. In developing its own resources, Canada did not have unlimited money to spend. It was important to proceed logically, step by step, without wasting time or money on unnecessary activities. The lessons in economy, co-ordination and co-operation that Canadian engineers learned in their own country stand them in good stead when they go to others where capital is scarce and where many badly needed projects are pending. Consultants, he believes, are particularly valuable in the developing world because they are equipped to assess projects, to establish priorities, to choose a well-integrated group to carry out selected programs, and to see that they proceed efficiently.

Personnel and Programming

High on the Acres list of requisites for success internationally are people —the people that the firm must send out into the field, often for two, three or even five years. In developing countries particularly, says Pillman, Acres is "very careful to select people who are competent and also have a genuine sympathy for the people of the countries they work in." Normally the firm dispatches on these assignments only men who have been in their employ for some time and whom they know thoroughly. On long jobs, the man's wife and family go along.

Normally, Acres is carrying out four or five projects overseas at any one time. These absorb a large number of staff because, in addition to those on site, top level men are required at head office to advise on problems, approve the procedures, and ensure that the latest techniques are used. Nor does the firm itself, even with its staff of close to 900, supply all the special skills that are sometimes needed. When necessary it calls in other international experts—people who are authorities in their fields. Co-ordinating the work of all these people who are involved in a project is a big part of the firm's responsibility. "To do a good job on one of these projects," Pillman points out, "you need all these comprehensive skills and they have to be well co-ordinated by people who can run a team and who understand the relationships between the various disciplines."

Next to personnel selection—and almost as important—is efficient programming of the job. As Mr. Pillman puts it, "It is of very great importance to take the right steps in the right order, avoiding the starting too early of a step that depends on completion of the previous one." This type of co-ordination depends upon experience and Acres learned it in Canada before launching out abroad.

Value of Foreign Work

Occasionally Acres enters into an alliance with local or national firms in foreign countries for one job only, but it seldom enters into a permanent arrangement. Like other consulting engineers in Canada, it realizes that this country alone cannot provide a big enough volume of work in certain fields to keep it busy. It therefore has no doubts at all about the value of international assignments. They help to ensure a continuous workload and to smoothe out the ups and downs that consultants often encounter.

But there's more to foreign work than the experience offered and the money gained. Mr. Pillman and his colleagues feel strongly that overseas projects well carried out leave behind them a deep sense of satisfaction. This is particularly true of the developing countries, where a dam completed or a big power station in operation constitutes a vital step forward economically. And like the teachers, doctors, and agricultural specialists that Canada sends out to give technical assistance as needed, her engineers have helped to enhance Canada's reputation abroad.

For several years the Acres company was in the hands of a Los Angeles corporation that took it over in 1953. In 1960, headlines in the business press announced that a group of Acres executives had bought back control. Today, owned and managed by its senior personnel, the Acres group, restructured in 1964, consists of Acres Limited, a holding and management company, and seven subsidiaries, including Acres International.

The firm provides an increasing amount of services to clients in the U.S., but just as U.S. companies often consider Canadian operations as part of their domestic scene, Acres considers its U.S. work as merely an extension of its Canadian operations, and not truly a part of its international activity.

When Operation Export visited Toronto last spring, Ray Pillman was there—to talk with Trade Commissioners from the countries where Acres has work in progress and to learn from others where new opportunities might present themselves. It was all part of an intelligent, never-ending search for new openings wherever they may arise—a search that has already brought dividends. ●

Thailand Speeds Road Plans

A GROUP of engineers from Toronto is now in Thailand under a $500,000 road program. They are designing a road from Bangkok across the central plain, connecting the capital with major rice-producing areas.

The experts have the tough job of planning a road in soft muddy soil and are using a device already tried out on thousands of miles of Canadian highways. It consists of a long steel beam with one end nestled between the dual wheels of a vehicle. It measures deflection and rebound of asphalt pavement under the truck wheels and enables the engineers to take into account the variations in strength of soils underneath.

The Government of Thailand has given high priority to the project, which is being carried out by General Engineering Co. Ltd., because it forms an important part of its plans for a modern transportation system. The beam being used was designed by the British Columbia Department of Highways. ●

Capital Equipment Mission Visits Eastern Europe

Interesting trade possibilities in five Eastern European countries were uncovered by a trade mission last September. The Mission secretary reports on contacts made and on how Canadian companies in this field can follow up the opportunities presented.

R. C. WALLACE,
Chief, Mechanical Equipment and Engineering Division.

A SIX-MAN Trade Mission organized by the Department of Trade and Commerce and specializing in the capital equipment and engineering fields visited Eastern Europe last September; its itinerary included Bulgaria, Czechoslovakia, Hungary, Rumania and Yugoslavia. It was designed chiefly to take advantage of the opportunities developing in Eastern Europe for the sale of capital equipment and engineering services. Specifically, it was charged with identifying and exploiting the sectors where trade is possible and studying the methods employed in purchasing and marketing products, equipment and services in the area.

In each of the countries visited, comprehensive schedules of appointments were arranged by the Canadian Trade Commissioners in close cooperation with the Chambers of Commerce. This program was designed to provide the Mission with an opportunity to meet first with the Chambers, to be given an outline of their responsibilities and their relationship with all other organizations within the country. Following this initial briefing, meetings between Mission members and representatives of import/export organizations, manufacturing companies, technical organizations, etc., were scheduled either for individuals or small groups. This procedure provided an opportunity for discussions on a wide range of subjects and fields of interest and at the same time involved every member to the maximum.

The Chamber of Economy in Yugoslavia and the Chambers of Commerce in the other four countries are public organizations, which represent the interests of all the foreign trade organizations. Membership in the Chamber is compulsory for all import/export organizations, manufacturing companies, technical associations, and so on.

One of the principal tasks of the Chambers is to establish and promote direct personal connections between their members and foreign buyers and sellers of all types of commodities. In each country the secretary of the North American desk of the Chamber personally devoted his or her full time to assuring that the Mission received maximum benefit from its visit. Where necessary, the secretary also served as interpreter.

Economic Reforms Discussed

In the briefings by the Chambers the Mission was advised of economic reforms planned or already being implemented which are expected to have a significant bearing on the trading activities of many leading enterprises. Initially the responsibility for the import and export of all products was vested in a limited number of state trading organizations, each with a monopoly of a certain range of commodities. The economic reforms introduce a relaxation in the central direction of the economies of these countries, plus the profit motive and some of the features of market economies. Management in industry will generally have greater autonomy and in some instances this autonomy is being extended to foreign trade operations. Consequently the future should bring more direct participation in foreign trading by the larger factories

These were the Mission members:

A. Boehm
Manager
International Business Development
Surveyer, Nenniger & Chenevert Inc.
Montreal, Quebec

W. A. Devereaux
Montreal Engineering Company Limited
Montreal, Quebec

R. Langen
President and Sales Manager
H. J. Langen & Sons Canada Limited
Weston, Ontario

R. P. Vaughan
Manager, Sales and Services
Dominion Engineering Works Limited
Montreal, Quebec

F. M. Trasler
Export Manager
Canadian Allis-Chalmers Limited
Montreal, Quebec

R. C. Wallace
Mission Secretary
Chief, Mechanical Equipment and Engineering Division
Department of Trade and Commerce
Ottawa, Ontario

They visited:

Belgrade and Zagreb in Yugoslavia
Brno and Prague in Czechoslovakia
Budapest in Hungary
Bucharest in Rumania
Sofia and Plovdiv in Bulgaria

and amalgamations, independent of the old type of autocratic trading company.

Yugoslavia in particular has gone to great lengths in the reorganization of its economy from top to bottom. The foreign trading organizations no longer have a monopoly and, in fact, any Yugoslav enterprise meeting certain requirements may engage in foreign trade. The other Eastern European countries are either poised to introduce new economic measures or are at a critical stage of transition from highly centralized economies to the more flexible systems of management. As a result, a limited number of industrial enterprises in some of these countries may deal directly with foreign firms.

In Yugoslavia under the new system, import/export organizations will be able to act as agents for foreign suppliers. In each instance, organizations will be restricted in the number of foreign firms they may represent for specific types of equipment, services and commodities. Thus the purchaser (end user) may obtain competitive bids from a number of foreign suppliers through different import/export organizations.

For complex equipment and complete plants, where highly technical negotiations are necessary between supplier and purchaser, procedures will be simplified through direct approach to authorized manufacturers or engineering design organizations.

Licensing and Joint Ventures

Of late years the countries under study have given priority to industrial expansion in their economic development plans. This expansion has been assisted through co-operation with foreign manufacturers and large quantities of plant and equipment have been purchased outright from Western sources. In recent years the co-operation has taken new forms. Many Western products are now licensed for manufacture in Eastern Europe and recently manufacturing enterprises from Eastern Europe and from the West have begun to co-operate in so-called "joint ventures" in a variety of industrial sectors. These joint undertakings provide for capital equipment sales and may also involve technical, managerial and marketing co-operation. The purchase of licences from the West is receiving considerable attention and significant sums of money have been allocated for this purpose. Canadian firms would do well to examine trading arrangements of these types.

In one short month, it was not possible to study market potential in depth but the Mission felt that sufficient information was obtained and enough possibilities brought to its attention to justify further investigation, preferably by individual companies which can follow up specific opportunities in depth. Even now, products and installations are being examined and evaluated for implementation under economic plans to be put into effect in the 1970's.

Possibilities Discussed

Indicative (but far from all-inclusive) of the possibilities discussed are the following:

Tourist Facilities—All countries expressed a great deal of interest in receiving assistance, both technical and financial, in developing their tourist industry. Specifically, they are interested in the construction of modern, first-rate hotels and motels and resorts which will appeal to visitors from all parts of the world. Considerable progress has been made and some major hotel chains are now planning or have under construction large hotels in these countries. The Chambers in each would be pleased to hear from organizations or groups in

Canada interested in development of tourist facilities in Eastern Europe.

Aluminum Industry—Several of the countries have significant deposits of bauxite but very limited sources of cheap power. They are all interested in developing the aluminum industry but are planning to concentrate on rolling or extruding facilities, rather than on setting up their own facilities for basic production of aluminum.

Complete Food Plants—Although most of the countries have their own plants for the manufacture of some lines of canning, processing and packaging equipment, they all expressed interest in obtaining information on equipment available from Canada. Their particular concern is to obtain complete plants which will mean larger production and greater efficiency. They also want to turn out products with a longer shelf life so that they can expand their marketing into foreign countries, particularly Western Europe. The current plants were established on the basis of servicing the domestic market and were geared to the domestic consumer, who commonly shops every day because only a small percentage of homes are equipped with facilities to preserve food over some time. The existing processing plants are not fully automated, particularly for the final cartoning operation. However, no interest was indicated in updating present facilities but rather new plants will be scheduled. These will need complete design using the most advanced techniques and automation to reduce costs, increase production and improve quality of product. This area, therefore, could offer the greatest opportunity to Canadian suppliers of services and equipment. It would require a consortium approach, however, because no one Canadian firm can provide all the equipment necessary for processing meats, vegetables, fruits and fruit juices, the products in which they are particularly interested.

Agricultural Equipment—Considerable interest was expressed in Canadian developments in agricultural equipment. The large state farm organizations want the largest high-production equipment available.

Forest Industries—This equipment also is of interest. During meetings with the foreign trading organizations in the various countries, Canadian forest harvesting methods, pulp and paper plants, board mills, plants making liner board, specialty papers, and writing papers, manufacturing equipment, etc., were discussed and requests received for literature illustrating and describing units available from Canada. They emphasized the fact that their economies could not justify plants as large as the Canadian ones and they would therefore be interested in those of small to medium size. The equipment currently in use was obtained in Europe and Canadian firms would face severe competition from these established sources. However, they are vitally interested in the Canadian techniques that give higher output and greater efficiency per dollar invested, particularly forest harvesting equipment. Within the trading organizations the responsibility for the import of forest harvesting equipment is vested in the agricultural equipment dealers, but process plants are the responsibility of the engineering or chemical trading organizations.

