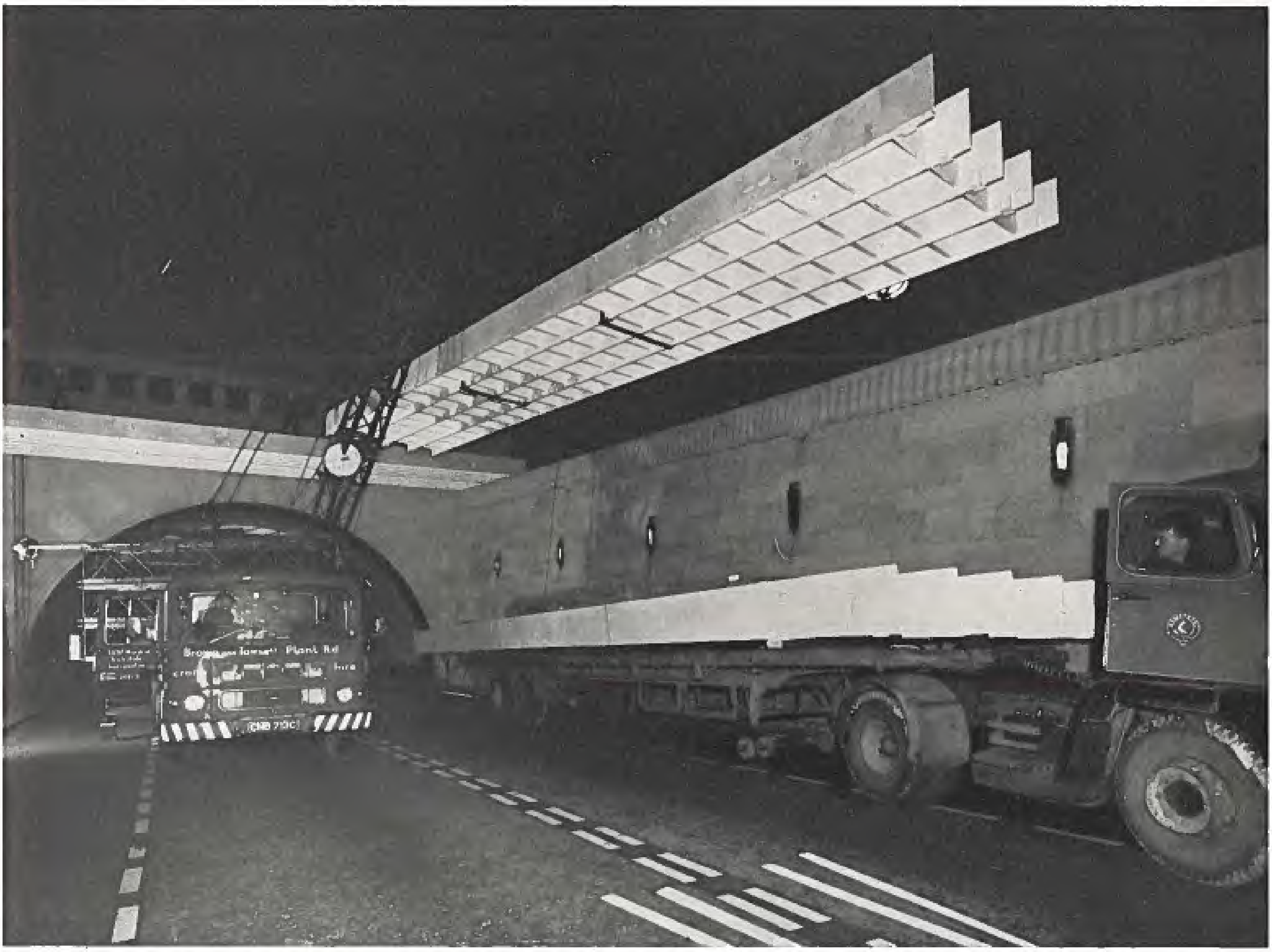
AUGUST 31. 68

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA



Meet the Liverpool Office

IN THIS ISSUE

VOL. 130 NO. 5

Five articles from our Liverpool office focus attention on the cross-Canada tour by John Nelson, our Trade Commissioner there, which begins on the West Coast on September 9. Mr. Nelson, who has spent two years in Liverpool out of a 3½-year posting and will return there when he completes his itinerary about mid-October, is keen to make known to Canadian businessmen the lucrative market awaiting them in the Midlands and the North of England. If after reading this feature you would like to talk with Mr. Nelson, you will find his tour listed on page 37.

Does the cover puzzle you? The gleaming honeycomb being hoisted aloft is part of a sun canopy at the approaches to the Mersey Tunnel near Liverpool. Made of medium-density overlaid fir plywood from B.C., the 50 by 90-foot grid prevents the sun's glare from dazzling motorists as they emerge into daylight. The canopy was installed at night when the urban traffic had died down and the roads were comparatively quiet.

Spain has industrialized rapidly and this has brought business to Canadian exporters, whose sales reached Cdn. $39.6 million last year. There's hope for further progress, despite the current Spanish slowdown. The Commercial Counsellor in Madrid describes the business climate and in a second article takes a look at automation and the electronics industry.

Beyond Germany's factories and bustling cities lie a million and a half farms which supply 70 per cent of the country's food. Because Canadians provide a fair share of the 30 per cent of food imports, particularly grains, canned fruit and vegetables, we have a special interest in what is happening on the land there. See page 30 for a quick briefing.

Ireland is more than a land of emerald fields, friendly pubs, and leisurely holidays—it is also a useful buyer of Canadian products ($15 million last year) that cover a broad range. Donald Holton, our "man on the spot" in Dublin, takes a look at the country from a business point of view.

The next issue of "Foreign Trade" will concentrate on five Far Eastern markets, all of which rank among our fifty best customers and one of which, Japan, ranked third last year. The reports will discuss current conditions in each and the implications for Canadian trade.

FOREIGN TRADE

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AUGUST 31, 1968

ARTICLES

DEPARTMENTS

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The Liverpool Office . . .

Try Us Harder

"...more often our problem is to find Canadian sources able to supply the demands that British importers make known to us."

JOHN H. NELSON,
Trade Commissioner, Liverpool.

ROBERT HIGHAM

GEORGE METCALFE

■ The Liverpool office of the Trade Commissioner Service is situated in Martins Bank Building, Water Street, in the central business district of the city. It is next door to the Town Hall and just up the street from those familiar Liverpool landmarks, the Princes Landing Stage, the Royal Liver Building, and the Cunard Building. That other well-known building, the Adelphi Hotel, is a 15-minute walk or a five-minute taxi ride from the office.

The Trade Commissioner is John H. Nelson.* Born in Vancouver and educated at the University of British Columbia, he served as a Trade Commissioner in New Delhi, Berne and Guatemala City before being posted to Liverpool. K. Robert Higham is the Assistant Trade Commissioner. He comes from Edmonton, graduated from the University of Alberta, and before coming to Liverpool served in Accra, Ghana. W. H. George Metcalfe recently joined the staff as Commercial Officer after a number of years in the British electronic and telecommunications industry. There is a secretarial and clerical staff of four.

From a base in Liverpool the office covers a territory known broadly as the Midlands and North of England, which runs from south of Birmingham up to the Scottish border. North and mid-Wales are also included in the territory; the precise boundaries are shown on the attached map. In this area approximately 43 per cent of the total population of Britain lives or, 23,384,000 people, according to the latest estimate. This small area thus has a population slightly above the total for Canada.

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* Mr. Nelson will be touring Canada from September 14 to October 11. For details of his itinerary, see page 37.

Making Contact

The Midlands and North of England have some of the largest and most important cities in the country. Birmingham, for example, the second largest city in Britain, is reputed to be the center of no less than 1,500 district trades and industries. Liverpool and Manchester are important commercial and distribution centers and it is estimated that almost two thirds of Canada's exports to Britain move through the ports of these two cities. This is the industrial and manufacturing area of England, as the listing of main industries in principal cities in the attached box feature demonstrates.

Most Canadian exporters who visit the Midlands and the North will find their best contacts in Birmingham, Manchester or Liverpool, unless they are selling to a localized industry such as specialty steels in Sheffield or pottery and chinaware in Stoke-on-Trent. A number of good agents and distributors are, however, located in small cities and towns outside the large cities. Place names such as Cheadle and Congleton in Cheshire, Matlock in Derby, or Walsall near Birmingham will not be familiar to most Canadian exporters. However, we know good import agents or firms in each of these places, as well as in a number of

Territory of the Liverpool Office—The Midlands and North of England

Principal Cities, Population (1966 est.) and Main Industries

Birmingham (1,102,570)
Buttons, bedsteads, plastic goods, chocolate, chemicals, electroplate, guns, machine tools, glass, cars, tires, nuts and bolts, pens and inks, tubes, paint and enamels, tools, toys, electrical apparatus, wire, jewellery, brass.

Bradford (297,100)
Textile industry—worsteds, woollens, silk and cotton; engineering and iron works, quarries.

Coventry (331,950)
Cars, agricultural machinery, machine tools, radio and T.V., telecommunications, telephones, synthetic fibers.

Hull (298,000)
Port, oil-extraction, sawmilling, flour, engineering, chemicals, fish.

Leeds (508,000)
Textiles, clothing, engineering, leather, chemicals.

Leicester (283,540)
Hosiery, stockings, underwear, outerwear, fabrics, gloves, boots and shoes, light engineering, printing, tires.

Liverpool (712,040)
Port, shipping, and nearby, cars, chemicals, engineering, and shipbuilding.

Manchester (625,250)
Commercial center, with nearby engineering, chemicals, clothing, food, textiles.

Newcastle-upon-Tyne (253,780)
Commercial center for northeast, varied manufacturing, port.

Nottingham (310,280)
Hosiery, lace, bleaching, dyeing, spinning, tanning, engineering, bicycles, brewing, tobacco, chemicals, furniture, typewriters, near coalfields.

Sheffield (486,490)
Special and alloy steels, cutlery, engineering, tools, refractories, silver refining, brushes, confectionery, type foundry.

Stoke-on-Trent (276,300)
Chinaware, earthenware, sanitary goods, refractories, bricks and tiles, coalfields, engineering, textiles, toys, plastic goods, electrical goods.

York (106,010)
Chocolate, railway coaches, scientific instruments, glass containers, sugar.

The port of Liverpool receives a large part of Canada's lumber exports to Britain and has developed a special dock for handling these bulk cargoes. Here packaged Canadian timber is being unloaded. Last year Canada became the leading supplier of softwood lumber, shipping 411,000 standards.

others. If you make contact with a firm outside the large cities, a personal visit to their offices during your trip to Britain may not be easy to arrange. Do not be deterred because you will be warmly received and you will often find that these firms are willing to give more time to proper consideration of your proposal than companies in the large cities.

Covering the Ground

As most visitors to the Midlands and North will come to all or one of Birmingham, Liverpool and Manchester, a few comments on how to get there will be useful. There is a direct flight from Toronto and Montreal to Ringway Airport at Manchester. If you fly from Canada to London, remember that you can have your ticket extended at no additional cost to fly between London and Birmingham, Manchester or Liverpool. There are several flights each day from which to choose. In the shipping season Canadian Pacific Steamships operates the *Empress of Canada* and the *Empress of England* between Montreal and Liverpool.

For travel within Britain there are regular and frequent rail services between the major cities. On the London/Manchester and London/Liverpool routes be sure to inquire about the Pullman cars. These are for first class travel, with full restaurant service at each seat. Departures are specially timed to suit the travelling businessman.

London Specializes

In Britain, the importance of Canada's trade in certain fields has been recognized by having specialist officers on the staff of the Commercial Division of the High Commissioner in London who work throughout the country. They cover food and other agricultural products, metals and minerals, and forest products. To handle inquiries about the export of all other product groups, the country is divided into three regions: the South of England and South Wales; the Midlands, North England and mid- and North Wales, and Scotland and Northern Ireland. These are covered by our offices located in London, Liverpool and Glasgow respectively. Although the Liverpool office is pleased to assist all Canadian exporters in any way possible, it is usually preferable to take advantage of the experience of our colleagues in London who are specialists if your product comes within their fields of interest. For our part, we concentrate our knowledge and efforts on those products and services that fall under the broad categories of chemicals, commercial and domestic machinery and appliances, electrical and electronic equipment, mechanical equipment, engineering services, textiles and all other types of consumer goods.

Market Is Waiting

What sort of a market is there for Canadian goods in the Midlands and North of England? Although about three quarters of Canada's present exports to Britain reach these areas ultimately, many of the decisions affecting their movements are made in London. Nevertheless, with such a large industrial and population base, there is a substantial market that is regional and quite independent. In fact, it is a market that is often overlooked and it is overshadowed by the unquestioned importance of London. If it could be transposed to another area of the world, such as Latin America or Asia, Canadian exporters would realize that it has exciting possibilities. This dominance by London takes some interesting forms, the most common of which is a sensitivity among businessmen in the Midlands and North that foreign business visitors so often never leave London to investigate market opportunities in the rest of the country. From the visitor's point of view this is often understandable because of the amount of business he can do in London. He may not realize that there are other markets in Britain to be explored.

