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COMING—TRADE AND DEVELOPMENT IN THE EEC, NOVEMBER 11 ISSUE

Selling Maple Syrup

to U.S. Consumers

Six of the Trade Commissioner posts in the United States have been looking into the market for the finest of fine foods—pure maple syrup and sugar from Canada. Here are their findings on how to step up our sales—already close to seven million dollars.

THAT TRADITIONAL Canadian gourmet product, maple syrup, has received more and more attention during the past few years. This is due in part to the activity of a number of government agencies, such as the federal ARDA maple syrup program and the Ontario Food Council's effort to develop new and modern farm production of high-grade syrup. Only now, however, have all these efforts begun to bear fruit.

Canadian maple syrup processors too are busy taking steps to enlarge their market across the border to which practically all their exports go. Two of the leading maple syrup companies—Les Producteurs de sucre d'érable du Québec and Quebec Maple Products—have participated in the U.S. Supermarket Institute National Food Show. They have also relabelled and repackaged their products to give them greater appeal to consumers of fine foods. Another major exporter, United Maple Products, Delta, is also active in the U.S. market.

Last year Canadian processors sold to the United States 10.7 million pounds of maple syrup valued at $3.5 million, and 5.6 million pounds of maple sugar valued at $2.8 million, for a total of $6.3 million. In 1965, the combined figure was $5.4 million. Their main competition, both in syrup for blending and pure syrup for sale to consumers, came from the states of New York, Vermont and Wisconsin. Canada is practically the only outside source, as the table opposite shows.

It should be pointed out that the biggest part of the maple syrup produced in Canada each year goes to the U.S. not for sale to consumers as pure maple syrup but to processors for blending and for use in flavourings. A single large blender, such as General Foods, consumes several million pounds a year of maple products and, in fact, maintains its own fleet of tank cars for transporting syrup to its various plants throughout the country. Most of the lower grades of Canadian syrup, and especially the Canada Dark, go to the blending and processing market.

The widespread acceptance of blends among U.S. consumers—many of whom have never tasted pure maple syrup—is one of the obstacles that Canadian producers must overcome. A recent survey by *Chain Store Age* of over 12,000 supermarkets revealed that of syrup department sales only 4.4 per cent was pure maple syrup, compared with 47.1 per cent for maple-flavoured blends, 29.5 per cent for honey, and 16.9 per cent for cane and corn syrups.

The difference in price between pure syrups and blends is also a vital factor. At the consumer level in the New York area, the most widely distributed brand of pure maple syrup sells at about 2½ times the price of the blends—or $8.04 per case of 12 twelve-ounce bottles wholesale. In contrast, a popular blend wholesales at $6.51 per case of 24 twelve-ounce bottles.

The tariff on pure maple syrup entering the United States is currently 1½ cents per pound and on pure maple sugar, 2 cents per pound. As a result of the Kennedy Round tariff negotiations, however, trade in maple syrup and maple sugar between the two countries will eventually be duty-free; the exact time-table for the lowering of the tariff has not yet been determined.

The reports that follow discuss the market for consumer packs of pure maple syrup and maple sugar in various parts of the United States and suggest ways in which Canadian producers should go about increasing their sales.

U.S. IMPORTS OF MAPLE SYRUP AND MAPLE SUGAR

		(lb. '000)	(U.S.$ '000)
Maple Syrup			
1966	Total	10,341	3,199
	Canada	10,333	3,198
	Mexico	7	1
1965	Total all from Canada	9,700	3,149
1964	Total all from Canada	7,349	2,375
Maple Sugar (all from Canada)			
1966		5,986	2,841
1965		4,688	2,192
1964		5,391	2,485

Greater Philadelphia

IT HAS PROVED rather difficult to estimate the sales of maple syrup products in the Greater Philadelphia area. Food Fair Stores, however, a chain of 125 supermarkets which accounts for about 12 per cent of sales in this market area, report that they sell annually about 1,300 one-dozen cases of Carey's pure maple syrup. Total sales for all chain stores are therefore probably about 100,000 cases a year. Sales of maple syrup in the gourmet and food specialty shops probably add about 10 per cent to this figure.

The large supermarket chains probably present by far the greatest opportunity for volume sales of these products. Although the food specialty shops and gourmet outlets no doubt have a smaller but worthwhile volume of sales, we understand that they generally do not accept any product which is also on sale in the supermarkets.

Each of the buyers we spoke with said that brand label maple syrup is invariably handled by a food broker who makes regular calls on the buyers. The chains that have their own private label brands purchase directly from the producers. In Philadelphia, the Great Atlantic & Pacific Tea Company, the Acme Markets Chain, and the Frankford Quaker Grocers' Association all have their own brands of maple syrup.

All the buyers expect to be assured of some kind of advertising support before they will consider introducing a new brand. Other promotion methods include television advertising, sample giveaways, etc., which are probably too ambitious for relatively small companies. Some degree of newspaper advertising, plus more modest promotion means such as in-store displays, would probably be required before a major store would consider accepting a new brand.

For a relatively expensive commodity such as pure maple syrup the smaller size bottles are the most popular. Buyers informed us that the 8-ounce bottle outsells the 12-ounce by a substantial margin. The bottles should be packed no more than twelve to a case. We would recommend that the Canadian origin be emphasized on the label and that the maple leaf be prominently used wherever possible.

Prices should be quoted c.i.f. Philadelphia, duty-paid, in U.S. funds. Not every buyer whom we contacted was willing to disclose what prices he was paying for domestic maple syrup. However, one revealed that he was paying $5.65 wholesale per dozen 8-ounce bottles. The 8-ounce bottle of Carey's retails for 65 cents and the 12-ounce for 79 cents.

The leading blended table syrups—in this area Log Cabin, Vermont Maid, and Aunt Jemima—wholesale for $6.89 per 24 pack of 12-ounce bottles. In addition to these brand-name blended syrups, several of the larger chain store organizations have their own private brands.

The logical way to export a relatively low-volume item to the Greater Philadelphia market is by truck transport which offers overnight delivery from Montreal and two-day delivery from Toronto.

No one to whom we spoke had ever sold maple sugar in specialty packs in this market nor were they aware of any that had been sold. The same problem which applies to selling a product to the gourmet trade arises in making direct sales of maple syrup for inclusion in gift packs—that once a brand is selling in the supermarket trade, the higher-priced specialty outlets are no longer interested. There is, however, no reason why maple syrup cannot be sold through the mail to this area, although the volume involved would be so small as to make the operation hardly worth the trouble.

—R. D. P. LEE,
Vice Consul and Assistant Trade Commissioner, Philadelphia.

Ohio

CURRENTLY no Canadian brands of pure maple syrup are to be seen in Ohio retail stores, though this is a market of about 11 million people. Canadian producers would encounter stiff competition because in any given Cleveland supermarket one can find six or more competing brands of pure and blended syrup. They range in size from 12 to 24 ounces, with over 75 per cent of sales in the 12-ounce size. The pure maple syrup sold comes mainly from a large producing area just east of Cleveland where the Chardon Maple Festival is held each spring.

Successful entry into the market could, we think, be achieved through a well planned program of the three P's—Pricing, Packaging, and Promotion. Accurate pricing is vital. Current retail shelf prices for pure maple syrup range from 64 to 69 cents for the 12-ounce size. But this is not the only factor. Packaging is also vital and reusable containers tend to have a far greater impact on the woman shopper. Certain blended syrup producers have in the past promoted reusable serving pitchers. Those made of glass are preferable to plastic because of a number of factors, including the tariff. Good container design coupled with imaginative labelling are required to capitalize on the United States consumer market.

Product introduction and periodic promotions are also needed to compete with domestic maple syrup producers. The two basic approaches that will produce results are free goods and/or case goods allowances. We tend to favor the latter because:

1. If a manufacturer is giving one case free for each 10 ordered, he must pay the charges and duty on these free goods. But this does not guarantee that promotion efforts will be forthcoming from the chain and wholesale accounts.

2. A monetary allowance for promotion will have a far greater impact. This is because, in drawing up a promotion contract, a manufacturer can tie a chain voluntary or independent outlet to performance, such as displaying or advertising the merchandise at the store level.

The crux of the problem is to establish a method of covering the major buying accounts. The exporter can do this either by direct calls, by operating through food brokers, or by private labelling arrangements for major supermarket chains. The proper approach depends upon the marketing goals of the manufacturer.

A great deal of personal effort is required in Ohio to contact the multitude of wholesale and chain outlets. Thus, this approach could prove to be costly and unprofitable. It could take three, six or more months of constant direct contacts to develop this market.

If a manufacturer wishes to expose his own label to buyers, the logical approach is by way of food brokers who are already known in the trade. A good broker will insist upon the following:

(a) Prices c.i.f., duty paid, to the customer's warehouse.

(b) A pricing breakdown on sizes of orders (i.e., quantity pricing based upon a given number of cases per order).

(c) Continuity of promotion efforts and programs.

(d) Adequate compensation for effort.

Potential direct buyers will expect about the same things as a food broker and will demand that the product be competitive with those already on the market—that means a minimum of 20 per cent gross profit on

the selling price. If the price is competitive but the gross profit is greater than with other brands, such as 30 or 40 per cent, the producer stands a greater chance of gaining distribution.

Canadian maple syrup and sugar have in abundance one sales requisite —quality. What must be added is careful estimating of costs and prices and good marketing plans, plus selection of the right marketing vehicle.

—G. ROBERT WYNN,
Commercial Officer, Cleveland.

Michigan

MICHIGAN PROVIDES a very limited market, with a great need for promotion. Michiganians seem happy with the syrup blends they currently find on the store shelves. The difference in price between a pure maple syrup and a blend is also a factor. A 12-ounce pack of pure syrup from Vermont retails at 73 cents but the same size pack of Log Cabin brand blend sells for 35 cents. Consumers have a choice of three different sizes of blended syrups: 12, 16, and 24 ounces, compared with only a 12-ounce pack for pure maple syrup.

It is estimated that blended syrup outsells pure maple syrup in the supermarkets by thirteen to one. At the wholesale level, the annual sales of maple syrup in pack in Michigan total roughly $235,000. Maple syrup from Vermont, such as the Wrigley chain buys, has a wholesale price of $6.90 per case of twelve 12-ounce packs. The same chain buys blended syrup at $6.55 per case of twelve 24-ounce packs and $7.00 for twenty-four 12-ounce packs. Because pure syrup is considered a slow moving item, the packs are retailed with a gross markup as high as 35 per cent, compared with a range of 10 to 25 per cent for the blends.

Ideally, promotion of maple syrup in retail packs should be done through a major Detroit supermarket chain, such as Wrigley's, where a maple syrup week could be held and be supported by a display centered on the Canadian maple leaf. As yet, no American brands of pure maple syrup have been advertised on local TV, although blended brands are. But the practicality of the promotion depends, of course, upon continuity of supply from Canada.

Maple sugar packs are in less demand than the pure syrup packs. Because of the low volume, it was impossible to obtain figures on the market for specialty packs of maple sugar, and selling these through mail order seems to offer only limited promise. Here again, the chief users of maple sugar are the blenders who buy in bulk form, but none of any consequence is located in Michigan.

—R. J. ARCHAMBAULT,
Vice Consul and Assistant Trade Commissioner, Detroit.

The Midwest

THE CHICAGO OFFICE territory, at a conservative estimate, probably accounted for about 20 per cent of 1964 sales of maple syrup, both domestic and imported, or 440,000 gallons.

Maple products are best sold through the high-quality specialty food shops, the gourmet sections of chain food stores, through shops specializing in gift parcels, and mail-order houses. As in selling any other food product here, the continuous promotion of maple products calls for the appointment of a food broker or the use of a manufacturer's own salesman. The cost of maintaining a sales representative to promote a line with limited potential would, however, probably prohibit the latter. An alternative method is to sell through a specialty distributor without the use of a food broker. Or a national distributor could be used, but this might result in less aggressive marketing.

Canadian maple products should be advertised in U.S. trade publications, particularly those devoted to gourmet foods. Participation in trade shows is also recommended.

After the exporter has chosen a food broker or established sales representatives, advertising allowances, free merchandise, reduced prices, or other incentives could be offered to help establish Canadian maple products with both retailers and consumers. Point-of-purchase displays might be developed for use in retail stores, or institutional advertising in the mass media considered. Selecting the right method will require some sophisticated market analysis. (As a start, write to the Chicago office of the Trade Commissioner Service for a table giving retail and wholesale prices of maple syrups, blended syrups, and table syrups.) To our knowledge, no major promotion effort by a maple syrup producer has been initiated here.

In promoting a quality image, packaging is extremely important. Canadian maple products, because of quality, command a premium price and should have an eye-catching package to attract the customer. The importance of getting over the buyer's initial reluctance to pay a higher price by having a container that reflects the high quality of the contents cannot be over-emphasized.

Generally, packaging of Canadian maple syrup could be improved. The fact that the syrup is Canadian should be featured on the container, or perhaps a label shaped like a maple leaf could be used. The public could be informed on the different grades of syrup—Canada Fancy, Canada Light, Canada Medium, and Canada Dark, with the label noting this. (For information on the new labelling regulations in the United States, see the article on page 25.)

The standard size for packs of syrup is 12 or 24 bottles. Twelve packs would be viewed more favourably because of retailers' resistance to ordering, stocking and shelving 24 units of a relatively slow-moving item.

There may be some market for consumer packages of maple sugar. For an initial marketing campaign, however, it may be better to concentrate on the syrup, which is better known and accepted by consumers.

Another potential outlet for maple syrup is inclusion in gift packs aimed at the gourmet market. A manufacturers' representative dealing in premium products would be the correct sales channel for this.

It might also be possible to sell by mail: two mail-order distributors in Chicago are currently handling gourmet food products and might take on maple syrup and sugar. Two problems associated with this type of selling are shelf life and damage due to handling. The first does not appear to be critical for maple products and unbreakable containers might solve the second.

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

Southern States

ONE medium-size store of the largest locally owned supermarket chain in New Orleans has 45 feet of double shelves, each shelf quite deep, which contain only syrups of various types. These are primarily cane syrups, either pure or artificially flavored, and in some cases a blend (that is, 3 to 7 per cent pure maple syrup), molasses, corn syrups, and blends of all three basic syrups. In the same store, there is a single shelf two feet long which holds maple syrup. In many groceries and supermarkets in New Orleans and elsewhere in the South one will find large amounts of syrups of all types but no maple syrup at all. The two leading American maple syrups retailed in the South are Nature's Gold and Carey's. I have not seen any maple sugar sold locally, but there is a small amount of brown cane sugar sold.

Southerners have traditionally favoured cane and corn syrups because they have always been in abundant supply. Following some rather unfortunate experiences with blends and imitation flavoured maple syrups, they have not been very receptive to pure maple syrup. Once they have tasted it, however, their reaction has been enthusiastic. By making frequent presentations to food brokers, wholesalers, and groceries and supermarkets, we have been able to place Canadian maple syrup in a number of New Orleans stores. Our estimate of the total amount of maple syrup bought directly from Canada (a certain amount is bought through gourmet food companies in New York, Chicago, etc., at rather inflated prices) is $2,000 worth a year. The potential for maple syrup seems to be limited only by the amount available and the willingness to make the effort and spend the money to merchandise it. To our knowledge, no American maple syrup producers advertise or promote their products here.

The best outlet for maple syrup depends on the amount available and the time and money the exporter wishes to devote to selling it. To capture a share of the market now held by cane, corn and blended syrups, he should concentrate his efforts on the major supermarket chains. If, however, there is not sufficient production, money or willingness to compete with such companies as Log Cabin, Karo and others, the best outlet for maple syrup and sugar (in the form of candy) is department-store gourmet sections and specialty food shops. Another possibility is selling maple syrup and sugar directly to confectioners.

A large-scale campaign aimed at capturing a good share of the supermarket syrup market is best handled through a food broker who can coordinate promotions, etc. Dealing through wholesalers adds 30 to 40 per cent to the price. On the other hand, a department store should be approached directly, although many department stores are reluctant, because of budget and storage space, to order anything direct because of the minimum quantities involved. Most Canadian maple syrup companies will not accept orders of less than 12 to 15 cases, bearing in mind the freight and duty. A 12- to 15-case order enables them to offer competitive prices.

A department store buying one or two cases from a local wholesaler has to sell maple syrup for $1.35 for a 12-ounce bottle. In a grocery store, the same brand retails for 89 cents. Therefore, department stores could only serve as an outlet if they are willing to buy minimum quantities. Such stores as Neiman-Marcus and Sanger-Harris in Dallas, Joske's in San Antonio, Foley's in Houston, D. H. Holmes in New Orleans, Rich's and Davison's in Atlanta, Goldsmith's in Memphis, Miller's in Knoxville, and Jordan Marsh and Burdine's in Miami would be ideal to approach. In addition, there are a number of excellent gourmet specialty shops in many of these cities.

Special in-store promotions, either in department stores or supermarkets, are usually rather effective and if a Miss Canadian Maple Syrup could be present to demonstrate recipes and give out samples, sufficient interest would certainly be aroused. We have found that the manned in-store promotion usually obtains the results desired because it is point-of-purchase merchandising at its best.