Hydroelectric Turbines—Interest was also expressed in large hydroelectric turbines. A number of companies in these countries and the Skoda works in Czechoslovakia in particular have developed their own designs and manufacturing facilities for hydraulic turbines. But because of the limited hydroelectric potential, the majority of units produced have been relatively small. Two or three large potential hydro developments are contemplated for the Danube River and this has brought a desire to investigate large horsepower units. The engineering and manufacturing organizations stated their preference for a form of licensing agreement which would include co-operation in design and at least partial manufacture in the country.

Iron and Steel Manufacturing—All the countries have plans to expand their iron and steel manufacturing and are interested in having technical data and information on equipment relating to the use and production of pellet feed for steel plants, rolling mill equipment (hot and cold) for ferrous and non-ferrous metals, tube mills, galvanizing and paint lines, etc. Any installation of this type would be scheduled for some time after 1969, but they would like to have the opportunity of discussing the potential immediately in order to study it fully and include it in long-range planning.

Licensing Arrangements—The independent engineering organizations and the major trading organizations which have established engineering design groups expressed interest in licensing arrangements as a means of introducing North American technology into the development of manufacturing and processing plants, such as pulp and paper and hydraulic turbine equipment and process development. In addition, they expressed a desire to meet with consulting engineers or manufacturers with expertise in other fields. They are interested not only in new fields of endeavour but in technology related to existing types of machines which would lead to higher production and efficiency.

Canadian Foreign Trade Service in Eastern Europe

AUSTRIA

Territory: Albania, Bulgaria, Czechoslovakia, Hungary, Rumania.

F. I. Wood
Commercial Secretary
Canadian Embassy
P.O. Box 190
Obere Donaustrasse 49/51
1013 Vienna

DENMARK

Territory: Poland

W. R. Hickman
Commercial Counsellor
Canadian Embassy
Prinsesse Maries Alle 2
Copenhagen V

YUGOSLAVIA.

Territory: Yugoslavia

Z. W. Burianyk
Commercial Secretary
Canadian Embassy
Proleterskih Brigada 69
Belgrade

Joint Ventures—In addition to the specific requirements for potential supply to these countries given above, considerable discussion also took place on the possibility of Canadian firms joint-venturing with engineering firms or manufacturers in third countries. They expressed interest in joint-venturing in consulting engineering, contracting and provision of equipment.

Financing Is Important

A major consideration in developing exports of capital equipment in many areas of the world today is financing and the Eastern European countries have been, and continue to be, substantial users of medium- and long-term credit facilities offered by Western firms. Canada, of course, does extend credit and credit insurance and the Export Credits Insurance Corporation will now consider applications for credit and credit insurance of more than five years' duration on sales of appropriate capital equipment to Eastern Europe.

The Mission discussed the question of credit with East European authorities at some length. At the same time, the trading organizations expressed interest in exploring the possibility of barter arrangements with Canadian firms. They mentioned that barter transactions are widely used as a device to facilitate imports by East European countries. The Mission indicated that this was a question for individual firms to decide on the basis of their needs and market considerations. The members also pointed out that Canada does not have substantial organizations which arrange for the marketing of bartered goods and that in the engineering and capital equipment field, the practice was for Canadian firms to sell services and equipment on the basis of cash or financing. It was stressed, however, that the open Canadian market provides an opportunity for free competition in the sale of a wide variety of imports.

The industry members of the Mission felt that there is an opportunity for increased trade with Eastern Europe, notwithstanding the emphasis these countries place on barter and bilateral balancing of trade. They stressed the important role played by Canadian firms which specialize in dealing with Eastern Europe and suggested that interested Canadian manufacturers might use these services when selling to Eastern Europe.

First Steps in Selling

To Canadian companies interested in expanding their markets into Eastern Europe, the Mission recommended that they send literature describing their products to the Canadian Trade Commissioners covering these countries, for distribution to the trading organizations and end users. A minimum of four copies of such literature is suggested to ensure adequate distribution. But as in all other markets, personal contact is the important factor and the dispatch should be followed as closely as possible by a personal visit. Only through direct negotiation and discussion of Canadian capabilities will there be any opportunity for the sale of Canadian equipment or plant and this interest must be developed before any discussion on ways and means of payment. It was also suggested that interested Canadian companies should discuss with officials of the Export Credits Insurance Corporation the position on insurance or financing for sales of products and services to Eastern European countries.

Any Canadian company interested in obtaining specific information on the potential for its products in this area should get in touch with the Department of Trade and Commerce. In the field of capital equipment and engineering services, they should address their inquiries to the appropriate Commodity Divisions of the Department of Trade and Commerce.

Israel Develops an Aircraft Industry

THE LAST YEAR has seen a dramatic change in the aircraft industry of Israel with the establishment of a jet engine plant, the purchase of a United States company producing a successful executive jet aircraft, and the local design of a 20-seat STOL passenger/cargo aircraft.

Israel has had a small aircraft industry for more than 15 years but until recently it has been confined to overhaul and repair work for civil and military aircraft. Israel Aircraft Industries (IAI), jointly owned by the Government and private interests, was established in 1953 and soon became the largest repair and overhaul centre in the Middle East. IAI afterwards began to manufacture the *Fouga Magister* jet trainer under licence from France. Then about three years ago work began on the design of a small STOL passenger/cargo aircraft called the *Arava*. The first hand-tooled model is due to fly in 1968. The *Arava* is manufactured in Israel but much of the special equipment—the engine, electronics and hydraulics, etc.—will be imported.

In August 1967, a major new venture began with the construction of a $7 million jet engine factory in co-operation with Turbo-Mechanica of France. This plant will initially employ 1,500 and will produce small jet engines for the *Arava* and for export.

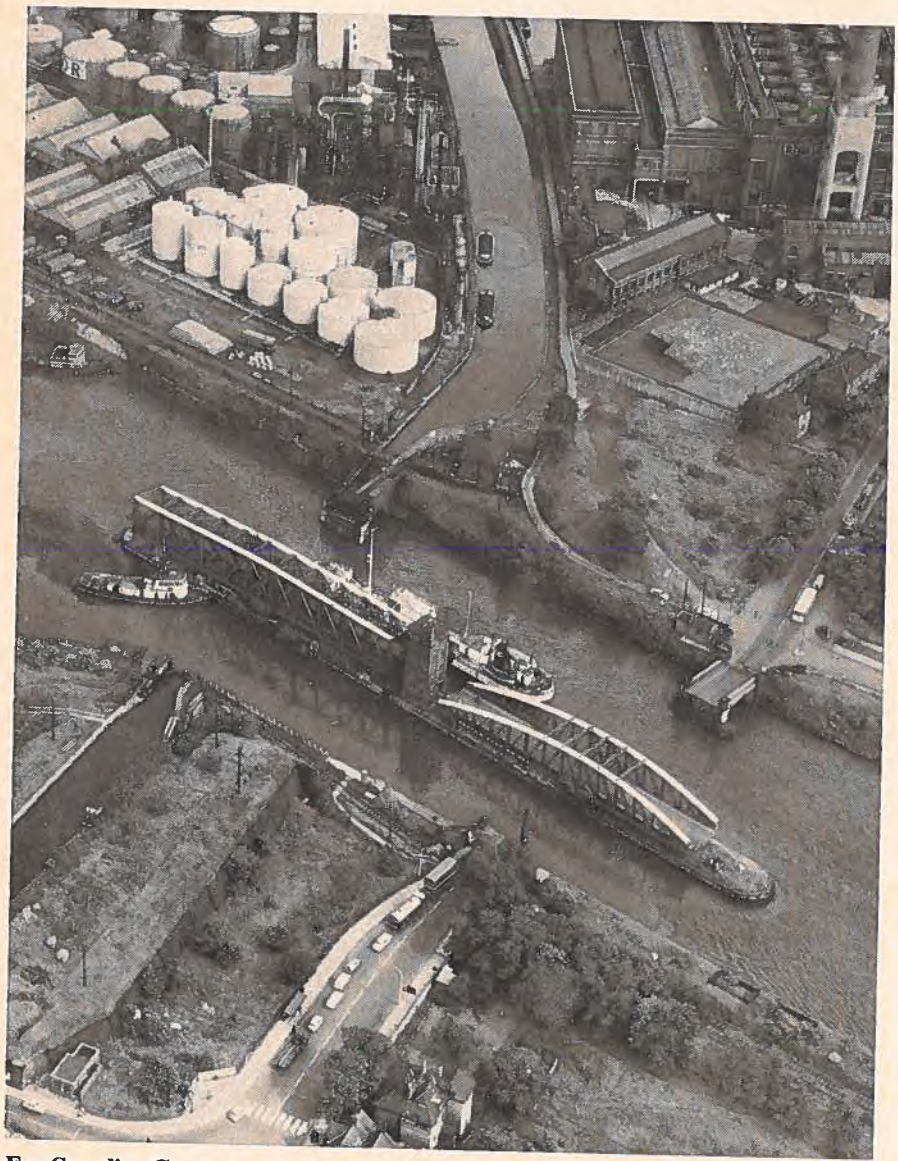
In September 1967, IAI purchased the Standard Rockwell Company of the United States which makes *Jet Commander* executive aircraft. Production of the *Jet Commander* (currently two a week) will be moved from the United States to Israel in the course of the next two years and exports to world markets will continue from here.

The result of these developments is that Israel now has an active and expanding aircraft industry making planes which it will soon be exporting to world markets. Because it does not have its own components industry to back up aircraft production, many opportunities are available to Canadian aircraft component suppliers to sell all manner of equipment, from electronics and extrusions to engines and hydraulic apparatus. Canadian companies should take steps now to establish contacts before purchasing patterns become too rigidly established.

—S. G. HARRIS,
Commercial Secretary, Tel Aviv.

The Containerization Movement: Manchester

The Montreal-Manchester containership service will start in the fall of 1968. At the British end, ships will use the Ship Canal to take their cargoes right into the industrial heart of England.



For Canadian Goods moving into the Midlands or the North of England, Manchester, connected with the sea by the Manchester Ship Canal, offers excellent facilities. Our picture shows the Barton Swing Aqueduct, carrying the Bridgewater Barge Canal over the Ship Canal. Built in the form of a trough, it is swung full of water.

J. H. NELSON,
Trade Commissioner, Liverpool.

MOST PEOPLE have heard of the Manchester Ship Canal, but many are not aware that the port of Manchester at the head of it is almost fifty miles from the open sea. The strategic location of these docks is worth close examination by Canadian exporters whose products are moving into the Midlands and North of England.

How Manchester came to be a deep sea port is an interesting story. In the early and middle 1800's, the export industries in the Midlands and the North, particularly the cotton mills, found their access to foreign markets severely restricted by the high inland freight charges that had to be paid to the railways and to the canals which the railways also controlled. In addition, high dock charges were levied by the trust which at that time controlled the port of Liverpool. During this period, a number of schemes were put forward to construct a canal linking Manchester with the Irish Sea, but none was put into effect.

Feat of Engineering

The final and successful attempt started in 1882. It took several years to obtain Parliamentary approval of the plans, raise the necessary capital, and acquire the right of way by purchasing land and smaller canal systems. Work on the new canal began in 1887 and was completed in 1894. In the course of construction the contractors employed 16,000 workmen and the total cost was $46.5 million. Construction and development since then have cost an additional $35 million.