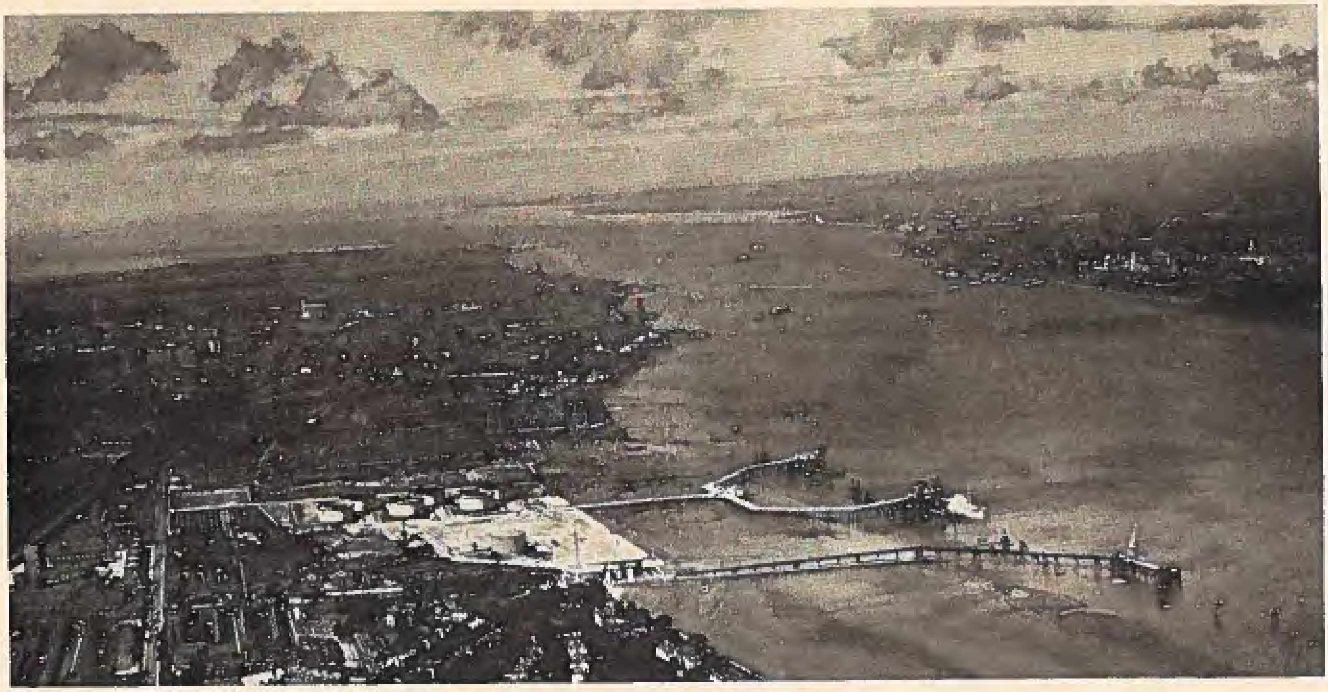
This situation creates a number of interesting opportunities for the Canadian exporter who wants to expand his market in Britain or who wants to enter this market for the first time. If a product is exportable, its chance of success in the Midlands and North is often greater because of less intense competition from other exporters. The area is good for test marketing a product. This is the same region that the big theater companies often use to test new plays before the expense of opening in London. Many Canadian and other exporters already have agents who were initially given rights to the whole country. Their volume of sales may appear satisfactory, even though in many cases the agent does not sell beyond London and the surrounding Home Counties. If this is true of your own agent, ask him where he sells or check the addresses of his customers. If he is not covering the Midlands and North, we would be pleased to help you locate a good agent who does. A number of Canadian exporters have already recognized the regional nature of the British market by appointing separate agents in the South, the Midlands and/or the North, Scotland, and Northern Ireland.

Offer Something New

If you are new to exporting to Britain, you will naturally ask what will sell there. If the price is right, there is a market for almost anything a Canadian firm can offer. Canadian exporters have the advantage of being able to sell in English, use the same weights and measures, obtain Commonwealth tariff preference, and benefit from British goodwill for Canada as a source of supply. These factors have held good for many years so if you are offering a standard product, there is a likelihood another Canadian or other foreign manufacturer has already investigated the market. With its own very highly developed industrial economy, Britain is able to produce a great deal of its own needs, although it is not uncommon to see equivalent British and imported products selling side by side. If your product does not have unique design or some other feature, you will usually have to sell on the basis of competitive price and service. The products that have the best possibility of finding a market in Britain are those that are truly new, offer a new benefit, and have a unique design. Then price is secondary.

In the Liverpool office we are constantly searching for Canadian products to market in our territory. It is a rare occasion when we cannot put together a list of good firms which will consider an offer from a Canadian company, provided there is an adequate description of the product and an export price list c.i.f. British port. More often our problem is to find Canadian sources able to supply the demands that British importers make known to us. Try us harder.

Among the biggest cities in the Midlands is Birmingham, with a population of over a million. Here is part of the city's center, rebuilt after the war. In the picture it is contrasted with the Gothic church that has survived from an earlier age.



The Mersey River divides Birkenhead (on the left) from Liverpool (on the right). Major docking facilities are also on the right.

Get Your Geography Straight

. . . if you are interested in the British market

■ Canadians visiting and writing to Britain frequently have trouble keeping straight the many expressions and geographical terms used to designate various sections of the country. Here is a list of the terms most commonly misunderstood. Keep it handy and impress your British acquaintances—who by now will have grown accustomed to hearing them used incorrectly by foreigners.

The United Kingdom—in 1801 the Act of Union adopted the term United Kingdom of Great Britain and Ireland to designate the political union of England, Scotland, Wales and Ireland. Since 1920, when the 26 southern Irish counties separated, the correct title has been the United Kingdom of Great Britain and Northern Ireland. You may safely use United Kingdom or U.K. to mean the same thing. Administratively the United Kingdom includes the Isle of Wight, the Scilly Isles, the Hebrides, Orkneys and the Shetland Isles. The Isle of Man and the Channel Isles are part of the United Kingdom but have their own parliaments, as does Northern Ireland.

Great Britain—The geographical term for England, Scotland and Wales. However, it is often used interchangeably with U.K. or United Kingdom.

Britain—This is used in preference to United Kingdom in government publications and correspondence.

Northern Ireland—It is composed of the six, mainly Protestant, counties which did not separate from the United Kingdom in 1920. You may also hear the informal terms Ulster or The Six Counties. Ulster is the northernmost Irish province. Six of its counties—Antrim, Armagh, Down, Fermanagh, Londonderry and Tyrone—make up Northern Ireland and three—Cavan, Donegal and Monaghan—are in Eire* (The Republic of Ireland).

With the general geographic and political terminology straight we can take a look at some of the host of often vague and undefinable terms used to specify general areas independent of county lines. Only a few are listed below but they will give you an idea of the type of divisions that are made.

* Eire is the independent nation formed by the counties which left the U.K. It is also referred to as The Republic of Ireland, Southern Ireland, The Irish Free State, or simply Ireland. It is not a member of the Commonwealth.

The Home Counties—The Home Counties are generally considered to be the counties surrounding the city of London, including Greater London, Kent, Essex, Surrey, Buckinghamshire and Hertfordshire.

The Provinces—This term generally refers to all the English counties which are not included in the Home Counties.

The City—The City is used to designate the financial, legal and publishing district of the City of London.

The Midlands—This is the highly industrialized and densely populated middle section of England, usually considered to include the counties of Derbyshire, Leicestershire, Northamptonshire, Nottinghamshire, Rutland and Warwickshire. Coventry and Birmingham are in the Midlands.

The Potteries—The Potteries is another densely populated area and has been the center of the famous English china and earthenware industry for several centuries. The district is the upper Trent River Valley and includes Stoke-on-Trent and Newcastle-under-Lyme.

The Fens—Originally mostly swamp but now under cultivation, the Fens is an area about 70 by 35 miles in eastern England. The area covers part of Lincolnshire, Norfolk, Cambridgeshire, Suffolk and Huntingdonshire.

The Black Country—This is a part of the industrialized Midlands and comprises south Staffordshire, north Worcestershire and northwest Warwickshire. There are extensive coal and steel industries in this area.

The Broads—A yachting and tourist region of shallow lakes and lagoons on the east coast in the counties of Norfolk and Suffolk.

Snowdonia—This term originally applied to the area of the Snowdon range of mountains in general, but is now usually understood to be Snowdon National Park. It is entirely in Wales and covers parts of the counties of Caernarvonshire, Merionethshire, and Denbighshire.

The Downs—The North Downs and the South Downs are east-west chains of low hills south of London.

The North of England—The area between the Midlands and the Scottish border. Liverpool, Manchester and Sheffield are in the North of England (although on a map they look more or less in the middle).

The North Riding—The North Riding of Yorkshire is roughly the part of the country which lies north of York.

The Border—Generally the Scottish border is meant (as in Border Television) but occasionally it refers to the Welsh border.

The West Country—The southwestern part of England, roughly the area covered by the counties of Somerset, Dorset, Devon and Cornwall.

The Scottish Highlands—The Scottish Highlands are the rugged mountainous part of northwest Scotland and cover the counties of Argyllshire, Invernesshire, Ross, Cromarty, Caithness, Sutherland, northern Perthshire and western Nairnshire, Morayshire, Banffshire, Aberdeenshire and Angus. Sometimes the term also includes the Hebrides.

The Scottish Lowlands—This is the urban, industrialized area of southern Scotland surrounding the cities of Glasgow and Edinburgh. Approximately three quarters of the population of Scotland live in the Lowlands.

"-side"—Merseyside refers to the clusters of towns round the estuary of the river Mersey, Liverpool, Birkenhead, etc. Similarly, Tyneside embraces Newcastle-upon-Tyne, North and South Shields, Gateshead, Jarrow, etc. There are a number of other examples such as Wearside, Teesside, and Clydeside in Scotland.

"-shire"—Many of the county names end in the suffix shire, but they are also often abbreviated by adding an s to the root, for example, Warwicks for Warwickshire, Yorks for Yorkshire. Sometimes the word is cut even further and with a little practice you learn to identify Beds. as Bedfordshire and Hunts. as Huntingdonshire. Without the shire a county name may become the name of a city or town within that county, e.g., Oxford. An exception to this general rule is County Durham, the form used to distinguish the county from the city of Durham.

Canadians find it hard to appreciate why a country as small in area as Britain is split into so many divisions and subdivisions. Even the fact that the population is close to three times that of Canada fails to convince us of the practicality of this system. Logical or not, these divisions are very real as anyone who has sampled the countless regional accents and customs will tell you.

Check Your Representation

It is too easy for exporters to underestimate the importance of these regions. Many Canadian companies who say they are exporting to Britain find on closer examination that they are selling to only one part of it. Each region needs careful and individual attention. Your agent here should be well aware of this problem, especially if he claims to cover all of Britain. Just for curiosity, ask him to send you a list of the final destinations of his orders for your products over the past year. Or better still, have a look through his order slips next time you are in his office. There is a very good chance that all or most of them originate in the city or area where he is located. If his office is in The City, for example, there will likely be few orders outside the Home Counties, even though over 65 per cent of Britain's population and three quarters of its industry is in the Provinces.

—K. ROBERT HIGHAM
Assistant Trade Commissioner, Liverpool

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K. ROBERT HIGHAM, *Assistant Trade Commissioner, Liverpool*

Come to a British Fair

where you can get an accurate picture of selling prospects, prices, quality, marketing methods; find an agent; make a sale.

■ Britain has about 200 trade fairs and exhibitions planned for this year, and the extensive range of products and services that they will feature confirms the British reputation for ingenuity in marketing. A high degree of specialization marks many of the fairs. One example is the Park Equipment and Machinery Exhibition to be held in Newcastle-upon-Tyne in September. London was host to an International Industrial Finishes and Anti-Corrosion Exhibition in June, and Manchester to an International Exhibition of Spring-Making Equipment and Materials, also in June. A look at the list on page 9 will confirm the wide scope of fairs in Britain. Name a product or service and it is almost certain that the British have an exhibition or conference where it can be displayed.

At most British trade fairs, the visitor will find some foreign goods on display. But fair organizers do not always permit direct participation by foreign firms. Consequently, imported products are sometimes shown by a British agent or manufacturer side by side with domestically produced goods. Fairs which permit direct foreign participation usually include the word "International" in the title. For example, the International Hotel and Catering Exhibition draws both participants and visitors from all over the world.

General or Specialized?

In Britain, as elsewhere, there are two types of fairs—general and specialty. The general fair is usually open to the public and on display are mainly consumer products that can be sold from the stand. There are many fairs of this type in Britain, such as the Ideal Home Exhibition and the Brighter Homes Exhibition. Many large food fairs are also of this type.

The term specialized fair speaks for itself. Only goods related to a particular industry are exhibited and the fair is usually open only to persons connected with or related to the exhibiting industries and not to the general public. Specialized fairs are sometimes also limited by the sector of the market invited. For example, there are two large toy fairs in Britain each year: the Harrogate International Toy Fair in January and the Brighton Toy Fair in February. Participants at the Harrogate fair are chiefly manufacturers selling to the wholesale trade. At the Brighton fair, wholesalers and agents do the selling and retailers buy.

Canadian exporters have a lot to gain from this particular brand of marketing. For a potential exporter, a well-planned visit to a British trade fair can become an efficient and inexpensive way to conduct a market survey. After only a few days' visit to a large trade fair an accurate picture of prices, quality, marketing methods, and other peculiarities of the industry in Britain can be obtained.

Contacting Agents

A trade fair can also provide an excellent opportunity to find an agent to handle your products in Britain. Many agencies have been established during a British trade fair and it is not unusual for an agent to make extra space on his stand to show a line newly acquired on the spot.