There is some demand from specialty shops such as the gourmet department of Neiman-Marcus in Dallas for lithograph tins, but the most common package is a 12-ounce bottle. (The bottles of maple syrup by Canada Starch, Maple Sugar Producers of Quebec, and United Maple are especially attractive and appealing.) We would suggest that the labels be as bright and attractive as possible and that care be taken that in shipment the bottles do not rub against the sides of the carton and blur the labels. The nest-egg type of box is useful.

Prices should be f.o.b. New Orleans, Dallas, Houston, Atlanta, Miami, etc., U.S. duty included. U.S. maple syrups such as Carey's and Nature's Gold are currently retailing for 89 and 99 cents in comparison with 63 to 79 cents for Canadian maple syrups. The blends retail for as little as 29 cents for a 16-ounce bottle.

There is some potential for maple sugar, especially during the Christmas and Easter seasons.

Companies such as Black Diamond and Canada Bread Limited already sell gift packages to manufacturers and these gift packages include not only their own products but maple syrup as well. Because gift packages featuring a variety of products are available through the mail, it might be better for a maple syrup exporter to get his product included in these, rather than attempt to market gift packages of maple syrup only. Direct-by-mail marketing would entail a considerable amount of advertising in prestige magazines and would not yield the same profit as direct sales to department stores and specialty shops.

—P. A. SAVARD,
Consul and Trade Commissioner, New Orleans.

Southern California

During the past few years the consumption of pure and blended syrup has been increasing steadily. A reliable source estimates that in 1966 total sales in Southern California reached 20,000 cases of pure and between 750,000 and 1,000,000 cases of blended maple syrup. A case usually contains 24/12 ounce or 12/24 ounce packs of a blend or 12/8 ounce or 12/12 ounce packs of pure syrup.

Penetration of the market for maple syrup in this area is undoubtedly best done through a food broker. The large brokers, most of whom have anywhere between 25 and 200 salesmen permanently on the road, will then get the product on the shelves of the various chain supermarkets.

In most instances the supermarket chains provide two outlets for maple syrup: the grocery section and the gourmet section. This is why the use of a food broker is almost mandatory. Frequently the broker will be asked by the supermarket chain to which he is introducing a new product to "detail". In this market, detailing means to arrange delivery, at his own expense, to all stores in the chain; to set up the shelf display; to provide point-of-sale promotion material; to arrange a special in-store promotion, and to maintain a periodic check on the movement of the product from the shelves, replenishing from stock as necessary.

The cost to a major supermarket chain of introducing a new product is a serious factor in buyer acceptance: approximately $450 must be spent solely for the dissemination of information throughout the internal organization. Therefore the store will almost invariably require a guarantee from the broker or manufacturer of 100 per cent against "no sales", 100 per cent public liability insurance coverage, and for most accepted products an assurance that an adequate and readily accessible warehouse stock will be maintained. Finally, an allowance for promotion advertising will be required averaging, for maple syrup, about 2 per cent per case. (This will vary with the store chain.) Almost all of the larger supermarkets receive for buyer consideration some 800 new items per month, so a manufacturer or broker who has not given adequate thought to his product, packaging, pricing, and promotion will stand little chance of its reaching the store shelves and still less of staying there.

In this area, continued promotion of the product is a *sine qua non* to success. The most effective medium of advertising is also the most expensive and in descending order of effectiveness and cost the media of choice are television, newspapers, radio, and in-store promotions. For a product like maple syrup, probably the best "value for money" medium would be the newspapers, because the average housewife scans the advertisements before she shops the store.

Another valuable adjunct to the successful marketing of maple syrup and similar food products in Southern California is an unusual and attractive container and eye-catching but appropriate labelling. Honey in a beehive-shaped jar and maple syrup in a dripless, pouring-spout bottle have considerable appeal. The size of the container is also important. The trade in this market has found from experience that the most popular sizes for

The great variety and quantity of syrups on the shelves of this typical California store indicate the competition that Canadian pure maple syrup faces in the U.S.

94299—2½

blended syrup are 8, 12, or 24 ounce glass bottles or jars and for pure syrup, tins or glass jars containing one pint, one quart, one-half gallon and one gallon. The two latter appeal largely to the institutional trade.

Syrup for shipment to the Southern California market should be packaged in cases of corrugated cardboard of at least 480 pounds test strength; each case contains usually three cartons of 12 jars of 12 ounces or 24 jars of 8 ounces. Cases must carry external identification in letters at least three inches high and the labelling of bottles or jars must conform to the relevant U.S. legislation. (See page 25.)

The demand for specialty pack maple syrup is relatively small but there is a value to such specialty packaging where a promotion is being undertaken. A good promotion asset in this market is the direct sale of gift packs to distributors, but it should be remembered that this may present two problems:

(1) Under federal income tax legislation the value of such gift packs is subject to income tax.

(2) There is a risk that interested labour unions might resent the introduction of a Canadian product into the market by this method and seek a remedy.

A similar promotion item would be a small attractive sample bottle of syrup, value about 30 cents, which is frequently accepted by the customer as "change". This would be most appropriate for the gourmet market.

Another approach to the market is by means of mail order sales and these can be promoted through the medium of the three major magazines catering to the gourmet food trade. These are *The Diners Club, Carte Blanche,* and *Playboy*. Each of these magazines is estimated to have a circulation of over one million copies per issue and although all three magazines are produced outside California, they all enjoy substantial circulation in the Golden State. The advertisement is paid for by the advertiser and the quoted price should include a 40 per cent mark-up. Packaging of syrup for mail order delivery should be in styrofoam cartons or cases of similar material equally strong.

The Trade Commissioner Service in Los Angeles invites inquiries from Canadian maple sugar producers who are interested and able to export their product to this area. The officers are in frequent touch with the major brokers, wholesalers, and supermarket chains and will do all they can to assist the Canadian businessman to achieve sales in this market. They can also supply a table of wholesale and retail prices for various types of syrup, including pure maple syrup.

—LESLIE E. TOOGOOD,
Commercial Officer, Los Angeles.

The World Bank Group in Africa

IN TWO DECADES, the World Bank Group has loaned to African countries $1,600 million, or $5.80 per capita. This is more than it has loaned to Asia or to the Middle East but less than to Western Hemisphere countries. Of the loans to Africa, $1.4 billion has come from the International Bank for Reconstruction and Development, $221 million from the International Development Association (soft loans), and $30 million from the International Finance Corporation to be invested in local industries. Through its Permanent Missions at Abidjan (Ivory Coast) and at Nairobi, the World Bank Group works closely with governments in Africa in administering this aid.

One of the most vital needs of Africa is transportation. The entire continent has a rail network of 50,000 miles, or equal to that of France, and 30,000 miles of surfaced roads, roughly the same as Belgium. With the growth of industry, with the importance of bulky primary commodities in trade, and with the transition to the market system in agriculture, the World Bank Group has placed the greatest emphasis on financing transportation projects. Among these were:

- Sudan—$70 million to develop and modernize its roads and waterways.
- East Africa—$62 million to the East African Common Services Authority to develop its railroad network and ocean ports.
- Algeria—$50 million for a pipeline to carry oil from Hassi Messaoud in Algeria to the Mediterranean.

Of the $722 million that the World Bank Group has loaned to Africa for transportation projects, only $104 million has come from the IDA.

Next on the list of World Bank Group priorities in Africa is the development of electric power. Africa, although it lacks coal and in most parts oil, has enormous hydroelectric potential. Projects in twelve countries have included the following: the Kariba Dam on the Zambesi ($87 million); the Volta Dam in Ghana ($47 million); the Kainji Dam on the Niger ($82 million), and the small 12,000 kw. diesel station in Freeport, Sierra Leone. The Electrical Supply Commission of South Africa has obtained four loans of over $90 million.

Agriculture is not forgotten and the $139 million that has been loaned to this sector does not adequately reflect the importance that the World Bank attaches to it. In fact, many of the previously mentioned dam and road projects have directly benefited agriculture. Loans have been used for such things as irrigation on the Blue Nile in Sudan ($48 million), financing a co-operative farm in Tunisia ($18 million), and developing plantation farming in Cameroon ($18 million).

Industrial development has benefited from $223 million of the World Bank Group loans. Most of these have come from the IBRD for mining projects: iron in Mauritania, manganese in Gabon, potash in the Congo and others. Some funds have gone to development finance corporations in Ethiopia, Morocco, and Tunisia. In industrial development generally, the International Finance Corporation has two important functions. First, it appraises and supervises these projects for all three members of the group; second, it is the only one that deals directly with private companies. The $30 million in IFC funds committed to Africa has gone to five development finance companies, four textile enterprises, two producers of fertilizers, a sugar company, a food processing and canning enterprise, a pulp and paper company, and a large hotel.

The World Bank Group has also contributed $22 million to telecommunications, $67 million to education, and $40 million to general development. ●

Two Hausa women take a look at the Dindima bridge, complete (at the time this photograph was taken) except for the laying of railway track. Construction of bridges that have been destroyed will have high priority when Nigeria begins reconstruction.

Lagos Reports on Nigeria

Our Trade Commissioner in Nigeria writes about the commercial opportunities that will open up as the process of economy recovery begins.

NEIL L. CURRIE,
Commercial Secretary, Lagos.

THE CIVIL WAR in Nigeria is creating many problems but also many commercial opportunities to be taken up when recovery and reconstruction begin. Already the Nigerian Government has announced the appointment of several committees to prepare for this reconstruction.

There will be a great deal to be done and the responsive, efficient manufacturer and salesman will play an important role in getting the economy rolling again. Lately our office received its first inquiry from a Nigerian firm outlining reconstruction needs and asking for sources of specific types of food and building materials.

Road and Rail Transport

The first problem may well be internal transport. Nigeria, like Canada, is extremely wealthy in agricultural and mineral resources yielding products for export. But the products cannot be exported until they are transported to the ports and both rail and road transport have been severely disrupted. Internal transport is vital to the foreign exchange position and thus to the economic life of the nation.

The most dramatic need will be for highway bridges. A large number of permanent bridges have been blown up in the Midwestern Region (which is interlaced with creeks and rivers) and before the war is over there could be more.

Of greater economic importance will be the need for railroad rolling stock. An important portion of export products is moved by road, but the greater portion is moved by rail. (India has already announced aid in the form of rolling stock, including engines and engine drivers.)

The agricultural products to be moved to ports are groundnuts (peanuts), palm oil, palm kernels, rubber and cocoa; the mineral products are ores such as tin and columbite. (Crude petroleum had recently become the largest single export but reconstruction here will be confined to the refinery at Port Harcourt and to the pipeline to Bonny and sales efforts would probably be made by established suppliers to the oil companies.)

Highway trucks and parts will also be needed, because much of the present stock has been diverted to the conduct of the war. (Both road and rail rolling stock will have been severely under-maintained because of a massive flight of technical personnel.) Even city buses have been used for troop transport so that the variety of challenges (opportunities) for any manufacturer involved in surface transport is evident.

Food and Hospital Supplies

The second but simultaneous problem may be food supply. This will not be as vital to the economy as transport but it will be urgent for the welfare of individuals. The movement of food stocks has been disrupted and when normal movement is again possible, a surge in demand is expected. Flour Mills of Nigeria, the principal importer of Canadian wheat, is currently cutting back production but at the same time is laying plans to meet the heavy demand to come.

Although wheat remains the established food export to this country of most importance to Canada, there are other new opportunities with great potential, notably dried salted cod and frozen herring. The potential for both products is great. Both would be intended for the huge native market and this office has good contacts with local importers who are interested.

Other native-market food items offer opportunity but difficulties as well—potatoes, onions, salt, and perhaps cornstarch. There seems also to be a potential market for powdered instant skim milk in retail packs for both native and expatriate markets.

Though transport in the rest of the country has been severely curtailed, the Eastern Region (Biafra) has been blockaded so that shortages there will be even more severe. We understand that there will be a pressing need for hospital equipment and supplies as well as pharmaceuticals in the East.

Shortages have been created, in fact, for all of the myriad industrial and consumer products needed in a normally expanding economy, and almost any manufacturer could envisage a surge in demand for his product once transport and communications are re-established. Of course, the product will have to meet such normal tests as price, quality, delivery times and service in order to be accepted.

Canadian manufacturers might feel discouraged at present about Nigeria and this at first sight would be understandable. But it would be shortsighted. Established lines of supply to this large (56 million people) market have been severely interrupted and this creates an opportunity for new suppliers to lay some groundwork. This would cost nothing and would commit nothing but would establish importer contacts and importer interests for the recovery.

Initial recovery will be spontaneous for two reasons. Valuable products are accumulating and awaiting transport to the point that storage facilities are straining at the seams, while the pressure of demand for imported items in short supply is increasing. Earnings of importing companies have declined sharply and importers are becoming more and more anxious to get back in business and, ironically, they have time on their hands to look at new lines.

This is a distinct opportunity for manufacturers new to Nigeria to introduce their lines. When business returns to normal, importers will look to old sources unless they have in the meantime been exposed to new ones. So this opportunity, like any opportunity, is also an invitation to a contest.

To manufacturers interested in developing this profitable market I would suggest the following:

- First, register and promote your company and your products with Kenneth G. Goodchild, Crown Agents, 4 Millbank, London, S.W. 1, so that you may be invited to bid on Nigerian Government needs. This is the purchasing agency for many ex-colony governments.

- Second, send us in the near future a full sales pitch on your product, including prices c.i.f. Lagos on a sample order, printed literature, and samples if feasible. (Please don't just send us a letter saying that you are "interested" and asking a host of textbook questions about the market. This approach invariably results in fruitless correspondence.) Manufacturers who have already done this as a result of Operation Export last summer need not repeat the exercise.

We will, over a period of time, sound out the most promising prospects for you and at the appropriate time (when transport and communications are re-established), suggest that you make a full pitch to X, Y, and Z companies mentioning this office as your contact. This office will follow up if you send us carbon copies of your correspondence.

Our job is to place the best potential buyer and the seller in direct communication with one another and to provide extraordinary service to both. Ordinary service and the sale itself are the jobs of the seller. We obviously cannot make an effective sales pitch on a product which we do not know but our involvement does have certain advantages for the Canadian seller. First, we have put you in touch with a capable and interested customer, and we have also explicitly or implicitly let the potential customer know that the Government of Canada recognizes your integrity. And our letterhead draws more than cursory attention to your inquiry. From there on, it's up to the salesman to be a salesman.

Our airmail address is: Commercial Secretary, Canadian High Commission, P.O. Box 851, Lagos, Nigeria.

We look forward to hearing from you. ●

U.S. Labelling Regulation

THE Bureau of Commerce has announced a postponement, until further notice and in any event until December 4, 1967, of the effective date of T.D. 67-165. This decision required that the words "made in" or "product of", or similar words, must precede the name of the country of origin on imported articles or their containers if either bears: such words as "United States", "American", "U.S.A."; the name of any city or locality in the United States; or the name of any foreign country or locality other than that of the country or locality where the article was manufactured or produced. Any views, data, or arguments on this decision may be submitted to the Commissioner of Customs, Washington, D.C. 20226, before December 4. ●

UNIDO Plans a Symposium

Athens will play host in November to the first world conference on industrialization of the developing countries, sponsored by the UN Industrial Development Organization.

THE FIRST GLOBAL CONFERENCE on industrialization of the less developed countries will be convened under the auspices of the United Nations Industrial Development Organization (UNIDO) in Athens, Greece, on November 28, 1967. This, the first International Symposium on Industrial Development, was authorized by the 20th Session of the United Nations General Assembly in 1965 and it is hoped that it will "by fostering a lasting and genuine partnership between the richer and poorer nations of the world . . . strive to pave the way for a program of international action through world co-operation and the understanding of industrial issues on a universal basis."

Agenda Drawn Up

The Symposium will bring together representatives from member countries of the United Nations system, including the United Nations specialized agencies and interested non-government organizations. Participants will discuss a wide range of topics affecting the establishment and growth or manufacturing industries in the developing countries.

Four major items are included on the provisional agenda:

1. General survey of world industry, with special reference to developing countries.

2. Situation, problems and prospects of main industrial sectors.

3. Policies and measures in developing countries.

4. International aspects of industrial development.

Under item 2 the Symposium will engage in a review of key industries through discussion in one or more committees. This review will mark an effort to appraise the potential growth of key industries in the developing regions. The tentative list of industrial sectors to be reviewed includes iron and steel, non-ferrous metals, engineering products, fertilizer industries, basic chemicals and petrochemicals, the construction industry, building materials, wood-based industries, food products and textile industries. The characteristics of demand, trends in production and international and intra-regional trade, and capital requirements will be covered in this sector review.