When completed, the Ship Canal had a depth of 26 feet. This has been increased to 28 feet by raising the water level and the depth of one section at the beginning has been increased to 30 feet by dredging. The Ship Canal starts six miles east of Liverpool in the estuary of the Mersey River and goes in an almost straight line 36 miles inland to Manchester. Along its route there are five sets of locks which raise ships up 56½ feet after they enter the canal system. A number of road and railway bridges cross it, including the remarkable Barton Swing Aqueduct. The aqueduct was a novel engineering solution to the problem of carrying the Bridgewater Barge Canal over the Manchester Ship Canal and is a swing bridge revolving on a central pin. The bridge swings to allow the passage underneath of large vessels and is built in the form of a trough; it is swung full of water to avoid the delays to traffic on both waterways which would occur if it had to be emptied and refilled each time it was opened. A system of gates close the ends of the trough and the abutting ends of the canal.

Focal Point for Industry

Over the years, industry has been attracted to this area by the Ship Canal and the smaller ports which have been constructed beside it. The same administration looks after all the facilities along the canal. In its first year of operation, the Manchester Ship Canal handled 925,000 tons of cargo. Today, over 16.5 million tons pass through it every year, of which a significant proportion is made up of imports from or exports to Canada. (Detailed statistics on movements to and from each area of the world are not published.)

Manchester is the third largest port in Britain, coming after London and Liverpool in terms of the tonnage of cargo handled. Over 5,000 cargo vessels enter the Port of Manchester each year (including those which call at the smaller ports along the canal). Large petroleum tankers are handled at a new dock near the entrance. The Ship Canal can handle ships of 12,500 d.w.t. right through to Manchester and up to 15,000 d.w.t. as far as six miles from the entrance. Ships that can navigate the St. Lawrence Seaway can pass through the Manchester Ship Canal.

In addition to extensive dock facilities along the canal, the port of Manchester covers 700 acres with five miles of docks, including 179 acres of water and 286 acres of dock and storage space. There are eight docks, half for ocean-going and half for coastal vessels, and there are facilities for handling all types of general cargo and special cargo such as grain. Railway and road services are both available alongside all ships' berths.

The policy is to discharge as much cargo as possible directly from the vessel to rail or road vehicles—much of the lumber imported from Canada and elsewhere never touches the dock. A new integrated container berth is under construction in Manchester for the three specialized container ships that Manchester Liners Ltd. will put into the year-round service between Britain and Canada starting in November 1968. There will be a similar container berth at the port of Montreal.

Canadian Trade Important

Today the chief British exports through Manchester are petroleum, chemicals, coal and coke, salt, iron and steel, bitumen, vehicles and parts, machinery, pitch, foodstuffs and creosote. The main imports are petroleum, ores, grain, wood pulp, sand and gravel, timber, non-ferrous metals, paper and newsprint, sulphur, foodstuffs, chemicals, cotton, iron and steel, asbestos, beer and stout—exporters will recognize a number of important Canadian exports to Britain. Most of the traffic consists of prime materials but considerable quantities of secondary manufactures also move through the port.

Regular shipping services are offered by Manchester Liners Ltd. between Manchester and Montreal, Great Lakes and the Maritimes, and by Furness Withy Lines Ltd. to the west coast. Charter vessels and non-scheduled freighters also call at Manchester. A small volume of Canadian traffic is transshipped at Liverpool and goes up the canal by barge.

One of the main advantages to Canadians who ship their exports up the Ship Canal to Manchester is the proximity of major marketing centres. Within a radius of 100 miles live 20 million people out of Britain's 53 million population. Within the same radius lies almost 80 per cent of Britain's industrial capacity and the important cities of Liverpool, Birmingham, Hull, Sheffield, Leeds, Leicester, Lincoln, Derby, Nottingham and York.

Pallet Pools and Containers

What is the future of the Ship Canal and the port of Manchester? At the present time, the management has a program of continuous improvement to the canal and the docks. There is, for instance, a pallet pool in operation which enables trucks to deliver consignments to the docks on pallets and pick up an equal number of empty pallets. To encourage its use, a 30 per cent reduction in canal tolls is allowed for goods which can be left on pallets until shipment. The new container berth is another example of how facilities and services are being kept up-to-date.

Since its inception, the Manchester Ship Canal Company has been privately owned although the municipality has a substantial number of shares. Future ownership is somewhat in doubt as the Government is considering bringing the port under national control. Whether its future will be in public or private ownership, its modern port services ensure that Canadian exporters will continue to find it a convenient and economical point for their goods to enter the British market. ●

Exporting?

When you are making a contract with an agent, particularly in Western Europe, look into the local laws about cancellation of this contract. In a number of countries, the agent with whom you sever connections may be entitled to collect profits from your sales for a year or even longer. A clause allowing for six-month notice of cancellation of contract would limit your liability to six months.

Your Business Visit to Italy

Are you finding your export business uncomplicated, unchallenging, uninteresting?

Are your business trips uninspiring?

Then we suggest you come to Italy your next time out.

Doing business in this country generally proves to be more unpredictable and demanding than you can imagine. There is no sameness in a trip through Italy; it's a kaleidoscope of interesting people and places. The visitor can be charmed, intrigued, confused, amused—but never bored.

Italy's area of 116,000 square miles (less than half the size of Saskatchewan) consists of a peninsula and two main islands, Sicily and Sardinia. Although the total length from the top of the familiar boot to the heel is only 750 miles, 53 million people are packed into that space. Poor in natural resources, Italy must be reckoned with as an industrial power. The post-World War II era has witnessed great economic advances and the momentum is increasing. The GNP rose by 5.5 per cent in 1966 and the same increase is expected in 1967. Imports totalled $9.3 billion last year and should reach $10.8 billion this year. The figures for exports are $8.7 billion and $9.5 billion. Other figures are equally encouraging.

It really is a market that you should investigate. Canadian Trade Officers in Rome and Milan look forward to meeting you in Italy. To help you plan your trip more effectively we offer the information that follows.

—C. D. MILLER, *Assistant Commercial Secretary, Rome.*

PHOTOGRAPHS:

Cover: part of an ancient temple at Segesta on the Island of Sicily. Above: the organ fountain at the Villa d'Este near Rome. Italy's temples, necropoli, sculpture, murals, sumptuous villas, walls and roads provide an insight into the development of western civilization.

What Canada Sells to Italy

Canadian-Italian trade has been expanding at a brisk pace over the last few years and, given the healthy Italian economic climate now prevailing, prospects are good for this trend to continue. Last year Canada exported $115 million worth of goods to Italy, placing it tenth among our world markets. Over the first four months of 1967, Italy was Canada's third best customer in Western Europe, after Britain and the Netherlands. Our total sales to the Italians this year should reach about $122 million.

A brief glance at the 1966 statistics may give some insight into the broad picture of our trade with Italy. The largest commodity group and the one which registered the greatest gain over 1965 was "food, feed, beverages and tobacco"—at $38 million; leading products in the group were wheat and barley. Most important among crude material exports ($34 million) were metals and minerals, especially iron ores, aluminum scrap, asbestos and nickel. Rapeseed exports alone exceeded $6 million. Of our fabricated material exports, worth $30 million, over one-third was wood pulp, with lumber, liner board and aluminum pig also major items. We sold over $10 million worth of end products to Italy last year, including electronic and navigation instruments and a growing range of industrial and consumer goods.

More than half our sales to Italy consist of products for use in industry. Italian industry has been advancing steadily at an annual rate of 10 to 12 per cent since the mild recession of 1963-64 and first six months' figures for 1967 show industrial production up 11 per cent over the same period last year. Although it would be optimistic to predict a continuation of this large annual increase, 8 to 10 per cent appears possible over the next few years and this promises well for us.

The consumer goods market is the great challenge for the Canadian businessman. Though we have achieved sporadic successes in selling boats, clothing, lingerie, sports equipment, games and kitchen utensils, much effective promotion remains to be done. This is not an easy market to break into because per capita buying power is limited and Italy itself produces a broad range of inexpensive, if not de luxe, consumer products. But there are opportunities and these will increase as incomes rise. The 1965 average family net income although only $2,300 is triple what it was 15 years ago.

The assembly line at the Alfa Romeo plant in Milan. Italy's industrial output is increasing at better than 10 per cent a year. Automobile production has more than doubled since 1960 and exceeded 1.3 million units in 1966. There was one motor vehicle for every 21 inhabitants in 1960; now the ratio for private cars alone is one for every eight people, not far behind the EEC average.

Modern office buildings in the central part of Milan; the Canadian Consulate General is located in this section. Milan is the richest area of Italy with a per capita income of $1,600; the Milan-Turin-Genoa area is the most highly industrialized in the country.

First Steps

Write to us, if possible a month before you are due to arrive in Italy, describing your product and the kinds of organizations you wish to see while you are here. Depending upon your product, we may recommend that you make contact with government agencies, importer-distributors, agents, or large retailers who import for their own account.

We would like to receive samples of your product (if this is practical) and c.i.f. prices. Descriptive brochures (enough copies) are a good selling aid and if you are making a concerted effort to break into the Italian market, your literature should be in Italian.

If you follow these steps, when you arrive we will have lined up appointments with the people best placed to give you an informed opinion about the prospects for your product and, if all goes well, to handle your distribution here.

You will need a valid passport for travel to Italy; no visa is required for a short stay. If you will be staying for more than three months, you must obtain a "Permesso di Soggiorno". This is not difficult; we will help you to get it when you arrive.

If you are coming directly from Canada you will not require a certificate of smallpox vaccination or cholera injection, but should you visit infected areas for smallpox or cholera en route, these certificates will be required. If you have no smallpox vaccination, tell us about it on arrival because you'll have to get one before you return to Canada.

You may bring into Italy any amount of foreign or Italian currency.

Samples of no commercial value are admitted into the country free of duty. On all other samples you must pay duty, which is refunded on re-export. Goods subject to import restrictions sent free as samples need no import licence nor are there any exchange control formalities up to a value of lire 50,000 (approximately Can.$87). Those not subject to import restrictions may be imported without exchange control formalities up to a value of lire 250,000 (Can.$435).

Planning Your Trip

If this is your first trip to Italy and you are scouting around for an agent or customers or doing a market survey, don't attempt a one-day flying visit. One week should be the absolute minimum. A travel agent in Canada can reserve hotel accommodation and transportation. (It's best to book well in advance because the influx of foreigners—26 million this year—means that reservations are difficult to make from April to October.) The Ente Provinciale per il Turismo (EPT) is a first-class tourist service, with offices in all important cities and towns. It has an excellent supply of maps, brochures and hotel lists, and is most helpful in any emergency.

WHEN—If you are able to time your trip, try to avoid the periods from mid-June to mid-September and from mid-December to mid-January. Senior officials and businessmen start going on holiday in the second half of June and the situation deteriorates until the mid-August "Ferragosto", when it's a problem even to find someone in an office who knows when the boss will be back! By early September some have returned but to be safe, wait until the 15th. Apart from the scarcity of senior people in government and business, July and August can be very hot and humid, especially in the south. If 95 degree heat doesn't deter you, the summer business hours are sure to do the job. You will probably be welcome between 10.00 a.m. and 1.00 p.m. and 5.00 to 7.00 p.m.,

The central railway station and airline terminal in Rome. The capital city should be on your itinerary if you want to discuss import regulations, government programs and policy, do business with FAO, or make contacts in the construction industry.

leaving a long gap in the middle of the day with nothing to do but eat lunch and take a siesta.

