

AUGUST 17. 68

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA



Venezuela Buys Canadian Seed Potatoes

Venezuela is the largest of our Latin American markets by a good margin; in 1967 it ranked thirteenth among our customers. In this issue we devote several pages to this oil-rich country. Our cover shows two Canadian seed potato experts having a discussion with growers from San Felipe, seated comfortably on crates that originally held seed potatoes shipped from New Brunswick. The Venezuelans buy many other food products from us, as the report on page 15 shows. John Blackwood, who is just leaving Caracas after three years, tells you how to plan a business visit there and how to enjoy leisure among the sophisticated Caraqueños.

When "Foreign Trade" visited Washington toward the end of last year, the proposed Special Drawing Rights to increase international liquidity were being briskly discussed. We were happy when S. T. Handfield-Jones, Counsellor (Finance) at the Canadian Embassy, agreed to explain in terms that the layman could understand just how these rights will ultimately work. Mr. Handfield-Jones is also one of the Executive Directors of the International Monetary Fund.

Speaking of travel, W. G. Roberts, who has just completed two years as Assistant Commercial Secretary in Sydney, Australia, says that his most unusual assignment was to study trading opportunities for Canadians in Papua and New Guinea and in the Solomon Islands, the New Hebrides, and New Caledonia. If you too want to be an island-hopper and do business at the same time, Bill Roberts' reports will show you that your chances for sales are best in Papua/New Guinea.

Readers who specialize in exporting foodstuffs of many kinds will find their interests catered to in this issue. We report on the market for foods not only in Venezuela but also in places like the Netherlands, Trinidad, Barbados, the Leeward and Windward Islands, and Guyana. Even in the Southwest Pacific, foods make up a good part of our sales.

We would like to assure our readers that "Foreign Trade" has gone to press as usual during the postal strike, which has just finished. They will receive their copies of back issues as soon as the backlog of mail is cleared. Thanks to the diplomatic bag, we shall be able to feature in our next number, as scheduled, the market in the Midlands and North of England, territory of our Liverpool office.

FOREIGN TRADE

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The Hon. JEAN-LUC PEPIN, Minister; J. H. WARREN, Deputy Minister

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How the IMF Aids International Trade



Pierre-Paul Schweitzer, (right), managing director of the Fund, explains SDR proposals during a press conference last April. With him is the deputy managing director, Frank A. Southard.

The Fund has played an important role in the expansion of world trade since the Second World War. It will take on new functions when the Special Drawing Rights scheme, which was approved by the IMF Board of Governors late in May, comes into operation.

S. T. HANDFIELD-JONES, *Executive Director, International Monetary Fund, and*
C. T. MacDONALD, *Third Secretary, Canadian Embassy, Washington.*

■ The expansion of world trade has been one of the most remarkable features of the postwar period and stands in sharp contrast to the experience of the inter-war years. Although the 1920's were a period of expansion, this was sharply interrupted by the depression. World trade fell from a total value of U.S.\$55.9 billion in 1929 to a low of U.S.\$21.8 billion in 1932 and even by 1937-38 it had risen to only U.S.\$24.3 billion. But no such interruption has occurred in the past twenty years, during which world trade has risen from U.S.\$106.4 billion in 1947 to U.S.\$391.6 billion in 1967. Many factors have contributed to this favorable course of events. World economic activity has expanded without significant interruption, partly no doubt because of the spread of economic knowledge and the consequent improvement in economic management. But international trade has grown much faster than

world production. Trade barriers have been lowered, both within regional groupings and on a world-wide non-discriminatory basis.

A contribution has also been made by an international monetary system functioning reasonably well in which the total quantity of world reserves has grown and their distribution become more even. This has permitted countries to finance temporary balance-of-payments difficulties without resort to measures destructive of national or international prosperity. Very great progress has been made towards the elimination of exchange restrictions and exchange rate adjustments, when required, have been carried out in a much more orderly manner than in the past.

It is in these fields that the International Monetary Fund has made a contribution to the sustained growth of international trade. This description of the Fund's work will not be

wholly retrospective, however, because new problems are arising and the proposal to establish within the Fund a facility for the creation of Special Drawing Rights to supplement the supply of existing reserve assets will also be described. This proposal reflects the concern which has been felt increasingly in recent years that an adequate flow of gold and foreign exchange into official reserves cannot be depended upon and that a shortage of international liquidity could impair the continued expansion of world trade which has brought such substantial benefits to all countries.

IMF Established

The depression of the 1930's clearly demonstrated the weaknesses then inherent in the international monetary system—a system almost devoid of any co-operative international control. Faced with the general decline in economic activity and the resulting

loss in exchange earnings, many countries resorted to a variety of restrictions on trade and foreign exchange transactions or to currency devaluations in an attempt to protect their declining reserves and gain some competitive advantage. These expedients tended to defeat each other, however, and contributed to the disastrous decline of world trade. Against this background, it became increasingly clear to those concerned with postwar reconstruction that some sort of international authority was needed in order to establish a standard of conduct in international monetary affairs and to assist members in the achievement of that standard through the provision of adequate liquidity in the event of temporary balance-of-payments difficulties. The outcome was the creation of the International Monetary Fund at Bretton Woods, New Hampshire, in 1944.

Countries which join the Fund undertake to adhere to a code of good behavior in the international payments sphere. They are expected to maintain exchange stability. Normally they do so by declaring the par value of their currency and ensur-

ing by official operations that purchases and sales of foreign currencies take place within their territories at exchange rates not more than 1 per cent above or below the par value. Changes in the par value of a member's currency require the concurrence of the Fund and are expected to be made only when the member's balance of payments is in fundamental disequilibrium. Members are also required not to impose exchange restrictions on current payments or transfers, (the payment for the purchase of goods and services) without the Fund's approval. There are circumstances in which exchange restrictions cannot be avoided, but the Fund ensures that their use is minimized and encourages members to seek other solutions to their payments difficulties that are more satisfactory from the viewpoint of the international trading community. The Fund can thus be regarded as an international regulatory agency exercising authority over exchange rates and exchange practices. The General Agreement on Tariffs and Trade, which was established in 1948, is the regulatory authority for tariff rates and trade

practices and the two organizations co-operate closely because their jurisdictions are obviously related.

Lending Agency Also

The Fund is not simply a regulatory agency, however. It has been endowed with the powers and financial resources to lend foreign exchange to members experiencing difficulties in their balance of payments. Such assistance gives members time to achieve the most appropriate solutions to their problems. Thus the relations between the Fund itself and its 107 member countries are close and continuous and are not simply confined to the legal obligations commensurate with membership. The practice has evolved of frequent discussions between the Fund staff and the authorities of member countries of their economic experiences and policies; these provide the basis for consultations in the Executive Board. In response particularly to the needs of the many newly independent countries which have become members in recent years, the Fund has developed an extensive program of technical assistance in such fields as central banking, fiscal affairs, and statistical methods. The financial relationships which arise when a member needs to borrow from the Fund are, however, of special interest.

Borrowing from the Fund

The basis of the financial relationship between the Fund and a member country is its quota. The quota reflects the country's relative economic size and is determined in the light of such statistical measures as national income, reserves, the level of both exports and imports, and their variability. Normally, one fourth of the quota is subscribed in gold and the balance in a member's own currency. Members' quotas may be increased from time to time either in response to an individual member's request or as a consequence of periodic across-the-board reviews.

This handsome building at 19th and H Streets N.W., in Washington (within walking distance of the White House) is headquarters for the International Monetary Fund and the World Bank.



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The aggregate of Fund quotas—or the size of the basic resource pool of the Fund—now stands at the equivalent of U.S.\$21 billion. Canada's quota is U.S.\$740 million. In addition, the Fund is able to supplement these resources by borrowing additional sums from members. At the present time, the Fund has an agreement with ten of its larger industrialized members under which it can borrow nearly U.S.\$6 billion when needed.

The Fund makes its foreign exchange resources available to its members, under proper safeguards, to assist them in meeting short-term payments difficulties. This financial assistance takes the form of an exchange of currencies. The member purchases or "draws" from the Fund a stated amount of the currency or currencies it wishes to acquire in return for an equivalent amount of its own currency. Members may purchase foreign exchange in a single immediate drawing, or they may obtain a "standby" arrangement assuring them of drawing up to a specified limit and within a specified time if the need should arise. It is important to emphasize that the right to draw on the Fund has always been, to a greater or lesser extent, subject to conditions. The member must make representation to the Fund that the requested drawing is needed to meet short-term payments difficulties.

The Fund has the right to reject a request or to impose conditions on a drawing designed to ensure that the difficulties will be overcome and the Fund repaid. In practice, initial drawings are granted virtually automatically or encounter a liberal attitude on the part of the Fund. Drawings of larger amounts—those which would raise the Fund's holdings of a member's currency above 125 per cent of its quota—are increasingly conditional. In these instances, the Fund expects the member to make intensive efforts to overcome its difficulties, usually through a comprehensive program of fiscal, monetary and other measures. These stabilization programs frequently contain rather precise undertakings on public finance, limitations on central bank credit expansion, minimum reserve requirements for commercial banks, and the exchange system. When these conditions are met, the Fund is prepared

to extend its credit to members up to the point where its holdings of the member's currency reach 200 per cent of quota.

Compensatory Financing

In addition to normal drawings, the Fund in 1963 introduced a "compensatory financing facility" which permits a member to draw in order to meet payments difficulties arising out of a temporary shortfall in its export earnings, provided that the shortfall is largely attributable to circumstances beyond the member's control, such as severe drought or declines in the prices of its export commodities. This facility is limited to 25 per cent of quota per year, with an absolute ceiling of 50 per cent.

Members who borrow from the Fund are expected to repay by repurchasing their own currency from the Fund with gold or convertible currencies as their balance-of-payments and reserve positions improve. The general rule the Fund now follows is that drawings should be repaid within a period of three to five years. This is viewed as the appropriate duration of the type of payments difficulties for which the Fund's resources are made available. These repayment provisions can normally be met out of subsequent improvement in the member's reserve position, although a member facing continued problems over a protracted period can seek fresh drawings.

The Fund has thus been primarily a supplier of conditional liquidity, reflecting the fact that the bulk of drawings is subject to policy conditions. For many members such conditional liquidity has been just as useful and almost as readily available as an addition to their own reserves, and all types of countries, large and small, industrialized and developing, have used the Fund's resources from time to time. Members have become increasingly aware of the value of conditional liquidity in encouraging the adoption of policies which tend to reduce payments disequilibria and thus the over-all need for liquidity. For these reasons, it is clear that the Fund's conditional liquidity will continue to play an important role in meeting future needs for international liquidity.

Special Drawing Rights

Nevertheless, there are limits to the extent to which countries are prepared to regard conditional drawing or borrowing facilities as full substitutes for reserves of gold or foreign exchange to which they have unquestioned access. These limitations have become more evident in the light of a decline or cessation in the prospective growth of such traditional reserves, which has been a growing concern in recent years. Thus it is planned to add to the traditional rights of members to draw upon the Fund a new system of Special Drawing Rights which will be unconditional and which can be created in sufficient amounts to ensure adequate future growth in international liquidity. They will be deliberately created periodically on the basis of a collective judgment of the medium-term global need for a supplement to existing reserves and will be allocated to all participants on the basis of quotas in the Fund, independent of their individual balance-of-payments position. The new facility will be set up as a Special Drawing Account in the Fund, with all of its financial operations kept separate from the traditional operations. Participation in the new facility will be open to all Fund members and it is hoped that all members will decide to participate but they will not be required to do so.

Participants will be able to use Special Drawing Rights freely when they need to do so without policy conditions of any kind. The character of SDRs as a true reserve supplement is further illustrated by the absence of any obligation to make repayments in full within a fixed period. Instead, each participant will have to maintain over any five-year period an average holding of not less than 30 per cent of its cumulative allocation of Special Drawing Rights.

Special Drawing Rights will not be used to obtain currency from a central pool of assets held by the Fund, as in traditional Fund operations, but directly from other participants which the Fund will be empowered to designate. All participants will be obliged to accept SDRs and to provide in exchange convertible currency up to a point where they are holding three times as many Special Drawing Rights as the Fund has allocated to them.

This convertibility endows Special Drawing Rights with the essential properties of a reserve asset, comparable with gold and reserve currencies.

How SDRs Work

To understand the operation of the new scheme, it may be useful to give a concrete example of how it would work in practice. Assume that Canada is losing reserves and wishes to use some of its Special Drawing Rights to replenish its holdings of U.S. dollars. Normally the Fund would at all times maintain a list of participating countries whose balance-of-payments and reserve situations are considered satisfactory and would designate from this list one or more appropriate countries to provide currency against SDRs. Assuming that Germany and Italy were so designated, the Fund would then notify Germany and Italy that it was crediting them in the Fund's Special Drawing Account with, say, the equivalent of U.S.\$5 million each in SDRs and that they should each credit Canada with the equivalent amounts of Deutsche marks and lire, which would be converted into U.S. dollars. At the same time, the Fund would debit Canada an amount of SDRs equivalent to U.S.\$10 million. As a result of these transactions, U.S.\$10 million of SDRs in Canada's assets would be replaced by U.S.\$10 million in dollars which Canada could then use freely for any purpose. Canada would pay a moderate charge (foreseen as 1½ per cent initially) on its use of SDRs and Germany and Italy would be paid interest at the same rate. Canada, as long as it used on average over a period of five years no more than 70 per cent of the Special Drawing Rights allocated to it by the Fund, would have no repayment obligation. Subsequently, however, with a favorable balance-of-payments and reserve position, Canada could be designated to provide convertible currency in exchange for Special Drawing Rights. The arrangements for designation and conversion are such that a user of SDRs will get the same amount of the needed currency, regardless of the identity of the country which is called upon to supply it.

Coming into Force

The question naturally arises when this new facility might be expected to enter into operation. The following procedural steps are involved. The Executive Board of the Fund submitted to the Board of Governors the proposed amendment to the Articles of Agreement required to establish the Special Drawing Account on April 17 and the Board of Governors approved the proposal on May 31. Before the amendment enters into force, however, it must be accepted by three-fifths of the members having four-fifths of the votes. Because this step requires legislative action in most countries, it cannot be expected to be completed much before the end of 1968 at the earliest. Then members will be asked to indicate whether they wish to participate in the new scheme. Members with 75 per cent of total quotas will have to do so before the scheme can become operational to ensure a sufficiently broad support for its operations. When that point has been reached, the scheme can be activated—that is, the allocation of SDRs to participants can begin.

Decisions to allocate will normally be taken at five-year intervals. The Managing Director of the Fund will be responsible for making proposals about the amounts of SDRs to be allocated during each basic five-year period, and the Board of Governors will approve these proposals if a majority of 85 per cent of the voting power is in favor. In this way, the Fund can express a collective judgment that there is a global need to supplement existing reserve assets and take the necessary steps to ensure that the international monetary system can continue to provide the foundation needed for expanding international trade. Such decisions, which will be new to the Fund, will not, however, be taken without regard to its more traditional functions. The Fund will have to make judgments not only about the unconditional reserve needs of the world economy but also about the appropriate growth in conditional liquidity which increments in quotas can provide. Through these more traditional channels, the Fund will continue to assist individual member countries in the task of keeping their balance of payments in order.

Retail Margins in Britain

■ Canadian businessmen may be interested in a report* published by the British National Board for Prices and Incomes which gives the percentage retail markup there on 20 selected products. Paint, with a maximum markup of 80 and a minimum of 50 per cent, heads the list. China and pottery (margins up to 66½ per cent), and clothing (up to 60 per cent) come next. The margin on tea (between 9 and 17 per cent) is the lowest of the products studied.

In its report, the Board recommends that, where manufacturers increased their prices as a result of devaluation, retailers of these commodities should reduce their percentage margin.

It considers that devaluation has increased manufacturing costs considerably more than distribution costs and that "in general, distributors do not need as much of an increase in revenue as manufacturers to offset the results of devaluation." (In its analysis, the Board has

taken no account of the probability that improved efficiency would offset extra expenses.) The clothing trades are given as an example of how on a 50 to 60 per cent markup retailers' profit goes up by 20 per cent when the manufacturers' basic increase is as low as 5 per cent.

The Board also discovered from its survey that there was considerable price-cutting on electrical appliances and processed foods, and resale price maintenance is still in force on cigarettes, proprietary medicines, toiletries and hosiery. Discounts for bulk purchases also show that a considerable proportion of some manufacturers' output is sold below normal trade prices.

* *Distributors Margins in Relation to Manufacturers' Recommended Prices—National Board for Prices and Incomes Report No. 55 (Cmd. 3546)*, price 40 cents. Order from: HMSO Publications, British Information Services, 80 Elgin Street, Ottawa.



A Greek stevedore pauses for a picture as he unloads a sack of Canadian seed potatoes.

Greece Is a Billion-Dollar Market

Canada's share of it in 1967 totalled \$8.6 million, with significant sales of certain raw materials, seed potatoes, and telephone equipment. Other products can be sold, as Greek economy progresses despite some political uncertainties.