Regional Symposia Held

As a preparatory step to this global conference, four regional symposia have already been held by the Economic Commission for Asia and the Far East in Manila, the Economic Commission for Africa in Cairo, the Economic Commission for Latin America in Santiago, and the Arab countries in Kuwait. Reports on these Symposia have been published by the United Nations and their findings will be discussed at the Athens conference. Numerous technical, factual, and policy papers for prior distribution are also being prepared by many individual countries and various international agencies such as the International Labour Organization, the International Bank for Reconstruction and Development, the Food and Agriculture Organization, the United Nations Educational, Scientific and Cultural Organization, and the United Nations Industrial Development Organization itself.

The meeting in Athens will be concerned with a subject which has captured increasing attention in the United Nations in recent years and one which the developing world hopes will become a major field of endeavour for the international community in the future. The UNIDO Secretariat is hopeful that the Symposium will provide an opportunity to reach conclusions concerning the national, regional and international action required to accelerate the industrialization of the developing countries.

Promotion Service Provided

UNIDO will also provide an industrial promotion service at the Athens Symposium which will be available to official delegates and also special guests, including representatives from industry, who may be invited by governments on behalf of the Executive Director of UNIDO. This service includes a central office where participants may indicate their location in Athens and their interests and capabilities, and will aid representatives from developing countries by helping them locate possible sources of technical, managerial, financial or other support for specific industrial projects. It will also serve representatives from developed countries by helping them to locate in their fields of special interest promising proposals for new or expanding industrial projects in the developing countries. By these means, representatives of both developed and developing countries and experts from multilateral agencies will have the opportunity to examine the feasibility of specific industrial projects and their technical and financial requirements.

UNIDO's Function

The United Nations Industrial Development Organization, which is the convenor of the Symposium, was established by the United Nations at the 20th Session of the General Assembly in December 1965 to co-ordinate all UN activities aimed at the industrialization of the developing countries. UNIDO has absorbed the Centre for

Industrial Development which formerly operated in this field. Included in its work will be the adaptation of advanced technology to local conditions, the building of effective national organizations to administer industrial services, and the preparation of industrial development programs and projects. UNIDO came into existence on January 1, 1967, as an autonomous body of the UN with a similar legal status to that of UNCTAD. (Unlike UNCTAD, however, its statutes make express provision for operational activities.) Financing of its administrative and research functions is provided from the UN's regular budget. The operational programs of the organization are financed by the UN Development Program (UNDP) and from special voluntary contributions.

The governing body of UNIDO is a 45-member Industrial Development Board which was elected by the General Assembly in December 1966. Canada was elected to the Board for a period of three years.

The first meeting of the Industrial Development Board was held in April 1967 at its temporary headquarters in New York. The Secretariat is now in the process of moving to its permanent headquarters in Vienna.

Among those who may be interested in attending the symposium are consulting firms and organizations with international experience in engineering, manufacturing, industrial promotion, marketing, management or other fields which could offer their services to developing countries for a fee. The Symposium may also interest firms prepared to supply "turnkey plant" installations or offering licensing arrangements to overseas affiliates. To obtain further information on the Symposium, write for a copy of *International Symposium on Industrial Development*, a booklet published by the UN, to the United Nations Division, Department of External Affairs, Ottawa. ●

PETROBRAS - -

Brazil's Industrial Giant

The state oil monopoly has a long way to go before it can satisfy Brazil's growing demand for petroleum products. Canadian makers of plant and equipment for this industry should prospect for sales.

R. G. SANDOR, *Assistant Commercial Secretary, Rio de Janeiro.*

PETROBRAS (Petroleo Brasileiro S.A.), the Brazilian state oil monopoly, is one of the world's largest importers of crude oil and has a fleet of ships that is well known in every oil-producing country. It is Brazil's largest company, with sales in 1966 of U.S. $824 million.

Petrobras has been the operating entity of the National Petroleum Council since its creation in 1953. Its activities include exploration, production, refining, and the transportation of petroleum and derivatives by tanker and pipeline. Only in the field of distribution does it not have a monopoly. By reason of its size, it dominates Brazil's petrochemical industry.

Petrobras is only partly owned by the Republic of Brazil. At the executive level, company policy is directed by an Administrative Council and guided by a Board of Managers consisting of three directors and the president of Petrobras, all of whom are appointed by the President of the Republic. The Administrative Council is made up of the directors and five members elected by private shareholders.

Intensive Search for Oil

Petroleum was first discovered in Brazil in 1939. From then to last December, 2,450 oil wells were drilled, more than 2,000 of them by Petrobras. The company has acquired more and more properties for geological and geophysical exploration and now has 69 drilling rigs. It has struck oil in 1,065 wells and gas in 41. The majority of these wells are located in the Reconcavo basin which was until recently the only oil-producing region in Brazil. Recoverable oil reserves are now estimated at 106.8 million cubic metres (the greater part in Bahia in the Reconcavo basin), and reserves of natural gas are put at 19 billion cubic metres.

Brazil's production of crude oil in 1966 was 6,748,889 cubic metres (150,910 barrels a day), an increase of 21 per cent over 1965. The production of natural gas rose by 15 per cent to 788.6 million cubic metres. Despite these gains, however, LPG barely rose by 80,000 cubic metres. Brazil produced half the crude oil it needed in 1965 and as consumption is increasing at the rate of 8 to 10 per cent a year, even a 21 per cent rise in output still leaves a long way to go before the company can supply the whole of the country's requirements.

More Refineries Being Built

There are nine refineries in Brazil, three of which belong to Petrobras and the other six to private companies. The big Petrobras refineries at Cubatao, Duque de Caxias and Mataripe have a capacity of 313,000 barrels a day between them and dominate the industry. Two new refineries have been announced by the president of the company in Rio Grande do Sul and Minas Gerais. They will begin operation at the end of 1967 and bring the total capacity to 403,000 barrels a day, compared with the 57,000 barrels refined by the six private companies. A plant is also being built in the State of Parana to process oil shale.

In 1966, Petrobras imported for resale 137,000 tons of aviation spirit and 287,000 tons of aviation kerosene, worth U.S.$6.8 and $7.7 million respectively. Its own production of aviation kerosene was only 10,000 tons. It spent U.S.$500,000 on aromatic residues from abroad and imported 1,857 tons of solvents. Imports of LPG were one-third higher than in the previous year. Increased purchases of lubricating oils are the result of growing industrialization; Brazil spent U.S.$21.7 million in 1966 on 270,000 tons of lubricants from foreign sources, compared with U.S.$19 million in 1965.

The company's refineries produced 19,554 cubic metres of ethylene in 1966 and 6,422 cubic metres of propylene. It spent U.S.$9 million on importing 32,845 tons of butadiene and 9,106 tons of styrene in 1966, but a butadiene plant has just been completed. The synthetic rubber plant at Campos Eliseos (Rio de Janeiro) has a capacity of 40,000 tons a year. (Petroleum derivatives produced by Petrobras are listed in the table.)

Asphalt and Fertilizers

Approximately 90 per cent of the asphalt for Brazil's 16,500 miles of asphalt highway was produced by Petrobras which has been making it since 1956 at Cubatao. The Cubatao plant now turns out 200,000 tons a year and asphalt is also made at a special plant at Duque de Caixas. Two 80,000-ton plants are being built, one in the State of Bahia and the other in the State of Ceara. There is a fertilizer plant associated with the Cubatao refinery.

Make Yourself Known

Canadian manufacturers of goods and services for the petroleum industry should make themselves known to Petrobras in New York or Rio de Janeiro. The address of the New York purchasing office is: Petroleo Brasileiro S.A., 1212 Avenue of the Americas, 9th floor, New York, N.Y. The address in Rio is: Director of Purchases, Petroleo Brasileiro S.A., 8th floor, Room 808, Rua Buenos Aires 40, Rio de Janeiro Gb., Brazil. The Commercial Counsellor will be glad to help you with information on the market and possible representatives or agents if you write to him at the Canadian Embassy, Caixa Postal 2164-ZC-00, Rio de Janeiro Gb., Brazil.

PETROLEUM DERIVATIVES PRODUCED BY PETROBRAS

Products	1965 (cubic metres)	1966
Automotive gasoline (low test)	4,142,228	4,944,231
Automotive gasoline (high test)	46,960	59,509
Kerosene	513,944	561,151
Diesel oil	3,864,367	4,336,623
Fuel oil	4,539,311	5,042,122
LPG	873,729	953,683
Aromatic residuals	42,145	50,404
Naphtha	....	55,467
Mineral oil and turpentine	35,597	45,181
Hexane	17,730	21,691
Solvent for rubber	11,631	13,825
Paraffin wax	7,712	4,062
Lubricating oils	5,637	....
Ethene	18,273	19,554
Propene	4,273	6,422
Propane	....	5,738
Asphalt	214,732	278,533
Asphalt cutback	62,703	61,946
Various specialties	61,720	71,066
Aviation spirit	....	29,986
Lighter fuel	29	31

Greece Aims to Attract Foreign Firms

THE RECENT CRISIS in the Middle East caused some foreign firms to think about transferring their overseas offices to Athens because business and diplomatic personnel evacuated there were impressed by the modern facilities they found. The new National Government of Greece has just passed Emergency Law No. 89 designed to encourage foreign commercial and industrial firms doing business outside the country to locate in Greece. It does not apply to firms doing business in Greece itself.

The main provisions of the new regulations are:

- Approval for the establishment of the foreign firm in Greece is granted by the Ministry of Co-ordination not later than eight days after the application is filed with the Ministry's Foreign Investment Service. In certain cases, a bank guarantee or other security may be required. This would be forfeited to the Treasury in the event of the regulations being abused by the new establishment or its personnel.

- The foreign personnel of the new establishment are granted work permits for a period of up to four years and enjoy tax exemption for earnings from their employment. Vehicles owned by them may be imported free of duty and enjoy full tax exemption for the whole period of the owner's employment in the country.

- The new establishment is not required to keep its books of account in the Greek language.

- The new law enables the Ministers of Co-ordination and Finance to extend further privileges to foreign companies concerned.

A copy of the new law in English may be obtained on application to the Commercial Counsellor, Canadian Embassy, Athens, who will be glad to supply any further information desired by Canadian individuals or firms.

—BRUCE A. MACDONALD,
Commercial Counsellor, Athens.

What's current in commodities?

Fine Foods

Northern California—**Mounting interest in specialty foods is creating an open market for fine food suppliers here. Distinctive presentation, supported by unique appeal, are two points Canadian exporters should stress when attempting sales in this area.**

D. S. BAKER,
Vice-Consul and Assistant Trade Commissioner, San Francisco.

CALIFORNIA'S population explosion and increased wealth have brought with them greater buying power and an incentive to purchase more of those commodities which enhance the informal Californian way of life. The recent interest in gourmet and specialty foods is an example of this.

At one time, only a small segment of wealthy Californians, mostly in the San Francisco/Oakland area, could afford better foods and drink. Today a large and affluent middle class has developed a taste for fine foods—and can afford them.

What makes a certain food a true specialty item? Not quality or packaging alone. The product must also be distinguishable from staple products by its unusual flavour, rarity, and unique appeal. Obviously there is a wide middle area between gourmet foods (such as caviar) and everyday staples (potatoes, bread, etc.). Cookies, cheeses, and soups can be examples of fancy foods. What is there about one brand of cookie that sets it apart from other lines of equal quality? What is special about a cheese that makes it a specialty? If a product can claim special distinction, then it falls within the sales definition of a fancy food, even though it is not classified as a true gourmet item. Some foods originally considered specialties grow in sales volume and are then treated as basic products. For example, maple syrup, once a high-priced specialty product, is now often accepted as an everyday food—mainly through association with other basic foods.

Sales Areas

There are three major types of retail food outlets in Northern California. The oldest is the small number of stores which sell fine foods exclusively. These stores usually carry a full line of foods, including baked goods, wines, and meats. Most are well established and originally only catered to a limited and well-to-do clientele. In recent years they have expanded to serve a wider market but basically, they still appeal to only a small section of consumers.

A second type is found in many better department stores. The oldest food department of this type in San Francisco features baked goods produced on its own premises. The third type, with the largest volume, is the familiar supermarket. Many Californian supermarkets have entire sections devoted to specialty foods. The extent and selection offered depend on the degree of purchasing power where the store is located.

Those people familiar with the fine food trade claim that the buying public in the San Francisco/Oakland area have a more Continental taste than in any other region in the United States. And because these same people are living in a major port, they have for many years been exposed to a wide variety of imported gourmet foods. There is therefore a greater tendency here to experiment with and accept new and imported foods than might be true of other areas. In terms of money and tastes, it can be assumed that San Francisco is a prime market for specialty items.

Distribution

Most specialty foods are sold either through food brokers or large specialty distributors. Some brokers specialize in various types of specialty foods and arrange sales to retailers, either direct from the manufacturer or from warehouse stock. On the other hand, many products are better suited to distribution through specialty houses. By consolidating deliveries and breaking bulk shipments, distribution is made economically to a large number of outlets. In this way, supermarkets are offered a wide variety of specialty items from one source. (Many of these the store buyer prefers not to buy separately because of a low sales volume.) Most retailers use regular purchasing channels, particularly when faced with the large amount of paperwork which imports involve.

Trends

The fancy food market is definitely a growing one. Although separate statistics for specialty items are not available, the volume of retail food sales in the San Francisco/Oakland area was U.S.$1,070 million in 1963. The over-all Californian increase from 1958 to 1963 was an impressive 24 per cent. This trend has been reinforced by rising prosperity. Moreover, the population of Northern California exceeds seven million, over one-third that of Canada, an indication of sales potential.

Opportunities

The major sales problem is how to distinguish Canadian products from domestic products of similar quality. Canada is not yet a familiar source for many specialty foods and, although retailers are favourably disposed toward us, they naturally ask, "What is there to distinguish a Canadian item from a domestic brand?" In this way Canadian brands may suffer because of "next-door-neighbour familiarity". However, when merchandising a new product, a merchant must be able to claim something distinctive about its quality, etc., if he is to persuade the consumer to buy. In a recent survey undertaken by the Consulate in San Francisco, one buyer said he could see no basic difference between Vermont and Canadian maple syrup; therefore, why should he stock the Canadian product? Yet Canadian cheddar cheese is unreservedly accepted as a gourmet food in the U.S.

Despite the problem of "next-door-neighbour familiarity", some Canadian foods (malt vinegar, honey, maple syrup, and wild rice) are sold here as specialty items. They illustrate what can be done in this open market. Real interest has been shown by brokers, specialty houses and retailers in new items. Cookies, candy, and canned meats have been specifically mentioned. All buyers are seriously interested in looking at any lines available.

Marketing

For maximum exposure in the U.S. a Canadian food producer would find participation in the Annual Fancy Food and Confection Show in New York City worthwhile. This is sponsored by the National Association for the Specialty Food Trade Inc. Participation is limited to members, who must qualify on the basis of their products, and Canadian firms are welcome to apply. However, we recommend that an initial entry into the U.S. market be made at the regional level, Northern California, for instance. This is not only preferable but financially practical, as few firms are in a position to serve the entire U.S. market at the outset. A selective approach is therefore likely to prove profitable and feasible. As already mentioned, we feel the San Francisco/Oakland area is an excellent place to begin.

We Can Help You

Our office in San Francisco is in contact with a considerable number of good specialty brokers and distributors and is acquainted with principal retailers and their operations. We would be happy to contact selected brokers/distributors about your product, and have interested firms negotiate directly with you concerning distribution/sales arrangements. Should you decide a visit to the market is warranted, we can also arrange appointments. Our office can check your labelling to ensure that it conforms with California regulations (this is usually satisfactory if it conforms with U.S. Federal standards). Our objective is to help you enter the fine food market in San Francisco successfully. Please feel free to contact us. ●

Swimming Pool Accessories

United States—**Swimming pools mean a market for a variety of products from pumps and chemicals to resuscitation equipment and outdoor furniture. There are now about 750,000 pools in the United States and this rises by about 10 per cent each year.**

W. J. MILLYARD, *Consul and Trade Commissioner, Philadelphia.*

IN THE SHORT period of nine years from January 1, 1958, to January 1, 1967, the number of swimming pools in the continental United States and Hawaii jumped from 133,000 to 725,000—a truly phenomenal increase representing an investment of between two and three billion dollars. Such growth creates a tremendous potential market for Canadian manufacturers of swimming pool accessories and every company in this field keen to expand its sales should consider it seriously.

Market is Changing

In 1966 the number of new pools was estimated at 79,000, which was slightly higher than in 1965. A recent study conducted by *Swimming Pool Age* found that the number of new pools in California actually dropped in 1966 but this was more than compensated for by increases in the Northeast and Midwest which for the first time overtook California as the fastest growing markets and by a considerable margin. Statistics on the location of swimming pools in the United States at the beginning of 1967 show that California has still nearly a third of the total:

California and Hawaii	224,000
Northwest	20,000
Southwest and Mountain	72,000
Midwest	104,000
South	97,000
Florida	75,000
Northeast	133,000
Total	**725,000**

Home swimming pools account for over two-thirds of the total, with hotel and apartment pools second:

Hotel, motel, apartment	103,000
Club	38,000
Municipal, county, community	35,000
Schools, colleges, institutional	18,000
Residential	514,000
Miscellaneous	17,000
Total	**725,000**

Trend to Vinyl Liners

The construction of new pools in 1966 was below expectation because it was difficult to obtain financing. There were, however, two interesting trends: the continued growth of the vinyl liner segment of the pool market, which accounted for over a third of all pool construction during the year, and the increase in popularity of the on-the-ground type of permanent pools at the expense of above-the-ground pools, although the latter still outsold them twenty to one. The sale of motel pools declined in 1966 but there was a boom in apartment house pools in the North and East and more pools were installed in other types of hotels, particularly at resorts. Trailer camps and mobile home parks, summer camps, schools, colleges and institutions all bought more pools. The United States success in the Olympics and the Age Group Swimming Program are credited with the growing demand for 50-metre indoor pools for which there was hardly any market before 1966.