The best time to do business in Italy is mid-September to mid-December, and from mid-January to June 15. (The Christmas-New Year holiday can become a bit protracted.) Although the summer is hot and quite dry, spring and fall are usually pleasant—cool at night and warm during the day. Like Canada's spring and fall, you can expect a reasonable amount of rain. The winter in Italy holds no terrors for any self-respecting Canadian. In the north, cities such as Milan, Turin, Genoa and Venice experience frost and occasional snow. The weather is often damp and cloudy and Milan is frequently plagued by a dense smog. In the south the winters are warmer and sunnier and snow is rare in the cities.

WHERE—What centres should you visit? The concentration of Italian industry and commerce is still predominantly in the north. Gross income from industrial activity north of Florence is double that for the rest of the country. Looking at the manufacturing sector per se, the ratio widens to 2½ to 1. These are basic considerations that should be reflected in your itinerary, especially if it's your first trip. Seventy-five per cent of the cars in Italy are produced by FIAT and if your line of business is automotive, you'll probably want to speak to executives at the Turin plant. Chemicals, textiles, metals and machinery are also to be found chiefly in the north. If you're in lumber, you should spend some time in Naples, Trieste and Genoa. If you've come to Italy to make contacts in the construction industry, Rome may be first on your list. Of course the capital will be your target if you want to discuss Italian import regulations, government programs and policy, or do business with the Food and Agriculture Organization of the United Nations. Other products require other itineraries but in any event, if you let us know well in advance what you want to accomplish, we will suggest where you may best spend your time.

It Pays to Be Briefed

A bit of background reading before you leave Canada will not only mean a more effective use of your time in Italy, but will also enable you to appreciate more fully Italian business practices and social behaviour. *Concise History of Italy* by Salvatorelli woud be a good starter. H. V. Morton has two erudite and immensely entertaining books, one entitled *Traveller in Italy,* the other *Traveller in Rome*. Barzini's *The Italians* contains many valuable comments, although much of what he says is meant to be taken with a grain of salt. There are, of course, plenty of guidebooks on Italy. Baedeker, Michelin and the Blue Guide all spring to mind. If you have time before your departure, drop a line to the Italian State Tourist Office (ENIT) in Montreal and ask for a selection of descriptive literature and maps. The Italian Trade Offices in Canada can help you with commercial or general queries and the Italian Economic Corporation, representing a leading Italian bank, can provide introductions and much useful advice and information.

Italian Embassy
172 MacLaren Street
Ottawa, Ontario
Tel. 232-2153

Italian Consulate General
1595 McGregor Street
Montreal, Quebec
Tel. 935-4683

The Italian Economic Corporation
Place Victoria
Montreal, Quebec
Tel. 866-4427

Italian State Tourist Office (ENIT)
3 Place Ville Marie
Montreal, Quebec
Tel. 866—7667/8/9

Italian Trade Commissioner's Office
100 University Avenue, Suite 510
Toronto, Ontario
Tel. 362-1036

Italian Trade Commissioner's Office
736 Granville Street
Vancouver, British Columbia
Tel. 685-8451/2

How Much Will It Cost?

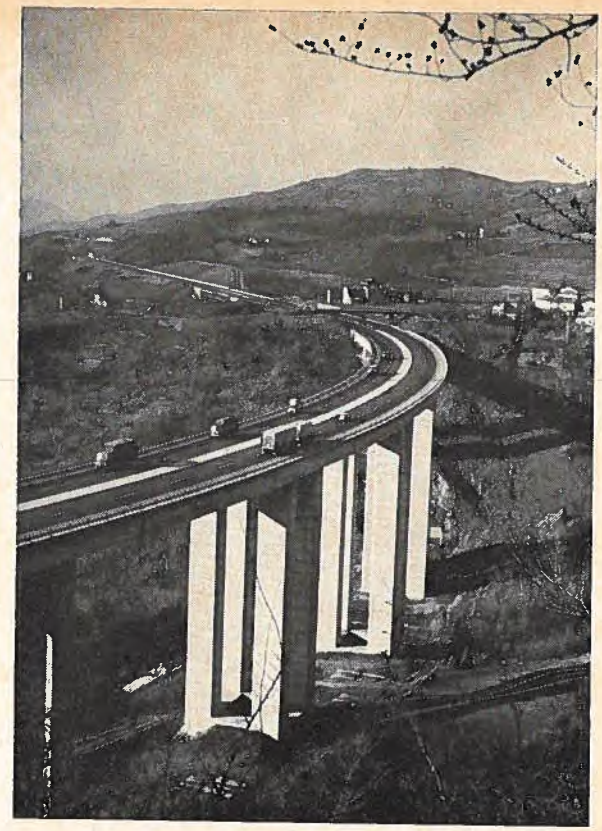
HOTELS—The big centres of Italy mean big-city expenses of at least the same order as in Montreal or Toronto. Come prepared to spend $15 to $18 per night for a single room with bath in the best hotels. The rate quoted may be considerably below this but by the time the 18 to 21 per cent service charge is added, you won't get away with much less. These room charges have a habit of floating upward in the busy season from May to the end of September, and for this reason it may prove useful to have a Michelin Guide on hand to help your choice of accommodation. Furthermore, in the summer season the management may try to convince you that taking at least half-pension (continental breakfast plus one other meal) is mandatory. Unless you have a weakness for the hotel's restaurant, this argument should be firmly resisted, because it cuts down your mobility within the city considerably. If your itinerary takes you out of the big cities, then you will find hotel costs drop to the $10 to $15 range for single rooms. Don't expect to find all the conveniences of North American hotels in Italy, except at the newest places. Heating and air-conditioning are often not as efficient or as widespread as in Canada, and the plumbing sometimes leaves much to be desired.

RESTAURANTS—The restaurants are a part of your trip to Italy you are certain to enjoy. All big cities have many good spots, where food is excellent and the locale attractive. Add to this the infectious Italian zest for good food, and you will probably look back upon your trip to Italy as a succession of good times in restaurants. The very best restaurants, like the best hotels, are really expensive, but you can enjoy good food and wine even in Rome or Milan for $6.00 and we'd be glad to suggest our favourite haunts.

TIPPING—A word about tipping. Although hotel bills have a service charge built in, the doormen, porters and chambermaids are not averse to accepting tips in accordance with services rendered. One hundred lire for calling a cab, 100 lire per bag for the porter, and the same sum per night for the chambermaid should suffice. Many tourists do not tip in restaurants because here again, there is a 15 to 18 per cent service charge on top of the bill. It is perfectly in order for you to pocket all the change from your bill, but a 10 per cent tip might be a good idea if you particularly enjoyed the meal and service—and if you would like to receive the same treatment the next time you return. In the better restaurants, most Italians and foreign residents tip 10 per cent on top of the service charge.

Getting About

Transportation within Italy should present no problems. The main cities are all connected by frequent flights. For example, the Rome-Milan flight, one hour, costs $30. The train service is also fast and good, provided you travel first class. It's always safer to reserve your place on a first-class train a few days in advance, especially in the winter when fog disrupts flight schedules. Your hotel can do the booking. If you dislike the city-to-airport part of flying, you may prefer the overnight train between Rome and Milan, but fare plus a compartment will cost you $40.



Is it adventure you crave? Then we recommend that you rent a car and tangle with a high proportion of brand-new drivers on the roads. The Apennine ridge running the whole length of the country, plus an irregular shoreline, combine to ensure that all secondary highways are hilly and curving. The only means of covering 300 miles a day by car without exhausting yourself is by using the expensive Autostrada system. This network of four-lane, divided superhighway now connects all main business centres and many of the tourist attractions as well. The toll on the Rome-Milan run is $8.75, but you can make the 350 miles in six to seven hours. Do remember, however, that there is no speed limit in Italy, and while the Autostrada is relatively safe, driving on secondary highways is nerve-racking and perilous for the uninitiated. The combination of big trucks, small cars, hills and curves is statistically lethal, producing a death rate per mile nearly six times that in Canada. Italy's four largest cities, Rome, Milan, Naples and Turin, comprise a mere 12 per cent of the country's population, leaving the remaining 88 per cent dotted all over the map in the form of small cities, towns, villages and hamlets. The non-Autostrada driver does well to average 30 miles an hour and to arrive without at least one minor accident.

For getting about within a city, taxis are the best answer. Few cab drivers speak anything but Italian but all you need do is show the written address, rub your lucky piece, and get in. Traffic is congested in all of Italy's big cities and Rome and Naples are both chaotic at peak periods. One word of caution—do not express appreciation of any particularly daring manœuvres because this is considered an invitation to pull out all the stops, and the resultant ride may keep you awake far into the night.

Left: the viaduct over the Voglio River on the Bologna-to-Florence section of the Autostrada del Sole. The superhighway is expensive (the toll on the Milan to Rome run is $8.75), but is much safer than secondary roads.

Right: try to make time for a weekend at one of Italy's beautiful resort areas. This is Positano on the Amalfi Coast.

The Business Climate

Don't plan to make six or seven rapid-fire calls per day in this country; three or four is a more realistic target. To begin with, getting around the business centres in the larger cities is slow going. Half an hour's travel time between calls is a good average. Then you have to contend with punctuality problems, more serious in the south than the north. You may arrive on time for a 10 o'clock appointment only to find yourself ushered into a waiting room for 10 or 15 minutes. Some Italians seem to be putting up stubborn resistance to enslavement to the clock. Another factor which will slow you down is the language. Don't be fooled by the good English you hear at the major hotels. Many Italian businesmen naturally speak only Italian, and so usually you will have to deal through an interpreter. This costs some $6 per hour and we will gladly arrange to have one accompany you on your calls.

Italians don't like to talk business at a quick pace. A brusque, no-nonsense approach will not yield the best results. You would do well to converse on almost anything but business at the opening of the interview. After a few minutes' rambling devoted to the traffic chaos, wines or the scenic beauties of Italy, you will be able to slip into the main reason for your call. Usually your host will be polite and co-operative in the extreme. There lies a danger, which becomes more acute as you head southward: you may receive information slanted towards what your informant thinks you would prefer to hear. That's why it is advisable to check key points with two or three people in the field. Italians are usually personable, interesting people and their warmth and charm at times can sometimes mask a lack of interest in what you have come to sell. Bring your business cards with you, but don't be surprised if you don't get one from your host. Cards are increasingly popular but still not universal.

You might like to invite your friend for a meal. He is more apt to accept an invitation for dinner than for lunch because the middle of the day is the only family time he really has. Afternoon business hours run from 2.30 to 7.00 in Milan, and 5.00 to 8.00 in Naples, so he arrives home too late in the evening to have much time for the children. Dinner starting at 8.30 or 9.00 p.m.—he may arrive direct from work—is quite acceptable. One final bit of advice. Before leaving your host's office, it is well to phone for a taxi to take you to your next call, because cabs don't usually cruise in Italy and the nearest cab-stand may be far away.

Time Off

Leisure in Italy is apt to be more tiring than business, because this country is a showroom of archaeological, artistic and natural beauty. If you are in Milan, you can spend the weekend in the lovely lake district (Como is only 45 minutes away). Or if you prefer the sea, in less than two hours you can be on the Riviera savouring a Cinzano, with some of the most spectacular scenery in the Mediterranean to look at. Florence, conveniently located between Rome and Milan, offers not only famous museums and galleries, but also the softly rolling, lush Tuscan landscape. No city on earth can match Rome in sheer embarrassment of riches, ancient, religious and artistic. The Naples area (two hours south of Rome) offers such attractions as Pompei, the Amalfi Drive, and the Isle of Capri. Week-day entertainment is quite limited for the business visitor, and the evenings are best spent enjoying a leisurely dinner in one of the countless good restaurants. The winter opera season in Rome and Milan runs from November to June and provides the business visitor with a delightful change of pace.

But, enough of description. Come along and see it all for yourself!