Many international trade fairs in Britain also offer excellent opportunities to meet foreign buyers, agents and manufacturers, especially from Western Europe. One example is the Blackpool International Gifts Fair. This is one of the largest gift fairs in the world and it is not uncommon for a foreign exhibitor to find he has made a sale to a buyer from his own country.

To get full benefit from these fairs, foreign companies should consider participating themselves. Participation offers an opportunity to make many contacts and obtain first-hand knowledge of the market that even an extended visit cannot provide.

One of the most economical ways of participating is to have your product shown by a firm already in the fair on its own account. To do this you must have the right contacts beforehand. You must find a firm which is willing and which has products complementary to and not competitive with your own. In effect, you are appointing a temporary agent. It is usually part of the understanding that your own firm will provide staffing assistance at the stand and handle inquiries for your product.

You may, of course, prefer to go it alone. This is naturally more expensive in terms of both time and money but can be more rewarding if properly done.

Getting Involved

Before deciding to visit a British fair, the Canadian firm should understand the scope of that fair and what to expect from participating in it. One way of finding this out is to visit it at least once and perhaps twice without taking part.

A little preparation before undertaking an exploratory visit can pay dividends in the results achieved. Here is some useful advice.

1. Write to the organizers of the fair for an old catalogue and to the Trade Commissioners in London for an appraisal of the fair.

2. Bring with you when you come to Britain an interview form, with a list of the questions to which you would like answers.

3. Put into your luggage a dozen or more catalogue sheets or brochures illustrating your products, complete with c.i.f. prices in pounds sterling. A few samples will be helpful and a good supply of visiting cards. Present one of the latter to everyone whom you meet. He will in turn give you a card and these can be useful when you wish to send out follow-up letters or place telephone calls.

4. At the fair itself, once you have purchased a catalogue of the exhibitors, spend a half-hour or so studying it. Pick out the firms whose exhibits you wish to see or those which might be interested in your product. Usually the catalogue indicates which participants are manufacturers and which are marketing organizations only. If, however, you see a product listed that

These 1968 Fairs May Interest You

London

Shop Equipment and Self-Service Exhibition
International Hotel and Catering Exhibition
London International Engineering and Marine Exhibition
International Hardware Trades Fair
International Electrical Engineers Exhibition
World Fishing Exhibition
Daily Mail Ideal Home Exhibition
Laboratory Apparatus and Materials Exhibition (also held in Manchester)
International Boat Show
International Motor Exhibition
International Handicrafts and Do-It-Yourself Exhibition
International Noise Abatement Exhibition
Engineering in Plastics Exhibition
Electrical Engineers Exhibition

Manchester

Manchester International Rainwear Exhibition
Manchester International Food Exhibition

Birminghom

Applications of Micro-Electronics Symposium and Exhibition
Midland's Own Boys' and Girls' Exhibition

Blackpool

Blackpool International Gifts Fair

Glosgow

Scotland's Food Fair

Bristol

Bristol Building Exhibition

If You Sell Giftware . . .

. . . and want to expand your sales in the Midlands and North of England, you (or your British agent) should consider tbe Harrogate Gift Fair. Held annually for four days in the third week of July, this trade show is timed for Christmas buying. This year, 215 exhibitors displayed a wide range of giftware, from spice racks to pottery, artificial flowers, silkscreen prints, stainless steel ware, glassware, costume jewellery and leather goods. Altbough buyers come from all over England, the majority represent retail and department stores and mail order houses based in tbe Midlands and North of England. It is significant that most of the national mail order firms are in tbese areas.

The organization of the Fair is designed to keep the cost of exhibiting to a minimum. Space charges are Cdn.$0.78 per square foot; a pegboard shell stand, normal lighting and floor covering are included. We consider this a reasonable price for the chance to reach between 4,500 and 5,000 buyers of giftware. One limiting factor is that the fair's success makes it difficult to obtain space unless you book well in advance. Further information on the Harrogate Gift Fair is available from Roland Halstead, Managing Director, PKD Ltd., Hagg Street, Colne, Lancashire, England.

may be complementary to your own or which is sold through the same outlets, do not hesitate to have a chat with the representative. He may well be interested in your line, even though his company has never handled products other than its own.

5. Be sure to stop at the fair organizer's office. The staff there is always glad to welcome foreign visitors and can often provide a list of companies dealing in specific products or in a specific geographical area.

6. Be sure to do proper followup. After your visit, write immediately to all the promising contacts that you made. Confirm your interest and send any promised information. It is also a good idea to write to any companies at the fair which you could not visit, even though you were interested in what they were showing.

The detailed market information available during British trade fairs can be of great value to Canadian firms contemplating an entry into this enormous market and to those interested in expanding their sales here. If you are planning a sales or fact-finding trip to Britain it would be worthwhile to co-ordinate your visit with the dates of a trade fair related to your product. Or why not let a trade fair be an excuse for making that long-promised pleasure business trip to Britain. If you do not know of a British fair in your field, write to the Trade Commissioner and ask for a complete list of all exhibitions. You can then determine which are best for you.

Buttons, not Bellhops

■ This handsome, coinless dispensing machine being admired by a hotel guest is in fact a new Canadian life-saver. Installed to provide hotel room service, it supplies a long list of incidentals at a touch of the finger. Manufactured by Captain International Industries Ltd., Vancouver, the Bell Captain saves many hours for both guest and hotel staff. The tired traveller who wants a quick cup of coffee can press a button and presto! coffee as he likes it. Or forgotten toiletries, headache or stomach remedies, cigarettes, razor blades—simply press a button and there they are. A special key to the machine is issued with the room key. Eacb time tbe guest presses a button the item requested is electronically recorded on his account. To safeguard against use without his knowledge, the guest can request the hotel front desk to turn off the service while he is out. Designed specifically for hotels and motels, the Bell Captain was much admired during the last International Hotel and Catering Exhibition in London. Immediate rentals of the new machine are estimated at some $2.5 million and potential rentals during the next two years have been set at $10 million. Introduced in Canada less than a year ago, it has already revolutionized room service in many Canadian and American hotels.

The Containerization Movement: Liverpool

This mechanized equipment at Liverpool is used to unload the containers.

This port on the Mersey has launched a $90 million project that will provide permanent container facilities by 1971. One of the present docks is already handling containers effectively.

JOHN H. NELSON,
Trade Commissioner, Liverpool.

■ In September 1967 officials of the Mersey Docks and Harbour Board announced their plans for meeting the present and anticipated demand in the Port of Liverpool for dock facilities to handle container traffic. This is the latest development in the growth of a port whose history goes back to 1207, when it was set up by England as one of the steps to gain control of Wales, Ireland and Scotland.

Today Liverpool ranks as Britain's second most important port, after London. The area owned and controlled by the Mersey Docks and Harbour Board extends for about seven miles on the Liverpool side and about four miles on the opposite Birkenhead side of the Mersey River. The docks cover 2,700 acres and have 37 miles of berth space. Facilities include 1.2 million square yards of transit sheds and 217 berths, including special ones for handling oil, ore, sugar and grain. Of special interest to Canada is the fact that the grain silos have a combined working capacity of over 200,000 tons.

In the year ended June 30, 1967, 16,651 vessels serving both the overseas and coastal trade came to the Port of Liverpool. Cargo passing through totalled 28.3 million tons, the third highest total on record. Incoming goods accounted for 8.5 million tons and outgoing for 4.4 million. An additional 10 million tons of imported bulk petroleum were handled by the port's special terminal facilities.

Canadian Cargoes Important

Canada is the leading source of imports (excluding petroleum) through the port, providing in 1967 some 1.3 million tons, or just over 15 per cent of the total. Other countries in order of importance were the United States, Australia, Venezuela, Brazil and South Africa.

Canada ranks eighth as a country of destination for British exports passing through the port, after the United States, Australia, South Africa, Nigeria, India and Ceylon, New Zealand and British West Indies. These exports to Canada last year amounted to 134,236 tons.

Liverpool is well aware of the importance of Canada in the movement of traffic through the port, as evidenced by the project that developed the north side of the Canada Branch Dock No. 3. There the Mersey Docks and Harbour Board, in co-operation with Canadian exporters, shipping companies, and the British timber trade, developed this dock for the handling of bulk cargoes of packaged timber and plywood. Ships previously required weeks to discharge their cargo when it was handled manually. Now it is mechanically discharged in a matter of days in packaged units, directly from the ship's hold to waiting road vehicles. The existing facilities are to be improved by the provision of four 10-ton cranes.

Containerized Cargo

The Board regularly makes other improvements in its facilities, but probably the most important are the steps taken to meet the so-called container revolution. To look after urgent current demands the existing Gladstone Graving Dock has been adapted to the specialized needs of containerized cargo. The dock already has heavy cranes and this summer will be fully equipped with discharging and dock-handling equipment, including two 35-ton transporter cranes. Over 1,000 containers can be stored on an adjacent area of land. The berth will be equipped for roll-on/roll-off operations.

The Gladstone Container Terminal is an interim measure, pending completion of the Seaforth Dock in 1971. At an estimated cost of over $90 million, this project will reclaim about 500 acres of foreshore and land from the Mersey River. Upon completion, there will be ten berths, each with a depth of 48 feet and serviced by road and rail. They will include three container installations with berthing space of over 2,600 feet and 100 acres for container handling. Two berths designed to handle packaged timber will supplement the Canada Branch Dock No. 3. In addition, a Canadian firm is working with the Board to design and build a bulk grain installation. The remaining berths will be for general use and future specialized requirements.

This new dock will enable the Port of Liverpool to meet the anticipated growth in trade and especially to have the facilities needed for the growing movement of goods in containers.

Labor Peace Secured

In 1967 British ports, and in particular Liverpool, suffered severe setbacks because of labor disturbances. Last fall Liverpool had a strike which

Canadian Dairy Cattle Arrive in Britain

■ They came off the boat at Birkenhead on the afternoon of Whit Monday, June 3, 1968. The arrival of the largest single shipment of Canadian dairy cattle ever to reach Britain was witnessed by the proud new owners, by a considerable number of farm press writers and photographers, by veterinarians of the British Ministry of Agriculture, and by representatives of the Department of Trade and Commerce in London and Liverpool.

Most of the 643 Holstein and four Guernsey cattle were imported by dairy producers who lost their livestock in the worst foot and mouth epidemic that Britain has suffered in this century. The outbreak started in late October 1967 near Oswestry, Shropshire, and spread throughout most of central England and northeastern Wales. By December, the Canadian High Commission had received over a dozen inquiries for information on Canadian dairy cattle. These were followed up actively and in the first months of 1968, several English farmers visited Canada to evaluate our dairy stock and in some cases select and purchase cattle.

The English buyers jointly chartered a vessel to minimize transatlantic transportation costs. Meanwhile Canadian and British veterinary authorities had agreed on matters of animal health regulations, especially to facilitate participation by stock of Canadian origin in Britain's recently introduced brucellosis (accredited herd) scheme.

Two factors are mainly responsible for the increasing British interest in Canadian Holsteins and Guernseys. One is the superior milk-producing ability of the Canadian cattle. The other is the excellent disease control situation prevailing in Canada.

It now seems as if the foot and mouth epidemic may have opened a small but steady market in Britain for Canadian dairy stock. Since 1947, only a few breeding animals have been imported from Canada, usually by the Milk Marketing Board, such as the 15 Holstein and ten Guernsey bulls imported in 1965 and 1966. Some of the farmers who had cattle in the early June shipments are already planning to bring in another boatload later this year. It is hoped that these large new imports of Holstein females will assist the breed to become firmly established in Britain and will create a steady demand for Canadian stock for several years to come.

—F. G. BEAUDETTE, *Agricultural Secretary, London* lasted a month and a half. An interim settlement brought the dockers back to work but productivity declined. In February, tugboat crews backed their demands for pay equal to the dockers' by a one-week strike that paralyzed the port. The dockers and their employers have recently reached a settlement that provides for large salary increases and a bonus scbeme that should improve productivity. The operators of the tugboats have also come to an agreement with their employees to pay salaries equal to those of the dockers. Prospects are for a welcome period of labor peace which, combined with the physical improvements recently completed and planned, should enable the Port of Liverpool to maintain its important position in Britain's overseas trade and especially British/Canadian trade.

British Market Information

Who to Ask and Where to Look

K. ROBERT HIGHAM, *Assistant Trade Commissioner, Liverpool*

■ A seldom appreciated convenience of doing business in modern industrialized countries is the ready supply of detailed market information. Any exporter who has tried to do a thorough market research job in a country where business information is not easy to find appreciates the advantage of working with complete and reliable facts. In Britain there is a vast amount of information available on all commercial subjects, usually in great detail.

Besides bare statistics such as import and export figures and production and sales statistics, details on selling methods, government regulations, customer preferences and buying habits, which are all a must for exporters to this complex market, can usually be found somewhere. You have only to know where to look.

Your Liverpool office can help considerably, using two important and convenient information sources which are often overlooked.

Trade Associations

There are a surprising number of trade organizations in Britain and if they are approached carefully, most of these groups can be invaluable in conducting a market survey. You may even find in the course of your investigation that one of them has already done a survey or something close to it and that the information is there for the asking.

To get the most from associations, take care to select the ones which would naturally have the type of information you are looking for and would be prepared to give it to an outsider. For example, Canadian exporters would not be wise to approach a British manufacturers' association for production or sales figures. The reply, if any, would be decidedly icy. The best type of organization if you need general facts is usually one with such words as "Importers", "Retailers", "Distributors", or "Agents" in the name. For details and specifications on specific products, however, sometimes manufacturers' associations are your best bet.