The trade is optimistic and expects even faster expansion of the swimming pool business in the next 10 to 15 years. This belief is based on a number of factors, the chief of which is the projected growth of personal incomes.

Market for Many Accessories

The swimming pool industry requires many accessories, including chemicals, paint, cleaning compounds, water sports equipment, prefabricated cabanas, scuba equipment, outdoor furniture, playground equipment, wood and aluminum frame enclosures, ladders and diving boards, grab rails, pumps and filters, vacuum cleaners and resuscitation equipment. The yellow pages of the telephone directories for every major city list the firms in the pool service business as well as pool builders, dealers and distributors (Canadian Trade Commissioners in the United States can provide you with lists of them). Canadian manufacturers can reach a large section of the trade through advertisements in the monthly *Swimming Pool Age*, *Swimming Pool Weekly*, or a new publication called *Swimming Pool Merchandiser* which comes out seven times a year and is mainly directed to department, discount and specialty store subscribers; all three are published by Hoffman Publications, Sunrise Professional Building, Fort Lauderdale, Florida. Another way to sales of sports equipment is exhibiting in the Toy Show in New York, which is held in March each year, and/or the annual National Sporting Goods Association Show in Chicago which takes place about the end of January or early in February.

There are undoubtedly many manufacturers in Canada who could sell profitably to the swimming pool trade in the United States. Why not make a start now? ●

Spain Expands Chemical Industry

SPAIN'S chemical and petrochemical industries have begun a period of rapid growth that is likely to continue for several years. Large-scale foreign capital participation, mainly from Western Europe and the United States, has contributed to this expansion.

The over-all growth rate is expected to be 10 per cent for the next five years and by 1970, total investment in petrochemicals alone is expected to reach $1.67 billion. By then, petrochemical plants will be supplying 1.2 million tons of primary materials to the chemical industry alone. Gross production will rise in value from the present $1.6 billion (or 11 per cent of total Spanish industrial output) to $4.17 billion.

The most important new chemical and petrochemical plants are located in:

Santander—where two important new plants have been completed. One of these, with a sizable Belgian capital participation, plans to have an annual production of 471,000 tons of chemicals of various types. The other plans to produce rayon and nylon.

Tarragona and Castellón—four major chemical plants in operation, or under construction. Annual production plans include 25,000 tons of propylene and related products, 67,000 tons of ethylene, 11,000 tons of low-density and 25,000 tons of high-density polyethylene, 7,500 tons of propylene oxide, 60,000 tons of vinyl monomer chloride, and 10,000 tons of vinyl polychloride.

Puertollano—the state-owned company here has joined forces with an important U.S. group to produce annually 11,000 tons of high-density polyethylene and 8,000 tons of butadiene. Other important plants will turn out 50,000 tons of low-pressure polyethylene, 70,000 tons of ethylene, 35,000 tons of propylene and 10,000 tons of ethylene oxide a year. The oil refinery in Puertollano produces two million tons of petroleum products annually and a pipeline runs from the plant to the southern Spanish port of Málaga.

Huelva—three major plants are being constructed in this important new industrial development area with substantial financing from the U.S. and Britain. A two-million-ton petroleum refinery began operations early this year. Production will include 120,000 tons of benzene, 15,000 tons of carbon black, and 40,000 tons of hexane, with 500,000 tons of sulphuric acid at the new plant. Another important new factory will manufacture nitrogenous fertilizers.

Spanish imports of chemicals in 1965 totalled $233 million, and during the first nine months of 1966, $202 million, a 14 per cent increase. These imports will gradually decline as the new plants come into operation.

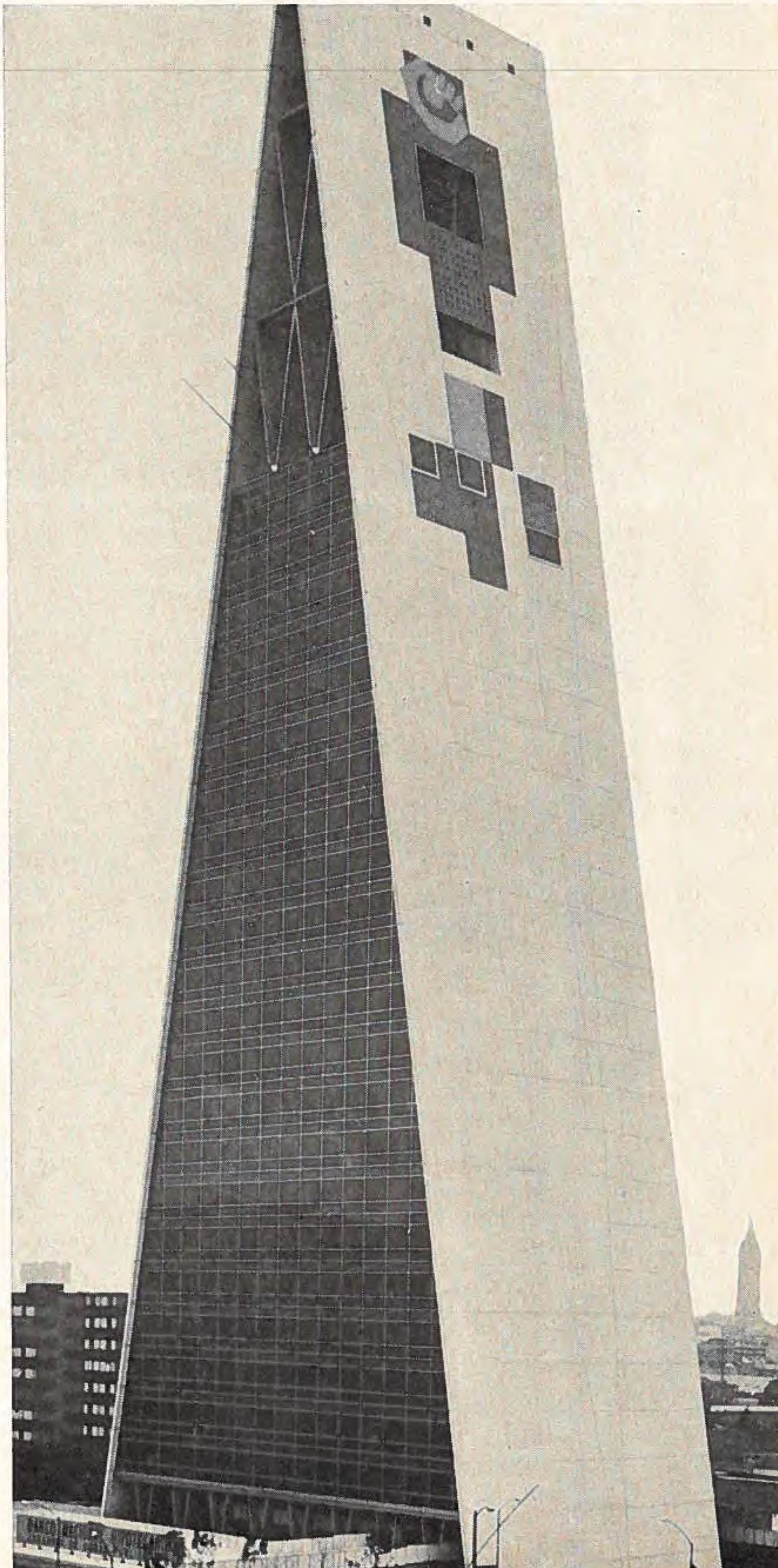
Exports of chemicals from Spain in 1965 ranked third among all Spanish shipments, with $79 million (up 46 per cent over 1964) out of total exports of $944.5 million.

In spite of the remarkable progress which has been made, Spain's chemical industries lag far behind their West European counterparts. There are 7,000 companies registered, of which only 1,000 are of any importance and only 1.4 per cent of them employ more than 250. Two thirds of the Spanish chemical firms employ five or fewer workers. This underlines the need for firms to merge into larger units if Spain ever hopes to compete in European markets. Production levels set by the Government for new plants are considered to be rather low. For example, new ethylene plants are obliged to have a minimum capacity of 120,000 to 150,000 tons a year, compared with the West European level of between 200,000 to 300,000 tons.

—I. W. CEBAS, *Office of the Commercial Counsellor, Madrid.*

Your Business Visit to Mexico

Su visita vale más que mil cartas



Soon the snow will be flying in Canada and soon too we will begin receiving an influx of Canadian businessmen who come to Mexico when winter is in full swing at home.

And why not?

It is only four hours and 200 dollars away from Toronto.

It is a fascinating country with something for everybody. Anthropologists, sports fans and shoppers will all be delighted by Mexico.

What is more important from our point of view is that Mexico's imports last year totalled Can.$1.72 billion, of which our share was only Can.$52.1 million, or about 3 per cent.

Mexico has a population of 44 million, a GNP growing at more than 6 per cent a year, a currency which is freely convertible and transferable, and growing industries requiring plant equipment and raw materials.

We hope that these facts and the information that follows will encourage you to visit Mexico. We would welcome the opportunity to assist you.

—R. A. KILPATRICK,
Assistant Commercial Secretary,
Mexico City.

PHOTOGRAPHS

Cover: The Metropolitan Cathedral in Constitution Square, Mexico City, is a good example of the Colonial era architecture.

This page: The contrast of modern design—this new office building and bank is in Mexico City's Tlaltelolco housing development.

Canada's Sales to Mexico

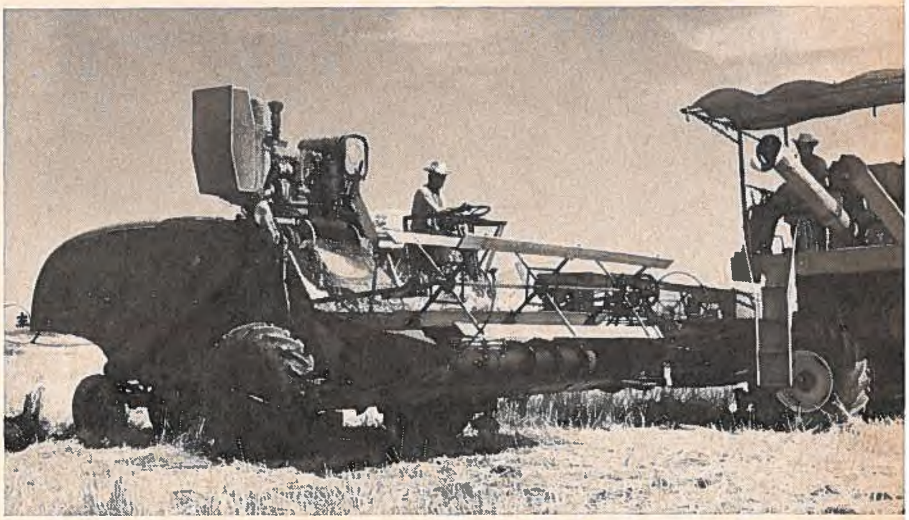
Canada's exports to Mexico in 1966 totalled more than $52 million, up slightly from 1965 when they reached $51 million. Mexico therefore represents one of Canada's top markets in Latin America.

Canadian products sold to Mexico are many and varied. The make-up of our trade is changing considerably, although the volume over the past few years has remained relatively constant. For a number of years, the two major items have been newsprint and railway rails but to give you an idea of the variety of products sold, let me list just a few: farm equipment, cattle, automotive parts, pharmaceuticals, electronic instruments, pulp and paper machinery and many more. Do you have a product to add to this list?

A word of warning before you get too enthused. Mexico protects its local industry with elaborate tariffs and an import licensing system. So before making your trip, consult us and we will tell you whether your product or a reasonable facsimile is made here. If so, your chances of selling your manufactured product are virtually nil. However, don't ignore the possibilities of selling components or know-how. Don't make the mistake of grouping Mexico with some of its neighbours to the south where inflation and currency restrictions are major problems.

Mexico's industrial development is proceeding at a rapid rate and the best possibilities for Canadian sales lie in plant equipment and machinery. Sales are never easily made through correspondence and in Mexico this is even more true than in most countries. That is why we urge you to make an exploratory trip. Now let us tell you how to prepare for your trip and what to do when you get here.

Canada's best sales opportunities are in the plant equipment and machinery field to supply Mexico's rapid industrial development. Farm equipment is one of the Canadian products already selling in this market; railway rails is another. The Mexican plant in the photograph above produces railway cars.



Be Briefed

Mexico, like Canada, borders the United States but Mexicans, like Canadians, are different from Americans. So are business methods.

Mexicans are not always sleeping in the shade of a cactus nor do they work from nine to five. Why not learn something of the country before you arrive?

Many books have been written on Mexico but we would recommend, as a start, three widely different ones. For an excellent outline of Mexico's economy and particularly the decision-making process, read *The Making of Modern Mexico* by Frank Brandenburg. Mr. Brandenburg, now a professor at the American University in Washington, spent many years in Mexico as a professor and a business consultant. Businessmen will find his book most useful.

One of the most readable guidebooks with a wealth of valuable information is *Mexico, Persons and Places* by Kate Simon. It comes in pocket-book form, and is described as an "uncommon guidebook". It really is.

If you are interested in bullfighting and know little about it, by all means read *Bull Fever* by Kenneth Tynan. It too is a fascinating book which will enable you to enjoy (or at least understand) your first bullfight.

Apart from this general information, we strongly recommend that you contact us before you come. We can survey the market for you and have a suggested itinerary ready. During the winter season, we receive an average of 10 to 15 business visitors each week. You will realize that, with this volume of visitors, those who arrive unannounced do not receive the amount of help we can provide when we have prior warning. So whenever possible, warn us in advance.

When and Where

From your standpoint, come when your driveway is full of snow. From our standpoint, come any time. The weather in Mexico City varies very little throughout the year. The rainy season begins about May and ends about the end of September but even during these months, you can count on pleasant sunny mornings with heavy showers in the late afternoon. If your visit is a short one, you should check with us to make sure it doesn't coincide with a national holiday.

Mexico City with its population of about seven million is the centre of commerce and industry. Almost all companies located outside the Mexico City area have offices here so most businessmen need not travel outside Mexico City. Sometimes it may be worth while to visit Monterrey and/or Guadalajara. Monterrey represents a worthwhile market particularly for plant equipment, as it is the centre of a great variety of heavy industry. Guadalajara is Mexico's second largest city with a population of approximately 1.2 million but it is less important as a business centre. Both these cities are only a one-hour flight from Mexico City.

What to Bring

There are three basic requirements for a Canadian entering Mexico: a valid Canadian passport, a tourist card which can be issued by any airline or by a Mexican Embassy or Consulate, and evidence of vaccination against smallpox. Please note that although Americans travelling to Mexico no longer require a vaccination, Canadians still do.

There are no currency restrictions in Mexico and you may bring in any amount of foreign or Mexican currency.

Commercial samples are admitted free of duty when they are of no commercial value or when mutilated or incomplete. Samples deemed dutiable can be rendered unusable or unsaleable at the time of customs inspection and enter duty-free. Samples with commercial value may be temporarily imported for up to one year under bond of 110 per cent of normal duty. If your sample is not too large, bring it with you. It's much easier and faster than sending it.

Visas or tourist cards for a business visit to Mexico may be obtained at the following places:

Ottawa

Embassy of Mexico
88 Metcalfe Street

Montreal

Consulate General of Mexico
1245 Sherbrooke Street West
Suite 1730

Toronto

Consulate of Mexico
Commerce and Transportation Building, Suite 217
159 Bay Street

Vancouver

Consulate of Mexico
Burrard Building, Suite 607
1030 West Georgia Street

What to Wear

If you are planning to stay only in Mexico City, bring what you would normally wear during spring and fall in Canada. Mexico City can be quite warm in the middle of the day but it is always cool in the mornings and evenings. A tropical suit will be uncomfortably cool. If, on the other hand, you plan to include a holiday in Acapulco, you will need tropical clothing.

The offices of the Canadian Embassy are in the building in the centre background. In the foreground you can see a well-known Mexico City landmark, the Diana fountain, facing Paseo de la Reforma, a fashionable thoroughfare.

How Much Will It Cost?

There are probably few cities in the world where prices of meals and accommodation vary as much as in Mexico City. Here there are indeed hotels and meals for every budget. However, the prices charged by first class hotels and restaurants are only slightly lower than in Canada. A single room at one of the several excellent hotels in Mexico City will cost from U.S.$12 to $15.