E. PAUL RIGBY, *Assistant Commercial Secretary, Athens.*

■ A look at statistics alone, which show Greece as a relatively small developing country with very little money, might discourage many exporters from considering it as a market. The adverse publicity that the country has received recently might also discourage potential exporters. In fact, Greece is one of the few Eastern Mediterranean countries with almost completely unrestricted imports. It is also significant that, because it has a relatively small industrial base, it has many needs that must be satisfied by purchases abroad. A country with imports of a billion dollars a year should not be ignored.

During the past few years the Greek economy has displayed a remarkable ability to withstand a series of political uncertainties. Even before April 1967 it experienced a number of government upheavals which could have seriously affected the economy. But up to the end of 1966 the country maintained a healthy average growth in GNP of 8 per cent per year in constant dollars.

Problems Featured 1967

The country began 1967 facing continued political instability and an economic recession which had spread throughout most of Europe. The political difficulties culminated in a change of government in April. A necessary period of adjustment and consolidation followed. The new administration was beginning to make some progress when the Middle East conflict broke out in June, followed in November by the Cyprus crisis. Although these developments did not have a direct effect on the Greek economy, they did slow down the flow of vital tourist dollars and also discouraged important foreign investment in Greece. In spite of these difficulties, however, the GNP still rose in 1967 by approximately 4.5 per cent over the U.S.\$5.7 billion of 1966. Per capita income in 1965 stood at U.S.\$591.

The economic outlook for this year is somewhat difficult to predict, but although it will not be an easy year, only political adversaries of the Government are predicting economic disaster. The amount of progress to be made will depend to some extent on the Government's ability to pull the country out of the economic slowdown which affected most of Europe

in 1967. To date some progress has been made but certain major industries are still operating below capacity. The second big problem this year will be foreign exchange reserves. During 1967 the holdings of gold and foreign exchange held up remarkably well and at the end of the year, at U.S.\$286.1 million, were not significantly lower than in 1966. However, preliminary official figures for 1968 indicate that during the first two months the reserves fell by U.S.\$18.5 million.

Government Takes Steps

Since it came into power in 1967, the present government has taken a number of steps to improve the economy. At first it concentrated on agriculture. It introduced a new and more rational price support system, several measures to make farming as an occupation more attractive, and more assistance in the purchase of agricultural machinery. It has also made every effort to stimulate foreign investment. It introduced tax concessions and other privileges which make Greece one of the most attractive countries for investment in the eastern Mediterranean. It has made a special effort to encourage large foreign companies to establish their Middle East regional sales offices in Athens, and has already attracted some thirty or forty foreign companies.

Late in 1967, the Greek Ministry of Co-ordination announced a new Economic Development Plan for Greece covering the years 1968 to 1972. This was not an entirely new plan but rather a rewriting and updating of the previous Five Year Plan which covered the years 1966 to 1970. According to this plan, the main responsibility for the economic development of Greece will rest with the private sector. The Government for its part will provide the necessary facilities and public works projects to make development possible. (For a special report on the development plan by this office, see page 8.)

A Significant Market

Although many Canadians do not realize it, Greece is a significant market for many exporting countries, in spite of the fact that it has a population of only 8½ million. Out of total Greek imports of more than U.S.\$1.1 billion in 1967, Canada's

These Can Be Sold in Greece

Automobile parts and accessories	Hearing aids
Home heating equipment	Seed separators
Technical training equipment	Road construction equipment
Feed grains and supplements	Process machinery and equipment
Hides and skins	Poultry breeding stock
Furs	Nuts, bolts, screws, etc.
PVC and other raw materials for the plastics industry	Navigation instruments
Power-driven hand tools	Medicinal and pharmaceutical products
Pipe fittings	Wet salted cod
Synthetic fibers (acrylic esters)	Some processed foods
Electronic equipment for airports	Special consumer products
Hot-rolled steel coils	Communications equipment

share was \$8.6 million (\$9.6 million in 1966), or less than one per cent. The main reason for the drop in total Canadian exports from 1966 to 1967 was the termination of a contract for the supply of aircraft parts and equipment under which sales in 1966 reached \$1.2 million as opposed to only \$200,000 in 1967. Our trade with Greece is heavily in our favor, because we imported only \$3.5 million worth of Greek goods in 1967 and only \$1.8 million worth in 1966.

Canada sells a large number of products to Greece but few of them in large quantities. In 1967, as in 1966, aluminum was our most important export but our sales declined from \$1.7 million in 1966 to just over \$1 million in 1967, mainly as a result of competition from a local smelter recently completed. In spite of this competition, Canadian aluminum continues to be in demand because of its quality and because of the service Canadian suppliers have provided over a number of years.

Sulphur is also an important Canadian export to Greece, with sales of just over \$1 million in 1967 compared with only \$400,000 in 1966. Greece has a big demand for sulphur, with annual imports approximating \$3 million. Canada could sell more to this market if we had stocks available, but on many occasions in the past Canadian suppliers have been unable to quote on Greek tenders because of tight supply.

Another important commodity in Canadian trade with Greece is seed potatoes. Annual Canadian sales to

WHAT CANADA SELLS TO GREECE

	1966	1967
	(Cdn.\$)	
Sulphur	409,173	1,026,283
Wood pulp	804,911	897,127
Aluminum	1,702,319	1,077,386
Telephone equipment	200	755,660
Seed potatoes	524,062	890,813
Wheat flour	41,012	325,052
Hides and skins	497,881	207,903
Asbestos	247,226	447,892
Furs	284,013	197,194
Newsprint	294,005	181,253
Sheet steel	173,344	146,356
Zinc	—	236,435
Fire brick	153,373	125,255
Aircraft parts	1,273,375	211,240
Tires and tubes	337,192	177,763
Radar equipment	—	106,847
Spark plugs	280,965	272,981
Navigation instruments	—	195,814

WHAT GREECE SELLS TO CANADA

	1966	1967
	(Cdn.\$)	
Cheese	218,310	301,857
Fruit juice	39,630	145,791
Olives	241,333	335,317
Broom corn	74,794	107,879
Chrome ore	—	112,972
Bentonite	—	109,706
Cotton yarn	282,918	933,836
Olive oil	121,822	269,823
Magnesia	56,958	166,511

this market have ranged from \$500,000 to \$1 million over the past few years; in 1967 the figure approximated \$900,000. There is a continuing demand for Canadian varieties of seed potatoes and a special tender is opened each year. Sales prospects for Canadian seed potatoes should remain

promising, provided we can meet the quality requirements of the Greek Ministry of Agriculture.

Canada has also been a leading source of flaxseed, with sales of \$3 million in 1967. Canadian suppliers are in a particularly good position at the moment because Iraq and Ethiopia, two of the other major suppliers, have not been able to offer competitive prices since the closing of the Suez Canal. Romania, the only other significant supplier, has only limited quantities for export. Canadian sales in 1968 should therefore exceed \$1 million.

Because Greece has few exploitable forests, its imports of forest products are large. In this field Canadian suppliers must compete with Scandinavian and East European countries. Our main success to date has been in wood pulp, with sales in 1967 worth \$700,000. We have sold some newsprint in

past years but demand fell considerably in 1967 and as a result Canadian sales also dropped. Some effort has been made in the past to sell Canadian lumber in Greece but so far we have not been able to overcome East European and Scandinavian competition. There are opportunities in this field for Canadian mills, particularly those on the east coast, which are able to offer large quantities and regular deliveries.

NEL Obtains Large Order

The most significant single sale to Greece in recent years has been that made by Northern Electric Co. Ltd. for approximately \$6 million worth of telecommunications equipment. Of this amount, approximately \$750,000 was supplied in 1967. With this sale, Northern Electric has established itself in Greece and is in a good position to compete for large future orders. In

the electronic and electrical equipment field, the most interesting Canadian sale was made by RCA Victor of Montreal. In spite of stiff European competition and high freight rates, it was able to become a significant supplier of television sets to the Greek market. Although the firm only began selling in the middle of 1967, their sales went up quickly. Because television broadcasting is still in an experimental stage, the relatively small sales figure represented an estimated 20 per cent of the total Greek market.

Sales opportunities for Canadian exporters in Greece are many and varied, and foreign exchange is available to an importer for almost any commodity he requires. Canadian exporters must face up to stiff competition from many other countries but if they are able to compete in Western Europe, they should be able to do so in Greece.

Development Planning in Greece

E. P. RIGBY,
Assistant Commercial Secretary, Athens.

■ The Greek Government recently released a new Five Year Economic Development Plan covering the period 1968 to 1972. It does not propose specific development projects, but rather gives an indication of the direction which economic development will take in various sectors over the next five years.

Planning Agency—A special committee within the Ministry of Co-ordination, under the chairmanship of K. Thanos, then Secretary-General of the Ministry of Co-ordination, and now Deputy Governor of the Bank of Greece, proposed this plan.

History—The first Greek Five Year Plan was prepared for the period 1962 to 1964. A Second Plan covering the years 1966 to 1970 followed but was revised under the new Greek Government formed in April 1967. The 1968/72 Plan contains much of the 1966/70 version, but much more emphasis is placed on the private sector and state investments designed to facilitate private development.

Emphasis—Out of a proposed five-year total investment of U.S.\$10.6 billion, the private sector is expected to account for U.S.\$7.1 billion. Within the private sector the stress is on intermediate and capital goods production more than on consumer goods.

Many of the important areas for state investment—such as education, health and welfare, tourism, power, water supply, drainage and telecommunications—will be oriented towards facilitating private development. The Plan emphasizes regional development in areas other than

Athens and Salonica and the importance of attracting foreign capital and investment.

Housing—Housing is the most important single investment area with a proposed total investment of U.S.\$2.9 billion. The private sector will invest U.S.\$2.8 billion and the State U.S.\$100 million. The present shortage of suitable houses in Greece is set at 500,000 units, but the Plan estimates that only 250,000 of these will be built during the period 1968 to 1972. In addition, another 350,000 houses will be built to replace existing dwellings.

Transportation—The State and private sector will invest equally in transportation for a total of U.S.\$1.6 billion. State investment will include roads, railroads, ports and airports, with the main emphasis on the improvement of national and regional road networks.

Industry—Aiming at an annual industrial growth rate of 11 to 12 per cent compared with an average of 9.3 per cent from 1962 to 1966, a total investment of U.S.\$1.3 billion is forecast. Virtually all will come from the private sector. It appears, however, that the Hellenic Industrial Development Bank will take the initiative in developing new industries and in providing opportunities for private investment. It is anticipated that industrial exports will triple by 1972. To stimulate domestic industry further, the Plan will try to gear state purchases as much as possible to the domestic industry.

Agriculture—A total investment of U.S.\$1.3 billion is forecast for the agricultural sector. The State will account for U.S.\$500 million and the private sector U.S.\$800 million. The Plan calls for a 70 per cent increase in the value of agricultural machinery in use by 1972. It also provides for a state expenditure of approximately U.S.\$400 million for land reclamation and irrigation projects. Considerable emphasis is placed on livestock production, with annual increase targets of 9.4 per cent for meat, 8.0 for eggs and 5.5 for dairy products.

Power—With an investment of U.S.\$1.0 billion, the Plan estimates that electric power production will rise from 6.9 billion kwh. in 1967 to 13.5 billion in 1972. Two new thermoelectric plants are scheduled.

Telecommunications—In view of Canada's current sales of telecommunication equipment to Greece, it is interesting to note an estimated expenditure of U.S.\$300 million on telecommunications during the Plan. At the moment 168,000 applications for telephones are outstanding. During the Plan period, 30 more cities are to be equipped with automatic interurban telephone exchanges. The Plan calls for additional facilities to enable Greek shipping companies to communicate easily with their offices abroad. In view of the forthcoming introduction of television broadcasting in Greece, additional microwave and other transmission equipment will be needed.

Copies of Plan—At the moment the Plan is only available in Greek, but an English-language translation is being prepared and will be available within a few months.

Cost and Financing—The total cost of the Plan is estimated at U.S.\$10.6 billion, of which the State will provide U.S.\$7.1 billion and the private sector U.S.\$3.5 billion. This compares with a total investment of U.S.\$6.1 billion in the period 1962 to 1966 of which the State invested U.S.\$4.4 billion and private enterprise U.S.\$1.7 billion. Approximately 10 per cent of the resources required are expected to come from foreign sources. The balance will be financed from private domestic savings, budgetary surpluses and state domestic borrowing.

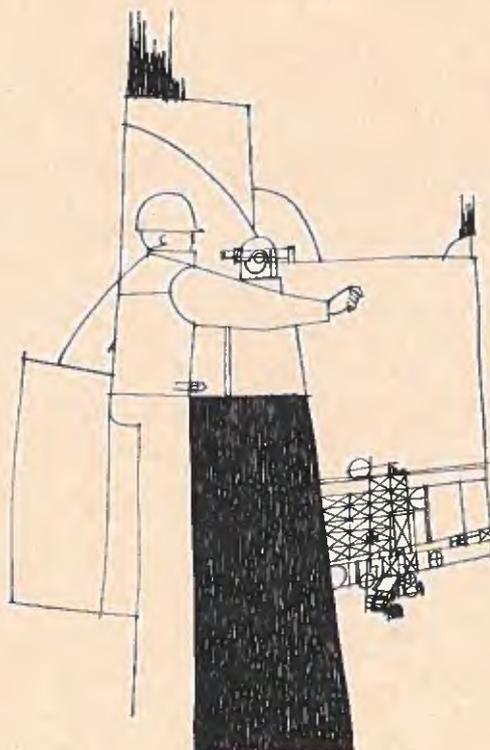
Role of International Financing—Although Greece has received loans from international organizations in the past and will likely do so in the future, there is at the moment no direct provision for such financing in connection with the 1968/72 Five Year Plan. There is an OECD Aid Consortium for Greece but as yet it has not had time to make any commitments for the new Five Year Plan.

Local Development Banks—There are three development banks in Greece:

The Hellenic Industrial Development Bank, a state-owned company, provides loans and equity capital to new or existing industrial enterprises. It covers all types of industry, from mining to fishing.

The National Investment Bank for Industrial Development is privately owned by the National Bank of Greece and several foreign banks and credit institutions.

The Investment Bank is privately owned by the Commercial Bank of Greece and several foreign banks and credit institutions.



Prospecting for Business in the Ivory Coast

Abidjan is a good place to begin cultivating markets in the Franco-phone countries of West Africa. Why not plan a trip there, following the advice given in this introduction to the Ivory Coast.

ROCH LEDOUX, *Assistant Commercial Secretary, Accra.*

■ The Canadian who wants to do business in the Ivory Coast should first become familiar with the characteristics of the market there and the techniques of trading. He can then map out a policy for making sales in a country that is working hard to build up industry and to diversify its agriculture.

Much of the retail and wholesale business in the Ivory Coast is carried on by French firms. The leading one is the Société Commerciale de l'Ouest Africain (SCOA), which maintains a chain of wholesalers called Chaine Avion which supply 193 retail outlets. The SCOA, the Compagnie Française de l'Afrique Occidentale (CFAO), the Compagnie du Niger Française (CNF)—the counterpart of the English United Africa Company—and the Manutention Africaine are all large firms with a long experience in Africa. They sell not only consumer goods, including foods, but also motor vehicles, farm implements, and heavy equipment for roadbuilding or forestry operations.

These firms with their trained staffs offer some advantages in introducing Canadian products to the Ivory Coast market. However, the local management generally consults with its Paris headquarters before deciding on adding a new product to its line.

Import Duties

The Ivory Coast is a member of GATT and an associate member of the European Economic Community.

It levies four different duties based on the value c.i.f. Abidjan. These are:

1. Customs duty (DD) which varies from 0 to 30 per cent for countries qualifying for most-favored-nation treatment. The general tariff is three times the m.f.n. Merchandise from the European Economic Community enters duty free.

2. The "Droit Fiscal d'Entrée" or fiscal import duty (DFE) which is applied to merchandise regardless of origin; the rate runs from 0 to 30 per cent ad valorem based on the c.i.f. value and varying with the product. Capital goods are generally exempt or taxed at a rate that is rarely above 5 per cent.

3. The "Droit Spécial d'Entrée" or special import duty (DSE) of 16 per cent on merchandise regardless of origin. Capital goods which are exempt from fiscal import duty are generally exempt from special import duty also.

4. The "Taxe à Valeur Ajoutée" or tax on value added (TVA) is applied to merchandise regardless of origin; the rate is generally 14 per cent. The TVA paid on capital goods or raw materials is recoverable; the amount is deductible from the TVA payable on products manufactured in the Ivory Coast.

Certain manufacturers in the Ivory Coast are approved as "priority holding" firms; they receive a ten-year exemption from import taxes on for-

eign equipment needed to establish these industries and on raw materials entering into their finished products.

Visit It Yourself

Because the markets in West Africa are so different, the first step in cultivating them should be a personal visit. In the Ivory Coast, a stay of one week in Abidjan is the best plan—provided that you speak French, the language in which all business is carried on.