Do not forget that most associations issue a list of member companies which might be useful to you and often publish a regular weekly or monthly bulletin with valuable current market information. Sometimes these publications are for members only so, if need be, investigate the possibility of becoming a member.

To help Canadian businessmen learn about and make contact with British organizations which cover specific fields, the Liverpool office maintains an up-to-date directory of associations, societies, councils, clubs, chambers, leagues and institutions situated throughout Britain. There are over 6,000 entries cross-referenced by subject. In fact, there are not many Canadian export products which we cannot match from our *Directory of Associations*.

Trade Directories

A second major tool in the businessman's quest for information on markets in Britain is both general and specific trade directories. The number and coverage of these directories are so great that one British publisher has seen fit to issue a book entitled *Current British Directories*. It has over 2,000 entries. Liverpool has access to a copy of this publication and uses it constantly in referring Canadian businessmen to directories on specific products and industries.

Many of the directories are published by trade associations and are brought up-to-date regularly. Others are published commercially by companies offering information services to the public. Most trade directories list alphabetically all the companies in a certain trade and usually include a short outline of each firm's scope of operations and the names of senior officers. The company names are usually cross-referenced by subject and often a few pages are dedicated to supplying other sources of information and general facts about the industry concerned.

If you need a list or guide to a specific industry in Britain, we shall try to discover where you can get it.

Ireland Is on the Upturn

Last year saw Irish economy recover its momentum; exports reached a record and imports rose by nearly five per cent. Canada's sales, slightly higher in 1967, should hold steady or even rise this year.

These are the stables of ancient Kilkenny Castle, seen through a cartwheel window. They now house the Kilkenny Design Workshops Limited, a state-sponsored enterprise.

DONALD M. HOLTON, *Commercial Counsellor, Dublin*

■ The Republic of Ireland enjoyed in 1967 a year of relatively strong economic growth and stability, especially when compared with 1965 and 1966. The officially estimated increase in the gross national product at constant prices was 4¼ per cent—more than double the average of less than 2 per cent achieved in the two preceding years.

The favorable balance of payments of some £10 million was the first since 1961 and the third in the postwar period. It resulted largely from increased exports and a reduction in the rate of increase in imports, with a consequent narrowing of an unfavorable gap on trade account. Contributing also were large foreign exchange revenues from the important tourist industry and a continuing substantial capital inflow for direct industrial and other investment.

Net external assets of the banking system rose to a record high at the end of 1967 of £295 million,* or £41½ million above a year earlier. In fact, they were more than sufficient to cover current import requirements for over nine months.

* Pre-devaluation rate of exchange was about Cdn.$3.00 equals one Irish pound; post-devaluation rate is about Cdn.$2.60 to the pound.

Exports Provide Stimulus

Irish exports in 1967 reached a record £284.4 million against the previous high of £244.3 million in 1966; this represented an increase of £40.1 million or approximately 16½ per cent. Imports for 1967, at £390.5 million, were also up over the £372.6 million of 1966 by about 4¾ per cent. Because exports increased faster than imports, an unfavorable balance of trade with the world was cut from £128.3 million in 1966 to £106.2 million in 1967, a reduction of £22.1 million. This smaller deficit, though officially regarded as still high, is believed to be one that can be carried without undue economic strain, taking the other currently favorable factors into account.

The rapid rise in exports during 1967 was not accompanied by a comparable increase in production facilities. There was also a somewhat disappointing rise in non-agricultural employment of about 8,000, not enough to absorb the outflow from agriculture of some 11,000, and in certain agricultural products, insufficient additional production to maintain the rate of exports achieved. Nevertheless this export increase provided the main stimulus for the economy.

There was a large carryover of beef cattle from the previous year, the export of which (both on the hoof and as carcass meat) at more advantageous prices to Britain and the U.S. raised export earnings considerably in the agricultural sector.

Many industrial installations, especially manufacturing plants, are said to have operated considerably below capacity and with their manpower under-occupied.

At the same time, an almost complete lack of increase in domestic consumer demand, though it no doubt contributed to both larger supplies and favorable prices for export, resulted in rather depressed domestic conditions. Official economic policy has therefore been further geared towards cautious reflation after what is popularly described as two years of stagnant home consumption.

TABLE I

FOREIGN TRADE OF THE IRISH REPUBLIC—1967

Exports	*(£'000)*
Live animals, meat and meat preparations	111,729
Other food, including dairy products	41,558
Beverages and tobacco	9,661
Raw materials except fuels	15,646
Mineral fuels, lubricants and similar materials	6,341
Animal and vegetable oils and fats	831
Chemicals, including medicinal and pharmaceutical products	8,442
Manufactured goods classified by material	32,335
Manufactured articles not classified by material	24,022
Machinery and transport equipment	13,612
Others, including parcel post, special transactions and re-exports	20,182
Total	**284,361**
Imports	*(£'000)*
Live animals, food and food preparations	59,786
Beverages and tobacco	8,951
Raw materials except fuels	28,473
Mineral fuels, lubricants and related materials	37,548
Animal and vegetable oils and fats	1,918
Chemicals including medicinal and pharmaceutical products	35,783
Manufactured goods classified by material	80,346
Manufactured articles not classified by material	27,192
Machinery and transport equipment	92,304
Other, including parcel post and special transactions	18,237
Total	**390,539**

Source: Republic of Ireland Central Statistics Office.

GNP Rises

The Government's corrective measures in 1965 and early 1966 to contain inflation and redress the excessive deficit in the balance of payments slowed down the increase in the gross national product. In real terms, national production rose by only 2.1 per cent in 1965 and 1.7 per cent in 1966, compared with 4.6 per cent in 1964 and an average of 4.2 per cent for the years 1959 to 1964. Personal consumption went up 2.2 per cent in 1967 over 1966.

Economic activity, largely related to international business, accelerated considerably beginning in the second half of 1966. Some relaxation of government-imposed restrictive measures and a mild change of emphasis in demand management policy contributed only slightly. Certain reflationary measures were taken in the latter part of 1966: a moderate rise in the public capital investment program, some relaxation of time payment restrictions, and an increase in commercial bank credit ceilings. These, plus the Government's mildly expansionary budget presented in April 1967, may have served to stimulate demand. This has yet to be revealed statistically and any appreciable impact on the economy could prove to have been more psychological than real.

Industrial Performance Improved

The main impetus to output in 1967 came from industry. Output of the transportable goods industries (which include both manufacturing and mining) rose by 9 per cent, largely in goods for export, compared with 4½ per cent in 1966.

Manufacturing alone rose by 8 per cent compared with only 2 per cent in 1966 when, however, production was adversely affected by serious industrial disputes (especially in the papermaking and food processing industries) and by temporary suspension of important oil-refinery operations while new equipment was being installed. In 1967 output in each of the main manufacturing groups, except wood and furniture, was higher than in 1966. The largest rise was 20 per cent in chemicals and chemical products. Mining, quarrying and turf production rose substantially in 1967, largely because of greater mining activity in which Canadian participation was highly significant. Volume of output was 23 per cent over that of 1966.

Industrial exports in 1967 amounted to £115 million or almost 20 per cent more than in 1966. The increase was spread over a wide range of goods: the chief growth areas were electrical machinery, petroleum products, textile yarns and materials, clothing, professional and scientific goods, chemicals, ores and metals.

Activity in the building and construction industry was also more buoyant in 1967. In 1966 the volume of activity in building and construction was about 5 per cent lower than in 1965. The indications are that in 1967 activity in this sector was about 7 per cent higher than in 1966 so that the 1965 level of reasonable growth has been more than regained.

Agricultural Output Rises

Agricultural exports in 1967 totalled £144 million, an increase of £21½ million over 1966. Because of the record number of cattle and the cattle equivalent in carcass beef sales, cattle stocks at the end of 1967 were below those at the beginning of the year. Exports totalled 1,403,000 head compared with 1,038,000 in 1966 and 886,000 in 1965. The number slaughtered for export as carcass beef in 1967 is placed at 732,000 head compared with 413,000 in 1966. For the first time carcass meat exports exceeded those of live cattle.

TABLE II

SELECTED CANADIAN EXPORTS TO IRELAND

	1966 (Cdn.$)	1967 (Cdn.$)
Aluminum (in all forms)	5,152,732	3,965,374
Wheat (except seed)	943,589	2,702,446
Newsprint	1,719,388	1,571,797
Lumber	1,238,193	1,030,186
Salmon (canned)	1,014,128	992,496
Industrial machinery, machine tools & parts	867,343	758,011
Wood pulp	116,850	471,385
Apples and crab apples (fresh)	270,601	379,584
Tobacco bright Virginia flue-cured	99,592	337,134
Iron and steel (in all forms)	322,023	297,867
Oats	463,117	284,756
Broad woven fabrics	123,963	224,000
Peas (whole frozen and dried)	76,684	221,851
Seeds	112,103	185,044
Asbestos	340,354	180,748
Plywood	25,160	180,649
Fire brick and similar shapes	101,542	132,718
Commercial and household appliances	111,545	129,333
Copper (in all forms)	87,839	99,457
Wearing apparel excluding fur goods	91,774	94,557
Pumps, pumping systems, fans, blowers & parts	63,152	93,983
Hardware and tools	68,852	78,061
Plastics and synthetic rubber	72,017	64,156
Medicinal, pharmaceutical & veterinary preparations	204,136	64,154
Sardines (canned)	88,270	63,588
Papers and board, excluding newsprint	22,740	62,456
Prefabricated building structures and parts	25,312	60,864
Furs dressed, including garments	101,331	58,315
Scientific, medical & laboratory equipment	33,905	55,517
Yarn and thread of manmade fibre	......	54,459
Office equipment	23,047	50,167
Leather	93,533	43,715
Heating equipment	13,232	40,845
Communication equipment	16,811	39,824
Papermakers' felts	35,986	36,891
Onions and shallots (fresh)	26,578	36,100
Materials for food preparations	32,360	33,845
Infant and junior foods	25,353	27,216
Nickel, lead and zinc (in all forms)	30,743	27,112
Games, toys and recreation equipment	25,933	20,996
Pickles and relishes	5,987	15,239
Total, including all others	**14,948,267**	**15,644,862**

Source: DBS "Trade of Canada—Exports by Countries".

Output of both sheep and pigs declined in 1967, as did exports of mutton and bacon. Crop production exceeded the 1966 figure as a result of both larger acreages and higher yields. Milk production continued to expand during 1967 and exports of butter, cheese and dried milk rose over 1966.

Canada's Trade with Ireland

According to official Canadian statistics, Canada's exports to the Republic of Ireland increased slightly in 1967 to $15.64 million from about $15 million in 1966. (For the main components in that trade see Table II.)

In any analysis of Canada's trade with Ireland it should be borne in mind that DBS figures on Canada's exports to Ireland give f.o.b. values. The Central Statistics Office of the Republic of Ireland, however, publishes imports from Canada and elsewhere at c.i.f. values.

A much greater disparity, however, is created by the fact that many imports from Canada find their way into Ireland from Britain, from which approximately 50 per cent of Irish imports come and from the entrepôt and transshipment trade of northern European ports like Antwerp and Rotterdam.

Thus the official Irish import figures tend to reflect much higher imports from Canada than do those from DBS. For example, official Irish statistics show imports from Canada during 1967 at about £ 9 million, compared with £9.8 million for 1966.

Outlook for Sales

There was considerable evidence of initial hesitation in trading circles following devaluation of the pound over placing orders with non-devaluating sources. It now appears reasonably clear, however, that at least the larger items in Canada's traditional exports to Ireland (industrial materials such as aluminum, newsprint, lumber and wood pulp and also wheat) will achieve at least normal levels or surpass these in 1968 because of the low point to which inventories have been allowed to fall.

Exports of agricultural products such as apples, oats, peas, seeds and onions may also be maintained but much depends on the success of those crops in both Ireland and Britain. Tobacco exports, which rose substantially last year, are expected to continue their advance. Canned salmon and sardines, on the other hand, although still maintaining a relatively strong position, could lose out to alternative and less expensive foods if their prices continue to rise.

Exports to Ireland of medicinal and pharmaceutical products may decline further and professional and scientific goods level off with the coming into operation of new industries and additional manufacturing capacity in those fields. They are reported as among the fastest growing of all Irish export groups.

For a broad range of consumer goods, including wearing apparel and food specialties, the market is limited and competition extremely keen. Although design and quality are important in Ireland, this is a comparatively unsophisticated market where need in relation to purchasing power is often rather carefully equated, with the result that price is often the deciding factor.

Both official and unofficial quarters expect, however, that imports in general will rise during 1968, promoted both by the growing requirements of industry and by an anticipated substantial rise in consumer demand.

Why Use a Food Broker in New England?

BELDEN D. DAVIS,
Commercial Officer, Boston.

■ Selling foodstuffs in New England is both a demanding and expensive task. To get the best results the entire area, with some 273 direct accounts, needs to be covered regularly. This type of coverage amounts to many selling hours and is costly to the manufacturer who decides to use only one salesman. Perhaps these are the reasons why we in Boston often preface answers to trade inquiries from Canadian food manufacturers by saying "Selling in New England is unique . . ." or, ". . . unlike any other area in the United States."

What, then, is so special or unique about selling in the New England market? Sales problems exist anywhere. Why more so here?

There are more high-price retail food stores in New England with annual sales of over $650,000 spread over a larger area than in any other market. From Presque Isle, Maine, to Stamford, Connecticut and from Burlington, Vermont, to Boston, Massachusetts, is a large area with many people. New York's dense population is squeezed into a comparatively small area and Montana has a sparse population in a large area. This geographical fact is at the heart of the sales representation problem.