Before you take off, write to us

Commercial Counsellor
Canadian Embassy
Via G.B. De Rossi 27
00161 Rome, Italy

Consul General and Trade Commissioner
Canadian Consulate General
C.P. 3977
Via Vittor Pisani 19
20124 Milan, Italy

Automobiles - - Growing Mexican Industry

Selling to the Mexican automotive industry has certain unique problems. Government controls the pricing structure and the percentage of locally produced parts to be used—but there is hope for the enterprising exporter of components and parts.

A. D. McARTHUR, *Assistant Commercial Secretary, Mexico City.*

ONE OF THE MOST rapidly growing industries in Mexico is automobile manufacturing. Since 1962 factory sales of cars and trucks have shown an average yearly gain of 22 per cent (almost 90 per cent in four years). This increase was particularly evident last year, when large production gains were made. Automobile output increased by almost 26 per cent to 86,802 units, light and heavy trucks by 9.5 per cent to 31,901 units, and the sale of new cars 21.3 per cent to 81,132 units. (See Table I for annual sales of new vehicles.)

Although both production and sales were higher last year than in 1965, no large gain is expected this year.

The phenomenal growth of the Mexican automotive industry dates back to August 1962, when the Government passed an integration decree which set locally produced content in automobiles or trucks at 60 per cent or more. At that time there were 17 companies operating in the Mexican automotive industry and ten had assembly and/or finishing plants. Today there are nine manufacturers of automobiles and/or trucks, all competing in a market which has not yet reached 120,000 units a year. It seems improbable that this figure will pass 150,000 by 1970.

The following companies have received government authorization to produce in Mexico: Fábricas Automex (Chrysler Products) and Vehículos Automotores Mexicanos (American Motors-Kaiser Jeep), both majority Mexican-owned corporations; General Motors, Ford Motor Company, Volkswagen, International Harvester, and Nissan, all foreign-owned firms; Fábrica Nacional de Automóbiles (Borgward) 100 per cent owned by private Mexican capital, and Diesel Nacional (Renault-Flexible Buses—Diamond T Trucks), government-owned auto producer. Nissan began production in mid-1966 and the Borgward plant brought the first unit off the assembly line in August of this year.

TABLE I

MEXICAN NEW CAR AND TRUCK SALES

1960–1966

Units

	1960	1961	1962	1963	1964	1965	1966
Standard (high-priced) cars	8,400	9,119	10,453	15,196	21,207	25,271	29,602
Compact (medium-priced) cars	5,611	12,439	15,323	18,570	23,757	22,624	26,564
Popular (low-priced) cars	18,141	17,788	15,387	15,526	16,279	19,007	24,966
Trucks	23,134	23,438	23,990	27,224	33,198	30,279	32,548
Total	55,286	62,784	65,153	76,516	94,441	97,181	113,680

Source: Mexican Automotive Industry Association

Government Controls Important

Under the 1962 integration program, each auto manufacturer is permitted a manufacturing quota and must ensure that his prices and national content are within the required limits. The Ministry of Industry and Commerce has stated that a company's position in the market depends on the retail prices of its products, to what extent it exceeds the 60 per cent national content requirement, and its export activities.

Basic quotas for the main automakers in 1967 are:

Fábricas Automex, 27,500 units (cars and trucks)
Ford and General Motors, 20,000 units each
Volkswagen, 18,000
Diesel Nacional 14,000
Vehículos Automotores Mexicanos 8,500
Nissan Mexicana and Borgward, 8,500 each
International Harvester, 1,500 units.

These quotas are identical to those approved for 1966, with the exception of Borgward. Despite a large increase in the production of autos and trucks last year, only Ford, General Motors and Volkswagen produced all the units authorized for their respective plants. Most companies had large inventories of unsold units.

The price structure under the integration program involves not only the authorized price which the auto manufacturer charges for new models, but also what he must pay for parts and components purchased from local suppliers. The sale price of most new automobiles in Mexico is much higher than that of the same make or model sold in Canada. For example, a Ford Galaxie costs more than Can.$5,300, a Plymouth four-door sedan Can. $4,900, an Opel sports coupé Can. $3,500, and a Volkswagen Can.$2,500.

Guidelines on what are considered just prices for locally produced auto-

TABLE II

AUTOS AND AUTOMOTIVE PARTS IMPORTED BY MEXICO

(U.S.$ million)

	1960	1961	1962	1963	1964	1965	1966
Assembled autos	33.6	25.0	24.2	23.4	33.7	34.3	26.1
Assembled material	81.2	90.6	93.4	115.4	153.2	118.0	96.9
Parts and components	28.7	30.2	31.9	35.4	41.7	52.8	48.6
Total	143.5	145.8	149.5	174.2	228.6	205.1	171.6

Source: Mexican Automotive Industry Association

mobiles have been set by the Government. For standard (high-priced) models, they are up to 95 per cent higher than the base price in the country of origin (United States, West Germany, Japan). For medium and compact cars, they are up to 60 per cent higher and for popular cars, up to 35 per cent higher. In 1966 the Government authorized an increase, averaging 8.8 per cent, in the retail prices of new models; however, the industry was unable to obtain a further price increase for 1967.

Meanwhile, the industry claims that manufacturing costs are going up. For example, the Mexican supplier industry introduced a 35 per cent price increase last year on components and parts, and these increases continued into the early months of 1967. The supplier industry is also pushing for an increase in the use of Mexican-made components and parts, a demand which would step up the minimum requirement from 60 to 70 per cent. There are indications that nearly all Mexican manufacturers are already above the 60 per cent limit. To date, General Motors has achieved the greatest degree of integration, with 67 per cent of national content.

Parts and Components

When the Government's integration decree was first issued, automobiles produced in Mexico had to contain at least the following Mexican-made products: batteries, shock absorbers, radiators, cables, seats, horns, lacquers, paints and adhesives, hand tools, tires and tubes, motor oils and brake fluids, seals, radios, etc. The decree also involved (for the first time) the manufacture in Mexico of vehicle motors, transmissions, rear axles, and drive shafts. Other products have since been added to the list.

Mexico's automotive supply industry now produces the bulk of the manufacturing plants' necessities (body stampings are a major exception). Last year, new investment in this phase of the industry exceeded Can.$34.4 million, mostly for small components and parts. Although these new firms are still suffering from growing pains, they are well organized. A number of companies in the supplier industry now import many components and parts for assembly here before sale to auto producers. The trend, however, is to more local manufacture.

Import Licences Needed

Products imported into Mexico for which there is a locally manufactured substitute are subject to a combination of import licence control and high tariffs. This means that in addition to duties, the importer must secure from the Mexican Department of Industry and Commerce an import licence which has to be approved by a committee. This committee includes representatives of local manufacturers of similar products, who are often unwilling to approve import licences unless they themselves are unable to meet the market demand.

Similarly, auto manufacturers are unable to secure import licences unless the part or component is not produced in Mexico or local producers are unable to supply. Under either of these conditions, the manufacturer usually arranges the purchase through head office. In spite of the apparently strict procedure, imports of automotive parts into Mexico have remained consistently strong (see Table II).

As the supplier industry expands, many parts and components previously imported as assembled units are now imported for assembly here before sale to the manufacturer.

Sales Prospects

Based on the industry's growth in the past five years and an anticipated slight decline ahead, the Mexican automotive market could approach 145,000 units by 1970. It is expected that the larger total market will serve as an incentive to the supplier industry to capture an even greater share. This will probably result in raising the national content requirement to at least 70 per cent. It could also result in the supplier industry entering the parts production market, now an import area.

For automobile manufacturers this would mean increased dependence on local suppliers. None the less, though imports as a percentage of the total requirement decrease, over-all imports would be maintained at the present level or perhaps even rise.

This brief description of Mexico's automotive industry should prove to Canadian auto parts and component manufacturers that there are definite export opportunities here. We suggest to these businessmen that they make themselves and their products known to the Mexican industry, either through personal contact, an agent, or with the help of this office. We would be pleased to arrange introductions to prospective customers and agents. For information contact: Commercial Counsellor, Canadian Embassy, Apartado Postal 5-364, Melchor Ocampo 463, 7th Floor, Mexico 5, D.F.

Scotiabank to Open in Greece

THE Bank of Nova Scotia, with the approval of the Greek Ministry of Coordination, will become the first Canadian bank to open branches in Greece—one in Athens, and a second one in the port of Piraeus. Applications by the Bank of America and the Chase Manhattan Bank were also approved. Both the First National City Bank of New York, with branches in Athens, Piraeus, and Salonika, and the American Express Company have operated in Greece for some time. The Bank of Chios, which has been under liquidation for many years, will be reopening with American capital. ●

Tanzanian Fibre Industry Faces Problems

Sisal prices are little more than half what they were three years ago. International agreement on prices and export quotas should help Tanzania, which produces one-third of the world's hard fibres.

J. B. McLAREN,
Commercial Secretary, Nairobi.

THE CULTIVATION OF SISAL was introduced into Tanzania in the late nineteenth century and is well suited to some of the drier areas of the country. The plant will withstand some drought but the processing, done mainly on the estates themselves, requires dependable water supplies. The sisal plant takes four or five years to come into production and produces for three to five years. Because it can be harvested all year round, it provides labour with permanent rather than seasonal employment.

Sisal is used mainly to make binder twine and marine cordage. Tanzania has steadily increased its output of these in recent years and there are now five spinning factories in the country. Production in 1966 totalled 221,530 tons, of which 200,015 were exported. Over 80,000 workers (one-third of Tanzania's total employed labour force) are employed by the industry.

Competition from Synthetics

Today sisal, until 1966 Tanzania's major source of foreign exchange, is in trouble. The industry's difficulties stem from a number of causes. During the late 1950's and early 1960's, the price of sisal was low but stable, rising to about £106 a ton in 1963 and to £111 a ton in 1964. It has been falling ever since, dropping below £75 in June of this year and then plunging to £58 in mid-September. In the same period costs, particularly labour and taxes, have been rising. Many small or inefficiently-operated sisal estates make little or no profit; some have either ceased production or have diversified into other crops or cattle.

In recent years, much work has been done in other parts of the world on the development of synthetic twine and polypropylene rope. More research is needed but it appears that synthetic fibres have marked advantages over sisal and other hard fibres. The weight/strength ratio of polypropylene is better; it is not susceptible to rot or vermin damage; production can be controlled relatively easily; prices are comparatively stable, and the processing is simpler. But synthetics tend to be more expensive. Low cost is the main advantage of hard fibres and this is particularly true at the present level of prices.

The serious situation of the sisal industry throughout the world prompted the informal exploratory meeting of sisal and henequen producing countries that was held in Rome during July. Brazil, Haiti, Indonesia, Kenya, Malagasy, Mexico, Portugal and Tanzania were represented and there was an observer from Venezuela. These countries together produced 96 per cent of the world's sisal and henequen output of 846,000 tons in 1966. The meeting studied various aspects of the

This is processed sisal fibre, grown in Morogoro, set out to dry in the field. Last year Tanzania exported over 200,000 tons, despite the stiffening competition it is facing from various synthetic fibres.

world sisal and henequen market, including the present imbalance between supply and demand. It reviewed the effect of releases of sisal fibre from the U.S. stockpile and discussed informal arrangements which might be considered by a proposed consultative subcommittee of the FAO Study Group on Hard Fibres. The director-general of FAO was asked to convene a meeting of the Study Group in September.