To ensure a successful visit, the Canadian exporter should inform the Trade Commissioner in Accra, Ghana, of his intended trip two to three months in advance. Ordinarily, we like to arrange appointments with business firms in Abidjan by letter at least one month in advance, as mail between Accra and Abidjan is slow and subject to unforeseen delays.

Getting to the Ivory Coast is simple. There are flights from New York to Dakar and from Dakar to Abidjan, or direct from Paris to Abidjan. It is also possible to fly from London to Accra and then onward to Abidjan.

Do not plan your trip for the period from the beginning of June to the middle of September. This is when most of the officials return to France for their annual vacation. It is also the season of heavy rains. In March, April, September and October the weather is hot and humid with frequent showers during the day. December, January and February are the ideal months to visit the Ivory Coast. This is the season of the harmattan, a dry wind that blows in from the Sahara. At this time the weather is very hot but the air is dry.

Hotels and Restaurants

There are three good hotels in Abidjan. The Hotel Ivoire, which is up to North American standards, and the Hotel Les Relais Aériens Français are both outside the center of the city. However, they have magnificent swimming pools, greatly appreciated at lunch time. The Hotel du Parc, although it is less luxurious than the first two, has the advantage of being in the heart of the commercial district and the food is excellent. The rooms are all air-conditioned and generally have a shower and bath. Ordinarily, these hotels will change your travelers' cheques into CFA francs at the

rate of 240 per U.S. dollar; the banks give 245 but charge the usual commission. Hotel charges are a minimum of \$15 a day.

There is no lack of good restaurants and in many you can sample French cooking at its best. You should count on paying at least \$6.00 for a full meal. It is always good to note from the menu whether service is included; if it is not, then a 10 per cent tip is expected. As a general rule, lodging and food are expensive in Abidjan. To the ordinary expenses a dollar a day must be added for mineral water imported from France, because drinking tap water is not recommended for the casual visitor.

Transportation

Your travel agency can make a reservation for a car to meet you at the airport. It is better to rent a car with a chauffeur well in advance and to have positive confirmation of everything before you leave, because taxi service is exasperating and expensive. Before hiring a taxi, remember that you must make sure the driver understands your destination and can take you there without any unnecessary detours.

Business Customs

Office hours are from 8.00 to 12.00 in the morning and from 2.30 to 5.30 in the afternoon. But the ideal time to pay a visit or confirm an appointment by telephone is considered to be after 9.30 in the morning and after 3.00 in the afternoon. Hours on Saturday are from 8.00 a.m. until noon. The holidays are New Year's Day, Easter Monday, Labor Holiday (May 1), Ascension, Whit Monday, Independence Day (August 7), Assumption, All Saints' Day and Christmas—a total of nine a year.

Businessmen in the Ivory Coast will appreciate being entertained to lunch or dinner at one of the large restaurants or in your hotel.

Time Off

On Sundays, people go to the seashore—the beaches at the Palm Beach Hotel are very popular—or to the swimming pools of the different hotels and to the Aquarium, the city's big pool. You may also rent a small pleasure boat or go water skiing in the many lagoons around Abidjan.

The tourist industry has expanded to the point where Hertz International's local office organizes bus trips to African villages in the vicinity of Abidjan. You can also rent a small plane and visit the north of the country and the National Park, which is said to be the retreat of the elephants of West Africa.

If you stay in Abidjan, you can visit the night clubs or the local cinemas, which show the latest French films soon after their premieres in Paris.

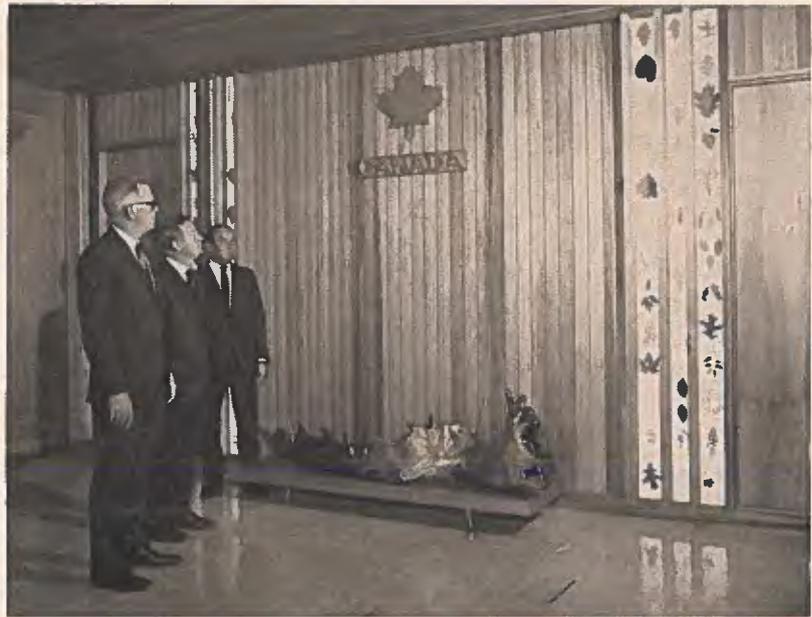
As for shopping, Abidjan is a paradise for collectors of African art. You

will find many modern sculptures in ebony, old wood and ivory, and colorful embroidery and cloth for dresses and shirts. You can buy them from reputable firms and if you have the time, from travelling pedlars and haggle about the price.

The Ivory Coast market may appear small, because it has only about 30,000 Europeans and 2,000 Africans who can be said to have North American-type needs. But it is a promising country. In addition, a firm that succeeds in selling there may be able to grow as it grows or to expand into nearby Francophone countries.

D

Canadian Woods for Australian University



■ The beauty of Canadian wood has been used to enhance the new Forestry Building of the Australian National University in Canberra. Known as the Canada Foyer, it is panelled in glowing Western red cedar, donated by the people of Canada and the British Columbia lumber manufacturers. Lumber from British Columbia was also used elsewhere in the building; open truss spans of Douglas fir are employed in three large upstairs rooms.

The new forestry building is designed both as a training and research center and a showplace to illustrate

the aesthetic and structural value of wood. Four other countries also donated lumber for decoration: Britain, Burma, New Zealand, and the United States.

The picture shows (left to right) Horace Mecklem, Timber Development Director in Australia for the British Columbia Lumber Manufacturers' Association; Professor J. D. Ovington, Head of the Department of Forestry, Australian National University, and F. P. Weiser, Commercial Counsellor for Canada, Canberra. They are looking at the copper maple leaf in the Canada Foyer.

The businessman asks about

CHILE

The export-minded businessman who is thinking of foreign markets usually needs certain fundamental information to help him discover where and how to direct his sales efforts. Here are some of the questions frequently asked about Chile—and the answers to them.

R. E. GRAVEL, *Commercial Counsellor, Santiago.*

How large is the Chilean market?

Chile may seem like a small market at first sight because of its population of only 9.2 million and the fact that at present it ranks sixth in Latin America, after Mexico, Venezuela, Brazil, Argentina and Peru. Its over-all imports have equalled approximately Cdn.\$800 million in recent years; the growth potential is good and sustained efforts in the right direction, within the limits indicated later on, should generally be rewarding. Furthermore, the concentration of business in Santiago and Valparaiso make it a fairly simple matter to cover the bulk of the prospects from the capital city with a minimum of effort.

What products can Canadians sell in Chile?

The most important Canadian exports to Chile during 1967 included asbestos, aluminum, zinc, nickel, wood pulp, solvents, papermakers' felts, plastic and synthetic rubber, firebrick; machinery and equipment for the mining, pulp and paper, textile, shoe and food and beverage industries; passenger cars, trucks, aircraft, electronic tubes and biological products.

Do the development plans provide opportunities?

The current development plans of the Government include expansion in copper and iron ore mining, establishment of automotive and petrochemical plants and additional pulp and paper mills, substantial increases in steel and electric power production, extensive telecommunication and education projects, ambitious housing and public works plans. The machinery and equipment required to implement these projects are generally not produced in Chile nor in the Latin American area and therefore will probably be imported from Canada, the United States or Europe.

What about consumer products?

Most consumer products are produced locally and may not be imported into Chile, except in free zone areas of scant commercial significance. The import restrictions are intended to insure that available foreign exchange is spent on essential capital goods and on certain products and materials not produced in Chile or produced in inadequate amounts or quality. The list of permitted imports does not lend itself to summarization or inclusion here. Copies, however, are kept on hand by Trade and Commerce in Ottawa and in the Commercial Counsellor's office in Santiago. Both these offices are prepared to check

the list to determine whether a given product may or may not be imported.

How should a company go about entering the market and developing business?

The first step is to write to Trade and Commerce in Ottawa or to the Santiago office, expressing interest in the Chilean market and providing detailed information on the products the firm wants to sell. The latter is best achieved by enclosing two or three copies of a catalogue—one for Trade and Commerce files and one for circulating to prospective agents.

Is an agent essential?

An agent is usually necessary (except for products sold by stocking distributors) to comply with the requirements of large government or semi-government purchasers, to dig up prospects, and to maintain periodic contact with purchasing agents. Many well-connected, aggressive indent agents are active in this market and most are interested in new representations. However, the accredited ones are frequently overworked and understaffed and are sometimes reluctant to take on a new line if it does not hold promise of fairly substantial sales. Normal commissions on indent business range from 2 to 10 per cent, depending on the potential and the competitive position of different lines.

Does an agent require help from his principals?

Once an agent is appointed, results are mostly up to him. However, his principals should back him up with adequate literature, in Spanish if possible, advertising allowances and planned supervision, preferably in the form of technical guidance to him and the larger customers through occasional visits of qualified company officials.

Is it possible to bid on tender business?

Exporters without local representation can sometimes participate in local bids by watching news of such bids which are submitted by the Embassy in Santiago to Trade and Commerce in Ottawa. Upon specific request, the Embassy will purchase copies of specifications and airmail them to the interested supplier.

Is the payments situation fairly safe?

Imports into Chile are carefully controlled by the Central Bank to avoid overdrawing of exchange resources. There-

fore, for any import which has been duly registered with the Central Bank (and this must be done by the local importer to avoid heavy fines) there is reasonable assurance that foreign exchange for making the remittance will be available at the proper time. Availability of local currency for the importer is assured to a varying degree by a system of import deposits which must be made before the import registration certificate is issued.

Can delays in payments be avoided?

Delays in making remittances have been progressively reduced as the balance-of-payments position improved; the current minimum is 50 days from the date of the bill of lading. However, even minor discrepancies or omissions in documentation requirements, as well as differences between amounts or type of goods shipped and those invoiced, can lead to lengthy additional delays. Shipping and documentation instructions should therefore be followed to the letter.

What competition will an exporter have to meet?

Chile is decidedly a price market and even though buyers and end-users may be fully aware of the long-range economy of purchasing quality, a fairly chronic internal tight money situation forces them to buy on price. The other important factor affecting sales to Chile, especially of capital goods, is the large volume of medium- and long-term credits which the country has had at its disposal in recent years. Most of these credits bind Chile to purchase from the country granting the financing. United States suppliers, for example, claim a substantial volume of business through AID, the Eximbank and similar financing. Current loans available from Canada include Cdn.\$4.3 million for telecommunications equipment and a like amount to be spent in equipment for the state technical university.

Apart from outright exports, does Chile offer any other opportunities for Canadians?

Apart from exporting goods, opportunities occasionally arise for selling highly specialized services such as feasibility studies, engineering and consulting in complex technical fields where Canadian experience is superior, and

large-scale studies such as over-all transportation surveys, etc. All other routine professional services in the traditional fields such as engineering, architecture, chemistry, etc., may not be supplied to Chile because local universities graduate fully qualified personnel.

What about investment and licensing agreements?

There are long-range opportunities for participating in this market by local production through investment or licensing agreements. Much progress has already been made in substituting locally made goods for imported ones and in co-ordinating the process with that in other Latin American countries through the Latin American Free Trade Area. There is little doubt that the list of products which Chile imports from Canada, the United States, Europe, Japan, etc., will continue to be further reduced. On the other hand, trade between LAFTA members should continue to expand, thereby offering a large market potential to firms producing in the area. The over-all LAFTA plan co-ordinates the various individual efforts in such a way that industrial projects are distributed among members to avoid duplication and to take advantage of the particular resources (material, plant and other) in each country.

When and how should visits to Chile be planned?

After it has been determined that there is a market for the product, that import is permitted, or that there is interest in a licensing arrangement, it is a good idea to visit the country with a view to obtaining first-hand information, appraising agents' qualifications, discussing arrangements, etc. Because of rather complicated local tax problems, agents usually ask for a personal discussion of representation agreements.

The Canadian firm should plan such a visit sufficiently in advance, outline its itinerary and purpose clearly to the Trade Commissioner, and appoint a vice-president or similar high-calibre technical man for the job (this is important in getting appointments at a high level). Don't forget the 14 Chilean official holidays (the Trade Commissioner can advise you about them) and make sure that you have a minimum of two or three working days in Chile.



A Canadian Office for the JGDFC

■ The Jamaican Government Development Finance Corporation, a government institution responsible for assisting in financing the development of Jamaican industries and tourism recently opened a Canadian office in Toronto. This is the first of three overseas offices to be opened; the others will be in New York and London, England. D. J. Powell, former Canadian Director of the Jamaica Industrial Development Corporation, will manage the Toronto office.

Canadian investment in the island's industry, public utilities, mining, hotels and apartments is estimated to exceed

half a billion dollars. Recent legislation extends generous tax concessions for new hotels and exempts imported building materials, furniture and fixtures for hotels from customs duties and tonnage taxes.

Additional hotel facilities are needed for Jamaica's tourist industry now and for the increase in business expected when the Jumbo Jets begin service in 1970. Jamaican manufacturers would welcome joint venture proposals from Canadian companies in industries such as plastics, metal fabrication and food processing.

Venezuela

Food Production Increases

Agricultural progress towards self-sufficiency, under government aid, has reduced food imports to only 8 per cent of requirements.

J. E. KEPPEL, *Assistant Commercial Secretary, Caracas.*

■ Agriculture is the largest employer in Venezuela. Of a total estimated labor force in 1966 of three million, almost one third was engaged in cattle raising, dairying, fishing or lumbering. Yet the agricultural sector contributed only 7 per cent to the gross national product. (The oil refining and related industries employ only 30,000 but account for about 20 per cent of the gross national product.)

Little attempt was made to improve the lot of the Venezuelan farmer until about 1960, but since then over eight million acres of land have been redistributed to 131,250 landless farmers. Today about 38 per cent of farm properties range from 12 to 125 acres, 8 per cent between 125 and 1,250 acres, and about 2 per cent are large estates of over 1,250 acres raising chiefly cattle, coffee, cocoa, bananas, or sugar cane.

Government Helps Formers

Today the Venezuelan Government is bending every effort to making the country self-sufficient in agricultural products and able to export them as well. Self-sufficiency can be achieved in some commodities but the high cost of local production makes exports unlikely. Enough sugar and rice are raised for export but rice is too expensive for international sales and sugar is only sold to the United States under quota. Over-all agricultural production went up about 34 per cent between 1960 and 1966 and this helped to reduce imports of foodstuffs from Bs.523 million in 1960 to Bs.445 million six years later.

The Ministry of Agriculture and Livestock is the main source of aid for the farmer. Government experimental stations try to develop new crop varieties, nurseries distribute free saplings, agronomists provide advice on pest control, conservation and fer-

tilizers. The Farm Extension Division teaches elementary farm practices and trains medium-level technicians in order to increase productivity. The Ministry also maintains five agricultural schools and builds secondary roads to link farms with main highways.

The Agricultural and Livestock Bank, founded in 1928, grants loans and buys surplus crops to maintain prices. It also operates a chain of silos for free grain storage, lends farming equipment to small farmers, imports commodities temporarily in short supply, and assists exporters of farm products. Since 1958 alone, the Bank has made loans totalling 1,831 million bolivares.

Progress Being Made

Among the more interesting agricultural advances in Venezuela are the following:

Potatoes—Table potato production increased from 135,000 metric tons in 1965 to 142,700 in 1966, enough to supply domestic requirements. Canada ships about 98 per cent of Venezuela's imports of Sebago seed potatoes (1965—approximately 10,000 metric tons; 1966—12,756 metric tons). Local production of high quality seed potatoes has now begun but it is not on a scale that will significantly affect

Canadian exports for some years to come. In 1967 about 3,000 crates of seed potatoes were grown and it is estimated that about 9,000 crates will be produced in 1968.

Livestock—Production of beef moved up to 175,700 metric tons in 1966, an 8 per cent increase over 1965. Beef imports during 1966 were an insignificant six tons and consumption is being held to production levels.

Pork output dropped to 27,000 metric tons, a 7 per cent decrease from 1965. Denmark and the United States were the principal suppliers of approximately 5,000 metric tons imported to meet requirements.

A slaughterhouse construction program, initiated by the Venezuelan Development Corporation in 1965, is nearing completion. The program called for construction of eight modern, efficient and sanitary slaughterhouses with cold storage facilities. The eight have a total initial capacity of 2,610 head of cattle and 2,500 pigs, and this can be expanded to 10,000 animals. The total cost is about U.S.-\$12 million, with 54 per cent supplied by the Development Corporation and 46 per cent by the private sector.