Mexico City has literally dozens of excellent restaurants where dinner, a drink or two and some local wine will cost about U.S.$8.

Taxis are very inexpensive but not always available, especially during rush hours. Car rental is possible but expensive.

Costs are lower in most areas outside Mexico City, with the exception of some of the resort areas such as Acapulco.

We would suggest the following hotels, all of which are first class:

Mexico City

Hotel Alameda
El Presidente
Maria Isabel
Continental Hilton
Hotel Reforma

Guadalajara

Hilton
Camino Real

Monterrey

Hotel Ancira

A word of caution about hotels. Although Mexico City has excellent hotels, there are often insufficient rooms to take care of the swarms of tourists. If you want to be sure of good accommodation, try to reserve early. Also tell us about your reservations so we can double-check them before your arrival.

Business Hours and Practices

I wonder how many times we have been asked the normal business hours in Mexico and how often we have had to say "it depends". Business hours differ markedly but, generally speaking, senior government officials and senior Mexican executives begin work at about 10 a.m., work until 2:30 or 3, lunch until 5 and go back to the office, where they often stay until 9 or 10 o'clock. Therefore, evening appointments are common. A "business breakfast" is one of the most effective ways of entertaining and discussing business. Most Mexicans will accept an invitation to breakfast, many will have lunch with you, but few will be your dinner guest.

Things move slowly in Mexico so you will be unusually lucky if you return home with an order on your first trip. However, visits are essential, particularly if you are selling to the Mexican Government. Correspondence is not dealt with quickly and literature forwarded by mail often fails to reach the appropriate official. If you do forward literature and prices, why not do so through us? We are always happy to deliver information personally. We can insure that it gets to the right person and it also provides us with an excuse to increase our personal contacts.

How's Your Spanish?

The ability to speak Spanish is useful but not essential. Many Mexicans speak English and if the particular man you wish to see does not, he will certainly have someone in his office who does. However, it is never too satisfactory to do business through an interpreter. If you speak Spanish or have someone on your staff who does, use this ability.

Although it is not so important to speak Spanish during your visit, it is important to correspond in Spanish. It is much easier for any Mexican company or government department to deal with a letter written in Spanish. And a letter written in Spanish can be answered in Spanish and this means a faster and more attentive reply. So if you are seriously interested in the market, make the effort to correspond in Spanish.

Moctezuma's Revenge

Call it Moctezuma's revenge, tourista, or just plain dysentery, it's no fun. Unfortunately, many visitors to Mexico find that the water, the spicy food or a combination of factors often give them a severe case of dysentery. If your visit is short, you can't afford to be immobilized for a day or two. There are some good medicines to prevent this type of thing, so why not take the precaution of taking a pill each morning while you are here.

Don't forget that Mexico City is located at an altitude of 7,500 feet. If you have high blood pressure or a heart condition, take it easy, especially the first few days. Even if you are a perfect physical specimen, you will probably find yourself short of breath after climbing a flight of stairs. For many people one martini in Mexico City is equal to three in Toronto and it is not because of the Mexican gin!

Time Off

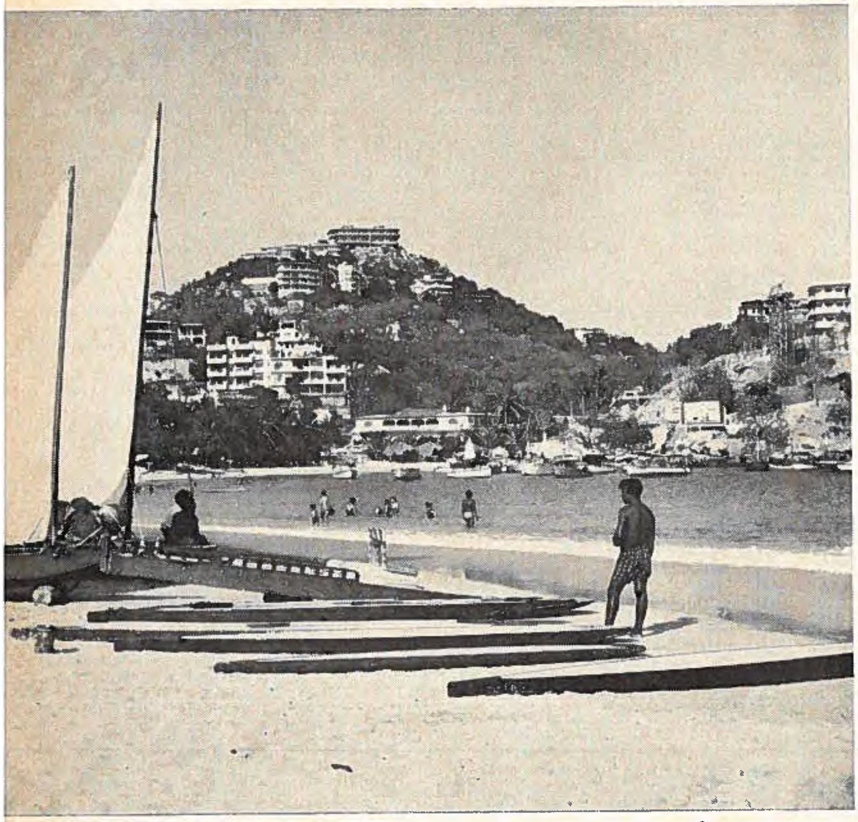
If your tastes are catholic (with a small c) you can satisfy most of them in Mexico. For those interested in anthropology, Mexico is not easily surpassed. Within forty minutes' drive from Mexico City are the Pyramids of Teotihuacan which are an impressive sight. For those not normally interested in anthropology, a visit to the Museum of Anthropology in Mexico will be a pleasant surprise. Recognized as perhaps the best of its kind in the world, it is a magnificent building depicting Mexico's history in a graphic and exciting manner. For all visitors it is a must.

In a similar vein, Mexico City has many interesting historical sites, churches and art galleries. Within a few hours' drive you can see ancient towns preserved as historical sites, the palace of Cortez and other interesting items.

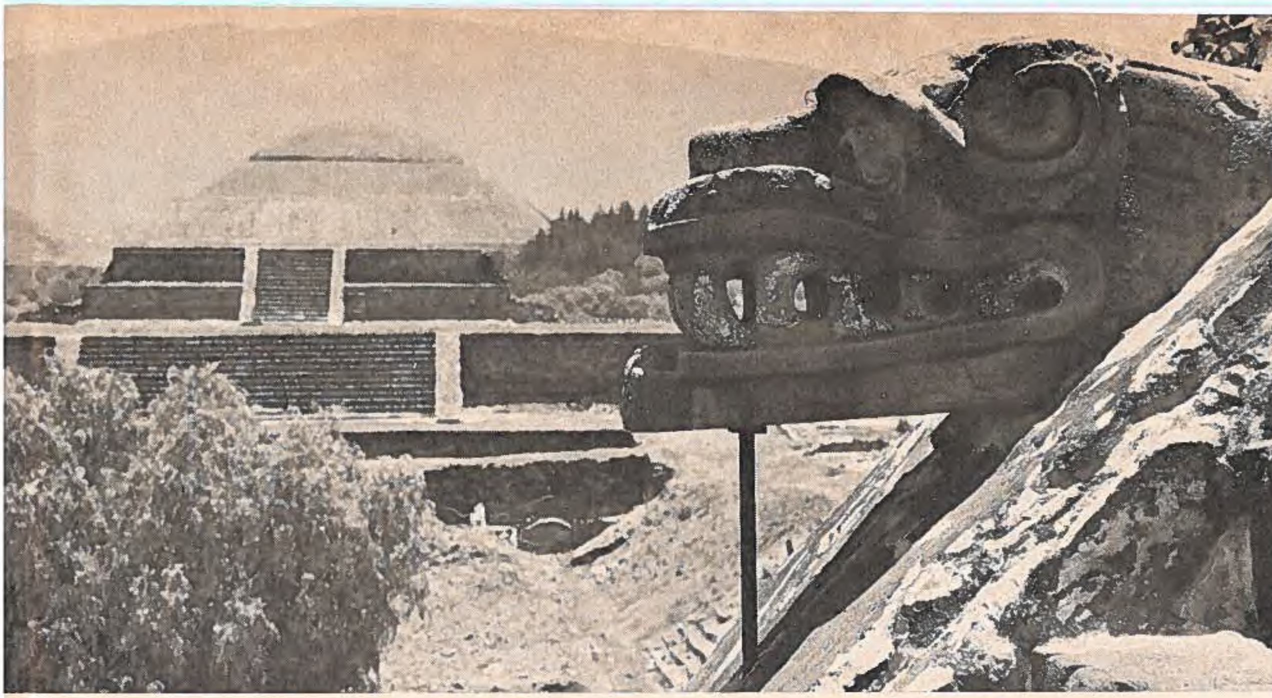
If history and anthropology hold no attractions for you, how about sports? Here you can see bullfighting and, if you venture outside Mexico City where it is forbidden, you can see cock fighting. If your thirst for blood is not as insatiable as your gambling instinct, you might enjoy fronton or horse racing at Mexico's beautiful track.

If you hate places that roll up the sidewalks at 10 p.m., come to Mexico City. There are bars and night clubs of all types and sizes, many of which will accommodate you until it is time for your first business call.

Of course if relaxation is your aim, many of Mexico City's hotels have swimming pools and an hour's flight will take you to some of the world's most magnificent beaches.



One of the beautiful beaches at Acapulco, the popular resort town.



The carved plumed serpent's head is one of the sights in the archaeological zone of San Jan Teotihuacan, 40 minutes' drive from Mexico City. Here the visitor can also see the temple of Quetzacoatl and the impressive pyramids.

Shoppers' Paradise

Mexican handicraft is superb. Such things as paper flowers, leather goods (including beautiful golf bags), onyx of great variety, serapes and sombreros are but a few of the "good buys" in Mexico. Although prices have lately risen somewhat, sterling silver is still inexpensive by Canadian standards and designs are different and attractive, whether it be jewellery or flatware.

If by chance you like to buy paintings, ask someone how to get to "Sullivan Park" on Sunday afternoon. Located near the centre of the city, this is where many young Mexicans display their wares every Sunday. Attractive paintings can be bought at reasonable prices.

These silversmiths in Taxco produce some of Mexico's famous silverware. Prices for sterling silver objects are still low by Canadian standards.

The Mexicans have a saying which is most appropriate:

Su visita vale más que mil cartas.

Your visit is worth more than a thousand letters.

Take them at their word.

The Mariachies cheer both Mexicans and visitors with their traditional and folk music.

Before you come, get in touch with us

Commercial Counsellor
Canadian Embassy
Apartado Postal 5-364
Melchor Ocampo 463, 7th Floor
Mexico 5, D.F., Mexico
Cable: CANADIAN Phone 33-14-00
Telex: 000177716 (Domcan MEX)

U. S. Announces New Food Labelling Regulations

New regulations which will have important effects on the packaged foods industry will come into force in the U.S. on January 1, 1968. These entail widespread revision of labels now in use and Canadian exporters to this market should ensure that they can conform.

V. F. WIGHTMAN,
Agricultural Attaché, Canadian Embassy, Washington.

THE NEW labelling regulations are given in some detail in the July 21 and September 20 issues of the *Federal Register* but no consolidated version or explanatory brochure has yet been issued. For this reason, the more important of the amended regulations are given at the end of this article. Canadian exporters who plan changes in their labels may obtain photocopies of the texts as printed in the *Federal Register* from the U.S. Division of the Department of Trade and Commerce, Ottawa.

Exporters should also keep in mind the advisory service provided by the Division of Case Guidance of the Bureau of Regulatory Compliance in the Food and Drug Administration, Washington. Labels may be submitted either directly to the Bureau or through the Department of Trade and Commerce or the Canadian Embassy in Washington. The Bureau neither approves or disapproves a label but offers advice on whether it complies with U. S. regulations. The only U. S. Customs requirement in labelling is that the goods be marked clearly as a product of the country of origin.

The new regulations apply from January 1, 1968, for newly ordered labels but labels already in use may still be affixed up to July 1, 1968, in order to permit the trade to exhaust supplies. Thereafter, labels on all packages and containers moving in interstate commerce must conform to the regulations.

The legislative basis of the new regulations is the Fair Packaging and Labelling Act which was signed into law on November 3, 1966. Its purpose is "to regulate interstate and foreign commerce by preventing the use of unfair or deceptive methods of packaging and labelling of certain consumer commodities distributed in such commerce, and for other purposes." The law specifies new labelling requirements to be promulgated by the Food and Drug Administration on foods, drugs, devices and cosmetics lying within its jurisdiction (the labelling of meat and poultry products is handled by the Department of Agriculture) and by the Federal Trade Commission for other consumer goods. In addition, under the Act the Secretary of Commerce was directed to work with industry to develop voluntary standards for packages in which consumer commodities are being distributed so as to avoid "undue proliferation" of packaging that "impairs the reasonable ability of consumers to make value comparisons." The Act specifically states that these new provisions will apply to imported goods.

So far, only the Food and Drug Administration's regulations have been issued and the FDA ruling to this effect was published in the *Federal Register* of September 20th. The main elements in the new provisions relate to declaration of contents. These are as follows:

1. *Uniform Location of Label*—In accordance with the legislative direction for a uniform location, the FDA has determined that it be placed in the lower 30 per cent of the main display panel, parallel to the base. The size of the type is specified in relation to the area of the principal display panel and is generally of a larger size than in Canada. For example, type one-sixteenth of an inch may be used on a main panel of up to only five square inches, whereas in the Canadian regulations it may be used on a panel of up to twenty square inches.

2. *Dual Declaration*—A dual declaration of contents is required by law for packages containing from one to four pounds or from one pint to one gallon. In solid weight, it must be expressed both in pounds and ounces and in pounds with a common or decimal fraction. For instance, 1½ pounds would be shown as "Net wt. 24 oz. (1 lb. 8 oz.)" or "Net wt. 24 oz. (1½ lbs.)" or "Net wt. 24 oz. (1.5 lb.)". This may be supplemented by the metric measure. Liquid content must be expressed in a similar manner and, of course, in the official U.S. measurement. Such terms as giant, jumbo, or full which qualify a unit of weight, measure or count are not permitted.

3. *Form of Marketing a Product*—Henceforth the form in which a product is marketed must be incorporated into the product name (for example, sliced peaches, diced beets) and must be shown in lettering of a size that bears a "reasonable relation to the size of the letters forming the other components of the statement of identity."

4. *Servings*—Where servings are indicated, the net content of a serving must be shown.

5. *Mixture*—A mixture of ingredients must be shown in decreasing order of importance. Where inclusion of an expensive ingredient has a bearing on the price, a quantitative statement of the ingredient(s) is required. For instance, for a breakfast syrup containing maple syrup and a sugar syrup,

the quantity of maple syrup should be indicated unless it represents over 20 per cent of the total volume.

In order to provide for the orderly rundown of stocks of labels in inventory, exemptions may be granted by the FDA on a case-by-case basis, provided such labels comply with the present provisions and the processor has shown "due diligence" in obtaining new labels and has not deliberately overstocked his old labels. There is nothing in the regulations which would prevent Canadian suppliers from applying for such exemption.

FOOD AND DRUGS

Regulations for the enforcement of the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act.

Miscellaneous Amendments

1.1 General.

(a) The provisions of regulations promulgated under the Federal Food, Drug, and Cosmetic Act with respect to the doing of any act shall be applicable also to the causing of such act to be done.

(b) The definitions and interpretations of terms contained in section 201 of the Federal Food, Drug, and Cosmetic Act shall be applicable also to such terms when used in regulations promulgated under that act.

(c) The definition of "package" in 1.1b and of "principal display panel" in 1.7; and the substantive requirements pertaining to uniform location, lack of qualification, and separation of the net quantity declaration in 1.8b(f), to type size requirements for net quantity declaration in 1.8b(i), to initial statement of ounces in the dual declaration of net quantity in 1.8b(j) and (m), to prohibition of certain supplemental net quantity statements in 1.8b(o), and to servings representations in 1.8c. are provided for solely by the Fair Packaging and Labeling Act and apply to certain consumer commodities defined in section 10 of that act. The other requirements of this part are provided for by both Fair Packaging and Labeling Act and the Federal Food, Drug, and Cosmetic Act or by the latter act solely, are enforceable under the provisions of section 303 of the Federal Food, Drug, and Cosmetic Act, and are not limited in their application by section 10 of the Fair Packaging and Labeling Act.

1.1a Foods, drugs, devices, and cosmetics; labeling; procedure for requesting variations and exemptions from required label statements.