Export Quotas Set

Twenty-three countries attended this meeting and on September 22 the major producers of sisal and henequen agreed on basic export quotas for 1968 of 4.8 per cent less than the previous basic quotas. They also agreed on an indicative price of £73.10.0, plus or minus £5, per long ton c.i.f. Europe for East African rejects, which they believed would enable production to remain economic. It was decided that this price should be reached in stages from the present £58. Quotas set for 1968, based on a total demand of 640,000 metric tons, are as follows:

	(metric tons '000)
Tanzania	205.7
Brazil	142.6
Mexico	97.4
Kenya	56.8
Portugal (Mozambique)	29.4
Malagasy	25.5
Other countries	82.6

Co-operation between world producers of sisal will certainly alleviate some of the problems of the Tanzanian industry. At the same time, however, it is searching hard for new end uses for sisal fibre; one possibility is paper pulp, another is wall coverings. Carpets made of sisal are now being sold in Western Europe and the Tanzanians have high hopes of this market continuing. The long-term prospects for the Tanzanian sisal industry depend heavily on conditions in foreign markets over which the country has little control. Because sisal occupies such an important place in Tanzania's economy, the health of the industry has a direct bearing on the country's ability to import goods from abroad. Canadian exporters should also bear in mind the trade opportunities which rationalization and diversification will create. ●

Enterprising Exporters

Singapore Luxuriates in Canadian Furs

ENTHUSIASM mixed with invention has been the key to one enterprising Canadian exporter's success. Selling the improbable didn't deter Jacques Kneller of Fur Fashions, Vancouver, when it came to marketing his furs in Singapore—an unlikely luxury in the humid atmosphere of the Far East.

It was during an interview with the Trade Commissioner from Singapore when Operation Export 1967 visited Vancouver that Jacques Kneller and his wife first unfolded their desire to introduce Canadian furs to Far Eastern markets.

As he revealed his plan to an astonished Trade Commissioner, Mr. Kneller told how he had succeeded in selling over Can.$100,000 worth of furs in Hong Kong. Why not in Singapore? He had already been in touch by letter with a department store there. In a climate where the average daily temperature is over 80 degrees, and the humidity over 90 per cent, who would think of attempting to sell furs!

But Mr. Kneller knew his trade and he also knew how to set up his own advertising and sales contacts. After discussions with the Trade Commissioner, he and his wife, Flora, made a trip to Singapore where they called on Robinson's department store, their contact by correspondence. That personal visit sealed an agreement.

For two weeks in October, the Knellers worked with Robinson's sales personnel and with advertising and publicity outlets as they put some $100,000 worth of Canadian furs on display in the store. The luxury of chinchilla, Mexican ocelot, mink, beaver, broadtail, ermine, and fox —all were there, made up into coats, jackets, and glamorous capes.

Long working hours right on the sales floor brought dividends to the Knellers. When they left Singapore they had achieved sales of Can.$25,000 worth of furs, including seven mink coats. A one-year exclusive contract with Robinson's is now being arranged. Sales during this twelve-month period are expected to reach some $50,000.

How was this possible? Mr. Kneller believes that a pre-planned sales trip and on-the-spot control of sales, advertising and publicity contributed greatly to his success. Both the Knellers had a hand in this. Jacques Kneller did the advertising and made contact with the

press, radio and television. He also co-ordinated two fashion shows, one in Robinson's and the other in the Trade Commissioner's residence.

Here the showmanship of Mrs. Kneller took over. Attractive Chinese and European models (specially trained to wear furs they had probably never seen before) walked along a floodlit ramp to soft music. This, plus the easy commentary of Flora Kneller, made the display of Canadian furs a standout.

And the finale to this improbable selling venture? The Knellers stopped off at Malaysia and Thailand where they prospected again, sifting possible sales contacts before introducing their furs to these tropical countries next year. ●

Old Firm with Young Ideas

BOOTS AND SHOES, wagons and buggies, pianos, and harvesting machinery—these were one Ontario manufacturer's early stock in trade. In the 1930's, he made a far-sighted move into the supermarket field, supplying the early ones with display fixtures, shelving, carriers, and pricing systems. Today his plant turns out mechanical checkout counters, steel shelving for walls or islands, and self-service display arrangements. It also offers a design and layout service to store operators.

The Wright family set up this company—now functioning as E. J. Wright Central Limited and Wright Assemblies Limited—in Strathroy, Ontario, in 1865, two years before Canadian Confederation. It still operates in Strathroy and it is still family-owned. But its interests have spread far beyond the province. Well known throughout Canada, it is now making headway in the British market and exploring others.

Good design has proved to be an important element in its success, in the same way that adaptability has contributed to its long life. Early this year the firm won an Award of Excellence in the Canada Design '67 competition, sponsored by the National Design Council, for its modular steel shelving. Known as the New Century line, its main feature is a patented support that is strong yet adjustable. This shelving has proved popular with supermarket and other merchandisers.

It was this shelving that Wright Central exhibited when, on the urging of the Department of Trade and Commerce, it participated in the Shop Show at Earl's Court in London, England, earlier this year. Actually, it displayed to those visiting the fair small hand samples of the shelving and these attracted considerable attention. As a result, the firm received a number of orders.

How to make sound progress in the British market, not merely spot sales, has required a lot of thought and planning. Since the Earl's Court show ended, the Wrights have taken the decision to enter into a joint venture in Britain. They chose a firm that is family-owned like theirs and not too big, but alive to sales possibilities in the supermarket field.

Clark Wright (right) of E. J. Wright Central Limited of Strathroy, Ontario, shows George Browne, Canadian Consul General at Duesseldorf, a model of the modular steel shelving with a patented support that the firm is already selling in Britain. It is now looking to continental Europe. This shelving recently won a National Design Council award in a design competition.

Together they have launched a new company, Butchart Wright and Company, based at Glenrothes in Fife, one of the Scottish industrial estates. For the present, the new company will concentrate on selling the equipment, which will be shipped from Canada. It may eventually be made in Scotland in whole or in part. One man is currently employed as a full-time salesman based in London, and Butchart Wright has taken space in the London Equipment Centre, 62 Baker Street, for a permanent display.

The other market in which the Strathroy firm has made some headway is Jamaica, where an agent has begun to sell some of the basic store equipment and steel shelving. In the next few years it hopes to move into continental Europe.

A brochure on its supermarket equipment lays out in some detail its plan of action. It contains the statement that "the ultimate objective in the development of an export market will scale from a simple direct import situation to a full manufacturing arrangement. The final intention matters little. The point to be considered is—how to get started."

In Britain, the start has already been made and this enterprising firm is ready to move ahead.

— O. MARY HILL, *Editor, "Foreign Trade".*

What's current in commodities?

Forestry Equipment

South Africa—**Growing forest products industry, based on man-made forests, needs timber harvesting machinery, equipment for fire-fighting, sawmill machinery, and related lines.**

Wm. JONES, *Trade Commissioner, Johannesburg.*

FORESTRY and forest products in South Africa have only been developed significantly in the past fifty years. The industry, in fact, owes its existence largely to shortages experienced in the two World Wars. Now it employs 100,000 people, has an output worth $500 million, and is one of the most rapidly growing industries in the country.

In 1917, there was little indigenous forest and only 1,800 acres in plantation. Since then, woodlands have increased to some 2.2 million acres and they are still expanding. The Department of Forestry, the largest single grower, administers 700,000 acres directly or through the South African Native Trust. Pine, eucalyptus and wattle are the most common trees: pine is used for building timber, as boxwood, and for pulp; eucalyptus for pulp, pitprops, railway ties, poles, furniture and joinery; wattle for firewood, timber for the mines, and rayon pulp, and from the bark a tanning extract is made.

These man-made forests planted on the eastern escarpment grow quickly, thanks to the plentiful sunshine and rainfall; trees are suitable for pulpwood in 12 to 14 years and for clear-felling in 30 years. The very large cellular structure of the wood, however, makes it inferior to Canadian products for building and pulping. We can therefore count on a continuing but limited demand for Canadian species such as Douglas fir and, to a lesser extent, western hemlock, and for pulp to reinforce the domestic product.

Poplar is also grown in South Africa for the match industry which needs 1.2 million cubes a year and has to import about 28 per cent of it. Unless the trend shifts to wax matches of the European type or to book matches, Canadian exporters can expect this market to continue.

Better products, promotion, and a growing understanding of its properties have made wood more widely accepted as a good building material. There is a perennial shortage of housing in South Africa, and it is expected that the numerous attempts to set up a viable prefabricated housing industry will soon begin to bear fruit. One of the reasons for its slow development is the numerous building codes which have little uniformity. There are signs of progress, however, and there may eventually be a central agency such as the Bureau of Standards able to approve prefabricated houses and thus lead to their acceptance on a country-wide basis. The rising standard of living of the population as a whole, the shortage of skilled labour, and the need for low-cost housing for the African population all favour the development of prefabricated housing. Experience gained in building moderately-priced units for European urban dwellers during the next few years could be a very important factor. Should there be a rapid growth of prefabricated housing here the demand for lumber may outstrip domestic supplies.

Higher standards of living are creating a demand for more modern packaging in the retail trade. South Africans are also using more fine paper products, such as toilet tissues, paper handkerchiefs, writing and printing paper. More government forms have to be filled out (in quintuplicate) and modern business methods call for more and more paper. More corrugated paperboard cartons are being used for shipping goods. The bulk of the demand is met from domestic sources; imports of finished products are mainly spot orders or short-term business until local production facilities are ready.

Prospects for Canadians

For the present, Canadian exporters should look to the South African timber industry as a potential market for general forestry equipment, technical knowhow, capital goods and supplies for related industries. Basic equipment to mechanize tree planting should be in demand and there should also be room for sales of light fire-fighting equipment. In fact, in a few years when the forest industry is larger and more highly organized, fire-fighting aircraft might be sold, especially if these can be adapted to other applications. Should the experiments on our West Coast in forest fertilization by air prove successful, the method might also be used in South Africa. If it involves the use of multi-purpose aircraft, it should enhance the chances for sales.

The Department of Forestry is reported to be purchasing some 500 chain saws each year. Because it controls roughly one third of the forest area, it would be easy to conclude that the total annual market is close to 1,500 saws. But this would probably be an under-estimate, because other large-scale growers are perhaps more aggressive in their endeavours to reduce labour costs and increase the profitability of their stands. And as

the more recent stands move towards maturity, the demand for saws and replacement parts should increase. United States chain saw exporters are well established in this market and at least one European firm is waging an effective campaign to establish itself as a supplier and capture a larger share of this expanding market.

Present Canadian experiments in developing forest-harvesting machines that cut, strip and stack large trees may well result in a product that could find buyers in South Africa, particularly because of the normally greater uniformity of trees in planted areas. In addition, log-handling equipment and trucks specifically designed for transporting logs to the mills, both of which have been successfully developed in Canada, should sell here.

Another promising field is the transportation of wood chips by pipeline —South Africa has few rivers for the movement of forest products and Canada has developed a great deal of knowhow in materials handling techniques. There is a growing market for sawmill equipment, generally of the smaller kind; European firms seem to do well here because they tend to specialize in relatively small-scale milling and keep expensive labour-saving features to a minimum.

Canadian exporters of lumber-working machinery should bear in mind when they are trying to break into the South African market that competition is intense and that many of their European competitors are well entrenched, with representation arrangements of long standing. ●

Foodstuffs

Norway—**This market is expanding as prosperity increases and merchandising practices change. Import restrictions remain, but there are still opportunities for aggressive Canadian producers.**

DENNIS B. BROWNE, *Assistant Commercial Secretary, Oslo.*

AN OUTSIDE OBSERVER comparing Canada and Norway would probably expect to find large shipments of food products going regularly from our vast farmlands to this mountainous country. There is no need to describe the extent of Canada's farmlands to Canadians, but how many realize how little productive farmland there is in Norway? The Government of Alberta advertises that Northern Alberta has 10 to 20 million acres of unoccupied, potentially arable land available for homesteading. Norway has less than half that total amount of arable land. Yet this Northern country of 3.7 million is almost self-sufficient in many foods such as meat, poultry, dairy products and many northern vegetables.