There is a growing interest in artificial insemination and a real need is developing for qualified technicians. At present, the only technicians are employed by the Ministry of Agriculture and service is provided free to ranchers. During 1966, some

TABLE I

CHIEF CANADIAN FOOD EXPORTS TO VENEZUELA

DBS		1965	1966	1967
		(Cdn.\$'000)		
5150	Whole milk powder	9,114	2,325	1,822
5152	Skim milk powder	1,074	778	1,103
6139	Oats	350	275	497
6169	Wheat	15,562	8,700	9,408
6230	Malt	535	635	1,133
9180	Seed potatoes	1,469	963	1,236
15259	Oat byproducts	582	292	631
Total		28,686	13,968	16,030

21,614 head were inseminated, a slight increase from 20,266 in 1965. The Ministry is anxious that the program phase into a completely commercial operation and is starting the transition by offering trained technicians to commercial companies. The major interest at present is in dairy animals but the more progressive rancher also sees the value of selective breeding in beef. Two Canadian companies have shown an active interest and although promotion is beginning, Canadian prices are not competitive with United States offerings.

Irrigation—In 1966, 196,480 acres used water provided through government irrigation projects. This is a considerable increase from the 40,500 acres under irrigation in 1959.

The most ambitious of the irrigation projects in Venezuela is the Orinoco Delta flood-control and land-reclamation project. Although the Guayana region in eastern Venezuela is rich in minerals, hydroelectric po-

tential and forests, it is generally lacking in good soil. The nearby Orinoco River Delta is an immense territory of good-quality flat land that has not been available for cultivation because of the annual floods of the Orinoco River. The Venezuelan Guayana Corporation, the government agency responsible for development of the whole region, is reclaiming this area for agricultural use by closing one of the main channels and building dykes and levees. The first stage of this project will recover nearly 2.5 million acres, one third of which will be appropriate for large-scale mechanized agriculture and cattle-raising.

Food Imports Changing

All these agricultural developments are changing the pattern of food imports. The main ones continue to be wheat, canned fruits and vegetables, fresh deciduous fruits, canned meats, barley malt, oatmeal, black and other dry beans, and fresh pork. The U.S. supplies about 50 per cent of all

Venezuelan agricultural imports and Denmark and the Netherlands ship in significant quantities of pork and dairy products. Canada's chief food exports to Venezuela in 1966 were pork (\$158,000), whole milk powder (\$2,326,000), skim milk powder (\$777,800), oats (\$274,730), wheat (\$8,700,000), malt (\$635,000), seed potatoes (\$963,300) and oat byproducts (\$292,000). Imports of all the above products increased in 1967 for a total rise of \$3.8 million (or 55 per cent) in the first six months of the year—a return to the previous high level of 1965 (see Table I). For a review of Canadian opportunities, see below.

None-the-less, Venezuela's agricultural policy is to limit imports as much as possible by effectively keeping out competing products and giving preference to national production. In recent years eggs, tobacco, dried milk and cheese imports have been significantly reduced. This trend will continue for all products that can be produced in Venezuela.

Can Foodstuffs Be Sold There?

Canadians can still sell certain foods that complement tropical produce or appeal to gourmets.

JOHN D. BLACKWOOD, *Commercial Counsellor, Caracas.*

■ Canada, because of its different climate and different agricultural emphasis, is able to supply Venezuela with certain needed food products, including wheat, seed potatoes, apples, salmon, gourmet foods, powdered milk, certain canned goods and occasionally pork.

Generally speaking, however, Venezuela is no longer a major importer of foodstuffs. It has encouraged and protected its food-processing industries by raising tariffs to prohibitive levels and by imposing an import licensing system for items bound under Venezuela's major trade agreement with the United States to control or cut off imports. Licences are granted regu-

larly for certain items and sometimes automatically. A manufacturer of an ice-cream plant, for example, can import one unit of skim milk powder for each unit of domestic product consumed. Canners and processors receive licences for ingredients not supplied locally, such as fruit pulps. Whenever local supplies are insufficient—fresh or frozen pork, for example—licences are also granted. Fruits are subject to a quota which has been reduced but fruit exports are encouraged by offering additional import licences.

It follows that knowledge of the licensing system is essential for agents and importers. Unfortunately, the

reduction in the volume of food imports has made many agencies unprofitable and has reduced the number of agents interested in food lines. Formerly, food imports were in the hands of large agencies which covered the whole country and took care of both sales promotion and collections, sometimes even of financing. Now it is difficult to interest local representatives in food products, except for those where bulk sales are still possible. Products with lower sales volume can be handled either by gourmet food distributors or, for direct import, by the purchasing offices of the large chains of supermarkets. Names and addresses of suitable accounts can be obtained from the Commercial Counsellor, Canadian Embassy, Caracas.

Before considering exports of food products, the Canadian should ascertain whether his product is subject to high duty rates or strict import controls and whether it must be registered at the Venezuelan Ministry of Health. This requirement must be complied with before any commercial transaction can take place.

Special Requirements

The export of foodstuffs to Venezuela is subject to special requirements. All food products which have undergone any industrial process must be registered with the Food Registration Office of the Venezuelan Ministry of Health and Social Welfare and can only be sold after registration has been granted and published in the *Official Gazette*. Shipments of non-registered food products are liable to be confiscated and destroyed, although if it can be proved that registration was applied for before shipment, the Venezuelan authorities usually show some leniency. However, it is advisable to comply with Venezuelan regulations and not to run undue risks.

The official fees for registration are:

1. Bs200 (Cdn.\$48) for foodstuffs and non-alcoholic beverages.
2. Bs2,000 (Cdn.\$480) for alcoholic beverages of over 20° alcohol content.
3. Bs1,000 (Cdn.\$240) for those containing less than 20° alcohol.

Change of registration because of modifications in the formula costs Bs100 (Cdn.\$24) and change of labels Bs50 (Cdn.\$12).

In addition, the exporter or his representative must have documents translated, authenticated and visaed, both locally and in the country of origin. In most cases, the Canadian exporter, who is legally the owner of the registration, will have to bear the expense. However, to have his application for registration accepted by the Venezuelan authorities, the exporter must have the sponsorship of a local firm or agent who must be duly authorized in writing to represent the Canadian firm. This document must be legalized by a Venezuelan Consul. One letter of authority is needed for each product.

Application for registration must be filed, together with the following requisites or documents:

- Three samples of each product.
- Three labels (send more in case some are lost) identical to the ones used on the container.
- A letter, visaed by a Venezuelan Consul, authorizing the agent to represent you for that particular product.

- A certificate from the appropriate Canadian authorities that the exporter's premises have been inspected, are clean and sanitary, and comply with the Canadian regulations. A further certificate is also required stating that the product to be registered is consumed and freely sold in the country of origin and used for human consumption and/or industrial purposes.

- An indication of the ingredients. There is no need to indicate the exact amount of the contents, although the Venezuelan authorities may request statements to that effect in special cases.

- Weights and measurements must be given according to the metric system (Venezuelan Law of Weights and Standards).

- The final labels must contain the Venezuelan registration number and the name and description of the product in Spanish. Labels can be bilingual—English or French and Spanish.

In addition, the local sponsor should have the following information:

- name and brand of product
- trade name and address of manufacturer
- a list of the ingredients
- an estimate of the time the product keeps from its date of processing
- materials used in the manufacture of the containers or packaging materials.

The product is analyzed in Venezuelan Government laboratories and if it conforms to the Food and Drug Regulations, it is approved and its registration is published in the *Official Gazette*. The number of the registration must appear on the labels under

the heading: "Registrado en el Ministerio de Sanidad y Asistencia Social No. . . ." Should a product be rejected a new application can be made, but the official fees paid for the first attempt are not refunded.

Trademarks

Food registration does not protect a product against misuse of its brand name. Trademark registration becomes necessary therefore if a brand name must be protected. Since this procedure is generally entrusted to patent and trademark attorneys, it is not advisable to deal with it in this article. It must be mentioned, however, that Venezuela is not a member of any international agreements in this field and therefore brands must be registered in Venezuela to enjoy protection.

Gourmet Foods

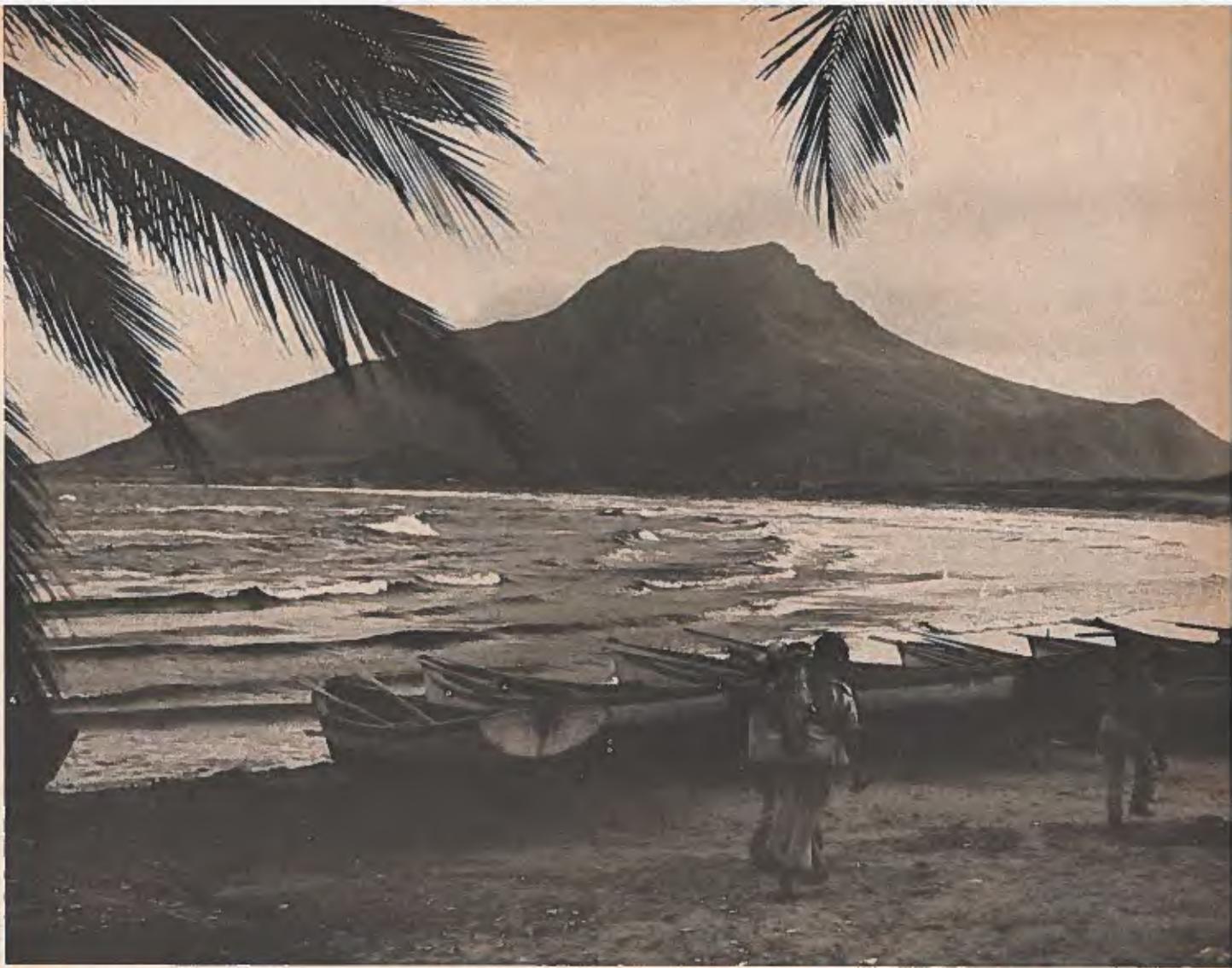
Several importers specialize in gourmet items and it is worthwhile to explore this field, even if large volume sales are seldom possible.

Gourmet or specialty items such as frozen or smoke-cured salmon, frozen eels, crabmeat, meat of molluscs or crustaceans, and other seafood have reasonable possibilities of selling. So might wild game, lamb meat, mutton (fresh or frozen). Wild rice, Bulgor wheat, mushrooms (canned or dehydrated) and similar vegetable specialties (canned or otherwise processed) should also be offered to importers and distributors. As a general rule, gourmet foods should be well-known specialty foods of the exporting country which have become standard in international cuisine.

In most instances the difficulty with gourmet products resides in deciding whether the sales volume justifies the expenses and delays of food registration in Venezuela. Most importers will insist that such costs be paid by the Canadian exporter, to whom the ownership of the registration reverts.

The Commercial Division of the Canadian Embassy (mailing address: Apartado del Este 11452, Caracas, Venezuela) can quickly advise exporters of the sales potential of their products, and will attempt to interest importers and agents.





This is Margarita Island, famous for its pearl fisheries. Many visitors to Venezuela relax at the Island's beach resorts.

Your Business Visit to VENEZUELA

Venezuela, Canada's largest market in Latin America, has achieved impressive political stability under a democratic government. The currency is freely convertible and transferable. Industrialization is going forward rapidly and the new industries need technology, capital equipment, and raw and semi-finished materials. Opportunities abound. Come and explore them for yourself. Venezuela is a place where business and a pleasant vacation can be happily combined. It is a country of striking contrasts: palm-fringed beaches, spectacular mountain ranges, jungles, sleepy offshore islands, and tropical forests. The hotels are clean and modern, the highways excellent, the climate warm and sunny all year round.

—JOHN D. BLACKWOOD, *Commercial Counsellor, Caracas.*

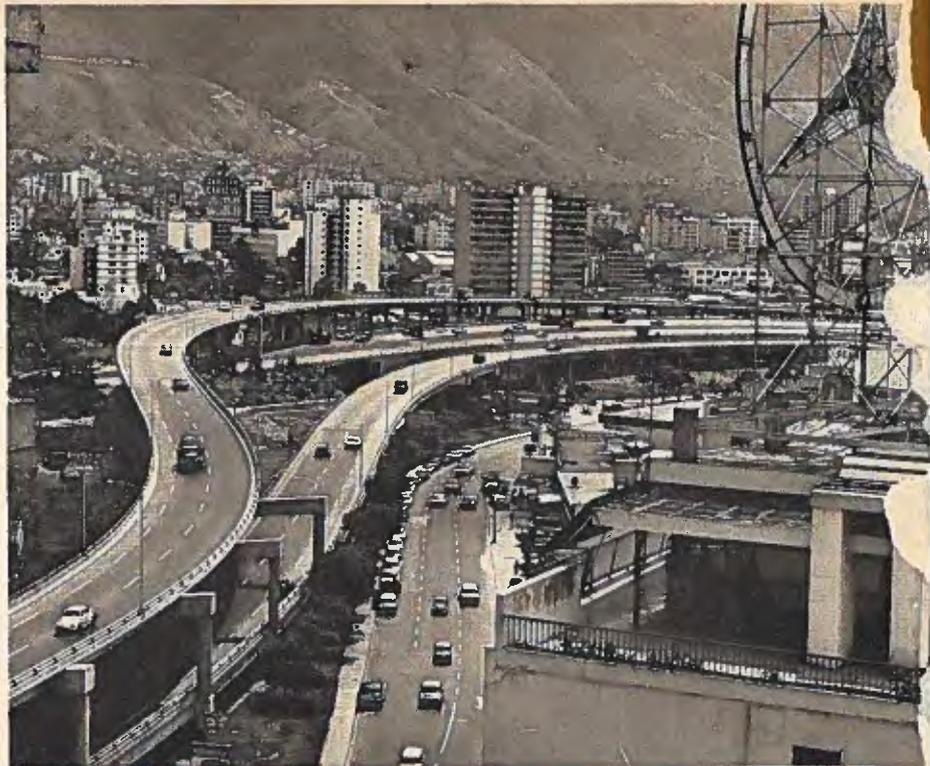
Before You Come

Before deciding to explore the Venezuelan market, you will want to know what types of products can be sold here. Imports into Venezuela total almost \$1.4 billion a year. They do include some types of consumer goods, but many standard consumer products and foodstuffs are being manufactured, processed or assembled within the country at an increasing rate. These industries receive significant protection from imports. The expanding market is for sophisticated products and especially capital goods—such as construction equipment, manufacturing machinery, electronics, electric power generation and distribution equipment, and materials handling machinery. If your firm is in business along these lines, Venezuela is for you.

If you want to brief yourself on the country and its people before boarding your plane, I would suggest that you read *Inside Latin America* by John Gunther, the section on Venezuela in the *South American Handbook* (distributed in Canada by Rand McNally and Company), *The Economic Development of Venezuela* (Johns Hopkins Press, Baltimore), *Information Guide for Venezuela* (Price Waterhouse & Co., chartered accountants) and *Tax and Trade Guide Venezuela* (Arthur Anderson & Co., chartered accountants). You may also find it useful to bring with you a Spanish phrasebook, such as the one published by Berlitz.