Located throughout New England are many food giants which have reduced the influence of the larger chains in the last few years and demand individual attention. The large chains (some 30 stores) control about 36 per cent of the New England business and the remainder is done by all others.

To get results, all the New England States require servicing and one way of offering this service is through a food broker. With his team of resident salesmen and his knowledge of the market, he can provide invaluable assistance. The day of the "good time Charlie" (the salesman who stopped by every three months just to pass the time of day) has gone. The direct account customer wants to know what the manufacturer's agent is doing to move the product out of the customer's warehouse and store. He is not only interested in deals (radio and television advertising, newspaper ads) but in how many men are covering his stores, correcting out-of-stock situations, keeping him advised on competitive pricing, picking up damaged merchandise, and resetting sections and installing display material. To give this all-round service, a broker must have an effective organization that calls on accounts consistently.

A food brokerage operation differs from a manufacturer's own sales office in three distinct ways:

- A food broker acts as a sales marketing agent for more than one manufacturer at the local level, taking care to avoid representing conflicting product lines.

- He does not take title to the merchandise and is not paid a salary by his principals. His compensation comes from commissions paid on actual sales. He does more than arrange sales—he promotes, irons out problems, and follows inquiries through quickly (thereby stimulating re-orders).

- He reports to the manufacturer information on product movement in competitive lines and on market conditions.

Adequate store coverage in New England is a persistent problem for manufacturers attempting direct sales. But it is scarcely a problem for those who work through a broker. The broker knows his market and knows the tools he needs for success. His extensive local market knowledge often means the difference between successful introduction or the failure of a new item.

Manufacturers usually find they gain an entirely new insight into the New England market after changing from their own salesmen to representation by a broker. Problems that their own men fail to unearth are often brought out by the experienced broker. It is in his own interest as well as that of the manufacturer to get these problems corrected.

At one time manufacturers used the broker to establish themselves in a market, then moved in their own salesmen. In recent years this trend has been reversed. At least 16 major manufacturers of grocery products have dropped their own sales force in favor of a broker. And only three have changed from broker representation to direct sales organizations.

Reasons for Failure

I have given certain reasons why we recommend local brokers as the best approach to sales. Now let us examine some of the reasons why Canadian food manufacturers fail to export to this market. A study of the reasons may help to improve their future chances.

1. Failure to select a good broker or agent.

2. Pricing. Too often a manufacturer is frightened by the word export and assumes that the cost of production for export will be more than for the domestic market. The only difference in landing goods in New England is duty. Freight charges are as much a factor in domestic shipments as in export.

3. Failure to provide an assured supply. The manufacturer who is sincere in his efforts to export must realize that the export market must be supplied as conscientiously as the domestic market and not merely used as an outlet for over-production.

4. Failure to maintain quality.

5. Failure to gear products to changing consumer requirements. Manufacturers who insist on selling products without considering design or quality changes that might mean larger sales could be heading for a downfall.

6. Failure to co-ordinate advertising and promotion efforts with distribution.

Any manufacturer who feels he has a product to export must shape a marketing program best suited to his product, the market area, and his resources. This is where a good broker proves his worth. He can assist in setting up a marketing program for his own area and, because he knows where to concentrate selling, he can produce the greatest volume of profitable sales at the lowest cost.

Many new products are introduced to consumers in the U.S. each year. Those manufacturers who are successful and maintain better-than-average sales have worked closely with their brokers. They remain alert to ways for improving established products and seeking new products to manufacture.

Perhaps you are a manufacturer who has been thinking about exporting. If so, have you checked your product against U.S. domestic competition? Could it compete? Our office in Boston would be pleased to assist you in successful selling. For further information, why not contact the Consul and Trade Commissioner, Canadian Consulate General, 500 Boylston Street, Boston, Massachusetts.

Peru Needs Purebred Cattle

ONE of the fastest growing countries in the western hemisphere, Peru, is taking another look at some vital problems left behind in the haste of development. It has suddenly realized it can no longer afford to pursue greater industrialization and adequate infrastructure and postpone meeting a basic need—greater food production. One-sixth of total imports of over U.S.$130 million is being spent every year on imported foodstuffs. Linked with this problem is a topography that results in some of the most difficult communications problems in Latin America.

The groundwork for attacking this problem has already been laid by the Peruvian Government. It has recently enacted a farming development law among the most advanced in Latin America. Tax waivers, import facilities and appropriations for loans should attract local and foreign investment into farming. The campaign has been co-ordinated with land distribution programs, so that substantial long-term investments are assured of continuity.

A government agency with farmers sitting as directors has been created to regulate the supply and demand of foodstuffs—if necessary by trading and importing on the open market. New farmland is being developed through irrigation projects in the coastal desert and forest clearing in the jungle. International loans have been negotiated for massive imports of foundation breeding stock, agricultural equipment and technical assistance. As an example, a U.S.$1 million loan repayable in 12 years was recently granted by Holland and calls for the supply of 1,600 Holstein heifers and cows.

Peru has 3.8 million head of cattle against a population of 12.5 million Peruvians rising by 3 per cent a year. Seventy per cent of this inventory is accounted for by the local mongrel variety called "criollo", a crossbreed founded haphazardly on stock brought in by the Spaniards during colonial times. Sanitary conditions are poor. Breeding, feeding and marketing methods are crude, with the exception of a few confined areas. There are local credit facilities for buying breeding stock under easy terms, but takers are few. In fact, the national stock of cattle has increased by only 3 per cent during the last five years.

Imports of fresh, chilled, frozen and on-the-hoof beef amounted to Cdn.$25.7 million in 1966. Dried and evaporated milk, with cheese, accounted for Cdn. $10.5 million, and butter imports for Cdn.$8.4 million during the same year. Imports of beef equal 25 per cent of local production and milk products 50 per cent. Should this trend continue, the deficit of beef is expected to rise to 74,000 metric tons by 1975 and that of milk to 265 million liters by the same year—all of which would have to be imported.

The absence of a ranching tradition in most Latin American countries has prevented Peru from developing competent professionals at all levels of the trade. Many attempts have been made during the last decade to establish the most suitable staple breeds for the three diverse natural areas of Peru. The only positive result so far has been to confirm that Holsteins fare well in the coastal desert and protected valleys of the sierra and Zebus develop satisfactorily in the jungle. The outcome of building up herds of other breeds and crossbreeds is still uncertain and will possibly continue to be so for the next ten or twenty years. Therefore, Holsteins are the main foundation stock, partly as a result of Canadian exports to Peru during the '20s and '30s. Heavy imports of Holsteins for breeding have been commonplace since 1959, but Canada only supplied 40 out of imports of 1,760 head in 1965, three out of 2,091 in 1966, and none of the 1,300 in 1967.

Peruvian cattlemen have the highest regard for Holsteins from Canada. Prices are attractive (though slightly higher than most other quotations) because of the quality offered. Shipping and insurance costs are not higher than for Argentina, Holland or Uruguay. As for financing, three-year credits are adequate, but five years would really place Canadian exporters in the lead.

Canadian cattle dealers interested in the Peruvian market would be well advised to appoint agents in Lima, as well as in a few chosen ranching centers. These agents should know personally most of the cattlemen in their respective areas and be able to talk shop authoritatively with them. The promotion of frozen semen would require extra dedication and perseverance to overcome the backland farmer's resistance to artificial methods; the exporter or his agent would need to offer an efficient and integrated insemination service and be prepared to make frequent donations to universities and livestock associations. Expert advice in the field would be just as important.

—LUCIO G. POMA,
Commercial Officer, Lima.

Foreign Commercial Representatives in Canada

ARGENTINA
Economic Counsellor's Office, Embassy of Argentina
211 Stewart Street
Ottawa

AUSTRALIA
Commercial Counsellor and Australian Government Trade Commissioner, Australian High Commission
90 Sparks Street
Ottawa

Australian Government Trade Commissioner
Canadian Imperial Bank of Commerce Building
1155 Oorchester Boulevard West
Montreal

Australian Government Trade Commissioner
Burrard Building, Suite 608
1030 West Georgia Street
Vancouver

AUSTRIA
Embassy of Austria
445 Wilbrod Street
Ottawa

Consulate of Austria
1132 Kensington Road N.W.
Calgary

Consulate of Austria
526 Young Avenue
Halifax

Austrian Trade Delegate
630 Dorchester Boulevard West, Suite 2275
Montreal

Austrian Consulate General
National Trust Building
1350 Sherbrooke Street West
Montreal

Austrian Trade Delegate
62 Richmond Street West, Suite 616
Toronto

Consulate of Austria
525 Seymour Street
Vancouver

Consulate of Austria
54 Harrow Street
Winnipeg

BELGIUM
Counsellor, Belgian Embassy
85 Range Road
Ottawa

Consul General of Belgium
913 Royal Bank of Canada Building, Place Ville Marie
Montreal

Consul General of Belgium
8 King Street East, Suite 1901
Toronto

Consul General of Belgium
Baxter Building, Room 916
1111 West Hastings Street
Vancouver

BOLIVIA
Consul General, Consulate General of Bolivia
4866 Cote des Neiges, Apt. 903
Montreal 26

BRAZIL
Office of the Commercial Attaché, Brazilian Embassy
450 Wilbrod Street
Ottawa

Brazilian Consulate General
1 Place Ville Marie, Suite 1505
Montreal

Brazilian Consulate
508/10 Rogers Building
470 Granville Street
Vancouver

BRITAIN
Minister (Commercial)
British High Commission Building
80 Elgin Street
Ottawa

The British Trade Commissioner in Alberta
Bank of Montreal Building, Suite 600
101st and Jasper Avenue
Edmonton

The British Trade Commissioner in the Atlantic Provinces
Centennial Building, 10th Floor
1645 Granville Street
Halifax

The Senior British Trade Commissioner in the Province of Quebec
635 Dorchester Boulevard West
Montreal

The British Trade Commissioner in Saskatchewan
815 Avord Tower
2002 Victoria Avenue
Regina

The Senior British Trade Commissioner in Ontario
200 University Avenue
Toronto

The Principal British Trade Commissioner in British Columbia
Bank of Nova Scotia Building
602 West Hastings Street
Vancouver

The British Trade Commissioner in Manitoba and Saskatchewan
Monarch Life Building, 4th Floor
333 Broadway Avenue
Winnipeg

BULGARIA
Bulgarian Trade Commission
1550 Maisonneuve Boulevard West, Suite 210
Montreal

BURMA
Embassy of the Union of Burma
Royal Trust Building
116 Albert Street
Ottawa

CEYLON
Commercial Secretary, High Commission of Ceylon
85 Range Road, Suites 103-104
Ottawa

CHILE
Embassy of Chile
56 Sparks Street
Ottawa

Consulate General of Chile
1745 Cedar Avenue, Apt. 101
Montreal

Consul of Chile
1575 West Sixth Avenue
Vancouver

Consul of Chile
132 Osborne Street
Winnipeg

CHINA, REPUBLIC OF
Economic Counsellor, Embassy of the Republic of China
85 Range Road, Suite 406
Ottawa

Consul General of the Republic of China
510 West Hastings Street
Vancouver

COLOMBIA
First Secretary and Consul, Embassy of Colombia
140 Wellington Street, Suite 112
Ottawa

Consul General of Colombia
1500 Stanley Street, Suite 320
Montreal

Consul of Colombia
67 Yonge Street, Suite 726
Toronto

Vice-Consul of Colombia
2705 West 22nd Avenue
Vancouver

COSTA RICA
Consul General of Costa Rica
462 Merton Avenue, St. Lambert
Montreal

CUBA
Cuban Trade Commissioner
3737 Metropolitan Boulevard East, Suite 1200, Ville St. Michel
Montreal

CZECHOSLOVAKIA
Office of the Czechoslovak Trade Commissioner
1280 St. Mark Street
Mootreal

DENMARK
Royal Danish Embassy
85 Range Road, Suite 702
Ottawa

Royal Danish Consulate General
1245 Sherbrooke Street West, Suite 1525
Montreal

Royal Danisb Consulate
151 Bloor Street West
Toronto

Royal Danish Consulate
1201 West Pender Street
Vancouver

DOMINICAN REPUBLIC
Consul General of the Dominican Republic
6609a St. Hubert Street
Mootreal

EASTERN CARIBBEAN (Barbados, Leeward and Windward Islands, British Honduras)
Commissioner, Eastern Caribbean Commission
14 Frontenac Street, Place Bonaventure
Montreal 3

ECUADOR
Chargé d'Affaires, Embassy of Ecuador
56 Sparks Street, Room 728
Ottawa

Consul General of Ecuador
2150 Maisonneuve Boulevard, Apt. 1105
Montreal

Honorary Consul of Ecuador
3000 Yonge Street
Toronto

Honorary Consul of Ecuador
1480 Arbutus Street, Apt. 1
Vancouver

EL SALVADOR
Consul General of El Salvador
1255 University Street, Room 926
Montreal

FINLAND
Embassy of Finland
85 Range Road
Ottawa

Trade Commissioner for Finland
1010 St. Catherine Street West, Suite 1114
Montreal

FRANCE
Commercial Counsellor to the French Embassy
10 John Street
Ottawa

Commercial Counsellor of France
Place Bonaventure, Floor F, Suite 32
Montreal 3

Commercial Counsellor of France
185 Bay Street
Toronto

French Trade Commissioner
736 Granville Street, Suite 1216
Vancouver

GERMANY
Commercial Counsellor
Embassy of tbe Federal Republic of Germany
1 Waverley Street
Ottawa