How can a predominantly mountainous country farther north than most of the settled areas of Canada hope to reach self-sufficiency in even limited fields of food production? The answer is, mainly through government support and protection of the farmer.

Farmer Is Protected

As in most older settled countries, Norwegian agriculture consists of a large number of small holdings. Average farm size is only about 12 acres and fewer than 45 have more than 250 acres. Obviously, if the Norwegian farmer were exposed to uncontrolled competition from agriculture in countries as close as Denmark or as distant as Canada, he would soon be wiped out. To prevent this, the Norwegian Government has adopted the attitude that if a food product is produced in Norway, imports will not be allowed until the domestic crop is sold.

This policy is effected in a number of ways. First, a list of prohibited imports is established on the basis of the Agricultural Agreement concluded between the State and the farmers' organizations. (See box feature.) Then periods of free import may be allowed for some products when the domestic price exceeds an upper limit and for other products when there is a need for supplementary imports. For some commodities, such as honey and apples, annual imports are allowed but a limit is fixed each year, based on the local supply expected.

Canadians Can Sell

Our climate is much the same as Norway's and therefore most Canadian food products are affected by the regulations. But the exceptions to the rule provide export opportunities for Canadian firms willing to expend extra effort to take advantage of them.

In 1966 Canada exported $6.8 million worth of foodstuffs (fish excluded) to Norway, an increase of nearly $2.6 million over 1965. Much of the increase resulted from larger grain shipments but sales of apples, pickles, dried peas, sausage casings, vinegar and yeast made notable gains.

Norway has proved to be a leading market for B.C. apples, even though sales of imported apples are generally not permitted before late February or early March. This long storage requirement tends to rule out many Eastern Canadian varieties.

Prospects for whole dried peas are also very promising. The principal customer is Norway's largest soup-mix manufacturer who has in recent years discovered that Canadian peas tend to be more suitable in quality than the U.S. peas he used previously. This firm is building a new and larger factory and will achieve a significant increase in production next year.

Other Canadian products currently being sold in Norway and showing promise are onions, honey, canned Chinese food, pizza mixes, tomato juice, and sauces and spreads. Inquiries have recently been received and negotiations are in progress over canned corn and asparagus.

Selling Food Products

Food exports to Norway are generally sold through commission agents or directly to wholesalers. Commission agents have played an impor-

Canadian Food Products Regulated by Import Restrictions

- Live animals and fowl
- Meat and offals of domestic animals and poultry
- Dairy products (including cheese), eggs and honey
- Potatoes
- Vegetables

cucumbers	onions, leeks, shallots, chives
broccoli	melons
cauliflower	turnips
beans	parsnips
peas	parsley
carrots	radishes
Brussel sprouts	beets
lettuce	celery
mushrooms	spinach
tomatoes	

- Fruit and berries

apples	peaches
pears	raspberries
plums	strawberries
cherries	

- Preserved potatoes, vegetables and fruit and berries specified above
- Flour, potato flakes and meal, and food preparations with a basis of flour, starch or malt extract.

tant role in introducing new food products because of Norway's relatively unsophisticated methods of distribution. Consumers are scattered sparsely throughout the country. Oslo, the largest city, has fewer than 500,000 people. Each of the next two cities, Bergen and Trondheim, has only slightly more than 100,000. This factor, plus the difficulty of internal transportation, has led to the growth of a large number of small wholesale establishments throughout the country. Norway's *Commercial Calendar* lists 67 grocery wholesalers in Oslo, plus nearly 200 in other areas. Thus commission agents who call on many wholesalers provide the most effective representation for food exporters.

Today supermarkets, chain stores and central buying establishments are starting to develop. This trend should make it easier to sell new products by providing broad distribution through one large customer.

The two principal central buying agencies are UNIL A/L and Norges Kooperative Landsforening (Norway's National Association of Co-operative Societies). UNIL A/L with offices in Oslo, is an import firm owned and organized by the Norwegian Grocery Wholesalers' Association. Its sole function is to import grocery products for distribution to the members of the association. NKL has a chain of wholesale establishments throughout the country to service its affiliated retail outlets in virtually every Norwegian town. It tends to specialize in lower-priced lines.

Key to Success

Successful entry into the market depends greatly on price. The biggest competition for Canadian canned goods comes from the U.S. brand lines. Advertising in Norway is difficult because there is no commercial radio or television and no national newspaper. The cost of an advertising campaign sufficient to establish a new brand-name such as Del Monte or Libby's would probably not be justified by the amount of business that could be generated. Importers are, however, always interested in products that are cheaper than the big-name brands and a lower price will provide the key to sales in Norway.

A factor working in our favour is the rising Norwegian standard of living. Statistically this country now has Europe's second highest (after Sweden). As the housewife's food budget increases, she is likely to purchase more and more of the convenience and specialty foods that are so popular in Canada. One indication of Norway's prosperity is a 30 per cent rise in purchases of Canadian whisky over the past four years.

Indications are that strict import regulations will be partially offset by the increasing sophistication of distribution and the rising standard of living and opportunities for Canadian foodstuffs should improve. But Canadian exporters will require great diligence and patience to establish new lines here. ●

ECIC Reports on 1966

IN 1966 export sales insured by the Export Credits Insurance Corporation on its own account totalled $155 million compared with $134 million in 1965. There were 589 policies current at December 31, 1966, 47 more than at the end of 1965. Claims paid during the year reached $771,407 (compared with $149,957 in 1965) and $406,870 of this was paid under the exchange transfer risk. Seven projects worth a total of $73 million were authorized under Section 21A, which provides long-term financing for capital goods projects and related services requiring extended credit terms. After six years in the long-term export financing field, ECIC has signed 37 contracts valued at $292 million and covering major projects in 13 countries. ●

foreign tariffs and trade regulations

Commonwealth Caribbean

DOCUMENTATION AND CUSTOMS REGULATIONS—A leaflet outlining documentation procedure and customs regulations governing imports into the various areas of the Commonwealth Caribbean has recently been published by the Department.

Canadian exporters should pay particular attention to the section which deals with transshipments, because the question of qualification for Preferential Tariff treatment has now become of great importance in Commonwealth Caribbean countries, particularly Jamaica and the Bahamas.

Copies of this leaflet may be obtained from the Office of Trade Relations, Department of Trade and Commerce.

Jamaica

PLYWOOD AND BUILDING BOARD IMPORTS RESTRICTED—The Jamaican Government has recently announced the addition of the following products to the Negative List:

Plywood (including wood faced with veneer sheets)
Building board (of paper pulp or fibre)
Fibreboard (excluding paperboard)
Artificial and reconstituted wood in sheets and board
Concrete form boards

This means that import licences will be required to cover future imports of these products into Jamaica. For further details contact the Commonwealth Division, Office of Trade Relations, Department of Trade and Commerce, Ottawa.

trade lines

Britain introduces a new typewriter ribbon

Typists in Britain will welcome a new typing innovation —a nylon ribbon with an inbuilt correction facility. One half of the ribbon prints black and the other half prints over the error erasing it. The correct character can then be typed in—Liverpool.

Colour television comes to Hong Kong

One Canadian colour TV manufacturer, who had to compete with German, Dutch and British firms, received good public attention in a recent demonstration at Hong Kong's Ocean Terminal. The new 625-line TV station, the Colony's second, will commence 50 per cent colour broadcasting on an English and a Chinese channel by the end of '67. In 1966, 30,125 sets (black and white) were imported, and in the first half of 1967, 20,558. According to the exhibitors at Ocean Terminal, colour TV is here to stay and this is an obviously growing market—Hong Kong.

Scottish tourist centre wins the prize

The "Come to Britain" trophy has been awarded to Scotland's newest all-weather tourist centre at Aviemore which has facilities for skiing, curling, swimming, bowling and various other sports—Glasgow.

More money needed to complete Australian dams

The Australian Federal Government has announced the allocation of A.$68 million for two important dam-building projects. Forty-eight million dollars will be used to complete the second stage of the Ord River project in Western Australia, and $20 million for the

Emerald irrigation project in Queensland. In the former, cotton and now grain sorghum are to be produced. Japan is considered a potential market for sorghum. A new strain of cotton has been tested and is expected to give significantly higher yields—Melbourne.

Upswing in Britain's imports of cotton cloth

Cotton cloth imports into Britain have risen to their highest level since 1964. Figures released recently show that 473.6 million yards were imported in the first nine months of 1967; despite the dock strike, 60 million yards were imported in September alone, 15 million more than in September 1966. India, Hong Kong, Pakistan and Portugal are the main suppliers—London.

Norwegian "snow claw" gives wheels better grip

A device invented by a Norwegian pathologist to stop wheelspin on icy roads won a gold medal this year at the Inventors' Exhibition in Vienna. A big advantage of the snow claw is that it can be fitted to the vehicle's back wheels in minutes—Oslo.

Australia levies new stamp tax

A new stamp tax to be levied on all financial transactions at the rate of 1 per cent on every $10 unit was announced during the annual budget speech from Victoria. Details of the tax, which applies also to wages, have not been disclosed, but few exemptions are forecast. Certain firms operating on low margin and quick turnover expect stamp tax payments to increase by as much as 800 per cent—Melbourne.

Largest Hovercraft is undergoing final tests

A Hovercraft capable of carrying 250 passengers and 30 cars at a speed of 60 knots is undergoing final tests before it goes into service next spring. It will be used on routes across the English Channel—Liverpool.

Brazil will export TV tubes

Corning Glass International has started to produce television tubes in Brazil. The equipment is mainly Brazilian and raw materials are obtained locally. The tubes will be sold in Brazil and also exported to Argentina and Mexico—São Paulo.

Telephone contract in St. Vincent

Cable & Wireless (W.I.) Ltd. has been awarded a Can. $225,000 contract for the installation of an automatic telephone service for St. Vincent, West Indies, in association with a British group. The contract calls for rural carrier transmission equipment as well as automatic telephones. The work is to be completed in two years—Port of Spain.

British find strong competition in Caribbean

British firms obtained orders for approximately $15 million on a recent three-week trade mission to Jamaica, Trinidad, Guyana and Barbados. Other orders are being negotiated. The mission, which was sponsored by the London Chamber of Commerce, noted particularly strong Canadian and U.S. competition—Liverpool.

British Mission visits Mexico

A recent British trade mission to Mexico visited Monterrey, Guadalajara and Mexico City to seek out joint venture opportunities with local manufacturing firms in the field of machinery and capital goods. Mexico is now Britain's principal market in Latin America and exports to that country in the first six months of 1967 have gone up by over 50 per cent—Liverpool.

Woolworth opens in England

Woolco, North America's Woolworth department-store group, has opened its first store in England. Located near Leicester in the Midlands, it is the first of fifty to be opened throughout the country—London.

New Look store opens in London

For those who seek the unusual in men's and women's fashions, London has found the answer—a new store, termed Bi-sexual, where fashions for both sexes are mixed on display racks—London.

Germany will build Ankara TV transmitter

Training facilities have already been provided and now Germany is to install a limited-range 600-watt television transmitter in Ankara which will start operating in 1968. At present, Turkey has only an experimental transmitter in Istanbul—Athens.

Northern Ireland plans motorways and towns

As part of its comprehensive plan to encourage industrial expansion, Northern Ireland is to spend £2.7 billion in the next five years on motorways, new towns and a new university—Glasgow.

Britain reduces porterage rates

Improved handling conditions at the Liverpool docks have made possible the reduction of porterage fees on

packaged forest products discharged from bulk carriers. The Mersey Docks and Harbour Board has announced that master porterage rates for packaged softwoods have been reduced by 19 per cent and for packaged plywood by 8 per cent. It is expected that these rate changes will lead to more bulk-packaged cargoes—Liverpool.