Before setting the date for your visit, consult us in Caracas. We can advise you on the best time to choose, probably any time from January to June and from September through November. We can also do some preliminary investigation of the market and line up appointments.

To enter Venezuela you will need a valid passport and either a tourist card or an ordinary visa. If you do not intend to sign any contracts while you are in the country and if you do not expect to take with you a large quantity of samples and sales literature, we recommend a tourist visa or card. Using an ordinary visa can mean some waste of time. Venezuelan Consulates are instructed to issue ordinary visas to applicants travelling to Venezuela on business. This involves



Caracas, the busy, modern capital city, is 3,200 feet above sea level in a long narrow mountain valley. Located 10 degrees north of the equator, its climate is delightful.

securing a "solvenca", a guaranteed income tax declaration and clearance, plus paying nominal taxes on your income during your stay in Venezuela, as well as a Bs.83.00 exit tax. (Your agent or other contacts can guarantee your tax declaration document for you, and if you do not have an agent or other reference, the authorities have proved co-operative in the past.)

You will also need proof of smallpox vaccination. Money should be changed into bolivars (at the current

rate, one bolivar equals about 25 cents Canadian). Bring plenty of business cards.

There are Venezuelan consular services available at the Embassy in Ottawa and at the Consulate General in Vancouver and Montreal at the following addresses: 708 Victoria Building, 140 Wellington Street, Ottawa; 525 Seymour Street, Vancouver, B.C.; 1980 Sherbrooke Street W., Montreal.

Pack summerweight clothing and don't forget to put in a bathing suit.

Where to Stay

Make your hotel reservations as early as possible. Hotel accommodation is limited, though travellers without reservations always seem to find space in the smaller hotels. The luxurious Hotel Macuto-Sheraton on the coast, about one hour by car from downtown Caracas, was damaged by the July 1967 earthquake and may not fully reopen until late this year. Intercontinental's excellent Tamanaco Hotel, well located in eastern Caracas, boasts one of the world's finest swimming pools. The Hotel Avila, operated by the Western Hotels Chain, is also highly recommended. Sheraton

Hotels have reopened the Hotel Humboldt which is perched 4,000 feet above Caracas on Mount Avila and can only be reached by cable car. Hilton Hotels will shortly complete a new centrally located hotel. Other small hotels are comfortable and convenient. Room rates at major hotels are approximately \$20 per day single and \$25 double, with acceptable non-luxury hotels charging from \$10 to \$15. Reserve through your travel agent, members of the hotel chains in Canada, or send us an airmail letter or a cable as soon as your dates are fixed.

Getting There

Caracas is only four hours and 15 minutes by jet direct from New York and less than three hours from Miami. Seventeen-day excursion fares from Toronto are \$274 and less expensive rates can be found through nearby Caribbean islands. Direct flights from New York are offered by Pan-Am and VIASA, the Venezuelan national airline, which pools operations with KLM. A domestic Venezuelan airline, LAV, flies daily to and from Port-of-Spain, Trinidad. Connections with Guyana and Caribbean islands, including Aruba and Curacao in the

Netherlands Antilles, are improving. There are direct flights to Brazil, Argentina, Colombia, Peru, Panama and Mexico.

Arriving at Maiquetia Airport may be the least attractive moment of your trip. Venezuelans agree that the outdated terminal is inadequate and immigration procedures are time-consuming. Baggage handling is slow and inefficient. The taxi ride to Caracas costs Bs.35 or about \$9 and there are no airport buses. Tip the baggage handlers Bs.1.50 per bag.

Your Itinerary

Caracas, the vigorous capital, is the main gateway and commercial center. At 3,200 feet above sea level and 10 degrees north of the equator, it boasts a climate of eternal spring. The city is located in a long, narrow mountain valley almost fully built up and with many different commercial and industrial areas. In most respects, it is a modern North American-type city with skyscrapers, crowded freeways, bright skies and a busy population of two million. Allow plenty of time between your calls—the traffic jam starts at 7 a.m. and often lasts until 8 p.m., as most schoolchildren and office workers drive home for lunch. A coastal mountain range separates

Caracas from the Caribbean, where Maiquetia International Airport and the Port of La Guaira are located. They are linked with Caracas by a modern expressway.

Although Caracas is the commercial as well as the political center of Venezuela, some visitors call on their customers' branches or factories outside Caracas. Maracaibo is the center for the oil industry and is served by regular jet flights. Valencia and Maracay are fast growing centers of a new secondary industrial region and are within driving distance. Puerto Ordaz in the Guayana region is becoming a center for heavy industry because of the abundant and cheap hydro power.

Doing Business

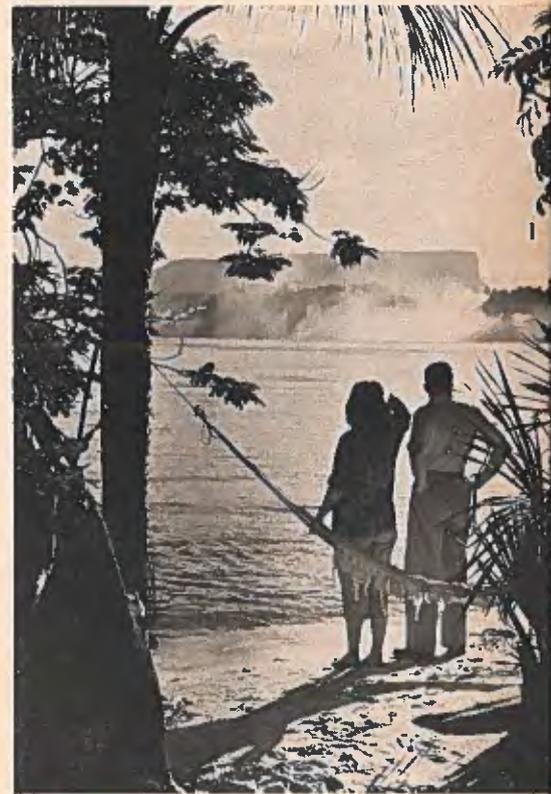
Basically, business practices are similar to those in Canada. Business appointments are kept punctually; hours vary but most senior executives work from 8 a.m. to 12 or 1 and from 2 p.m. or 3 until 6 or 7. Many have more than one business, so locating them can be a problem. Caracas has no one business center so calls are often scattered and time-consuming. Although many Venezuelans still drive home for lunch, your contacts usually appreciate an invitation for luncheon, dinner or a drink.

Normally you will find Venezuelan businessmen courteous but direct. North American influence is strong. In Caracas, with its large population of well-educated businessmen and en-

gineers (a surprising number are foreigners and naturalized Venezuelans), English is fairly common as a second business language. For appointments where English is not spoken, the Commercial Division of the Embassy usually can supply a staff member to interpret. More important than language ability is sending a good salesman. He does not have to speak Spanish to show his enthusiasm for his product. Most business organizations are able to correspond in English and have some bilingual staff but we recommend that you supply sales literature and technical information in Spanish. English is less common outside Caracas.

Getting About

Normally taxis are required for most appointments, although the Hotel Tamanaco is a short and pleasant walk from our Embassy. Taxis are plentiful but not metered. Most trips cost Bs.4 or Bs.5 and within the city no fares should exceed Bs.7, except after midnight when bargaining is often required to set the fare. Rental cars are available but normally only visitors who intend to travel up to 150 miles outside of Caracas use them. In the city, parking and traffic problems make rented cars impractical for the visitor, unless he knows exactly where he is going. Some ability to speak Spanish is almost essential because taxi-drivers usually do not speak English. Write out the addresses of your calls for the driver or the usually bilingual doorman or desk clerks of your hotel can instruct the driver. The one bargain in Venezuela is the taxi service—and the drivers do not expect tips.



If you have free time, a steamboat cruise on the Orinoco River will include a view of Angel Falls, the highest waterfall in the world.

Eating Out

Caracas once was famous as the world's most expensive city. Although prices have been increasing, the Venezuelan Government has successfully resisted inflation and costs are not out of line with Montreal or New York. There are many fine restaurants serving everything from haute cuisine to Middle Eastern food. For French cuisine, try Hector's on Avenida Casanova, Toni's 65, near the Royal Bank of Canada branch on Avenida Francisco de Miranda, Nelo's with a singing accordionist, and a host of others such as Henri IV, the Bagatelle near the Tamanaco, Mimmo's and Petronios. For steaks try the Shorthorn Grill, Lee Hamilton's American steak house, or Argentine Parrillada at many restaurants including La Estancia and El Grego, a large out-of-doors restaurant tucked in a pocket in the hills on the outskirts of Caracas.

Although prices vary, expect to spend from \$6 to \$12 per person not including drinks (Bs.5 to Bs.7 each) or wine, which costs Bs.40 to Bs.80 per bottle. A 10 per cent service charge is standard and tipping is expected, but should be kept below 5 per cent. Short-order coffee shops are improving and there a few good reasonably priced restaurants for those on a budget.

Time Off

Sightseeing musts are Bolivar's tomb, the National Pantheon, and his birthplace. La Rinconada is one of the world's finest racetracks. You can also visit the National Congress and the magnificent Officers' Club and take the Teleferico del Avila, a cable car climbing 4,000 feet to Avila National Park where you will find the Hotel Humboldt and an ice-skating rink. There are bullfights, art galleries, museums, numerous movies in English, winter league baseball, and soccer—according to your preferences.

For a change of pace, a short mountain drive will take you to Colonia Tovar, until recently a relatively isolated German village complete with blue-eyed, blonde Venezuelan children and a few good small



During the month of June, the feast of Saint John the Baptist is celebrated in various regions of Venezuela and the drums sound day and night for the people to dance.

hotels offering excellent German cooking.

Golf is popular. Two championship courses—Lagunita Country Club outside Caracas and another in Maracaibo—test the expert. Caracas has two in-town clubs situated in elegant residential areas of the same names—Valle Arriba and the Country Club. The seventh tee of the Caracas Country Club is one of the most unusual in the world of golf because it is located at a major city intersection across the road from an 18-storey office building. Hookers beware! The climate is also ideal for tennis.

Shopping for souvenirs? Look for good jewellery, particularly an orchid brooch or pin mounted with a Margarita pearl, or gold Caciques, which are coins or charms showing heads of famous native Indian chiefs. The other local souvenirs and handicrafts are not particularly interesting.

If you prefer fishing, try for a marlin, pavone (a large bass) or Canadian trout stocked in Andean streams. The "pato real"—a royal duck indeed weighing up to eight pounds—is worth shooting. Big game fishing is easily available from Caracas. For freshwater fishing and bird hunting, one must travel. Roads are excellent but distances can be great, so flying is more practical.

Would you like to see Angel Falls, the world's highest waterfall, or take a steamboat cruise on the Orinoco River? Merida, to the east, is a lovely colonial Spanish-style university town set high in the mountains. There one

may take the half-day trip on the world's highest cable car (15,600 feet) for a magnificent view of the snow-capped Andes. Canadians are more likely to head for one of the beach resorts near Caracas or on Margarita Island, famous for its pearl fisheries, or fly to Aruba and Curacao, the little Dutch islands which are included in the trade territory of the Caracas office of the Department of Trade and Commerce. In the Netherlands Antilles almost all products are imported and the enterprising importers welcome Canadian business visitors (see *Foreign Trade* of June 24, 1967 and April 27, 1968).

Let Us Know

We welcome your visit to Venezuela, a competitive but relatively open market. The Commercial Division of the Canadian Embassy, Edificio La Estancia, 14th floor, Ciudad Comercial Tamanaco, Chuao, Caracas, Venezuela, telephone Nos. 32 40 41 to 32 40 44, can help you make suitable contacts. Canada is well known and has a good reputation in Venezuela but personal visits to this country by Canadian exporters are required to expand and cement commercial relations. Let us know about your products. There is every possibility they can be sold here or in the Netherlands Antilles and if your preliminary market survey is promising, you will enjoy and profit from your visit.

What's current in home furnishings in the Western States? Sales this year in the 13 states expected to reach \$3 billion; distinctive Canadian designs could sell.

C. L. MORELAND, *Commercial Officer, San Francisco.*

■ How can Canadian manufacturers get a bigger share of the billion-dollar home furnishings market which flourishes in the 13 Western States?

This question was answered by several prominent leaders in the industry during a recent survey. For Canada to penetrate this affluent market successfully, they pointed out, it must produce distinctive Canadian designs in the furnishings field. All these executives agreed that Canadian craftsmanship is excellent and even went so far as to say that it is often superior to the workmanship in some American-made goods.

How large is the home furnishings market in these 13 Western States? In 1968 sales are expected to soar to U.S.\$3 billion and by 1971 should reach U.S.\$5 billion. Canada's projected share in this market is set at a mere \$1.5 million in 1968.

What Sells Best

Upholstered furniture seems to offer the best opportunity for sales in the Western States. Canadian designs and prices of upholstered furniture are equal to or better than most competitive lines.

Before a manufacturer can sell upholstered furniture or bedding in California, however, he must first obtain a licence from the State of California, Bureau of Furniture and Bedding Inspection. The licence fee is U.S.\$120. A label describing the material used must be affixed to each upholstered item. Samples of the labels are provided with the licence application forms and regulations booklet, and these can be obtained from the San Francisco office. Some other states have similar laws covering the sale of upholstered furniture and bedding. Information on specific states in the San Francisco territory can also be obtained from this office.

Wood and metal office furniture, stereo's and hi-fi's, decorative accessories and specialty items from Canada are also being sold here.

Selling Suggestions

One of the best ways to sell home furnishings here is to appoint a representative located in the Western Merchandise Mart or the International Market Center in San Francisco.

Western Merchandise Mart—San Francisco's eleven-storey Western Merchandise Mart is the second largest mart in the United States. Built in 1936, it was originally a furniture showplace. Later on floor coverings, bedding, decorative accessories, giftware, and other home furnishing lines were added. At present, the mart is the home of 433 manufacturers' representatives who display over 3,000 lines. Market weeks are held each January and July. Gift shows are held in the mart each February and August, as well as in the Civic Auditorium-Brooks Hall complex located one block away. Each year some 100,000 buyers visit the mart and select merchandise.

International Market Center—The first phase of this U.S.\$100 million dollar center opened in January 1968. Two floors containing 55 lines of contemporary furnishings are open for business. When completed in early 1971 the center—two great halls, each with over 30,000 square feet of space suitable for trade shows and exhibitions—will cover a six-block area. It will include a 550-room hotel, a home furnishings mart with 1.6 million square feet of rental space, and four other marts for apparel and related goods for rent, totalling an additional 1.6 million square feet. The average display cost is now set at 38 cents per square foot.

Most manufacturers' representatives located in the mart sell on commission only and this commission varies from 5 to 20 per cent, depending on the item; some receive a guaranteed salary plus commission. The majority of these agents represent several manufacturers with related lines and call on dealers and department stores throughout the Western States. (When a representative displays products from several manufacturers in a combined display, each manufacturer pays a portion of the space cost, based on the area. The average cost is 38 cents a square foot.)

A good agent not only sells but also advises the manufacturer on competitive methods of distribution, transportation, packaging, advertising, and promotion. He will help develop credit information on accounts and will assist in the collection of them. His customers know him and the service they can expect from him. For these reasons we recommend the appointment of a manufacturers' representative as one of the best ways to sell home furnishings in this area.

An Invitation

Arrangements have been made with the management of the Western Merchandise Mart to make space available to Canadian companies interested in displaying home furnishings at the 1968 July Market Week in San Francisco. For further information on space costs and other expenses, interested manufacturers should write to the Consul and Trade Commissioner, Commercial Division, Canadian Consulate General, One Maritime Plaza, Golden Gate Center, San Francisco, California 94111. You should include your catalogue and/or any other advertising material and price list.



What's current in food products

in the Netherlands? Dutch grocery bill is growing - - some Cdn.\$4.5 billion last year. Exporters must use right merchandising methods.

W. L. CLARKE, *Assistant Commercial Secretary, The Hague.*

■ For Canadian exporters of food and grocery products, the Netherlands offers excellent opportunities. In 1967 almost Cdn.\$4.5 billion was spent on food products, representing almost one third of consumer expenditure.

Consumer buying habits in the Netherlands are decidedly different from those in Canada. The average purchase per person is smaller and shopping trips much more frequent. This is mainly attributed to a lower per capita disposable income and meager refrigeration. As a result, Dutch housewives buy their staple foods at a neighborhood store or from a travelling vendor who makes house calls regularly. There is rigid price fixing on many consumer goods and price competition as known in Canada has not yet been used extensively by retailers. Another difference is the traditional preference for per-

sonal service when making even the most routine purchase.

There are 3.3 million households averaging 3.7 persons per household. The latest figures show that the average family income is 9,200 guilders (approximately Cdn.\$2,760). Married women are not customarily employed in offices or industry and shopping for daily household needs is still one of their most important tasks. Not all housewives have to leave their homes to shop. The milkman and the baker call at the house almost daily and other merchants, such as the fishman, greengrocer, cheeseman, and butcher deliver regularly. The Dutch diet usually features only one cooked meal a day and bread, cheese, and cold cuts are served at other meals. According to one survey, only 2 per cent of Dutch families eat two cooked meals a day.