Section 403(e) of the act (in this Part 1, the term "act" means the Federal Food, Drug, and Cosmetic Act) provides for the establishment by regulation of reasonable variations and exemptions for small packages from the required declaration of net quantity of contents. Section 403(i) of the act provides for the establishment by regulation of exemptions from the required declaration of ingredients where such declaration is impracticable, or results in deception or unfair competition. Section 502(b) of the act provides for the establishment by regulation of reasonable variations and exemptions for small packages from the required declaration of net quantity of contents. Section 602(b) of the act provides for the establishment by regulation of reasonable variations and exemptions for small packages from the required declaration of net quantity of contents. Section 5(b) of the Fair Packaging and Labeling Act provides for the establishment by regulation of exemptions from certain required declarations of net quantity of contents, identity of commodity, identity and location of manufacturer, packer, or distributor, and from declaration of net quantity of servings represented, based on a finding that full compliance with such required declarations is impracticable or not necessary for the adequate protection of consumers, and a further finding that the nature, form, or quantity of the packaged consumer commodity or other good and sufficient reasons justify such exemptions. The Commissioner, on his own initiative or on petition of an interested person, may propose such findings and an exemption. The procedure followed and the criteria used in acting upon exemption requests of interested persons are as follows:

(a) If the petitioner shows that he is an interested person and furnishes reasonable grounds for his proposal, the Commissioner shall publish the proposal in the *Federal Register* and afford opportunity for interested persons to comment on it. After a study of all the facts available and of the comments received, the Commissioner will act upon the proposal and publish an order, pursuant to section 701(e) of the act, to which objection may be taken by persons who would be adversely affected.

(b) Practical administration of the law requires that there be a substantial showing of merit before any proposal is published. In evaluating proposals submitted by petitioners for initiating actions, it will be the policy of the Food and Drug Administration to consider that reasonable grounds have been furnished when:

(1) The proposal includes or is accompanied by a statement of the facts that the petitioner asserts he can substantiate by evidence in the event the proceedings lead to a public hearing.

(2) The declared facts furnish substantial support of the proposal and warrant a conclusion that the proposal is reasonable.

(3) The proposal if adopted would not unduly impinge upon the consumer's right to information essential to efficient marketing and to the making of value comparisons and would not otherwise promote deception or unfair competition.

(4) Full compliance with the declarations required by law would be impracticable, deceptive, or otherwise unnecessary.

(c) Opportunity will be given to amend petitions regarded as inadequate.

(d) At any time prior to the issuance of an order acting on his proposal under section 701(e)(1) of the act, the petitioner may withdraw his petition without prejudice to a future filing. Notice of withdrawal of the petition and termination of the rulemaking proceeding will be published in the *Federal Register*.

(e) Established exemptions will be set forth in 1.1c.

1.1b Packages; definition; presence of mandatory label information.

The term "package" means any container or wrapping in which any food, drug, device, or cosmetic is enclosed for use in the delivery or display of such commodities to retail purchasers, but does not include:

(a) Shipping containers or wrappings used solely for the transportation of any such commodity in bulk or in quantity to manufacturers, packers, processors, or wholesale or retail distributors;

(b) Shipping containers or outer wrappings used by retailers to ship or deliver any such commodity to retail customers if such containers and wrappings bear no printed matter pertaining to any particular commodity; or

(c) Containers subject to the provisions of the Act of August 3, 1912 (37 Stat. 250, as amended; 15 U.S.C. 231-233), the Act of March 4, 1915 (38 Stat. 1186, as amended; 15 U.S.C. 234-236), the Act of August 31, 1916 (39 Stat. 673, as amended; 15 U.S.C. 251-256), or the Act of May 21, 1928 (45 Stat. 685, as amended; 15 U.S.C. 257-257i).

(d) Containers used for tray pack displays in retail establishments.

(e) Transparent wrappers or containers which do not bear written, printed, or graphic matter obscuring the label information required by this part.

A requirement contained in this part that any word, statement, or other information appear on the label shall not be considered to be complied with unless such word, statement, or information also appears on the outer container or wrapper of the retail package of the article, or, as stated in paragraph (e) of this section, such information is easily legible by virtue of the transparency of the outer wrapper or container. Where a consumer commodity is marketed in a multiunit retail package bearing the mandatory label information as required by this part and the unit containers are not intended to be sold separately, the net weight placement requirement of 1.8b(f) applicable to such unit containers is waived if the units are in compliance with all the other requirements of this part.

1.1c Exemptions from required label statements.

The following exemptions are granted from label statements required by this part:

(a) *Foods.* (1) While held for sale, a food shall be exempt from the required declaration of net quantity of contents specified in this part if said food is received in bulk containers at a retail establishment and is accurately weighed, measured, or counted either within the view of the purchaser or in compliance with the purchaser's order.

(2) Random food packages, as defined in 1.8b(j), bearing labels declaring net weight, price per pound or per specified number of pounds, and total price, shall be exempt from the type size, dual declaration, and placement requirements of 1.8b, if the accurate statement of net weight is presented conspicuously on the principal display panel of the package. In the case of food packed in random packages at one place for subsequent shipment and sale at another, the price sections of the label may be left blank provided they are filled in by the seller prior to retail sale.

(3) Individual serving-size packages of foods containing less than ½ ounce or less than ½ fluid ounce for use in restaurants, institutions, and passenger carriers, and not intended for sale at retail, shall be exempt from the required declaration of net quantity of contents specified in this part.

(4) Individually wrapped pieces of "penny candy" shall be exempt from the labeling requirements of this part when the container in which such candy is shipped is in conformance with the labeling requirements of this part. Similarly, when individually wrapped pieces of candy of less than one-half ounce net weight per individual piece are sold in bags or boxes, such individual pieces shall be exempt from the labeling requirements of this part, including the required declaration of net quantity of contents specified in this part when the declaration on the bag or box meets the requirements of this part.

1.2 Labeling; label; definitions.

(a) Labeling includes all written, printed, or graphic matter accompanying an article at any time while such article is in interstate commerce or held for sale after shipment or delivery in interstate commerce.

(b) "Label" means any display of written, printed, or graphic matter on the immediate container of any article, or any such matter affixed to any consumer commodity or affixed to or appearing upon a package containing any consumer commodity.

1.7 Food in package form; principal display panel.

The term "principal display panel" as it applies to food in package form and as used in this part, means the part of a label that is most likely to be displayed, presented, shown, or examined under customary conditions of display for retail sale. The principal display panel shall be large enough to accommodate all the mandatory label information required to be placed thereon by this part with clarity and conspicuousness and without obscuring design, vignettes, or crowding. Where packages bear alternate principal display panels, information required to be placed on the principal display panel shall be duplicated on each principal display panel. For the purpose of obtaining uniform type size in declaring the quantity of contents for all packages of substantially the same size, the term "area of the principal display panel" means the area of the side or surface that bears the principal display panel, which area shall be:

(a) In the case of a rectangular package where one entire side properly can be considered to be the principal display panel side, the product of the height times the width of that side;

(b) In the case of a cylindrical or nearly cylindrical container, 40 per cent of the product of the height of the container times the circumference;

(c) In the case of any otherwise shaped container, 40 per cent of the total surface of the container: *Provided, however,* That where such container presents an obvious "principal display panel" such as the top of a triangular or circular package of cheese, the area shall consist of the entire top surface.

In determining the area of the principal display panel, exclude tops, bottoms, flanges at tops and bottoms of cans, and shoulders and necks of bottles of jars. In the case of cylindrical or nearly cylindrical containers, information required by this part to appear on the principal display panel shall appear within that 40 per cent of the circumference which is most likely to be displayed, presented, shown, or examined under customary conditions of display for retail sale.

1.8 Food in package form, labeling; identity.

(a) The principal display panel of a food in package form shall bear as one of its principal features a statement of the identity of the commodity.

(b) Such statement of identity shall be in terms of:

(1) The name now or hereafter specified in or required by any applicable Federal law or regulation; or, in the absence thereof,

(2) The common or usual name of the food; or, in the absence thereof,

(3) An appropriately descriptive term, or when the nature of the food is obvious, a fanciful name commonly used by the public for such food.

(c) Where a food is marketed in various optional forms (whole, slices, diced, etc.), the particular form shall be considered to be a necessary part of the statement of identity and shall be declared in letters of a type size bearing a reasonable relation to the size of the letters forming the other components of the statement of identity; except that if the optional form is visible through the container or is depicted by an appropriate vignette, the particular form need not be included in the statement. This specification does not affect the required declarations of identity under definitions and standards for foods promulgated pursuant to section 401 of the act.

(d) This statement of identity shall be presented in bold type on the principal display panel, shall be in a size reasonably related to the most prominent printed matter on such panel, and shall be in lines generally parallel to the base on which the package rests as it is designed to be displayed.

1.8a Food labeling; name and place of business of manufacturer, packer, or distributor.

(a) The label of a food in packaged form shall specify conspicuously the name and place of business of the manufacturer, packer, or distributor.

(b) The requirement for declaration of the name of the manufacturer, packer, or distributor shall be deemed to be satisfied, in the case of a corporation, only by the actual corporate name, which may be preceded or followed by the name of the particular division of the corporation. In the case of an individual, partnership, or association, the name under which the business is conducted shall be used.

(c) Where the food is not manufactured by the person whose name appears on the label, the name shall be qualified by a phrase that reveals the connection such person has with such food; such as "Manufactured for ....," "Distributed by ....," or any other wording that expresses the facts.

(d) The statement of the place of business shall include the street address, city, State, and ZIP Code; however, the street address may be omitted if it is shown in a current city directory or telephone directory. The requirement for inclusion of the ZIP Code shall apply only to consumer commodity labels developed or revised after the effective date of this section. In the case of nonconsumer packages, the ZIP Code shall appear either on the label or the labeling (including invoice).

(e) If a person manufactures, packs, or distributes a food at a place other than his principal place of business, the label may state the principal place of business in lieu of the actual place where such food was manufactured or packed or is to be distributed, unless such statement would be misleading.

1.8b Food labeling; declaration of net quantity of contents; when exempt.

(a) The principal display panel of a food in package form shall bear a declaration of the net quantity of contents. This shall be expressed in the terms of weight, measure, numerical count, or a combination of numerical count and weight or measure. The statement shall be in terms of fluid measure if the food is liquid, or in terms of weight if the food is solid, semisolid, or viscous, or a mixture of solid and liquid; except that such statement may be in terms of dry measure if the food is a fresh fruit, fresh vegetable, or other dry commodity that is customarily sold by dry measure. If there is a firmly established general consumer usage and trade custom of declaring the contents of a liquid by weight, or a solid, semisolid, or viscous product by fluid measure, it may be used. Whenever the Commissioner determines that an existing practice of declaring net quantity of contents by weight, measure, numerical count, or a combination in the case of a specific packaged food does not facilitate value comparisons by consumers and offers opportunity for consumer confusion, he will by regulation designate the appropriate term or terms to be used for such commodity.

(b) (1) Statements of weight shall be in terms of avoirdupois pound and ounce.

(2) Statements of fluid measure shall be in terms of the U.S. gallon of 231 cubic inches and quart, pint, and fluid ounce subdivisions thereof, and shall:

(i) In the case of frozen food that is sold and consumed in a frozen state, express the volume at the frozen temperature.

(ii) In the case of refrigerated food that is sold in the refrigerated state, express the volume at 40°F. (4°C.).

(iii) In the case of other foods, express the volume at 68°F. (20°C.).

(3) Statements of dry measure shall be in terms of the U.S. bushel of 2,150.42 cubic inches and peck, dry quart, and dry pint subdivisions thereof.

(c) When the declaration of quantity of contents by numerical count does not give adequate information as to the quantity of food in the package, it shall be combined with such statement of weight, measure, or size of the individual units of the foods as will provide such information.

(d) The declaration may contain common or decimal fractions. A common fraction shall be in terms of halves, quarters, eighths, sixteenths, or thirty-seconds; except that if there exists a firmly established general consumer usage and trade custom of employing different common fractions in the net quantity declaration of a particular commodity, they may be employed. A common fraction shall be reduced to its lowest terms; a decimal fraction shall not be carried out to more than two places. A statement that includes small fractions of an ounce shall be deemed to permit smaller variations than one which does not include such fractions.

(e) The declaration shall be located on the principal display panel of the label, and with respect to packages bearing alternate principal panels it shall be duplicated on each principal display panel.

(f) The declaration shall appear as a distinct item on the principal display panel, shall be separated (by at least a space equal to the height of the lettering used in the declaration) from other printed label information appearing above or below the declaration and (by at least a space equal to twice the width of the letter "N" of the style of type used in the quantity of contents statement) from other printed label information appearing to the left or right of the declaration. It shall not include any term qualifying a unit of weight, measure, or count (such as "jumbo quart" and "full gallon") that tends to exaggerate the amount of the food in the container. It shall be placed on the principal display panel within the bottom 30 per cent of the area of the label panel in lines generally parallel to the base on which the package rests as it is designed to be displayed: *Provided,* That on packages having a principal display panel of 5 square inches or less, the requirement for placement within the bottom 30 per cent of the area of the label panel shall not apply when the declaration of net quantity of contents meets the other requirements of this part.

(g) The declaration shall accurately reveal the quantity of food in the package exclusive of wrappers and other material packed therewith; provided that in the case of foods packed in containers designed to deliver the food under pressure, the declaration shall state the net quantity of the contents that will be expelled when the instructions for use as shown on the container are followed. The propellant is included in the net quantity declaration.

(h) The declaration shall appear in conspicuous and easily legible boldface print or type in distinct contrast (by typography, layout, color, embossing, or molding) to other matter on the package; except that a declaration of net quantity blown, embossed, or molded on a glass or plastic surface is permissible when all label information is so formed on the surface. Requirements of conspicuousness and legibility shall include the specifications that:

(1) The ratio of height to width (of the letter) shall not exceed a differential of 3 units to 1 unit (no more than 3 times as high as it is wide).

(2) Letter heights pertain to upper case or capital letters. When upper and lower case or all lower case letters are used, it is the lower case letter "o" or its equivalent that shall meet the minimum standards.

(3) When fractions are used, each component numeral shall meet one-half the minimum height standards.

(i) The declaration shall be in letters and numerals in a type size established in relationship to the area of the principal display panel of the package and shall be uniform for all packages of substantially the same size by complying with the following type specifications:

(1) Not less than 1/16 inch in height on packages the principal display panel of which has an area of 5 square inches or less.

(2) Not less than 1/8 inch in height on packages the principal display panel of which has an area of more than 5 but not more than 25 square inches.

(3) Not less than 3/16 inch in height on packages the principal display panel of which has an area of more than 25 but not more than 100 square inches.

(4) Not less than 1/4 inch in height on packages the principal display panel of which has an area of more than 100 square inches, except not less than 1/2 inch in height if the area is more than 400 square inches.

Where the declaration is blown, embossed, or molded on a glass or plastic surface rather than by printing, typing, or coloring, the lettering sizes specified in subparagraphs (1) through (4) of this paragraph shall be increased by 1/16 of an inch.

(j) On packages containing less than 4 pounds or 1 gallon and labeled in terms of weight or fluid measure:

(1) The declaration shall be expressed both in ounces, with identification by weight or by liquid measure and, if applicable (1 pound or 1 pint or more) followed in

parentheses by a declaration in pounds for weight units, with any remainder in terms of ounces or common or decimal fractions of the pound (see examples set forth in paragraph (m) (1) and (2) of this section), or in the case of liquid measure, in the largest whole units (quarts, quarts and pints, or pints, as appropriate) with any remainder in terms of fluid ounces or common or decimal fractions of the pint or quart (see examples in paragraph (m) (3) and (4) of this section).

(2) If the net quantity of contents declaration appears on a random package, that is a package which is one of a lot, shipment, or delivery of packages of the same consumer commodity with varying weights and with no fixed weight pattern, it may, when the net weight exceeds 1 pound, be expressed in terms of pounds and decimal fractions of the pound carried out to not more than two decimal places. When the net weight does not exceed 1 pound, the declaration on the random package may be in decimal fractions of the pound in lieu of ounces (see example in paragraph (m) (5) of this section).

(3) The declaration may appear in more than one line. The term "net weight" shall be used when stating the net quantity of contents in terms of weight. Use of the terms "net" or "net contents" in terms of fluid measure or numerical count is optional. It is sufficient to distinguish avoirdupois ounce from fluid ounce through association of terms; for example, "Net wt. 6 oz." or "6 oz. Net. wt." and "6 fl. oz." or "Net contents 6 fl. oz.".

(k) On packages containing 4 pounds or 1 gallon or more and labeled in terms of weight or fluid measure, the declaration shall be expressed in pounds for weight units with any remainder in terms of ounces or common or decimal fractions of the pound, or in the case of fluid measure, it shall be expressed in the largest whole unit (gallons followed by common or decimal fraction of a gallon or by the next smaller whole unit or units (quarts, or quarts and pints)) with any remainder in terms of fluid ounces or common or decimal fractions of the pint or quart (see paragraph (m) (6) of this section).

(l) [Reserved]

(m) Examples:

(1) A declaration of 1½ pounds weight shall be expressed as "Net Wt. 24 oz. (1 lb., 8 oz.)", or "Net Wt. 24 oz. (1½ lb.)", or "Net Wt. 24 oz. (1.5 lb.)".

(2) A declaration of ¾ pound avoirdupois weight shall be expressed as "Net Wt. 12 oz.".