Consulate of tbe Federal Republic of Germany
11618 100th Avenue
Edmonton

Trade Commissioner
Consulate General of the Federal Republic of Germany
1505 McGregor Street
Montreal

Consulate General of the Federal Republic of Germany
77 Admiral Road
Toronto

Consulate of the Federal Republic of Germany
National Trust Building
325 Howe Street
Vancouver

Consulate of the Federal Republic of Germany
424 Wellington Crescent
Winnipeg

GHANA
Counsellor, Office of the High Commissioner for Ghana
825 Range Road, Suite 810
Ottawa

GREECE
Royal Greek Embassy
Chateau Laurier, Suite 110
Ottawa

GUATEMALA
Consul General of Guatemala
5165 Sherbrooke Street West, Suite 407
Montreal

HAITI
Consul General, Embassy of Haiti
150 Driveway, Apt. 111
Ottawa

Consulate General of Haiti
1985 Alfred Laliberté Street
Montreal 12

HONDURAS
Consul General, Consulate General of the Republic of Honduras
1225 St. Mark Street, Suite 101
Montreal

Honorary Consul, Consulate of Honduras
25 Adelaide Street East, 19th Floor
Toronto

HUNGARY
Hungarian Trade Commission
1390 Pine Avenue West
Montreal

INDIA
Second Secretary (Commercial)
Office of the High Commissioner for India
200 MacLaren Street
Ottawa

Trade Commissioner for India
924 West Hastings Street, 2nd Floor
Vancouver

INDONESIA
Economic Affairs, Indonesian Embassy
Box 233, Terminal A
Ottawa

IRAN
Imperial Embassy of Iran
85 Range Road, Apt. 502
Ottawa

IRAQ
Third Secretary, Embassy of India—Iraqi Interest Section
1801 P Street N.W.
Washington

IRELAND
Irish Trade Representative (Irish Export Board)
2100 Drummond Street
Montreal

ISRAEL
Consul and Trade Commissioner of Israel
1555 McGregor Street
Montreal

Consul for Economic Affairs of Israel
159 Bay Street
Toronto

ITALY
Commercial Counsellor and Senior Trade Commissioner
Embassy of Italy
172 MacLaren Street
Ottawa

Consul and Trade Commissioner for Italy
800 Place Victoria, Suite 3423
Montreal

Italian Trade Commissioner
100 University Avenue, Suite 510
Toronto

Italian Trade Commissioner
736 Granville Street, Suite 407
Vancouver

JAMAICA
First Secretary, Office of the High Commissioner for Jamaica
85 Range Road, Suite 203
Ottawa

JAPAN
First Secretary (Commercial), Embassy of Japan
75 Albert Street
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Consulate of Japan
Toronto-Dominion Bank Building, 5th Floor
10004 Jasper Avenue
Edmonton

Consulate General of Japan
1155 Dorchester Boulevard West, Suite 2001
Montreal

Consulate General of Japan
Toronto-Dominion Centre, Suite 1803
P.O. Box 10
Toronto 1

Consulate General of Japan
409 Granville Street, Room 1211
Vancouver

Consulate of Japan
Tribune Building, Room 301
Winnipeg

LEBANON
Embassy of Lebanon
660 Lyon Street
Ottawa

KOREA
Second Secretary and Consul, Embassy of the Republic of Korea
151 Slater Street
Ottawa

LUXEMBOURG
Consul General of the Grand Duchy of Luxembourg
3877 Draper Avenue
Montreal

MALAYSIA
Counsellor (Commercial), Embassy of Malaysia
2401 Massachusetts Avenue N.W.
Washington, D.C. 20008

MEXICO
Embassy of Mexico
88 Metcalfe Street, Room 706
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Consulate General of Mexico
1245 Sherbrooke Street West, Suite 1730
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Consulate of Mexico ad honorem
2040 Terrasse Stuart, Sillery
Quebec

Consulate of Mexico
372 Bay Street, Suite 309
Toronto

Consulate of Mexico
Burrard Building, Room 607
1030 West Georgia Street
Vancouver

Consulate of Mexico ad honorem
906-908 Confederation Building
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MONACO
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810 Tour de la Bourse, Place Victoria
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NETHERLANDS
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Netherlands Consulate
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10008 106th Street
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Netherlands Consulate General
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Netherlands Consulate General
159 Bay Street
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Netherlands Consulate General
475 Howe Street
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NEW ZEALAND
New Zealand Government Trade Commissioner
635 Dorchester Boulevard West, Suite 708
Montreal

New Zealand Government Trade Commissioner
409 Granville Street, Suite 615
Vancouver

NICARAGUA
Consul General, Consulate General of Nicaragua
3601 Decarie Boulevard
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NORWAY
Secretary, Royal Norwegian Embassy,
140 Wellington Street, Suite 700
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Consul General of Norway, Royal Norwegian Consulate General
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Montreal

Consul General of Norway, Royal Norwegian Consulate General
837 West Hastings Street
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PAKISTAN
Trade Commissioner for Pakistan
1230 McGregor Street, Suite 606
Montreal

PANAMA
Consul General, Consulate General of Panama
5531 Dupuis Avenue
Montreal

PERU
Second Secretary and Consul, Embassy of Peru
539 Island Park Drive
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Honorary Consul General of Peru
1475 Hollis Street
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Honorary Consul of Peru
4998 Maisonneuve Boulevard, Apt. 1003
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Honorary Consul of Peru
55 d'Auteuil
Quebec

Honorary Consul of Peru
57 Chestnut Park Road
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Consul General of Peru
525 Seymour Street, Suite 116
Vancouver

Honorary Consul of Peru
356 Main Street, 4th Floor
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PHILIPPINES
Philippine Consulate General
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POLAND
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255 Stewart Street, Apt. 58
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PORTUGAL
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645 Island Park Drive
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Consulate of Portugal
428 Barrington Street
Halifax

Consulate of Portugal
4920 Western Avenue
Montreal

Consulate of Portugal
P.O. Box 769
North Sydney

Consulate of Portugal
155 Laurier Avenue
Quebec

Consulate of Portugal
King's Bridge Court, Apt. 2D
St. John's

Consulate of Portugal
159 Bay Street, Suite 712
Toronto

Consulate of Portugal
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SOUTH AFRICA
South African Trade Commissioner
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Montreal

SAN MARINO
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1155 Dorchester Boulevard West, Suite 800
Montreal

Trade Commissioner for Sweden (Eastern Canada)
94 Cumberland Street
Toronto

Trade Commissioner for Sweden (Western Canada)
Dominion Bank Building, Suite 912
1111 West Hastings Street
Vancouver

SWITZERLAND
Counsellor, Embassy of Switzerland
5 Marlborough Avenue
Ottawa

Consul General of Switzerland
1572 McGregor Street
Montreal

Consul General of Switzerland
100 University Avenue
Toronto

Consul of Switzerland
1130 One Bentall Centre
505 Burrard Street
Vancouver

Consul of Switzerland
Tribune Building
257 Smith Street
Winnipeg

THAILAND
Consulate General of Thailand
1155 Dorchester Boulevard West
Montreal

Consulate of Thailand
Bank of Canada Building
250 University Avenue
Toronto

Consulate of Thailand
608-1445 Marpole Avenue
Vancouver

TRINIDAD AND TOBAGO
Trade Commissioner
1210 Sherbrooke Street West, Suite 200
Montreal

TURKEY
Commercial Counsellor
Turkish Embassy
197 Wurtemburg Street
Ottawa

UNION OF SOVIET SOCIALIST REPUBLICS
Commercial Counsellor, Embassy of the U.S.S.R.
24 Blackburn Avenue
Ottawa

UNITED STATES
Commercial Attaché, Embassy of the United States
100 Wellington Street
Ottawa

Consul General of the United States
805 8th Avenue S.W.
Calgary

Consul General of the United States
Bank of Nova Scotia Building
Halifax

Consul General of the United States
1558 McGregor Street
Montreal

Consul General of the United States
1 Ste. Genevieve Avenue
Quebec

Consul General of the United States
Harbour Building, Suite 701
133 Prince William Street
Saint John

Consul General of the United States
King's Bridge Road
St. John's

Consul General of the United States
360 University Avenue
Toronto

Consul General of the United States
Burrard Building
1030 West Georgia Street
Vancouver

Consul General of the United States
Kent Trust Building
500 Ouellette Avenue
Windsor

Consul General of the United States
6 Donald Street
Winnipeg

URUGUAY
Chargé d'Affaires a.i.
124 Springfield Road, Apt. 102
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Consul General of Venezuela
1980 Sherbrooke Street West, Room 850
Montreal

Consul of Venezuela
525 Seymour Street
Vancouver

YUGOSLAVIA
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17 Blackburn Avenue
Ottawa

Trade Representative for Yugoslavia
Interprogress Company Ltd.
2055 Peel Street
Montreal

Consul General of the SFR of Yugoslavia
377 Spadina Road
Toronto

Spanish Economy Slows Down

Government has introduced measures to stabilize economy and combat inflation; is readjusting its development plans. Canadian exports still rising, despite these economic restraints.

L. A. CAMPEAU, *Commercial Counsellor, Madrid*

■ The Spanish economy has since 1960 undergone a rapid expansion but the spectacular boom has produced dangerous inflationary pressures which the authorities have tried to keep in check by numerous measures. Last year brought a sizable trade deficit and a marked return of inflationary trends. The devaluation of the peseta in November 1967 to Pesetas 70 to the U.S. dollar, with post-devaluation austerity measures, continues to be the dominant economic influence. The deflationary measures announced by the Government and designed to stabilize the economy include restraint on spending in the public sector and more public stimulants to private investment, tariff reductions on certain products affecting the cost of living, and a freeze on all wages and prices through the end of 1968. These deflationary measures have had an adverse effect on the formerly buoyant economy, with many sectors of Spanish industry languishing for lack of orders and experiencing financial difficulties. Furthermore, the austerity program announced by the United States has complicated the problems and brought some anxiety about the effect on the Spanish economy. The U.S. is the main foreign investor in Spain, providing an estimated 70 per cent of all investment from abroad.

Second Plan Adjusted

Despite the austerity measures, the Government is determined to maintain economic growth by selective investment and the modernization of productive structures. The liberalization of foreign trade will be continued and so will the efforts to link Spain with the Common Market. The Second Economic and Social Development Plan 1968/71, which has these aims, is under revision because the new economic measures and the devaluation have changed the estimates originally set out for the Plan.

The main hope is that the Plan will correct the main structural weaknesses of the economy, especially in the agricultural sector. (In the past two years Spain has imported more agricultural products than it has exported.) In the industrial sector, which is fragmented, mergers under the "accion concertada" scheme will be officially encouraged. It has also been recommended that agricultural production be re-oriented to meet new consumer demands at present supplied by massive food imports, that public expenditure be reduced as much as possible, and that Spain's foreign exchange reserves be used to bolster private investment.

Trade Deficit Continues

Official figures on the balance-of-payments deficit for 1967 have not yet been published but it is estimated that it will be close to the 1966 deficit of U.S.$180 million. The saving factor is the tourist trade, which covers about 50 per cent of the trade deficit. However, it is expected that this year, with all the new restrictions in Europe, tourists will spend less and that the revenue will not appreciably exceed last year's figure. Remittances from Spanish workers abroad are also steadily diminishing as more Spanish workers are drifting back home because of the difficult conditions in some other European countries.

Faced with these problems, all kinds of questions are being asked about the outlook for the Spanish economy. On the other hand, there are favorable factors, such as foreign exchange reserves of U.S.$100 million and the stimulus given to tourism and exports by the devaluation.

Planning Emphasis Changed

Spain is a country in the development stage which is trying to achieve a high level of industrialization. The First Plan 1964-67 and the Second Plan, to cover the four years 1968-71, are aimed at the achievement of this target. The first Social and Development Plan has been extended for three months beyond 1968 until the Second Plan is approved by the Cortes. The Plan is being readjusted but fundamental directives will probably not be affected. It is expected that the program of public investment included in the original scheme, valued at 554,000 million pesetas (U.S.$8,000 million) will be maintained in its entirety.

The intention of the First Plan was to concentrate the greater part of public investment in transport, housing, irrigation and education, which were expected to absorb 65.7 per cent of public investment. The Second Plan will put more emphasis on agriculture and livestock raising. The First Plan fell far short of many of its targets but far exceeded others. The Second is adopting a more cautious and selective approach.

The principal aim of the Plan is to increase the national, regional, local and individual standard of living, with a view to changing certain economic infrastructures in the hope of eventually entering the European Common Market.

The Plan forecasts a real growth rate of 6 per cent and an industrial growth rate of 7 per cent. Exports are to increase by 16 per cent a year, compared with 10 per cent in the First Plan. The rise in imports is put at only 8.8 per cent, although the 9 per cent allowed in the First Plan was greatly exceeded. The annual rise in the cost of living is set at 3 per cent, though last year it rose by 6.4 per cent.