The following figures on annual consumption per person of certain foodstuffs are an indication of the Dutch diet.

Product	Pounds
Potatoes	191.4
Vegetables	160.6
Bread	128.5
Meat	107.1
Sugar	93.3
Margarine	42.4
Cheese	17.1
Butter	9.4

Distribution practices also differ; consumer goods specialization by trade sector is much more prevalent here than in Canada. In many ways Dutch retail distribution resembles Canadian prewar distribution. Although this is changing, the self-service supermarket and department store do not have as large a share of the retail trade as in North America.

Voluntary Chains

Although over 70 per cent of the grocery stores are owned and operated by private individuals, a completely independent grocer is the exception in the Netherlands. This is not a contradiction in terms. The explanation is the voluntary chain concept which originated in the Netherlands during the early thirties. This form of distribution combines independent wholesalers and retailers under one name, but each retains his legal independence.

More than 16,000 retail outlets are members of these voluntary chain organizations in Holland. A central office which is supported by member contributions organizes a number of services. These include bookkeeping, publicity and promotion, international connections, financing assistance for new stores and improvements, self-service techniques in merchandising, employee education, and legal counsel. All of the voluntary chains purchase centrally both domestic and im-



Supermarkets are invariably included in new residential construction; this one is in Delft.

ported products. They are controlled by wholesalers, retailers or partnerships of both.

Co-operatives

There are 18 district co-operatives in the Netherlands affiliated with a central organization, the Co-op Nederland in Rotterdam. Each of these district co-ops has a degree of operating independence and owns the shops within its district, which are managed by employees. The co-ops have also moved into manufacturing and it is normal for a district co-op to have its own factories, particularly a bakery and packing plants for fruit and meat. Under the co-op system, a consumer can become a member and a part owner of the co-op by paying one guilder, Cdn.30 cents, a year. In principle the co-op's operation is similar to that of a Canadian co-operative. In 1966 the turnover in the food sector of all member co-ops was 355 million guilders (Cdn.\$106.5 million); there are now over half a million co-op members.

Multiples

In the Netherlands, multiples are officially defined as retail organizations with at least 15 outlets and 50 employees and they are all privately owned. There are three main companies: P. de Gruyter and Zoon N.V., Albert Heijn N.V., and Simon de Wit. These three control approximately 60 per cent of the turnover of multiples or 20 per cent of the total grocery turnover. In the last few years, the multiples have paced the food retailing business in self-service and modern sales techniques.

P. de Gruyter and Zoon N.V. is a family-controlled chain with over 500 outlets throughout the country and an estimated turnover of 400 to 500 million guilders (Cdn.\$120 to \$150 million). The company mainly stocks its own private labels but also includes national brands.

Albert Heijn N.V., although it is a public company quoted on the Dutch Stock Exchange, remains a family-controlled business. It has over 400 outlets and was the first chain to introduce trading stamps. Customers pay for these, then trade them in later for consumer durables. Albert Heijn N.V. has concentrated its expansion on supermarket-type stores and has

interests in dairies, restaurants, and a meat processing plant. The company has emphasized the importance of self-service and large outlets for quick turnover. In 1967, the turnover was estimated at some 440 million guilders (Cdn.\$132 million).

Simon de Wit is also a public company but is largely family-controlled. It has 140 shops and carries a wide range of its own private labels. Turnover in 1967 amounted to 300 million guilders (Cdn.\$90 million).

In addition to these three large multiples, department stores often include grocery sections. These operate in the same way as the multiples and show an increasing interest in food retailing; however, their share of the market is still small compared with the large chains.

Specialty Stores

There are also a substantial number of specialty stores, which are important for Canadian exporters. Many products from Canada and the United States are expensive and unique compared with European products and can be sold only to a sophisticated, high-income consumer. Specialty stores are the natural outlets for these products because they offer the exporter a ready introduction to the market. Once a product has been accepted by the consumer as a specialty, it has a much better opportunity to move into the chain stores and co-ops for wide-scale distribution. The specialty stores fill in the gaps left by general retailers; as a result, a wide range of foodstuffs is available in Holland. Some of these products are very expensive, especially when imported. Angel food cake mixes in medium-size packets are priced at 3.85 guilders (Cdn.\$1.15) and other cake mixes at 2.85 to 3.25 guilders (Cdn. 85 to 95 cents). A large can of California peaches sells at 2.10 guilders (Cdn. 63 cents) and fruit salad at 2.65 guilders (Cdn. 75 cents).

Future Trends

In the last few years self-service has been expanding rapidly in the Netherlands, although on a much smaller scale than in Canada. The multiples have been particularly quick to convert shops to self-service, but the co-ops and voluntary chains have

also made progress in this area. By the end of 1966 self-service stores and supermarkets totalled 6,719 out of a total of 20,575 stores. The official definition in the Netherlands of a retail trade supermarket is a store of 400 square meters or more, selling fresh meat, fruit, and vegetables in addition to normal grocery lines. This size is small compared with the average supermarket in Canada.

In terms of over-all business, the multiple chains and co-ops continue to gain a larger share of the market. Small independent stores are closing and the trade is moving increasingly into the organized sector. The voluntary chains, co-ops and multiples now control 93 per cent of the total food turnover, leaving 7 per cent to unaffiliated independent stores. It is difficult to foresee any developments which might hinder these trends. Manufacturers and exporters are faced with both an opportunity and a challenge. The opportunity is to provide more efficient and economic methods to move products from producer to consumer, and the challenge is to get distribution and point-of-sale displays for the wider choice of foods available to an increasingly affluent consumer.

How to Sell

There are various ways to approach the Dutch imported food market. An exporter may deal through an agent selling on commission, or an importer/distributor buying for his own account, or a combination of both. Selling direct to department stores, chain store organizations and central buying agencies are other possibilities, but are recommended only in special cases. An example could be when a manufacturer has an agreement with an organization to supply a given product under the buyer's own brand name, or to provide labels which state the name of the foreign producer in addition to the words *specialty packed for*, and the retailer's name.

A sizeable volume of imported prepared foods, particularly specialty and gourmet foods, is handled by agents who call regularly on the larger stores and buying agencies, as well as regional wholesalers and, in

some cases, importers/distributors. A few importers have a sufficient number of salesmen to obtain orders directly from retail outlets, including chain stores and central buying agencies, throughout the country, thus bypassing regional wholesalers and agents. It is essential, however, to have a Dutch connection for successful and continuous sales; it is not practical nor advisable to sell through an agent who does not live in the Netherlands.

There is a continuous interest in canned foods and if you think your line has something different and the price is right, you can reasonably expect to do business here. The chief

problem in entering this highly competitive market is the lack of offers from Canada. This has resulted in the United States and European companies dominating the imported food market. None the less, Canadian producers are selling, among other commodities, canned lobster and salmon, maple syrup, canned corn and wax beans, pickles, apples and canned cherries. However, there is still a large market here waiting to be tapped by Canadian exporters.

Naturally, competition is keen and there are specific requirements to be met. For example, if you want to sell a range of sauces, the bottles or jars must be uniform in size. Labels

in Dutch can give an added boost to your product; advertising assistance to the importer or retailer is also very helpful and indicates a real interest in penetrating the market. Other important details can be investigated during a personal visit to the Netherlands and this is strongly recommended.

Depending on the type of food you wish to sell, the office of the Commercial Counsellor in The Hague will be pleased to help you in finding the right contact for your product. It is vital, though, to send us descriptive literature, c.i.f. prices, and samples for preliminary market investigations.

What's current in food products in the Eastern Caribbean? Potential still good for a variety of Canadian food products, despite increasing local production.

JOHN A. AHOW,
Commercial Officer, Port-of-Spain.

■ Canadian visitors to the Eastern Caribbean are invariably surprised at the wide range of Canadian foodstuffs on the shelves of supermarkets, and "almost like home" is a frequent comment. Such a reaction is not surprising, because Canada enjoys approximately 14 per cent of the area's \$154 million market for imported foodstuffs, particularly packaged foods.

The Eastern Caribbean territories comprise the Commonwealth countries of Trinidad and Tobago, Guyana, Barbados, Antigua, British Virgin Islands, Montserrat, St. Kitts, Dominica, Grenada, St. Lucia and St. Vincent; the French Overseas Departments of Guadeloupe, Martinique and French Guiana; and Surinam (formerly Dutch Guiana). These countries, with a total population of some 3.5 million, depend largely even today on imports for their food and food products; these amount to nearly 15 per cent of over-all imports of goods. They have had a long trading association with Canada which, during the

war and in the immediate post World War II era, was called the "bread basket" of the West Indies.

Currently, Canada supplies the Eastern Caribbean with the bulk of its requirements of salted fish, canned sardines, canned salmon and bloaters. We are also obtaining a major share of these markets for pickled meats, bacon, ham, skim milk powder, breakfast cereals, potatoes, onions, peas and beans, canned vegetables and fruits, and canned soups. Canadian exporters should remain as dominant suppliers of these commodities, with the exception of pickled pork and pork products.

Certain Restrictions Imposed

Development plans of the individual areas inevitably mean, however, the imposition of restrictions on some commodities. These restrictions may be adopted in order to conserve foreign exchange or to encourage local production and switch consumption from the imported to the locally produced commodity. Among items affected are flour, split peas, canned peas, macaroni and eggs, apart from

those specifically mentioned in this report.

In Trinidad, pig rearing is fairly well developed and a processing plant is to be established later this year. In anticipation of this, imports of fresh or frozen pork are no longer permitted and pickled pork has already been placed on quota. The establishment of similar plants in Barbados and Guyana is also being considered. Our exports of pickled pork to this area may therefore be expected to drop this year and to decline further if and when processing plants are established in Barbados and Guyana.

Canada should retain its share of the pickled beef business in these markets which (except for Guyana) do not have sufficient suitable pastures to develop any sizeable beef cattle industry. Import licences for beef are not issued in Guyana.

Opportunities

Despite these changing market conditions, there are opportunities for alert Canadian exporters of certain foodstuffs. Dairy products is one such group. In addition to skim milk pow-

der (of which Canada is the largest supplier), the Eastern Caribbean territories import whole or full cream milk powder in one-pound, two-and-one-half-pound and five-pound tins in considerable volume (valued at over \$4 million). In fact, one firm has been established recently in Trinidad to carry out a packaging operation from imported bulk supplies. Other large imports of dairy products include sweetened condensed milk, evaporated milk and butter, valued at over \$6 million a year. The principal suppliers of these are New Zealand, Denmark, the Netherlands and Ireland, with price the determining factor.

Other commodities for which there is a steady demand are canned meats (except chicken), canned vegetables and fruits, tomato ketchup, chocolate confectionery and biscuits. Introduction of new brands of these items requires the support of sound promotion and advertising to gain a strong foothold. Competitive pricing is again a necessity.

Tourism

Tourism, the fastest growing industry in the Caribbean today, offers definite opportunities. Its importance tends to exempt tourist hotels from import restrictions. Consequently, there is frequently a demand for

CANADIAN EXPORTS OF FOOD PRODUCTS TO EASTERN CARIBBEAN

Country	1965	(Jan.-June)	
		1966	1967
		(Cdn.\$'000)	
Total (all countries)	20,012	21,950	10,351
Trinidad and Tobago	9,874	10,788	3,972
Barbados	3,450	4,091	2,047
Guyana	2,966	3,100	1,555
Leewards and Windwards	3,215	3,462	2,519
Guadeloupe and Martinique	42	53	20
French Guiana	4	3
Surinam	461	456	235

IMPORTS OF FOODSTUFFS INTO EASTERN CARIBBEAN

Country	Year	Population (est.) ('000)	Total Imports (Cdn.\$ million)	Total Foodstuffs Imports	Per cent of Total
Trinidad and Tobago	1966	1,000	493	57	11.5
Guyana	1966	680	127	21	16.5
Barbados	1965	250	73	20	27.4
Leewards and Windwards	—	510	63*	9	14.0
Guadeloupe	1964	340	86	17	20.1
Martinique	1964	350	86	19	22.2
French Guiana	1964	35	17	3	17.2
Surinam	1964	380	86	8*	9.2

* Estimated

cabbages, carrots, tomatoes, lettuce, celery and Brussels sprouts, to name a few vegetables available from Canada. Fruits and vegetables and certain specialties can be flown in by Air Canada at reasonable and competitive

commodity rates to meet the demand created by the tourist rush, especially during the winter season. An example is the extent to which Canadian sales of smoked salmon are expanding.

Suppliers of portion-cut meats and large-size packs of soups and other foods for the hotel and institutional trades should also find it worthwhile pursuing sales to hotels in the Eastern Caribbean.

The usual approach to sales in these markets is through local agents. Increasingly, agents, in addition to securing orders for direct shipment to buyers, carry stocks for distribution to their customers. For specific product information or assistance in finding agents, exporters are invited to contact the Commercial Division, Office of the High Commissioner for Canada, P.O. Box 1246, Port-of-Spain, Trinidad, W.I.



This fork lift truckload of Canadian onions from the Port Services warehouse, in Port-of-Spain, Trinidad, will shortly be on its way to customers.

What's current in wearing apparel in the Southern States? Good opportunities for women's and children's wear but Canadians must offer something different.

J. B. WHITNELL, *Commercial Assistant, New Orleans.*

■ The United States apparel market, with an estimated annual increase of 4.7 per cent, has attracted the attention of more and more Canadian apparel manufacturers. But the eight southern states of Alabama, Florida, Georgia, Louisiana, Mississippi, North and South Carolina and Tennessee, covered by the New Orleans office, and the states of Oklahoma, Arkansas, and Texas (which were also part of this territory until October 1967) constitute a series of markets for Canadian-made apparel which have gone practically unnoticed by the majority of Canadian manufacturers.

Forty-five major department stores and an equal number of medium-size stores are located in 20 major cities in these 11 states and throughout the South, hundreds of men's and women's clothing stores of all types offer good sales opportunities.

The New Orleans territory, in contrast to other areas in the U.S. where a huge urban complex dominates, is made up of a number of highly differentiated metropolitan centers, each with a rather limited sphere of influence. In each of these cities the apparel trade buys and sells with reference to what is going on in other southern cities. This is mainly due to variations in climate and topography and traditional differences in styles and fashions. Hence, there is no "Southern look" in the same way that there is a "California look". In New Orleans, for instance, gloves and hats are worn oftener in the summer than they are in Houston, Texas, which has a similar climate. Canadian apparel manufacturers in effect have a chance at 20 different markets in the South. Selling just one account in half of the 20 cities would represent a lucrative market.

Buyers and merchandise managers from major department stores and large clothing stores attend the New York and Los Angeles market weeks several times a year and make peri-

odic shopping trips abroad. Buyers from the larger stores go to New York on an average of once a month, in addition to trips to the Los Angeles and Dallas markets.

Buyers from medium-size stores and smaller clothing stores go less frequently to New York and overseas, but will go to Dallas* and Charlotte, North Carolina, for their market weeks. In addition to locally based apparel manufacturers, Charlotte and Dallas are the southern and southwestern headquarters for a number of northern and California-based apparel companies. New Orleans and other cities have small market weeks several times a year for the immediate metropolitan area.

Clothing wholesalers here usually go to New York and only occasionally attend markets in Dallas, Los Angeles, and Charlotte. These wholesalers sup-

* Dates for these markets can be obtained from the Dallas office.

ply a number of lower-priced items to major department stores and a sizeable percentage to smaller clothing stores.

Many department stores and the larger clothing stores subscribe to the services of a buying office in New York and overseas and thus become aware of new items on the market. The individual stores, however, are under no compulsion to buy. A number of Canadian companies have shown their lines to these buying offices, as well as to the major chain-store headquarters. If the buyer-consultant in the buying office is not attracted to a particular line, it will probably not be mentioned to the 15 to 50 American stores using the services of the buying office. Therefore, though this approach can be productive, it should not be used exclusively without considering other contacts.

Opportunities

Locally, children's apparel has not experienced many changes in the last few years. The common complaint is

U.S. TARIFFS ON OUTERWEAR*

Classification	(per cent)	(per cent)
Lace or net or classified as ornamental except cotton		42.5
Not of lace and not ornamented of cotton		41.0
knit		24.0
not knit (range varies)	9.5	10
cotton coats (not knit) valued over \$4 each		9.5
of silk		
knit		18.0
not knit		29.0
of wool	(cents per lb.)	ad valorem (per cent)
knit (valued not over U.S. \$5 per lb.)	37.5	+ 30.0
knit (valued over U.S.\$5 per lb.)	37.5	+ 20.0
not knit (valued not over U.S.\$4 per lb.)	25.0	+ 21.0
not knit (valued over U.S.\$4 per lb.)	37.5	+ 21.0
of manmade fibers		
knit	25.0	+ 32.5
not knit	25.0	+ 27.5

* United States Customs Tariffs, 1968.

that most of the clothes for little girls resemble cut-down versions of the dresses their mothers wear and boys' clothing tends to be practical. Some merchandise managers believe that pre-teen wear for boys and girls is one of the sleeper markets and is due to experience a market sales increase. This could result from the introduction of the new colors, materials, and styles which have become so popular with teen-agers lately.