(3) A declaration of 1 quart liquid measure shall be expressed as "Net 32 fl. oz. (1 qt.)".

(4) A declaration of 1¾ quarts liquid measure shall be expressed as "Net contents 56 fluid ounces (1 quart 1½ pints)" or as "Net 56 fluid oz. (1 qt. 1 pt. 8 oz.)", but not in terms of quart and ounce such as "Net 56 fluid oz. (1 quart 24 ounces)".

(5) On a random package, declaration of ¾ pound avoirdupois may be expressed as "Net Wt. .75 lb.".

(6) A declaration of 2½ gallons liquid measure shall be expressed as "Net contents 2½ gallons", "Net contents 2.5 gallons", or "Net contents 2 gallons 2 quarts" and not as "2 gallons 4 pints".

(n) For quantities, the following abbreviations and none other may be employed (periods and plural forms are optional):

weight wt.	pint pt.
ounce oz.	quart qt.
pound lb.	fluid fl.
gallon gal.	

(o) Nothing in this section shall prohibit supplemental statements at locations other than the principal display panel(s) describing in nondeceptive terms the net quantity of contents; provided, that such supplemental statements of net quantity of contents shall not include any term qualifying a unit of weight, measure, or count that tends to exaggerate the amount of the food contained in the package; for example, "jumbo quart" and "full gallon". Dual or combination declarations of net quantity of contents as provided for in paragraphs (a), (c), and (j) of this section (for example, a combination of net weight plus numerical count, net contents plus dilution directions of a concentrate, etc.) are not regarded as supplemental net quantity statements and may be located on the principal display panel.

(p) A separate statement of the net quantity of contents in terms of the metric system is not regarded as a supplemental statement and an accurate statement of the net quantity of contents in terms of the metric system of weight or measure may also appear on the principal display panel or on other panels.

(q) The declaration of net quantity of contents shall express an accurate statement of the quantity of contents of the package. Reasonable variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice will be recognized. Variations from stated quantity of contents shall not be unreasonably large.

1.8c Food labeling; number of servings.

(a) The label of any package of a food which bears a representation as to the number of servings contained in such package shall bear in immediate conjunction with such statement, and in the same size type as is used for such statement, a statement of the net quantity (in terms of weight, measure, or numerical count) of each such serving; however, such statement may be expressed in terms that differ from the terms used in the required statement of net quantity of contents (for example, cupfuls, tablespoonfuls, etc.) when such differing term is common to cookery and describes a constant quantity. Such statement may not be misleading in any particular. A statement of the number of units in a package is not in itself a statement of the number of servings.

(b) If there exists a voluntary product standard promulgated pursuant to the procedures found in Part 10, Title 15, Code of Federal Regulations, by the Department of Commerce, quantitatively defining the meaning of the term "serving" with respect to a particular food, then any label representation as to the number of servings in such packaged food shall correspond with such quantitative definition. (Copies of published standards are available upon request from the National Bureau of Standards, Department of Commerce, Washington, D.C. 20234.)

1.10 Food; labeling; designation of ingredients.

(d) In the case of fabricated foods, including mixtures of food ingredients, where the proportion of an expensive ingredient or ingredients present has a material bearing on price or consumer acceptance, the label of such food shall bear a quantitative statement of such ingredient(s) if the label without such declaration may create an erroneous impression that such ingredient or ingredients are present in an amount greater than is actually the case. For example, a label designation of identity as "cottonseed oil and olive oil" for a mixture containing 80 per cent or more of cottonseed oil would require a declaration of the per cent of olive oil present. Similarly, a representation by vignette or statement of identity that a breakfast syrup is made from a mixture of sugar syrup and maple sugar syrup would necessitate a quantitative declaration of the maple sugar syrup unless more than 20 per cent maple sugar syrup is present.

(e) In the case of an assortment of different items of food, when variations in the items that make up different packages packed from such assortment normally occur in good packing practice and when such variations result in variations in the ingredients in different packages, such food shall be exempt from compliance with the requirements of clause (2) of section 403(i) of the act with respect to any ingredient that is not common to all packages. Such exemption, however, shall be on the condition that the label shall bear, in conjunction with the names of such ingredients as are common to all packages, a statement (in terms that are as informative as practicable and that are not misleading) indicating that other ingredients may be present.

(h) Ingredients shall be listed by common or usual name in order of decreasing predominance. The declaration shall be presented on any appropriate information panel in adequate type size, without obscuring design, vignettes, or crowding. The entire ingredient statement shall appear on a single panel of the label.

Effective date. This order shall become effective (1) December 31, 1967, for all new packages, new label designs, and labels being reordered and (2) July 1, 1968, for all packages introduced into interstate commerce.

Statements of General Policy or Interpretation

Utilization of packages and labels not in compliance with labeling requirements of Fair Packaging and Labeling Act.

In the *Federal Register* of March 17, 1967 (32 F.R. 4172), the Food and Drug Administration proposed initial regulations in the implementation of the Fair Packaging and Labeling Act, and notice was given that when the Commissioner of Food and Drugs acted upon the proposal he would issue a statement of policy dealing with the orderly disposition of label stocks in inventory. In this issue of the *Federal Register*, the Commissioner has published an order acting upon the proposal of March 17, 1967, and accordingly said statement of policy is set forth below.

Therefore, under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 701 (a), 52 Stat. 1055; 21 U.S.C. 371 (a) and by the Fair Packaging and Labeling Act (secs. 4, 6, 80 Stat. 1297, 1299, 1300; 15 U.S.C. 1453, 1455), and delegated by him to the Commissioner (21 CFR 2.120), Part 3 is amended by adding thereto the following new section:

3.57 Stocks of packages and labels not complying with section 4 of the Fair Packaging and Labeling Act.

(a) Implementation of the Fair Packaging and Labeling Act (Public Law 89-755) will require changes in the labels of many foods, drugs, and cosmetics now on the market. The law does not contemplate a disruption of legitimate business practices nor destruction of all stocks of labels and packages rendered not-in-compliance by the effective date of the regulations promulgated pursuant to that Act. Section 6 of the Fair Packaging and Labeling Act provides that "no regulation adopted under this Act shall preclude the continued use of returnable or reusable glass containers for beverages in inventory or with the trade as of the effective date of this Act, nor shall any regulation under this Act preclude the orderly disposal of packages in inventory or with the trade as of the effective date of such regulation." Section 13 provides that the promulgating authority may by regulation postpone the effective date of the Fair Packaging and Labeling Act for an additional 12-month period for classes or types of consumer commodities.

(b) In the order published in the *Federal Register* of July 21, 1967, it is stated that the effective date of that initial order covering food labels under the Fair Packaging and Labeling Act shall be December 31, 1967, for all new food packages, new label designs, and labels being reordered, and shall be July 1, 1968, for all food packages and labels being introduced into interstate commerce. Extensions for stocks of packages and labels beyond July 1, 1968, will be considered on an individual case basis and are grantable for good cause shown. Good cause would necessarily include a showing that:

(1) The stocks are in compliance with the present terms of the Federal Food, Drug, and Cosmetic Act and the regulations thereunder;

(2) Due diligence was expended in devising and obtaining labels and packages in compliance with the new regulations insofar as the facilities of the label and package manufacturers permit; and

(3) The stocks did not result from a deliberate attempt to overstock. ●

CANADIAN EXPORTERS call on many government services in their export sales programs. They are guided by advice and assistance from headquarters and the Regional Offices of the Department of Trade and Commerce in Canada and from the Trade Commissioner Service abroad. But there is a small group of people laboring on their behalf who seldom receive the recognition due them. They are known as Commercial Assistants or Commercial Officers and are recruited abroad to serve in Canada's trade offices. With their intimate knowledge of local laws and customs and their wide contacts in business and government circles, they provide a vital dimension to Canada's external trade promotion.

The Commercial Assistants' job is not an easy one. Apart from the heavy demands made on them in the course of their work they have to learn to reflect a Canadian viewpoint and to provide a continuity of effort through successive regimes of Trade Commissioners with their different interests, personalities and temperaments.

Because of the invaluable contribution that Commercial Assistants make to the effectiveness of the Trade Commissioner Service, we are paying tribute to all of them by publishing this article on one of them who retired not long ago after 37 years on the job—Dr. Antonio dos Reis Carneiro, of Rio de Janeiro. He typifies the dedicated service that our Trade Commissioners rely upon and the quality of candidates that our Service can attract.

Right-Hand Man in Rio

THE Canadian Trade Commissioner was undecided. He had two good candidates for the position of assistant in his office in Rio de Janeiro. One was suave and dashing and carried impeccable references from the local branch of a Canadian bank. The other, a graduate lawyer with business experience, was diminutive in stature and retiring in demeanor. "It all depends," the latter quietly pointed out, "on whether you want an assistant or a racehorse. I do not qualify for both."

His rejoinder impressed Mr. Bleakney sufficiently to ask for a written essay as a further qualification. Dr. Reis delivered his the next day. His competitor, after 37 years, has yet to proffer his. And so Dr. Reis began his association with the Trade Commissioner Service. It was to be a long career filled with activity and even, at times, with hazard. But Trade Commissioners and Canadian businessmen who have had the privilege of working with him are grateful that the racehorse was scratched.

In the era when Dr. Reis joined the Service, Canada's extraterritorial ventures were much more humble than they are now. Our representation in Brazil consisted of a Trade Commissioner and a stenographer. Today there are 13 Canadians and 30 Brazilians scattered through the Canadian Embassy in Rio de Janeiro, a Consulate in São Paulo, and the office of the Chargé d'Affaires in Brasilia.

It was more difficult to represent Canada then because of the modesty of our representation and because our independence and potential were not widely appreciated. It is a mark of the confidence his superior placed in Dr. Reis that ten months later Bleakney went on home leave, putting the Brazilian in command.

Come the Revolution

One of the nagging fears that occasionally grips Trade Commissioners is the thought that their offices might function quite well without them. Dr. Reis' performance in the eleven months he was to be alone provides little comfort for them. The flow of reports and letters did not slacken and an air of quiet efficiency hung in the air. The interval probably would have passed quietly but Brazil was quickly sliding into a period of social ferment. Economic recession, political unrest, the assassination of João Pessôa and the rise of Getulio Vargas were all to happen while Dr. Reis maintained "the presence" in Brazil.

The fact that a full-scale revolution would erupt, that our offices were in a newspaper building, that the newspaper would oppose the revolution and be attacked by irate citizens was probably not expected when the lease was negotiated. But it all came to pass and as the revolution blossomed, hostile mobs surrounded the building and attacked it while Dr. Reis kept the flag flying inside. Finally, when the crash of breaking doors, the whine of flying furniture and the smell of smoke became too much to allow for proper concentration, Dr. Reis quietly retired from the field by a back stairway. But he had to suffer the further indignity of being driven off course by a

Dr. Antonio dos Reis Carneiro (left) demonstrates the quality of Canadian kraft paper to a Brazilian businessman visiting the Canadian trade office. Dr. Reis served as Commercial Assistant in the Rio de Janeiro office for 37 years.

drunken taxi driver, abandoned in a group of demonstrators and advised that the trip would cost him nothing in celebration of the revolution.

The next day he returned to the scene and through personal friendship with the Chief of Police was allowed to re-enter the building. For the following two weeks our eighth floor office was the only one in the building that functioned, though without gas, power or water.

Sports a Continuing Interest

Dr. Reis has always had a keen interest in sports and during his career was president of the Rio de Janeiro Basketball Federation (1937-1942), vice-president of the Fluminense Soccer Club (1943-1948), vice-president of the Brazilian Basketball Confederation (1934-1949 and 1952-1961), president of the South American Basketball Committee (1942-1952), vice-president of the International Amateur Basketball Federation (1948-1952) and president of the latter since 1960 and treasurer of the Pan American Sports Organization (1959-1963). He has been a member of the International Council of Sports and Physical Education (UNESCO Youth Institute) since 1961 and general secretary of the Brazilian Olympic Committee since 1951.

These activities brought him international recognition and earned him the Olympic Order from the Government of Finland and the Cruz Do Merito Desportivo and the Medalha De Merito Santos Dumont from the Government of Brazil. His influence and prestige were used to further Canada's successful application to play host to the 1967 Pan American Games.

If international sports presents some problems to his divided loyalties, he does not admit it. It is difficult to tell whether he is rejoicing or in anguish when he mentions seeing Brazil beat Canadian basketball teams in two Olympic games!

His contacts and acquaintances go far beyond the field of sports. He counts as personal friends many leaders of business and industry and is on a first-name basis with high government officials and ministers. But, he recalls with a smile, even he was not prepared for the reception he received on his first visit to Canada which happened to coincide with a visit of the Queen. As he and his wife Elizabeth travelled from Ottawa to Toronto the way was draped with bunting and crowds cheered. And every prominence bore a shield with his wife's initials on it.

His thoughts after 37 years? He enjoyed them and he seems to be enjoying retirement equally. With a distinguished career behind him and a successful family around him, he has every reason for satisfaction. And Canada has every reason to be proud that men such as Dr. Reis are associated with the Service.

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

The Ocean Freight Market

RATES in the charter market, which increased substantially immediately after the Suez Canal was closed in June, eased in the third quarter. Nevertheless, chartering activity in the dry cargo trades was steady, maintaining a fair balance between the demand for and the availability of ships. Average rates in most Canadian trades were higher than those of the second quarter and the corresponding quarter last year.

In the Pacific sector of the market, the continuing requirements of Japanese importers resulted in rates rising above levels of the previous quarter. Increases amounted to approximately $2.00 per ton on grain and $1.00 per ton on coal. Similarly, aid program cargoes to India were faced with higher rates. In the time charter market, interest focused on short period chartering on a moderate scale.

Although chartering activity was relatively light, the impact of the closing of the Suez Canal on petroleum trades was evidenced by sharp increases recorded in tanker rates. The average rate for black oil from the Caribbean to United States North Atlantic ports was $4.49 per ton, up from the average rate of $1.62 per ton in the previous quarter. Upward pressures on rates were noted also in tanker movements from the Persian Gulf to the United States North Atlantic ports where the average rate was more than double the rate established in the second quarter.

CHARTER RATES—THIRD QUARTER 1967

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in column B calculated in £ = $3.00 and U.S.$ = $1.08. For comparison the rates a year ago are shown in column C with the Canadian dollar equivalent in Column D calculated at £ = $3.00 and U.S.$ = $1.08.

TIME CHARTERS

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

	Third Quarter 1967		Third Quarter 1966	
	A £ or U.S.$	B Can.$	C £ or U.S.$	D Can.$
General Trading (approximately 6 months)				
Motorships 11,000-12,999 dwt. 13-14.9 knots	4.33	4.68	3.53	3.81
Motorships 13,000-14,999 dwt. 13-14.9 knots	4.09	4.42	3.43	3.70
Steamships 9,000-10,999 dwt. 9-10.9 knots	....	....	2.32	2.51

TRIP CHARTERS

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

	Third Quarter 1967		Third Quarter 1966	
	A £ or U.S.$	B Can.$	C £ or U.S.$	D Can.$
Heavy Grain (per long ton)				
St. Lawrence to Britain	40s.0d	6.00	28s.6d	4.28
St. Lawrence to Belgium/Holland	4.55	4.91	3.19	3.45
St. Lawrence to Italy	8.01	8.65	5.69	6.15
Churchill to Britain	47s.2d	7.08	46s.1d	6.91
Churchill to Belgium/Holland	5.64	6.09	4.18	4.51
Churchill to Norway	40s.6d	6.08	....	....
Great Lakes to Britain	63s.2d	9.48	60s.5d	9.06
Completing St. Lawrence	40s.0d	6.00	29s.6d	4.43

	Third Quarter 1967		Third Quarter 1966	
	A £ or U.S.$	B Can.$	C £ or U.S.$	D Can.$
Heavy Grain (per long ton)				
Great Lakes to Belgium/Holland	8.11	8.76	7.45	8.05
Completing St. Lawrence	4.24	4.58	3.25	3.51
Great Lakes to Japan	16.17	17.46	....	....
Completing St. Lawrence	13.17	14.22	....	....
Great Lakes to France	10.25	11.07	8.38	9.05
Completing St. Lawrence	16.25	6.75	5.21	5.63
Great Lakes to Norway	10.00	10.80	....	....
Completing St. Lawrence	7.00	7.56	....	....
Great Lakes to Spain	10.46	11.32	....	....
Great Lakes to Italy	12.38	13.37	10.60	11.45
Completing St. Lawrence	7.75	8.37	....	....
British Columbia/North Pacific to Japan	9.17	9.90	7.39	7.98
British Columbia/North Pacific to the Philippines	10.21	11.03	8.07	8.72
British Columbia to Venezuela	8.43	9.10	....	....
British Columbia/North Pacific to South Korea	9.68	10.45	....	....
British Columbia/North Pacific to East Coast of India	93s.2d	13.98	72s.6d	10.88
British Columbia/North Pacific to West Coast of India	85s.0d	12.75	....	....
Coal (per long ton)				
Hampton Roads to Japan	8.96	9.68	6.46	6.98
British Columbia to Japan	4.89	5.28	....	....
Oilseeds (per long ton)				
British Columbia/North Pacific to Japan	9.08	9.81	6.09	6.58
Potash (per long ton)				
British Columbia to East Coast of India	12.25	13.23	....	....
British Columbia to West Coast of India	12.50	13.50	....	....
Scrap Iron and Steel (per long ton)				
U. S. Atlantic to Japan	14.21	15.35	10.50	11.34
California to Japan	9.74	10.52	7.18	7.75
Great Lakes to Japan	15.70	16.96	14.00	15.12
St. Lawrence to Japan	15.17	16.38	....	....
Sulphur (per long ton)				
British Columbia to Western Australia	85s.0d	12.75	....	....
British Columbia to Australia (New South Wales)	76s.0d	11.40	....	....
British Columbia to New Zealand (North Island)	68s.6d	10.28	....	....
British Columbia to New Zealand (South Island)	71s.0d	10.65	....	....
British Columbia to India	12.75	13.77	....	....
British Columbia to Taiwan (Formosa)	9.50	10.26	....	....
Oil Black (per long ton)				
Venezuela to Portland, Maine	4.49	4.85	.95	1.03
Persian Gulf to Portland, Maine	15.07	16.28	2.85	3.09

businessman's bookshelf

Atlantic Economic Co-operation: the Case of the OECD

Henry G. Audrey, for the Council on Foreign Relations
198 pages. $7.25.