TABLE I

SPAIN'S FOREIGN TRADE

Year	*Trade with EEC* *Imports* (*millions of U.S.$*)	*Exports*	*EEC trade as % of total world trade* *Imports*	*Exports*	*Per cent of trade with Europe* *Imports*	*Exports*
1964	811.8	371.5	35.9	38.9	62.8	56.7
1965	1,124.4	336.3	37.3	36.6	63.9	56.2
1966	1,345.1	419.6	37.5	33.5	64.9	55.4

TABLE II

SPANISH FOREIGN TRADE BY COUNTRIES—1966

	Imports (*millions of U.S.$*)	*Exports*		*Imports* (*millions of U.S.$*)	*Exports*
EEC	1,345	419	Colombia	26	30
EFTA	640	255	Cuba	38	78
Eastern Europe	49	60	Mexico	17	16
Rest of Europe	36	20	Venezuela	35	12
Canada	36	13	Rest of America	76	39
United States	608	147	Africa	190	71
Argentina	113	30	Asia	313	28
Brazil	28	12			

Joining the EEC

Spain's six-year-old application to join the EEC is now at last under study. The implications of any form of economic association are serious and future economic development must be geared to this possibility.

The problem of Spain in its relations with the EEC is strongly conditioned by the fact that European countries take about 60 per cent of its total exports, of which over 50 per cent consists of agricultural products. On the other hand, without a striking increase in exports of manufactured products, Spain runs the risk of economic stagnation and isolation from the rest of Europe.

Since 1962, when Spain submitted its first application to join the EEC, it has lodged several new applications for the opening of negotiations. Although the country was offered what amounted to a trade agreement with the EEC, this was not accepted. In 1967, official negotiations finally commenced, with the EEC deciding in favor of a preferential agreement with Spain as a first step towards association. It was decided that Spain would lower its tariffs on selected manufactured products by 40 per cent over six years and the EEC by 60 per cent over four years. Negotiations are to be resumed again this year.

Foreign Trade

It is interesting to analyze Spanish trade with the EEC in relation to its total world trade and trade with Europe. Table 1 illustrates this.

In 1967, Spanish gross national product (GNP) was estimated at about U.S.$27 billion, a 6.5 per cent increase in real terms over 1966; per capita income reached $675. Figures for the first eleven months of 1967 reveal a deficit of U.S.$1,970 million. Imports fell 2.2 per cent from the same period in 1966, to U.S.$3,202 million; Canada's share was Cdn.$34.6 million. Through November, Spain's exports rose 12.2 per cent to $1,233 million, with Cdn.$15.4 million shipped to Canada, a 14.5 per cent jump over 1966. During 1967, about 58 per cent of Spanish imports came from Europe and 28 per cent from America. Within Europe, 38 per cent of the total trade was carried on with the Common Market, 17 per cent with the EFTA group, and about 3 per cent with the rest of Europe. On the other hand, Spanish exports were distributed as follows: Europe 60 per cent, America 30, Africa 5, Asia 4 and Oceania 1. Of the sales to Europe, 32 per cent of the total went to the Common Market and 20 per cent to EFTA. The principal commodities imported by Spain are machinery and electrical equipment, minerals, animal products, metals, chemicals and transport equipment.

The large trade deficit continues to be of great concern to the Government, particularly because in the last few years tourist revenues, exports, foreign investment and remittances from Spanish workers abroad have not been sufficient to close the gap. As a result, the deficit in the balance of payments has been growing and the foreign exchange reserves declining. The Government is trying to stimulate exports in every way but it is difficult to avoid large imports in a country engaged in economic development with expansion in every direction. With plans to increase cattle-raising, to devote more acreage to feed grains, and to increase productivity in agriculture by greater mechanization, use of fertilizers and irrigation projects, it is hoped Spain may again become a net exporter of foodstuffs.

The 1967 figures for the geographical distribution of Spain's foreign trade are not yet available, but the 1966 figures in Table I above are interesting.

Trade with Canada

In spite of credit restrictions and administrative restraints on imports, Canadian exports for the year 1967 reached Cdn.$39.6 million, an increase of $2.7 million over the year before. Since 1962, when the Spanish Government adopted a policy of trade liberalization, Canadian exporters have done well in Spain. There has been little change in the general pattern of our trade with Spain except that we have introduced our cattle, aircraft and electronic equipment to the Spanish market in the last few years. The increase is also reflected in larger Canadian exports of foodstuffs, metal, pulp and lumber.

Our purchases from Spain for the period January/November 1967 rose by Cdn.$4.3 million, indicating the strong accent placed on export promotion by the Spanish Government. The principal Canadian products sold to Spain in 1967 were cattle, poultry, codfish, barley, hides, flaxseed, pulpwood, copper and copper scrap, asbestos, sulphur, upper leather, lumber, wood pulp, newsprint, synthetic rubber, steel products, aluminum, construction machinery, pulp and paper machinery, automobiles, aircraft and engines and parts. The main Spanish products sold to Canada last year were olives, almonds, vegetables, textiles and yarns, shoes, cork, liquors, salt and brine, furs, glass, machine parts, lighting fixtures and parts, tools, mercury, furniture, motorcycles, olive oil, canned goods, leather goods, shotguns.

Outlook

In the face of the recent peseta devaluation and until Spain can restore its balance of payments to equilibrium, the prospects for Canadian exports are somewhat uncertain. It is unlikely that Spanish imports this year will increase substantially, at least until foreign exchange reserves are larger. Although Spain's imports are not expected to decrease drastically, shipments from Canada, because of devaluation, will cost more in certain instances, and may be at a disadvantage compared with products coming from countries which have also devalued. It is too early to assess the impact on the economy of the devaluation and the recent austerity measures but many businessmen and industrialists are adopting an attitude of wait-and-see, which will undoubtedly have some effect on investments in this country. Already in 1967 there were some indications of the slowdown in the tempo of economic activity and it seems inevitable that this will increase during the current year. Although the danger of the devaluation and accompanying measures may carry deflation too far, it may bring some improvement in the balance of payments. Because most Canadian products sold to Spain can be classified as essential, it is expected that Canadian exports in 1968 will maintain their 1967 figure and may even show a moderate increase.

AUTOMATION

Many of the electronic products Spain's growing industries need are imported. Now is the time to check the market to see if your product would sell.

L. A. CAMPEAU,
Commercial Counsellor, Madrid.

■ Spain is still a predominantly agricultural country but industry has made great strides since 1959, when the Government introduced its stabilization plan and joined the OECD. There are concentrations of heavy industry in the northern provinces of Vizcaya and Asturias and much of the light industry is to be found in Catalonia. Madrid, however, is now beginning to overtake them in industrial and commercial importance. This is partly because of the old centralizing tendency and partly because Madrid is becoming a distribution center for the new industrial areas of the south and southeast (the Levante).

Targets for industrial growth set by the Economic Development Plan should ensure a good market for electronic apparatus and instruments. Canadian exporters may find it difficult to compete in sectors already reasonably well covered by local industry, for example, radio and television sets, certain types of telephones, and record players. There is, on the other hand, an interesting market for sophisticated equipment which is not yet made in Spain. The Canary Islands enjoy free port facilities and foreign electronic equipment can be sold there in competition with the Spanish product.

Some of the Problems

One of the main obstacles that exporters of electronic products to Spain have to surmount is the need for import licences. Customs duties and excise tax sometimes form a high barrier also. Exporters may have difficulty in finding an efficient and reliable agent, and a good agent is absolutely indispensable. Government agencies and private firms buying high-priced equipment look for extended credit terms. In the present difficult situation, firms which cannot get adequate credit locally because of official restrictions try to get it from their overseas suppliers.

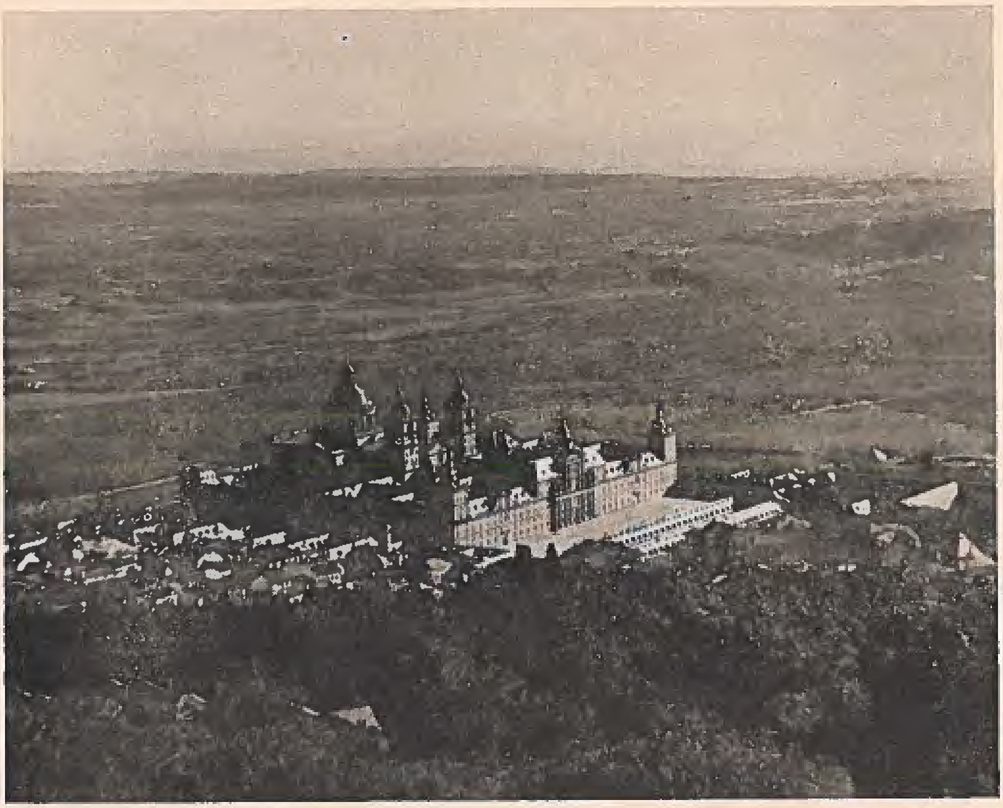
In capital goods, the Government gives substantial protection to local manufacturers, but sophisticated essential components for incorporation into locally made equipment may be imported duty-free. Most of the important local manufacturers are partly foreign-owned or work under foreign licences on a royalty basis. They are firmly entrenched, particularly in the television industry. (You can judge the progress made by the electronics industry and get an idea of the total market from the tables on page 28.) Exporters should bear in mind that the metric system is used in Spain and that catalogues and trade literature should, wherever possible, be in Spanish.

The import statistics in the table show both total imports of electronic products from all sources and Canada's share of the trade. Unfortunately, Spanish statistics include some electrical goods under the same customs heading. The 1967 figures are estimates. In order of importance, Spain's main suppliers are West Germany, the United States, Britain, France, Switzerland, Italy, Sweden, Holland, and Belgium. The U.S. supplies 15 per cent of the total. Canada's share is very small and leaves plenty of room for improvement.

Some of the Opportunities

Radio and Television Sets and Parts—Exporting these to Spain is extremely difficult because high tariffs protect local industry. The Canary Islands still offer a small market because they provide free port facilities but Spanish products are becoming more competitive in the Islands. There are at present approximately 50 radio and

Where Don Quixote Used to Ride



The monastery of El Escorial, built by Philip II in the 16th century, looks out over Castille and symbolizes the grandeur of old Spain. It is dedicated to St. Lawrence and is laid out in the pattern of a gridiron. Many of Spain's kings are buried there.

television set manufacturers and assemblers in Spain. Because of austerity and credit restrictions, these manufacturers are faced with a large accumulation of stocks.

Transmitters—Import prospects appear good for transmitters and transmitter/receivers, radio directors, echo-sounders, remote control and other detectors, and components and spares. The bulk of imports consists of items which are not made in Spain or production of which is inadequate in quantity or quality. Manufacturers import high quality parts which are not locally available, for example transistors, certain electronic tubes, tuners, high frequency electrolytic capacitators, and resistors. Some firms with foreign licences are committed to importing their requirements from the licensors.

Communications—Telephone, telegraph and radio communications are under state control. This monopoly does not cover internal communication systems, which are being imported. Leading U.S., British, Swedish, and German companies sell this equipment or assemble it locally. Most imported telephone equipment has to be approved by the national telephone company, and servicing must be adequately guaranteed. Radio and telegraph communications are handled by ENTEL (Empresa Nacional de Telecomunicaciones SA), a state-owned agency under the jurisdiction of the National Institute of Industry (INI). Requirements are normally met by calling for public tenders.

Transport—Signalling and control equipment is mainly imported. A British firm was recently awarded a trial order by public tender for transistorized traffic signalling to be installed in Madrid and Barcelona. If the system proves successful, other tenders will be called. The Spanish State Railways (RENFE) have been allocated World Bank Funds; under World Bank rules, purchases must be open to international tender.

Flight, Navigation, and Meteorological Instruments—The more sophisticated instruments and those which it is not economic to make locally are imported. There are also prospects for certain essential parts which a number of Spanish manufacturers have to import. Spain makes compasses, nautical instruments, flight instruments, radar and meteorological instruments, and ship communication equipment. Testing of the instruments is undertaken by the Instituto de Investigaciones Electronicas de Madrid. The Instituto does not operate on a commercial basis but its services are available to Spanish manufacturers. The main buyers of electronic meteorological instruments, etc., are the Spanish army, navy and air force (each indents for its own requirements), universities, shipbuilders and shipowners. Aircraft used by the national airline are normally fitted with the equipment specified by foreign aircraft manufacturers. Locally made or assembled aircraft are fitted with Spanish instruments when available, or with those recommended by the licensors. When the Spanish armed forces are in the market for electronic equipment, international tenders are usually called.