Argentina updates port facilities

The General Port Administration will spend 6.8 billion pesos on port improvements this year. The plan includes modernization of port installations, buildings and wharves to give more efficient service—Buenos Aires.

BEA announces new delivery service

British European Airways has announced a new collection and delivery service for export and import consignments within a radius of eight miles of London Airport. Normally, requests received before noon will be handled during the afternoon of the same day; those received after that time will be handled on the following morning—London.

Rates go up in Port of London

The London Wharfingers' Association Ltd. has announced an increase of 11½ per cent in import and export rates other than rent. Stevedoring rates have gone up 16 per cent. Dock labour has recently been decasualized in Britain—London.

Scotland exports prefabricated steel buildings

A structural steelworks has been opened in Scotland by a U.S. company to make engineered steel buildings for industrial plants in Britain and Europe. There are orders worth $1.5 million from Scotland—Glasgow.

Instant french fries—Dutch style

"Simply add water to french fry powder, shape into chips, and you have instant french fries," is the recipe one Dutch producer of instant potatoes is using to cash in on the continuing growth of the french fries market. Estimates for 1967 indicate per capita consumption of about 20 pounds of processed potatoes in the Netherlands. No breakdown is available but by far the biggest item is certainly frozen french fries, sold mostly to the institutional trade and chip stalls. As consumer habits change, more frozen french fries are being sold through retail outlets—The Hague.

New Firestone tire factory opened in Spain

Firestone Tire and Rubber Co. has opened one of the world's most modern tire factories in the Burgos (North Spain) industrial development area. The plant represents an investment of $13 million and will produce 9,000 tires a day by 1970; ultimate capacity will be between 18,000 and 27,000 tires a day. Only conventional crossply tires will be manufactured at present. Firestone controls about 45 per cent of the fast growing tire market in Spain—Madrid.

Tenders for Tarbela dam opened

Tenders for the Tarbela dam project in Pakistan were opened on November 30, 1967. The German-Swiss consortium's bid of U.S.$546.6 million was the lowest; the highest was U.S.$807.3 million bid by the United States consortium led by Guy F. Atkinson. The project was described in *Foreign Trade* on November 11, 1967 —Rawalpindi.

Fur is the fashion in Japan

Japan spent over $10 million on imported furs in 1966. Fox is the most popular, followed by rabbit and mink. Japan used to export a million rabbit pelts a year but in 1966 imported three million. Imports of mink jumped 80 per cent, reflecting a change in attitude towards furs, now thought of as something to wear instead of a treasure to hoard. A sapphire mink stole sells for about $417 retail, dark and pastel mink for about $300, and the cheaper foxes for $75 to $150—Tokyo.

Trade Commissioners on Tour

In Territory

Barbados—J. D. Tennant, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Bridgetown February 11-17.

Britain—J. H. Nelson, Trade Commissioner in Liverpool, will visit Preston January 9.

K. Robert Higham, Assistant Trade Commissioner in Liverpool, will visit Harrogate January 8, and Leeds January 24 and 25.

A. Lloyd, Commercial Officer in Liverpool, will visit Harrogate January 8, and Blackpool January 23.

French West Indies—K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Martinique and Guadeloupe January 7-13.

Leeward Islands—J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit Antigua, St. Kitts and Montserrat January 21-27.

Libya—P. A. Freyseng, Commercial Secretary, and C. D. Miller, Assistant Commercial Secretary, in Rome, Italy, will visit Tripoli and Benghazi January 15-24.

Businessmen who would like the above to undertake assignments for them should write to the post 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 Foreign Currency unit in Canadian dollars	Value of Canadian dollar in foreign currency units
	at December 8	
Algeria		
Dinar	.2202	4.54
Argentina		
Peso (free)	.0031	322.58
Australia		
Dollar	1.213	.8333
Austria		
Schilling	.0418	23.98
Bahamas		
Dollar	1.051	.9515
Belgium and Luxembourg		
Franc	.0218	46.25
Bermuda		
Pound	2.599	.38
Bolivia		
Peso	.0907	11.03
Brazil		
Cruzeiro (official free)	.3995	2.51
Britain		
Pound	2.599	.38
British Honduras		
Dollar	.6498	1.54
Burma		
Kyat	.2267	4.41
Ceylon		
Rupee	.1814	5.51
Chile		
Escudo (bank rate)	.1876	5.33
(free)	.1626	6.15
China, Republic of		
New Taiwan Dollar (official)	.0233	42.92
Colombia		
Peso (fixed)	.066	14.95
Congo, Republic of[1]		
Franc	.0072	139.50
Costa Rica		
Colon	.1630	6.13
Cuba[2]		
Peso	.....	.....
Czechoslovakia		
Koruna	.1499	6.67
Denmark		
Krone	.1447	6.91
Dominican Republic		
Peso	1.080	.93
Ecuador		
Sucre (official)	.0599	16.67
(free)	.0540	18.45
El Salvador		
Colon	.4319	2.32
Fiji		
Pound	2.480	.40
Finland		
Markka	.2571	3.89
France, Monaco, etc.[3]		
Franc	.2202	4.54
Franco-African Republics[4]		
Franc	.0044	227.79
French Pacific[5]		
Franc	.0121	82.64
Germany		
D Mark	.2711	3.69
Ghana		
New Cedi	1.058	.95
Greece		
Drachma	.0360	27.86
Guatemala		
Quetzal	1.080	.93
Guyana		
Dollar	.5398	1.85
Haiti		
Gourde	.2159	4.63
Honduras		
Lempira	.5398	1.85
Hong Kong		
Dollar	.1781	5.61
Hungary		
Forint (official)	.0921	10.86
Iceland		
Krona (official)	.0189	52.91
India		
Rupee	.1445	6.91

Country and Currency	Value of Foreign Currency unit in Canadian dollars	Value of Canadian dollar in foreign currency units
	at December 8	
Indonesia[6]		
Rupiah	.....	.....
Iran		
Rial	.0142	70.42
Iraq		
Dinar	3.023	.33
Ireland		
Pound	2.599	.38
Israel		
Pound	.3085	3.24
Italy		
Lira	.0017	581.86
Japan		
Yen	.0030	333.33
Kenya		
Shilling	.1402	7.13
Lebanon		
Pound (free)	.3347	2.99
Malaysia		
Dollar	.3527	2.84
Mexico		
Peso	.0864	11.57
Morocco		
Dirham	.2213	4.52
Netherlands		
Florin	.3002	3.33
Netherlands Antilles		
Florin	.5725	1.75
New Zealand		
Dollar	1.216	.82
Nicaragua		
Cordoba	.1542	6.49
Nigeria		
Pound	2.599	.38
Norway		
Krone	.1512	6.61
Pakistan		
Rupee	.2267	4.41
Panama		
Balboa	1.080	.93
Paraguay		
Guarani (free)	.0086	116.28

Country and Currency	Value of Foreign Currency unit in Canadian dollars	Value of Canadian dollar in foreign currency units
	at December 8	
Peru		
Sol (free)	.0269	37.03
Philippines		
Peso (free)	.2759	3.62
Poland		
Zloty (fixed basic rate)	.2699	3.71
Portugal & Colonies[7]		
Escudo	.0376	26.66
Saudi Arabia		
Riyal	.2066	4.84
Sierra Leone		
Leone	1.512	.66
South Africa		
Rand	1.512	.66
Spain & Dependencies		
Peseta	.0155	64.25
Sweden		
Krona	.2086	4.79
Switzerland		
Franc	.2502	4.00
Syria		
Pound (free)	.2826	3.54
Thailand		
Baht (free)	.0524	19.19
Tunisia		
Dinar	2.105	.48
Turkey		
Lira	.1200	8.33
United Arab Republic		
Pound (official)	2.483	.40
United States		
Dollar	1.080	.93
Uruguay		
Peso (free)	.0055	185.18
Venezuela		
Bolivar (official free)	.2405	4.16
West Indies		
Dollar[8]	.5398	1.85
Pound[9]	2.599	.38
Yugoslavia		
Dinar (official)	.0864	11.57

1. Additional rates are in effect.
2. There is no trading in Cuban pesos in U.S. or Canadian banks at present.
3. Franc is also used in French Guiana, Guadeloupe and Martinique.
4. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comore Islands, St. Pierre and Miquelon.
5. New Caledonia, New Hebrides, French Polynesia.
6. Because of the complexity of the Indonesian exchange rate system, it is impractical to quote a single representative rate for the rupiah.
7. Approximately same rate for Portuguese territories in Africa.
8. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
9. Jamaica.

Marketing Data Sheet

BELGIUM

Area

11,775 square miles.

Climate

Average mean temperatures 36.9°F in January and 62.2°F in July. Humidity averages 90 per cent in January, 79 per cent in July.

Population

In 1965, total population was 9.5 million, of which 4.7 million were males and 4.8 million were females.

	Males	*Females*
35 and over	2,212,500	2,493,400
25 to 34	628,400	604,500
15 to 24	659,500	631,200

Households

In 1961, there were 3.2 million family groups, of which 2.2 million lived in private residential dwellings and one million in multiple dwellings. Estimates in 1966 put the number of houses 140,000 higher and the number of units in multiple dwellings 110,000 higher.

Income

National income in 1966 was Can.$15.5 billion and per capita income Can.$1,624. The average hourly wage was Can.$1.10 for men, Can.$0.74 for women.

Retail Sales

In 1964, retail sales were Can.$5.4 billion. Can.$578 per capita. Estimates for 1966 are Can.$6.5 billion and Can.$679 per capita.

Motor Vehicles

In 1966, there were 1.5 million passenger cars, 8,800 buses, 256,000 commercial vehicles, and 485,200 motorcycles and scooters.

Telephones

120 telephones per thousand persons.

Radio and Television

2.8 million households with radio and 1.6 million with television receivers (625 lines per picture). Radio and television broadcasting stations are publicly owned.

Water Supply

Safe to drink. Mineral content is high.

Electric Power

50-cycle a.c. 110, 220 and 380 volts available (110-volt system is being replaced by 220-volt). A grounding conductor is required in the electrical cord attached to an appliance. There are 3.5 million domestic and commercial customers and 16,000 industrial customers using high-tension supply. The average cost per unit is 5.3 Canadian cents for residential users and 2.6 cents for industry. National capacity is 5,297 mw., almost entirely in thermal plants. Production in 1966 was 21,516 million kwh. The distribution system has a ground wire.

Coal

Production in 1966 was 17.5 million tons; consumption was 22.4 million tons.

Gas

Manufactured, natural gas and LPG are available. The conversion of city supplies to natural gas began in 1967 and will be completed in 1973. Belgium will import 6 billion cubic metres of natural gas a year from the Netherlands and use half for industry, half for other consumers.

Production in 1966 was 2.9 billion cubic metres. The thermal content of manufactured gas was 4,250 calories per cubic metre and of natural gas 8,000 calories. There were 1.6 million domestic customers and 500,000 commercial customers. Price averaged between 7.6 to 8.7 Canadian cents per cubic metre. An increase in consumption of 12 per cent in forecast for 1967.

Petroleum Products

All grades are available. Production of refined products in 1966 was 15.7 million tons.

Weights and Measures

Metric.

Screw Thread

About two-thirds Whitworth right hand and one-third metric at present, but metric will eventually be used exclusively.

Standards

Official approval not mandatory for gas, electrical, and other fuel appliances, but is strongly recommended. The approval organization is:

Technigaz
4 Avenue Palmerston
Brussels 4.

Technigaz acts on behalf of the Institut Belge de Normalisation (I.B.N.), 29 Avenue de la Brabançonne, Brussels 4.