The Organization for Economic Co-operation and Development is a relatively new international organization in a crowded field. In this political scientist's study of the organization, Dr. Henry G. Aubrey considers the usefulness of the OECD as an instrument of economic co-operation in the changed Atlantic Community. Although the author also describes the functioning of the organization and its departments, the emphasis is on the OECD's search for identity and purpose.

The causes of economic and political co-operation during the immediate postwar period have changed or been attenuated. Co-operation in the 60's must be based on the convergence of interests and must be characterized by a more balanced give-and-take among partners. The author makes this point in the beginning of the book and with this theme in mind analyzes the reasons for the creation of the OECD out of the old OEEC.

Dr. Aubrey describes the long list of economic questions with which the OECD has concerned itself. He concludes that an effort must be made to limit activities to a central theme. On the other hand, countries must approach the Organization less sceptically if this grouping of the world's most powerful industrial nations outside the Soviet Bloc is to live up to its responsibilities and potential.

This study will be mainly of interest to the student of Atlantic Community problems.

Order from: Burns and MacEachern Limited, 62 Railside Road, Don Mills, Ontario.

Fruit

The Commonwealth Secretariat. 193 pages. $6.00.

A WEALTH of statistical information on world fruit production and trade in fresh, canned, frozen and dried fruit, fruit juices and wine is contained in this latest review. It begins with a general survey of the Commonwealth and world situation, which is followed by a detailed examination of the production, exports, imports, consumption and prices of each of the major fruits which enter into commerce. There are over 150 statistical tables with figures for the years up to 1964 and, in some cases, 1965.

The appendices deal with fruit utilization and supply in Britain, Australia, Canada, South Africa and the United States; tariffs, import licences and quotas in Britain; fruit and wine in the European Economic Community, and a summary of import duties and trade regulations of countries in Western Europe, Canada and the United States.

Order from: The Queen's Printer, Ottawa, Ontario.

Trade and Trade Policy for Development

Frederick A. Praeger. 153 pages. $6.00

PROFESSOR S. B. LINDER of the Stockholm School of Economics has written this study of trade policy for the Praeger series on International Economics and Development. It is of particular interest to those concerned with the theoretical aspects of international trade.

The professor argues that theories which have been put forward to explain the effects of trade on industrially advanced economies cannot be applied wholesale to developing countries. He sees no virtue in attempting to construct totally new trade theories, however. Rather, he advocates the incorporation of the relevant features of conventional theories into a trade theory structure which also takes into account trading problems peculiar to developing countries.

He has much of interest to say on the usefulness of customs unions, import substitution, and attempts to increase foreign exchange earnings.

Order from: Burns and MacEachern Limited, 62 Railside Road, Don Mills, Ontario

Guide to Southern Africa

Editor: A. Gordon Brown. 576 pages. $3.25.

THE 1967 EDITION of this guide should prove invaluable to any exporter considering a trip to survey markets in South Africa, South West Africa, Zambia, Malawi, Lesotho, Botswana, Swaziland or Angola. Information is provided on passports, vaccinations, customs regulations, modes of travel, climate, tourist attractions, and hotels and restaurants. There are also detailed maps of cities and regions.

Essentially a travel guide, this publication does furnish some additional information of interest to the businessman on banking, currency and major industries. There is less statistical information than in earlier editions but the book does show where it can be obtained.

The reader will note that political and economic situations are only briefly mentioned. The book does not, for example, discuss Rhodesia's Unilateral Declaration of Independence. The traveller must look elsewhere for information about the implications for visitors of South Africa's "apartheid" policy and of the economic sanctions imposed on Rhodesia in 1966.

Order from: Thomas Allen & Son Limited, 50 Prince Andrew Place, Don Mills, Ontario.

Japanese Industry 1966

Foreign Capital Research Society. 148 pages. Free.

THIS beautifully illustrated book was produced by the Foreign Capital Research Society whose chairman is the Governor of the Bank of Japan. It begins by reminding us of the structural changes which made Japan's "economic miracle" possible and then goes on to describe the present state of each of the major industries.

Before World War II, textiles and light industry accounted for 80 per cent of Japanese production, and 60 per cent of all exports went to Asia. Now Japan is third among the world's steel producers, builds 40 per cent of the world's ships, and may soon challenge Britain's position as number three automaker.

Canadian exporters will find much of direct interest to them in the book. For example, it tells us that Japan is the third largest papermaker, yet in per capita consumption ranks 14th. It has to import 30 per cent of the office machines it needs to keep pace with the growing demands of business and industry. Tourism is surprisingly undeveloped—Japan received fewer visitors than Hong Kong in 1964 and its 140 Western-style hotels have 18,500 rooms all told. Economists will ponder on the impact on world trade of a change in direction of Japan's machinery exports, now too heavily concentrated on developing countries. The renaissance of the aircraft industry, which once had a million workers on its payroll, will also attract their attention.

Much of the information in the book has been obtained from government and other sources, but the reader will seldom find statistics more clearly set out or text more concisely written. Clarity is the book's great virtue.

Order from: The Bank of Japan, 1 Chase Manhattan Plaza, New York, N.Y. 10015.

Trade Commissioners on Tour

Temporary Duty in Ottawa

The following officer will be on temporary duty in Ottawa. Anyone who wishes to see him should contact the Trade Commissioner Service, phone: 992-1366.

J. D. Tennant, Assistant Commercial Secretary in Port-of-Spain, Trinidad, November 6-17.

In Territory

Britain—J. H. Nelson, Trade Commissioner in Liverpool, will visit Birmingham October 31-November 2 and Manchester November 8 and 9.

Central America—R. D. Sirrs, Commercial Secretary in Guatemala, will visit El Salvador, Honduras, Nicaragua, Costa Rica and Panama during the second half of November.

Ceylon—A. W. Evans, Commercial Counsellor in New Delhi, India, will visit Colombo November 16-20.

India—A. W. Evans, Commercial Counsellor in New Delhi, will visit Bombay November 13-15.

Indo-Chinese States—A. Blum, Assistant Trade Commissioner in Hong Kong, will visit Laos, Vietnam and Cambodia November 21-December 11.

Persian Gulf—N. W. Boyd, Commercial Counsellor in Beirut, Lebanon, will visit Iraq, Kuwait, Bahrain, Qatar, Dubai, Abu Dhabi, and Saudi Arabia, beginning in the last week of October.

South Africa—W. Jones, Trade Commissioner in Johannesburg, will visit Pietermaritzburg, Natal, November 13-16.

A. C. W. Davis, Assistant Trade Commissioner in Johannesburg, will visit Durban, Natal, November 20-24.

H. W. Richardson, Trade Commissioner in Cape Town, will visit Port Elizabeth November 6-10 and Pietermaritzburg November 13-16.

D. H. Leavitt, Assistant Trade Commissioner in Cape Town, will visit Beaufort West and Kimberley November 8-10, and East London and Grahamstown November 16-17.

Spain—L. A. Campeau, Commercial Counsellor in Madrid, will visit Barcelona November 20-24.

Surinam—K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Paramaribo November 19-25.

Windward Islands—J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit St. Lucia, St. Vincent and Grenada December 3-9.

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

Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their banks before making any firm commimtents. 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 at October 13	Value of Canadian dollar in foreign currency units at October 13
Algeria		
Dinar	.2188	4.57
Argentina		
Peso (free)	.0031	322.58
Australia		
Dollar	1.19	.8333
Austria		
Schilling	.0415	23.98
Bahamas		
Dollar	1.045	.9569
Belgium and Luxembourg		
Franc	.0216	46.25
Bermuda		
Pound	2.985	.33
Bolivia		
Peso	.0901	11.07
Brazil		
Cruzeiro (official free)	.3970	2.52
Britain		
Pound	2.985	.33
British Honduras		
Dollar	.7463	1.34
Burma		
Kyat	.2253	4.43
Ceylon		
Rupee	.2239	4.46
Chile		
Escudo (bank rate)	.1967	5.08
(free)	.1759	5.69
China, Republic of		
New Taiwan Dollar (official)	.027	37.05
Colombia		
Peso (fixed)	.066	14.95
Congo, Republic of[1]		
Franc	.0072	139.50
Costa Rica		
Colon	.1619	6.18
Cuba[2]		
Peso	....	....
Czechoslovakia		
Koruna	.1490	6.71
Denmark		
Krone	.1547	6.46
Dominican Republic		
Peso	1.073	.93
Ecuador		
Sucre (official)	.0596	16.67
(free)	.0543	18.42
El Salvador		
Colon	.4291	.2.33
Fiji		
Pound	2.689	.37
Finland		
Markka	.2554	3.92
France, Monaco, etc.[3]		
Franc	.2188	4.56
Franco-African Republics[4]		
Franc	.0044	227.79
French Pacific[5]		
Franc	.0120	82.64
Germany		
D Mark	.2679	3.73
Ghana		
New Cedi	1.051	.95
Greece		
Drachma	.0358	27.86
Guatemala		
Quetzal	1.073	.93
Guyana		
Dollar	.6219	1.61
Haiti		
Gourde	.2146	4.66
Honduras		
Lempira	.5364	1.83
Hong Kong		
Dollar	.1866	5.31
Hungary		
Forint (official)	.0921	10.86
Iceland		
Krona (official)	.0250	40.00
India		
Rupee	.1427	7.00

Country and Currency	Value of Foreign Currency unit in Canadian dollars at October 13	Value of Canadian dollar in foreign currency units at October 13
Indonesia[6]		
Rupiah	....	....
Iran		
Rial	.0142	70.42
Iraq		
Dinar	3.004	.33
Ireland		
Pound	2.985	.33
Israel		
Pound	.3576	2.80
Italy		
Lira	.0017	581.86
Japan		
Yen	.0030	335.37
Kenya		
Shilling	.1402	7.13
Lebanon		
Pound (free)	.3326	3.00
Malaysia		
Dollar	.3503	2.85
Mexico		
Peso	.0858	11.61
Morocco		
Dirham	.2123	4.71
Netberlands		
Florin	.2984	3.35
Netherlands Antilles		
Florin	.5689	1.76
New Zealand		
Dollar	1.487	.67
Nicaragua		
Cordoba	.1533	6.52
Nigeria		
Pound	2.997	.33
Norway		
Krone	.1500	6.66
Pakistan		
Rupee	.2239	4.47
Panama		
Balboa	1.073	.93
Paraguay		
Guarani (free)	.0090	112.36

Country and Currency	Value of Foreign Currency unit in Canadian dollars at October 13	Value of Canadian dollar in foreign currency units at October 13
Peru		
Sol (free)	.0275	36.36
Pbilippines		
Peso (free)	.2738	3.65
Poland		
Zloty (fixed basic rate)	.2682	3.73
Portugal & Colonies[7]		
Escudo	.0373	26.66
Saudi Arabia		
Riyal	.2066	4.84
Sierra Leone		
Leone	1.493	.67
South Africa		
Rand	1.493	.67
Spain & Dependencies		
Peseta	.0179	55.55
Sweden		
Krona	.2076	4.81
Switzerland		
Franc	.2471	4.04
Syria		
Pound (free)	.2811	3.56
Tbailand[1]		
Baht (free)	.0520	19.64
Tunisia		
Dinar	2.060	.49
Turkey		
Lira	.1192	8.36
United Arab Republic		
Pound (official)	2.470	.41
United States		
Dollar	1.073	.93
Uruguay		
Peso (free)	.0079	126.58
Venezuela		
Bolivar (official free)	.2389	4.18
West Indies		
Dollar[8]	.6219	1.61
Pound[9]	2.989	.33
Yugoslavia		
Dinar (official)	.0858	11.63

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

Marketing Data Sheet

TANZANIA

Area

362,000 square miles.

Climate

On the coast, mean maximum temperature is 30.6°C and mean minimum temperature 20.9°C. In the highlands at about 4,000 feet the mean maximum is 27.7°C and mean minimum is 17.7°C. Centigrade scale is used.

Population

In 1965, total population was 10,179,000—of which 10,046,000 were African, 85,900 Indo-Pakistani, 25,600 Arab, 17,300 European and 4,200 other races.

National Income

Gross domestic product (at factor cost) in 1965 was £239.25 million; per capita £23.5.

Motor Vehicles

In 1964 there were 33,383 passenger cars, 8,638 trucks, 1,921 buses, 5,466 motorcycles, and 4,503 other vehicles.

Telephones

Tanzania and Uganda together had 39,000 telephones in 1965.

Radio and Television

Licences for radios total 180,000 but there may be more sets in use. There is no TV in Tanzania.

Water Supply

Safe to drink in towns.

Electric Power

50-cycle a.c. 230/400 volts, single and three-phase with a 2½ per cent frequency stability. A grounding conductor is required in the electrical cord attached to appliances. There are 38,000 consumers in total. Cost for domestic use is made up of a monthly meter-reading charge of 8 shillings and from 80 cents a unit down to 12.5 cents a unit for consumption in excess of 500 kwh. For commercial use, the meter-reading charge is 10 shillings and from one shilling a unit down to 25 cents over 1,000 kwh. For industrial use, the meter-reading charge is 50 shillings and from 50 cents a unit down to 15 cents over 5,000 kwh. National capacity is 88.25 mw.

Coal

There is no local production of coal.

Petroleum Products

There is no production of crude oil and refined products are imported. These included in 1966 some 28 million gallons of gasoline, 11 million gallons of lighting kerosene, 21 million gallons of light diesel oil, 12 million gallons of heavy diesel oil, and 1.5 million gallons of motor oils. A refinery is being planned.

Gas

Small quantities of LPG are sold.

Weights and Measures

Imperial. A change will be made to metric in the near future.

UGANDA

Area

91,000 square miles.

Climate

Average temperatures vary from 17.1°C to 25.9°C. Centigrade scale is used.

Population

In 1966, total population was 7,739,700, of which 7,638,000 were African, 88,500 Indo-Pakistani, 9,000 European, 2,100 Arab and 2,100 other races.

Income

Gross domestic product (at factor cost) £224.2 million; per capita £29.5.

Motor Vehicles

In 1966 there were 28,462 passenger cars, 4,871 trucks, 710 buses, 7,276 motorcycles, and 1,169 other vehicles.

Telephones

Uganda and Tanzania together had 39,000 telephones in 1965.

Radio and Television

Licences for radios total 300,000 and for TV 7,700 but there may be more receivers actually in use. Television broadcasting (625 lines) is owned and operated by the Government.

Water Supply

Safe to drink in towns.

Electric Power

50-cycle a.c. 240/415 volts, single- and three-phase. A grounding conductor is required in the electrical cord attached to the appliance. There are 29,605 domestic and 688 industrial consumers. Cost for domestic use is 100 cents a unit for the first 6 kwh. per month per room, falling to 14 cents a unit for consumption in excess of 24 kwh. per month per room. The cost for industrial use is made up of a charge for maximum demand plus a charge for actual usage; for the first 50 KVA of maximum demand the charge is 31 shillings/KVA a month, for the next 250 the charge is 29.5 shillings, after that it is 28 shillings with, in addition, a charge of 14 cents a unit for the first 200 kwh. per KVA of maximum demand, 12.5 cents for the next 160 kwh. and 11 cents after that. National generating capacity is 136.5 mw. from hydroelectric power and 13 mw. from diesel generators. The distribution system has a ground wire.

Coal

There is no local production of coal.

Petroleum Products

There is no production of crude oil. Refined products come largely from Kenya and include 21 million gallons of gasoline, 6 million of lighting kerosene, and 11 million of light diesel oil.

Weights and Measures

Imperial. Conversion to metric will begin before 1971.

Standards

No official approval is required for gas, electrical or other fuel appliances.

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