At present, 90 per cent of junior and misses clothing sold in department stores is still traditional in style; only specialty shops tend to have a greater percentage of unusual or daring lines. Some buyers display the latest fashions mainly because their clients expect to see a certain number of new items in the stores every two to three weeks, even though they may not buy them when first displayed. Whatever the results may be, buyers agree that the new colorful fashions create genuine excitement throughout the women's apparel market and are responsible for attracting large numbers of consumers into the stores.

Whether it is shoes, handbags, gloves, children's wear, or mod fashions, every buyer is interested in something different or unique which, hopefully, other stores in the immediate area will not have. In emphasizing their desire for something unique and different, buyers stated that they would only buy Canadian if the clothing were unique in design, and/or utilized different colors or material, or carried a price advantage; however, a price advantage is not always important as many see no need to buy a foreign-made imitation of American goods. Many of these buyers lamented the fact there were very few original American designers; the majority merely modified for American conditions design ideas coming from Italy, England, or France. These same buyers thought the key to success, in addition to good fashion design, is specializing and concentrating on a specific area such as knit suits and lightweight coats.

Materials formerly unacceptable in the South because of their weight are now becoming more acceptable as the use of air conditioning becomes more common. With few exceptions, clothing seen during market weeks in New York is suitable for the southern climate; however, many buyers have

the impression that Canadian-made clothes are too heavy for the southern United States. One buyer said that he buys Canadian spring coats for the southern fall season. At first, he bought the coats at the end of the spring buying season as close-outs and realized a much better markup than usual. Now he goes to the spring markets in Canada at the beginning of the season and has a better selection of styles.

You Can Sell

To achieve distribution in the South, we believe that a multipronged approach is really essential. First, attend the New York market weeks and inform this office well ahead of the date so that we can give you the names of appropriate merchandise managers and buyers in this territory. Second, a concerted effort should be made to show the merchandise to the head offices of major store chains, as

well as to the buying offices in New York. Third, samples with delivered prices (including duty* and in U.S. funds), should be sent to this office for presentation to stores in the territory. Before setting your price it is, of course, more effective if you make a personal presentation. Buyers prefer to talk with a company representative.

The majority of buyers to whom we spoke were eager to do business with firms which want to do business with them; but they want them to be aggressive in following up the initial contact. Any Canadian company interested in exploring market possibilities in the South can count on our fullest co-operation and assistance and we welcome the opportunity to help.

* For assistance in finding the classification for duty and the tariff on products, write to the U.S. Division, Department of Trade and Commerce, Ottawa. See also the list of tariffs on outerwear accompanying this article.

Dundee Jute Mills Face Problems

■ Last year Scotland produced some 112,000 tons of jute yarn (121,020 tons in 1966) and 64,000 tons of jute cloth, compared with 72,000 in 1966. (The latter figures are also included in total yarn production, because it is used to weave the cloth.)

Practically the entire jute industry is centered around Dundee, Scotland, and the neighboring towns of Angus and Forfar. About 90 per cent of the jute-spinning spindles and two-thirds of the weaving machines in Britain are to be found in the city itself and the remaining 20 per cent are in the other two towns. Today this industry is encountering serious problems because of the changing pattern of market demand for jute and some of the larger firms are being forced to diversify their production. Currently the jute material is imported from Asian Commonwealth countries under a control system: if this were changed to a global quota system, new problems might arise.

The more expensive manmade fibers that can replace jute have made rapid advances but up to now, production of the jute industry has not been seriously affected. This picture could change, however, as use of the low-cost polyolefin group of materials, mainly polypropylene, picks up momentum. Already the older Dundee firms are well aware of the initial breakthrough that polypropylene has made in its endeavor to replace jute

as a backing for tufted carpets and as a packaging material. The first Dundee polypropylene plant to make tapes for weaving was established some time ago by a firm in which Jute Industries Ltd. and Low & Bonar have the major interest. A second plant, operated by the Bunzl group, will be in production shortly. A third factory, headed by a United States group, has been designed to produce before long 1,000 tons of monofilament for weaving.

In another few years it is possible that polypropylene may win a sizeable share of the 130-year-old Dundee jute industry. Jute will continue, however, to be its mainstay for several years to come. In fact, many a Dundee man will tell you that, despite the inroads that manmade fibers have made, it is hard to beat jute in the form of a plain weave (hessian) or a sateen weave (broken twill) as a good sturdy backing for tufted, Wilton and Axminster carpets.

At the moment, about 60 per cent of British jute production goes to the floor-covering industry, about 6 per cent to the building trade for roofing felts, plasterers' scrim, etc., and about 9 per cent is exported, primarily to the EFTA countries. The remainder is used in a number of industries such as furniture, bedding, packaging, etc.

—A. B. BRODIE

Trade Commissioner, Glasgow

Our Sydney office, whose territory covers Papua/New Guinea and large stretches of the island-studded southwest Pacific, reports on markets that have both a commercial and a romantic appeal.

WILLIAM G. ROBERTS, *Assistant Commercial Secretary, Sydney.*

Selling to Papua and New Guinea

■ Steady development of the Australian-administered Territory of Papua and New Guinea has created an increasing need for investment capital, machinery, transportation equipment and foodstuffs. Though a wide variety of Canadian products is now being sold in the Territory, the Canadian share of the increasing import market (valued at A\$110.4 million in 1965-66, up 25 per cent

over the previous year's figure) is small. It could certainly be increased.

The Territory of Papua and New Guinea has a land area of 178,000 square miles and comprises the eastern half of the island of New Guinea plus several other islands, the largest of which are New Britain, New Ireland and Bougainville. The terrain is incredibly rugged and varies from steamy coastal swamps to fertile high-

land plateaus nestled between formidable mountain ranges with peaks up to 14,500 feet. The inaccessibility of inland areas has resulted in the 2.2 million population (including 35,000 non-indigenous residents) speaking from 500 to 600 languages and dialects. The lingua franca throughout the Territory is pidgin English or police motu and the language of business in most centers is English. Australian decimal currency is in common use.

Making a Living

The Territorial economy, like that of many tropical areas, depends on the production and export of copra, cocoa, and coffee. Increasingly these crops are grown by the indigenes. In 1965-66 indigenous production accounted for over 25 per cent of the coconuts, 22 per cent of the cocoa, and 64 per cent of the coffee produced. In the same year, these three cash crops, with coconut oil, yielded two-thirds of the Papua and New Guinea export income of A\$49.8 million.

Some industries have been established in Port Moresby, Lae, and Rabaul, including sawmilling and joinery and the production of paint, concrete products, beer, cigarette and "twist" tobacco, and louvre window frames. Tea processing has begun and new projects to produce palm oil and desiccated coconut are under way. Raw materials for many of the industries are imported.

Before and immediately after World War II, gold mining was an important industry but production has declined. The search for other minerals is progressing.

Exports and Imports

In addition to copra, cocoa, coffee and coconut oil, mentioned above, the Territory exports rubber, ply-



At Rabaul, a stevedore unloads copra, a mainstay of the economy, from a coastal ship.

wood, logs, gold bullion and crocodile skins.

The main customers for Territory products in 1965-66 were Australia and Britain, which each accounted for approximately 25 per cent of exports. They were followed by the United States (14 per cent) and, far down the list, Canada (1.8 per cent). Canada in the past has bought coconut oil and coffee beans.

Territorial imports in 1965-66 were valued at A\$110.4 million. Apart from locally grown fruits and vegetables which form the basis of the native diet, virtually everything else is imported. Leading imports in 1965-66 included cereals, meat, fuels, manufactures of metal, machinery (other than electrical) and transportation equipment. Details of 1965-66 imports by commodity groups are given in the accompanying table.

Territory Imports by Major Commodity Groups, 1965-66

	<i>Value (A\$ million)</i>
Food	22.6
Beverages and tobacco	3.5
Mineral fuels	3.9
Chemicals	6.1
Manufactured goods	22.0
Machinery and transport equipment	31.9

There are no preferential tariffs. The single-column import tariff permits duty-free entry for virtually all foodstuffs and most machinery and there are only nominal rates on other commodities.

Australia provides over 50 per cent of Territorial imports, followed by Japan (9 per cent), Britain (7 per cent) and the United States (7 per cent). Regular direct shipping services and the fact that most Europeans in the Territory are Australians account for the popularity of Australian produce.

In 1965-66 Canadian products valued at A\$878,000 were shipped to the Territory. Principal commodities were aircraft and aircraft parts, trucks, excavating and mining machinery and parts, firearms, canned salmon and canned hams.

Trade Promotion

The import business within Papua and New Guinea is controlled in large part by a small number of large, well-established island trading houses that

cater mainly to European needs. A large number of "trade" stores—often managed by Chinese merchants—cater to the indigenous population. A third and important market is the Territorial Administration, which normally purchases needed capital equipment and consumer goods by open tender both in Australia and abroad.

The indigenous population is becoming increasingly important as consumers, because of their growing numbers and cash income. They buy chiefly canned fish, rice, tea, canned meat, cooking utensils and textiles. In contrast, the European residents buy essentially the same goods as Australians or Canadians do.

Canadian exports must be transhipped through Hong Kong, Noumea, Sydney or London, because there is no direct shipping service

from Canada to the Territory. Canadian exporters should examine all possible shipping routes to obtain the most favorable rate.

The Canadian exporter must decide also on the best approach to the Territory market. He has three choices.

1. His Australian agent can also cover the Territory.
2. Appoint an agent or agents who live in the Territory.
3. Appoint a specialist island agent resident in Sydney or another Australian center.

Background information to assist Canadians in making the decision can be obtained by writing to the Sydney office, giving details of the product, including f.o.b. or c.i.f. prices.

Selling in the Southwest Pacific

■ The Southwest Pacific islands of the British Solomon Islands Protectorate, the Anglo-French Condominium of the New Hebrides, and New Caledonia lie 1,200 to 1,500 miles off the northeast coast of Australia. In 1967, the population totalled slightly more than 300,000, including 50,000 Europeans. Nearly 90 per cent of the Europeans live in New Caledonia and, with the indigenous New Caledonians, enjoy one of the highest standards of living in the South Pacific. New Caledonian imports are, however, subject to an import quota system that favors French goods.

Imports into the islands were valued at A\$70 million in 1967 and exports were valued at A\$84 million. Imports into New Caledonia alone were valued at A\$62 million. France provided 35 per cent of the total imports, followed closely by Australia (25 per cent), Britain and Japan.

Canadian exports to the area (mostly to New Caledonia) were valued at A\$250,000 in 1966, and the New Caledonian import quotas

and the infrequent shipping service from West Coast Canadian ports to the area make it difficult to increase this trade. Nevertheless, firm inquiries for Canadian products have been received from the main island centers, as detailed below.

British Solomon Islands

This Protectorate is the largest British-administered territory in the Pacific, comprising ten major islands in a scattered archipelago stretching 900 miles in a southeasterly direction from Bougainville (New Guinea) to the Santa Cruz islands. More than one-third of the population of 145,000 live on the island of Malaita, but most of the 1,300 Europeans live in the administrative and business center of Honiara on Guadalcanal. Australian currency is in common use.

As in other Pacific areas, the economy depends chiefly on the export of copra. Copra exports in 1967 were valued at A\$3.6 million, or 80 per cent of total exports valued at A\$4.9 million. Main natural resources

are coconut palms, forests, minerals and fish.

Imports in 1967 were valued at A\$8.2 million. The main suppliers were Australia (45 per cent), Britain (20 per cent), United States (10 per cent), and Hong Kong (5 per cent). Imports from Canada were valued at A\$15,821. Details of the main commodity groups imported are shown in Table I.

The Sydney office has recently received inquiries for sheath knives, inexpensive canned fish, corned beef mixed with cereal, baking flour, outboard motors, and inexpensive prefabricated timber buildings. Quantities required are small but don't let that deter you from writing us for further information on invoicing requirements or customs tariffs.

New Hebrides Condominium

The Anglo-French Condominium of the New Hebrides forms an irregular chain of islands some 440 miles long in the southwestern Pacific, about 250 miles northeast of New Caledonia. Dense forest covers most of the islands and several of them have active volcanoes. The population of 78,000 is well distributed throughout the islands, although most of the Europeans engaged in government or business activity reside in Vila or Santo on the islands of Efate and Espiritu Santo respectively.

In effect, there are three different administrations — the British, the French and the Joint Administrations — as a result of the 1914 Anglo-French protocol. France and Britain have sovereignty over their own nationals but there is no territorial sovereignty and the indigenes bear no allegiance to either power. The Joint Administration consists of the French and British resident commissioners (resident in Noumea, New Caledonia, and Honiara, British Solomon Islands Protectorate, respectively) and is responsible for joint services, including posts and telegraphs, ports and harbors, customs, etc.

Cultivation is generally restricted to coastal plains and low plateaus. Copra exports provided nearly 50 per cent of the 1966 export income of A\$8 million. Other important exports were frozen fish (25 per cent) and manganese (20 per cent).

TABLE I
IMPORTS INTO BRITISH SOLOMONS
1967

<i>Commodity</i>	<i>Value</i> <i>(A\$'000)</i>
Total Imports	8,198
<i>of which</i>	
Food	1,769
Mineral fuels and lubricants	532
Chemicals	521
Manufactured goods	1,388
Machinery and transport equipment	2,396
Miscellaneous manufactures	987

TABLE II
IMPORTS INTO NEW HEBRIDES 1966

<i>Commodity</i>	<i>Value</i> <i>(A\$'000)</i>
Vehicles	610
Agricultural & domestic machinery	515
Petrol, kerosene & lubricating & power oils	515
Metal sheeting	514
Clothing	326
Tinned meat & fish	322
Rice	314

TABLE III
IMPORTS INTO NEW CALEDONIA 1966

<i>Commodity</i>	<i>Value</i> <i>(A\$'000)</i>
Total Imports	61,000
<i>of which</i>	
Mineral products	1,080
Transport equipment	970
Alcoholic beverages	720
Machinery	685
Metal manufactures	520
Textiles	380
Chemical products	330

Imports were valued at an estimated A\$6.8 million in 1967. Australia was the main supplier, with 46 per cent of the market, followed by France (19 per cent), Britain (4 per cent) and other sterling areas (12 per cent). The United States/Canada share of the market was 4 per cent. The main commodities imported are shown in Table II.

The currencies in common use are the Australian dollar and the New Hebridean franc (A\$1.00=frs. N.H. 100). The New Hebrides tariff is a single-column one with a standard rate of 15 per cent, although some items, including flour, books and agricultural machinery, enter duty-free.

Recent trade inquiries have included printed and unprinted hardboard, marine-grade plywood, canned

ham, medium-priced clothing, and foodstuffs in general. For further details please write to the Sydney office.

New Caledonia

New Caledonia, an overseas territory of the French Republic with a total land area of 7,000 square miles, lies approximately 700 miles east of the Queensland coast of Australia. It includes the main island of New Caledonia, the Isle of Pines, Loyalty Islands and Huon Islands. Administered by the High Commissioner for France in the Pacific from Noumea, the estimated 95,000 population (half of whom are Europeans of French extraction) enjoys one of the highest standards of living in the southwest Pacific.

Nickel mining and refining form the base of the Caledonian economy. Coffee production, the mining of iron ore and the production of copra are next in importance. Of total exports valued at A\$71 million in 1966, nickel ore and nickel exports alone were valued at slightly more than A\$68 million, or nearly 96 per cent of all exports. In the last year, a second nickel consortium (International Nickel is a member) has begun operations on the island.

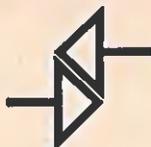
France, by reason of the quota system favoring French goods, supplied 50 per cent of 1966 New Caledonian imports valued at A\$61 million. Australia (12 per cent), Japan (5), and the United States (2.7) were other main suppliers. Canadian exports were valued at approximately A\$240,000 and included fish, apples, pears, timber and lanterns. Details of the main commodities imported are shown in Table III.

The complexities of the import licensing system are beyond the scope of this article. Basically, the system favors French goods and those from EEC countries. There are opportunities for the sale of Canadian products, however, and recent inquiries have been received for timber, canned salmon, canned fruit and vegetables, canned hams, spices, juices and frozen foods. There may also be openings for Canadian manufacturers of toys and sporting goods.

For further information please contact the Sydney office.



trade lines



London plans new gift fair

The London International Gift Trade Fair Association is launching a new gift exhibition in London next January to be called Giftshow Olympia. The exhibition will be held concurrently with Lightshow International '69, because some of the display items are complementary. The two exhibitions are expected to attract a large number of overseas and British visitors—London.

Canadian firm has plans in Spain

The Canadian firm, Hunter Douglas, has formed a partnership with the Spanish company, Gradulux S.A., to build a factory manufacturing Venetian blinds and folding doors in San Feliu de Llobregat (Barcelona). Some 40 million pesetas (U.S.\$571,429) will be invested in the new venture—Madrid.

Venezuela will build ammonia plant

A mixed company, which includes the Venezuelan Government, will build a 1,500 ton/day ammonia plant at Bajo Grande, near Maracaibo. The project will cost U.S.\$45 million and it will process 48 million cubic feet of natural gas a day from Maracaibo—Caracas.

Germans study Indonesia's fertilizer needs

Fertilizers are the key to increased agricultural production. Indonesia produces only 100,000 tons a year, about a tenth of what it needs. West German businessmen have been visiting the country and may assist in building more fertilizer plants there—Singapore.

Iraq studies national minerals company

The Government of Iraq is considering the formation of a national minerals company to develop the country's mineral resources. Senior officials from the Ministry of Finance are drafting a law to set up the proposed company—Beirut.

Competition is keen in Swiss car market

The Swiss Federal Bureau of Statistics reports that 1.1 million private cars were on Swiss roads in 1967, a density of 180 cars per thousand inhabitants. The share of German automobiles in this market declined from 43.4 per cent in 1966 to 40.9 in 1967. Sales of Italian cars, on the other hand, rose from 10.7 per

cent in 1966 to 13.2 per cent last year, of Swedish from 2.9 to 4.1 per cent, and of others from 0.8 to 1.4 per cent. French cars last year had a 19.5 per cent share of the market, British 17.2, and U.S. 3.7—Berne.

Norwegians start lawn-mower factory in EEC

A/S Norsk Lettmetall has joined with Wheel Horse Inc. of Indiana in setting up a factory inside the Common Market at Geel, about 20 miles from Antwerp in Belgium. It will begin by assembling lawn-mowers and small tractors. The firm will enjoy an income tax holiday for five years and many other concessions, according to Lettmetall's Director—Oslo.

Iron foundry in Brazil to import machinery

Fundicao Tupy S.A., a 30-year-old iron foundry in Santa Catarina, is expected to increase production by 60 per cent within the next three years, as a result of extensive plant expansion. An investment of NCr.6.5 million (Cdn.\$2.2 million) will be required to carry out the new production program. Imports of machinery and equipment will total U.S.\$1.7 million—São Paulo.

Singapore to expand its telephone services

The Singapore Telephone Board has set aside Cdn.\$5.57 million for 1968 and Cdn.\$5.71 million for 1969 to develop its telephone services. This money will be spent on building new exchanges, laying new cables, and installing new equipment—Singapore.

Flood control on the Orinoco

Venezuela has completed the Cano Manamo project, the first part of a plan to open up to agriculture 2.4 million acres of land previously subject to flooding. Nearly 870,000 acres will be opened in the first development stage. Roads have been built to connect this part of the Orinoco delta with the national road system—Caracas.

Urea plant for Saudi Arabia

Construction work is now in full swing on the giant urea plant which is being built at Dammam by the Saudi Arabian Fertilizer Company (SAFCO)—owned 51 per cent by Petromin and 49 per cent by Saudi private investors. The natural gas plant will have units capable of producing 600 tons a day of ammonia

which will be converted into a maximum 1,100 tons a day of urea for export to world markets. It will also include a 35-ton-a-day sulphur unit. Total cost of the over-all project is estimated at about \$40 million—Beirut.

New submarine oil-storage system for Dubai

Continental Oil has devised a revolutionary new undersea oil-storage system which will operate in its Fateh field in offshore Dubai. The storage tanks can be placed on the sea floor at the point where the oil is produced. These tanks, open at the bottom, permits

the sea water to flow back in as the oil goes out to tankers. This innovation will achieve important economies in capital investment and operating costs—Beirut.

Saudi Arabia builds meteorological network

Racal Communications Limited, a British firm, has won a £500,000 contract to equip 22 wireless stations throughout Saudi Arabia, according to press reports. They will provide weather information to an internal central station in Jeddah. Racal's contract includes a high-powered station transmitting weather data to the world—Beirut.

Trade Commissioners on Tour

In Canada

The following officers are undertaking tours of business centers throughout Canada as detailed below. Businessmen who wish to see them should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions: Windsor (Ontario), Greater Windsor Industrial Commission; St. John's, Halifax, Montreal, Ottawa, Toronto, Winnipeg, Edmonton and Vancouver, Department of Trade and Commerce; Fredericton, Department of Industry.

Spain—L. A. Campeau, Commercial Counsellor in Madrid:

Toronto—September 16-24	Edmonton—October 3
Hamilton—September 25	Winnipeg—October 4
Vancouver—September 27-October 2	Montreal—October 6-11

United States, Chicago—D. H. Cheney, Consul and Senior Trade Commissioner in Chicago:

Toronto—August 19-21	Montreal—August 22-23
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United States, Washington—S. G. Tregaskes, Commercial Counsellor in Washington:

Montreal—September 16-20	Toronto—September 21-27
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Temporary Duty in Ottawa

The following will be on temporary duty in Ottawa and may be contacted through the Trade Commissioner Service, phone 992-9930 (area code 613).

L. A. Campeau, Commercial Counsellor in Madrid, Spain, September 4-15.

S. G. Tregaskes, Commercial Counsellor in Washington, September 9-15.

In Territory

Angola—R. W. Burchill, Assistant Trade Commissioner in Johannesburg, South Africa, will visit Angola September 18-28.

Barbados—J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit Bridgetown August 20-22.

Ireland—The officers at Liverpool—J. H. Nelson, Trade Commissioner, K. R. Higgam, Assistant Trade Commissioner, and G. Metcalfe, Commercial Officer—will visit the following cities on the dates shown:

Leicester—September 13 and 20	Manchester—October 10 and 31
Leeds—October 2	
Birmingham—October 8 and 9	Merseyside—October 22

Bulgaria, Czechoslovakia, Hungary, Romania—Trade Commissioners in the Vienna, Austria, office make frequent visits to these countries, but often there is not time to publish their itineraries in advance. Therefore, Canadian businessmen who would like the Trade Commissioners to undertake assignments for them in these East European countries are advised to write to the Vienna office immediately.

Guyana—D. J. McJanet, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Georgetown August 26-30.

Mozambique—R. W. Burchill, Assistant Trade Commissioner in Johannesburg, South Africa, will visit Mozambique September 11-17.

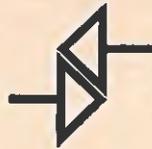
Thailand—A Trade Commissioner from Singapore will be making a monthly visit to Thailand throughout 1968. Correspondence should normally be addressed to the Singapore office although contact can also be made through the Canadian Embassy in Bangkok, P.O. Box 2090 (telex: 2277; cable: DOMCAN, Bangkok; phone: 32-956).

Tobago—D. Hobson-Garcia, Commercial Officer in Port-of-Spain, Trinidad, will visit Tobago September 3.

Trinidad—D. Hobson-Garcia, Commercial Officer in Port-of-Spain, will visit South Trinidad September 17.

Businessmen who would like the above to undertake assignments for them should write to the post as soon as possible.

foreign tariffs and trade regulations



Barbados

BUDGET PROPOSALS—On July 2, the Barbados Prime Minister and Minister of Finance presented his budgetary proposals for the financial year 1968/69. Of special note in these proposals are the increases in import duties on certain “luxury” goods, and the institution of a system of consumption taxes on selected items. He also announced an increase in the commercial travellers’ and transient licence fees.

The following are some of the commodities for which increases in import duties were announced:

- Preserved vegetables in airtight containers
- Cider
- Perfumed spirits
- Certain cosmetic and toilet preparations
- Explosives
- Certain items of cutlery
- Safes and strong boxes
- Office machines and equipment
- Air-conditioning units
- Air blowers and air cleaners

Consumption taxes have been imposed on the following:

- Wines, whisky, gin, brandy, cordials and vodka
- Cigars
- Writing, copying, calculating machine foolscap and letter paper (excluding exercise books)
- Refrigerating equipment
- Stoves, cookers and furnaces
- Accumulators
- Phonograph records
- Poles and posts
- Manufactured gas

Consumption tax was also imposed on refrigerators, but at the same time it was announced that the import duties on domestic refrigerators, electric and non-electric, had been reduced.

Denmark

IMPORT CONTROLS—The Ministry of Commerce of Denmark has announced, in Notification No. 263 of June 27, 1968, that import licences are no longer required for the following products: peas and broccoli, fresh, chilled or provisionally preserved; meat products prepared from game animals; syrup of milk sugar (lactose); certain fermented beverages, e.g., fruit wine, apple cider, raisin cider and mead.

France

REGISTRATION OF TRADE-MARKS—Our Commercial Counsellor in Paris has sent us the following, taken from the July issue of *Cross-Channel Trade*, the monthly review of the British Chamber of Commerce in Paris.

“A warning. Since Aug. 1, 1965, the French Trade-Mark law has stated that, with certain exceptions, the first person to register a trade-mark, even if he has never used it, becomes the owner thereof. The law provided for a three year transition period, which ends on Aug. 1, 1968, during which users of unregistered marks are given priority to register these marks in order to regularize their situation. As from Aug. 1, 1968, any person will be at liberty to register such marks, and to prevent others from using them.

“Any company using an unregistered trade-mark in France for goods and services prior to July 1, 1965, is strongly recommended to insure that it is duly registered before August 1, 1968.”

(The 1965 Law states that trade-mark applicants must have domicile in France.)



Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their banks before making any firm commitments. When more than one rate is shown, the one to be used depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the Office of Trade Relations, Department of Trade and Commerce, Ottawa.

The mid market rates only are quoted, except when buying and selling rates are specified. The buying rate is that at which banks purchase exchange from exporters; the selling rate is that at which banks sell exchange to importers.

Rates used exclusively in non-merchandise trading are *not* included in this table.

For conversion of column one to the U.S. dollar equivalent, multiply by .93.

To convert column two, divide by .93.

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
	at August 2			at August 2	
Algeria			Denmark		
Dinar	.2160	4.63	Krone	.1430	6.98
Argentina			Dominican Republic		
Peso (free)	.0031	322.58	Peso	1.074	.93
Australia			Ecuador		
Dollar	1.199	.8340	Sucre (official)	.0597	16.50
Austria			(free)	.0534	18.45
Schilling	.0416	23.98	El Salvador		
Bahamas			Colon	.4296	2.35
Dollar	1.053	.9506	Fiji		
Belgium and Luxembourg			Pound	2.467	.41
Franc	.0215	46.25	Finland		
Bermuda			Markka	.2557	3.91
Pound	2.565	.39	France, Monaco, etc.³		
Bolivia			Franc	.2160	4.63
Peso	.0902	10.97	Franco-African Republics⁴		
Brazil			Franc	.0043	2.35
Cruzeiro (official free)	.3351	2.99	French Pacific⁵		
Britain			Franc	.0118	84.24
Pound	2.569	.39	Germany		
British Honduras			D Mark	.2680	3.73
Dollar	.6423	1.56	Ghana		
Burma			New Cedi	1.052	.95
Kyat	.2256	4.43	Greece		
Ceylon			Drachma	.0358	27.93
Rupee	.1804	5.54	Guatemala		
Chile			Quetzal	1.074	.93
Escudo (bank rate)	.1562	6.34	Guyana		
(free)	.1358	7.36	Dollar	.5370	1.85
China, Republic of			Haiti		
New Taiwan Dollar (official)	.027	37.04	Gourde	.2148	4.65
Columbia			Honduras		
Peso (fixed)	.066	14.95	Lempira	.5370	1.86
Congo, Republic of¹			Hong Kong		
France	2.149	.4653	Dollar	.1772	5.64
Costa Rica			Hungary		
Colon	.1621	6.12	Forint (official)	.0921	10.86
Cuba²			Iceland		
Peso	Krona (official)	.0188	52.91
Czechoslovakia			India		
Koruna	.1492	6.70	Rupee	.1423	7.02

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
	at August 2			at August 2	
Indonesia⁶			Paraguay		
Rupiah			Guarani (free)	.0086	116.28
Iran			Peru		
Rial	.0142	70.42	Sol (free)	.0243	41.66
Iraq			Philippines		
Dinar	3.007	.33	Peso (free)	.2752	3.63
Ireland			Poland		
Pound	2.569	.39	Zloty (fixed basic rate)	.2685	3.72
Israel			Portugal & Colonies⁷		
Pound	.3069	3.23	Escudo	.0373	26.80
Italy			Saudi Arabia		
Lira	.0017	581.86	Riyal	.2066	4.84
Jamaica			Sierra Leone		
Pound	2.569	.39	Leone	1.504	.66
Japan			Singapore		
Yen	.0030	333.33	Dollar	.3309	2.85
Kenya			South Africa		
Shilling	.1526	6.55	Rand	1.504	.66
Lebanon			Spain & Dependences		
Pound (free)	.3330	3.00	Peseta	.0155	64.25
Malaysia			Sweden		
Dollar	.3509	2.85	Krona	.2079	4.81
Mexico			Switzerland		
Peso	.0859	11.64	Franc	.2499	4.00
Morocco			Syria		
Dirham	.2122	4.72	Pound (free)	.2812	3.55
Netherlands			Thailand		
Florin	.2967	3.37	Baht (free)	.0521	19.19
Netherlands Antilles			Trinidad & Tobago⁸		
Florin	.5695	1.76	Dollar	.5392	1.85
New Zealand			Tunisia		
Dollar	1.202	.83	Dinar	2.045	.48
Nicaragua			Turkey		
Cordoba	.1534	6.51	Lira	.1193	8.38
Nigeria			United Arab Republic		
Pound	2.995	.33	Pound (official)	2.471	.40
Norway			United States		
Krone	.1504	6.64	Dollar	1.074	.93
Pakistan			Uruguay		
Rupee	.2256	4.43	Peso (free)	.0043	232.55
Panama			Venezuela		
Balboa	1.074	.93	Bolivar (official free)	.2393	4.18
			Yugoslavia		
			Dinar (official)	.0859	11.64

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, 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. Also used in Barbados, Leeward and Windward Islands.

businessman's bookshelf



Europe France Outremer

Monthly, FF 110 (approx. Cdn.\$25.00) a year.

This magazine is now in its 45th year of publication. In its present form, each issue concentrates on a particular topic or region of Francophone Africa. Over the past two years, it has dealt with such things as the place of the automobile in Africa; secondary industries in Africa and Madagascar since independence; construction, public sanitation and municipal works; foreign economic aid, and Sahara oil and gas. The April issue is a handbook describing the twenty-one independent Francophone African states and France's overseas departments and territories (this issue costs FF 44). *Europe France Outremer* is published in French only.

Order from: *Europe France Outremer*, 6 rue de Bassano, Paris 16, France.

Agricultural Development in Latin America: the Next Decade

Inter-American Development Bank. 290 pages. Free.

Export crops have, in many cases, been significantly increased but production of foods to provide a balanced diet for the population is still sadly inadequate. That is Latin America's big problem and it is the theme which runs through these papers which were presented at a round-table conference in Washington last year.

Nature has not been niggardly in Latin America. The poor state of the continent's agriculture is the fault of governments, business enterprises, banks (public and private), and landowners more than the farmers themselves, say Clyde Mitchell and Jacob Schatan of the FAO. The statistics they give are revealing. A 50-horsepower tractor in 1963 cost the British farmer the equivalent of 315 quintals of wheat, the Colombian farmer 575 quintals, the Chilean farmer 800, and the Argentinian farmer 1,300. Another example, a hundred kilograms of corn in the United States buys 16 kilograms of nitrogen but in Brazil it buys only 6 kilograms. If over-all average yields in Latin America are to be improved 50 per cent by 1980 and half the improvement is to come from fertilizers, seven million tons of NPK will be needed compared with the one million tons used now.

The importance of marketing arrangements is also stressed. In Central America, the margin taken by middlemen goes as high as \$49 on a ton of rice which sells in the market for about \$100. The farmer's lot is made harder by the long delays between the purchase of his crop and the time payment is finally handed over.

Elementary education has to be stepped up in rural areas if farmers are to learn better management methods. Their children need the basic skills which an urban society demands so that they can leave the land and migrate to the cities.

The formal papers and the other points of view which emerged during discussion at the conference (at the back of the book) will give the Canadian businessman a much deeper understanding of Latin America and of the contribution which the IADB is making. It will give him a yardstick against which to measure his export achievements and a better idea of where future opportunities will lie.

Order from: *Inter-American Development Bank*, 808-17th Street N.W., Washington D.C. 20577.

Successo

Monthly, about 150 pages, L.10,000 (approximately Cdn.\$17.00) a year.

Published in an international (English) and an Italian edition since early 1967, *Successo* gives the Italian businessman's point of view on his country, on the EEC, and on world affairs. Canadian exporters who want to become attuned to the European way of thinking will find it valuable.

The March 1968 issue, for example, contained an interview with Jean Rey, President of the Commission of the European Communities, and articles on Italy's electronics industry, how the Dutch experts believe Venice can be saved from flood damage, the antiques trade in the jet age, Italian private residential construction, economic trends in the Italian footwear industry, what young industrialists think, Italian fashions in Germany, and the economic situation in figures. There is a lot to be learned from the advertising matter also.

Order from: *Successo*, Casella Postale 3290, Milan 20100, Italy.

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