Industrial Process Instruments and Equipment—This sector offers considerable scope to enterprising exporters. Some Spanish industries are striding ahead, others are lagging behind. Among the most progressive are the automotive, chemical, petrochemical, cement, electrical power, shipbuilding, and electrical domestic appliance industries. The many government schemes to modernize and rationalize Spanish industry should afford good openings for exporters of all kinds of industrial electronic equipment and devices, and automation or semi-automation measuring and control instruments. One of the best customers for such modern electronic equipment is INI (the National Institute of Industry), a wide-ranging agency of the Spanish Government. Water, electricity and gas, and other public services in Spain are publicly owned.

Drafting and surveying instruments, microscopes, spectrometers, microtomes, polarographs, polarmeters, spectrophotometers, photometers, partical sizers and counters, and refractrometers are imported but there is also some local production. The principal suppliers are West Germany, Switzerland, Britain and the U.S.

WHAT SPAIN BUYS FROM ABROAD

	1966		*1967*	
	From all countries	*From Canada*	*From all countries*	*From Canada*
		(thousand pesetas)		
Distillation apparatus including oxygen column separators	85,376	8,143	51,394	669
Other machinery, plant and similar lab. equipment for treatment of materials by process involving change of temperature	996,884	253	692,399	230
Echo sounders, etc.	90,091	nil	143,711	1,217
Electronic and electric traffic equipment	8,676	nil	21,668	675
Electronic and electric sound or visual signalling equipment	35,303	3	37,423	nil
Thermionic, cold cathode and photo cathode valves and tubes	655,578	35	736,635	80
Astronomical instruments	2,058	nil	2,396	nil
Microscopes and diffraction apparatus, electron and proton	10,749	nil	13,661	nil
Compound optical microscopes	34,530	nil	47,618	nil
Optical appliances and instruments	15,575	nil	4,254	nil
Surveying, hydrographic, navigational, meteorological, hydrological and geophysical instruments, compasses and rangefinders	111,242	198	116,265	nil
Medical, dental, surgical, veterinary instruments apparatus	207,829	82	217,995	71
Mechanotheraphy appliances	32,288	nil	33,521	nil
Apparatus based on use of x-rays or radiation of radioactive substances	148,160	6	183,614	141
Instruments, apparatus or models solely for demonstration	24,669	39	31,977	399
Machines and appliances for testing hardness, strength, elasticity, etc.	57,695	nil	49,281	nil
Hydrometers and similar instruments	43,093	nil	49,413	4
Instruments and apparatus for measuring, controlling, etc.	425,025	nil	389,751	496
Instruments and apparatus for physical or chemical analysis	77,247	276	73,814	69
Electrical measuring, analysis, checking, etc. instruments	936,144	1,846	937,796	1,315
Electronic and electrical recording apparatus with clock or watch movements, etc. for measuring intervals of time	26,534	nil	17,014	16,023
Total, thousand pesetas	**4,024,745**	**10,881**	**3,851,598**	**21,382**
Total Canadian dollars	**62 million**	**167,000**	**59 million**	**329,000**

1967 figures are estimates.
Table includes some electrical products.

WHAT SPAIN'S ELECTRONIC INDUSTRY PRODUCES

	1958	*1966*
	(thousand	*pesetas)*
Machinery for the production and use of electricity, generators, electric motors, transformers, furnaces, electric welding equipment, rectifiers and parts, etc.	67,601	91,538
Equipment and apparatus for transmission and distribution of electricity, condensers, control apparatus, etc.	34,641	112,862
Apparatus for measuring, regulating and verifying, electricity meters, etc.	8,673	2,800
Electronic tubes	2,468	11,600
Telephone apparatus	2,380	10,917
Telegraph installations	91	610
Telephone exchanges	9,553	19,507
Radio communications and apparatus	1,574	4,487
Radio receivers	10,483	5,983
Transistor sets	nil	11,451
Television sets	1,069	3,406
Record players	1,695	7,646
Tape recorders	nil	758
Movie equipment	728	2,436
Signalling equipment	nil	1,809
Telecommunication and other movie equipment, parts, etc.	2,229	28,263
Arc lamps, fluorescent tubes, etc.	4,265	17,797
Electrical equipment for transport vehicles	11,000	22,300
X-ray, dental and other medical equipment including electro-domestic apparatus	17,617	90,288
Non-specified, including batteries, accumulators, electrodes and carbons	12,949	23,759
Total, thousand pesetas	**189,016**	**550,217**
Total, Canadian dollars	**2.9 million**	**8.5 million**

Table includes some electrical products

Nuclear and Electronic Accessories—The demand for electronic instruments for atomic energy research and atomic power plants will increase steadily as nuclear power plants are built. This may create interesting prospects for Canadian manufacturers. It is reported that three 500 MWe. plants will be needed in Spain by 1973 and another two by 1977. By 1980 two more 600 MWe. plants will be installed and nuclear power will then reach 8,000 MWe.

Shipbuilding—The potential of the Spanish shipbuilding industry should not be overlooked. Under the joint action program, existing yards will be merged into three large concerns with the help of government incentives. A high percentage of instruments is imported because either the instruments are not available in Spain or because foreign shipowners specify them.

Office Equipment—Electronic machines are wanted for factories, stores, shops and large establishments. It is estimated that there are at present 1,000 computers installed in Spain. Greater concentration of industry through mergers as a result of the many government incentives will create a bigger demand for electronic equipment of every description. Leading international manufacturers have offices or agents in Spain.

Electronic Medical Equipment—Most products in this field are imported, except for elementary X-ray apparatus, electroencephalographs, electrocardiographs, kymographs, sphigmographs, electromyographs, and certain X-ray tubes. There is scope for Canadian manufacturers who can offer high performance and attractive design.

Research and Education—The Spanish Government will spend large sums in the Second Four Year Development Plan on all forms of research and education (in 1970, $169 million on research alone). Applications from foreign concerns wanting to establish new plants in Spain will be considered only if part of the profit is earmarked for research. Spanish manufacturers and wholesalers of scientific equipment have recently formed a non-profit association to promote research and to give guidance on scientific matters called the Agrupación de Instrumentación Científica y Técnica. Foreign scientific equipment manufacturers represented in Spain are encouraged to become members.

How Business Is Done

It is difficult to generalize on payment terms for such a wide range of electronic instruments and equipment. Confirmed irrevocable letter of credit or cash against documents after arrival can sometimes be obtained for medium- to low-priced instruments, sold direct to end users. Agents buying on their own account and wholesalers are often obliged to grant relatively long credit to their customers and consequently ask for credit terms or cash discounts. Because of the credit restrictions temporarily in force, Spanish importers are encouraged to obtain credit from foreign suppliers.

Only a small number of Spanish agents are well qualified to handle electronic equipment. Exporters should make sure that the agent they choose is technically capable of providing effective sales promotion and giving service. As an alternative, many foreign manufacturers have either set up a selling subsidiary or formed a joint stock company and have appointed skilled personnel, trained by themselves, to manage it. Others send qualified representatives on frequent visits to customers and prospects. For sophisticated instruments of new design, it is essential that the agent should be able to train the customer in their use and also to carry out repairs; the agent must also stock replacement parts likely to be needed frequently. Where feasible, he should conduct demonstrations. In Spain a buyer often tips the scales in favor of the agent who creates confidence, is efficient and inspires friendship.

The Spanish electronic industry is still in its infancy and much sophisticated industrial, medical and research equipment has to be imported. Canada's share of this trade has been insignificant up to the present. The actual cause is difficult to assess but it could be lack of information about the potential of the Spanish market.

One way of getting a footing in the Spanish market is to manufacture there, provided that the demand justifies it. In official tenders, preference is of course given to products entirely or partly made locally. The demand is generally for average to good quality, medium-priced equipment of modern design and attractive appearance, but in some cases only the most advanced equipment is acceptable.

If you make expensive and sophisticated equipment, send a representative to Spain frequently, both to get the feel of the market and to call on prospective buyers. The Canadian Commercial Counsellor in Madrid can help plan itineraries and arrange appointments for you.

Austria Barters Pipes for Gas

■ An agreement under which the Soviet Union will supply natural gas to Austria, the first such agreement to be made with a Western country, was signed in July. Austria will buy Soviet natural gas for 23 years, deliveries to begin this fall. Starting with 300 million cubic meters in 1968, sales will rise to 800 million next year, 1,000 million in 1970, and 1,500 million from 1971 on. The price has been fixed at approximately U.S.$0.04 per cubic meter for the first seven years. Payment will be mainly in the form of steel pipes from VOEST (United Austrian Iron and Steel Works).

VOEST is to supply 520,000 metric tons of pipe worth U.S.$100 million and will have it made in West Germany by Mannesmann and Thyssen, using Austrian steel. The pipe will be 42 and 48 inches in diameter and is for a Siberian pipeline. VOEST is also acting as general contractor for the supply of Austrian-made electric cables and metal-foil manufacturing units, with an approximate value of U.S.$15 million. Finance will be provided by a consortium headed by the Austrian Kontrollbank and will take the form of granting the Soviet Union a credit of U.S.$110 million at an annual interest of 6 per cent, to be repaid by gas deliveries. When the pipe deliveries have been completed, payment for gas will be either in cash or, in view of Austria's bilateral trading arrangements with the Soviet Union, possibly in kind. The gas will reach Austria via existing pipelines in Czechoslovakia.

This is typical of the old village farm in Germany. The farm buildings are in the village and the cattle must be driven every morning to the fields some distance away, and then brought home each evening for the milking.

Focus on German Agriculture

West Germany has three times as many farms as we have, employs four times as many people on them, and produces more food than we do. Yet we think of Germany only as an industrial state.

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

■ Most people think of West Germany as an industrial state but a closer look reveals that agriculture has been important in the past and still is today. It is, of course, true that the population to land ratio is high and Germany does not produce enough food for its needs. Nevertheless, tucked somewhere between the sprawling cities with their smoking factories and modern buildings there are a million and a half farms, giving employment to 2.8 million workers or more than 10 per cent of the labor force.

Because the climate is similar, German and Canadian farms produce a similar range of agricultural products and harvest them at about the same times of year. Canada grows more food than it needs; Germany produces only 70 per cent of its food and feed requirements and has to import the other 30 per cent (including tropical products). Food imports and Canada's share of the trade were discussed in the February 3, 1968, issue of *Foreign Trade*.

Tackling Structural Problems

The average German farm is much too small for rational agricultural production. Half the farms, in fact, are under 15 acres. The Government has for a long time encouraged amalgamation and indeed much has been done. Since 1950, the number of farms has been reduced by 500,000 (25 per cent). The decrease has been almost exclusively in farms of less than 15 acres. The average size of farm has increased from 18 to 24 acres.

Progress has, however, been slow because of resistance by small land owners. Love of the land is a German characteristic. Many people who have lived and worked in the cities for years still own small farms which have long been in the family. Others live on farms but work in nearby towns or cities and leave the farming to wives and neighbors or do it themselves at weekends. Land has always been associated with security in this country; in the event of catastrophe, a piece of land can feed a hungry family. Two World Wars, the depression, and two currency collapses in 50 years have reinforced the belief that in the final analysis land is better than money in the bank.

Another major structural defect is the fragmentation of farm holdings.

A farm may consist of two, three, or even twenty scattered parcels of land. This arises from the former practice of splitting an inheritance so that several children would each have a piece of land. Marriage then complicated the picture by bringing small separate parcels together into a farm unit. Inheritance laws have been changed to prevent fragmentation of small farms and consolidation by exchanging parcels of land has been strenuously pressed. Since 1945, about a third of the agricultural land has been consolidated.

Linked to the problem of fragmentation is the problem of farm buildings being in small villages rather than on the land. This is particularly evident in the provinces bordering the Rhine and Main. It can be traced to a preoccupation with defence in areas which have been ravaged by war so often in the last two or three centuries. However picturesque these old villages may be, they are highly impractical for the farmer who must set out on his tractor daily to cultivate, seed, or harvest distant parcels of land, or simply to cut green fodder for cattle which are housed back in the village. Often the farmer has to drive his cattle to and from the village each day for grazing.

Today, however, there is cheap credit for the farmer who leaves the village and builds modern farm buildings on his consolidated land. Many modern farms have been built but insufficient investment capital has prevented more than token progress in problem areas.

There are other problems in German agriculture, such as low income (agriculture employs over 10 per cent of the labor force and produces only slightly more than 4 per cent of the GNP) and high input costs (Germany is over-mechanized with 68 tractor hp. to every 100 acres). Most can be directly linked to structural faults.

Animal Products Predominate

A little more than half West Germany's land area, or 35 million acres, is used for agriculture. Of this, 41 per cent is grassland, 59 per cent is arable. Table I shows the main crops and average yields. Canadians will be surprised at the excellent yields and the emphasis on root crops—regular and sufficient rainfall and intensive labor on small farm units are two reasons for this. The larger part of the crops go to feed livestock. In fact, 75 per cent of agricultural land in West Germany is used to grow fodder or feed for livestock.

Animal husbandry is the main source of income for German farmers, accounting for 76 per cent of farm sales compared with 24 per cent for plant products. Cattle are by far the most important, followed by swine, poultry, sheep and goats, (see Table II).

There are more than 13.5 million head of cattle (less than half of which are milking cows); virtually all are dual-purpose breeds. The average herd is small—4.6 milking cows with slightly more young or fattening stock. In spite of constant research, the agricultural authorities still recommend the dual-purpose animal as most economic for German conditions. Land is relatively scarce and too expensive for strictly beef animals, despite a national shortage of beef; a small surplus of dairy products goes against a purely dairy breed. There have been repeated experiments in recent years in introducing Canadian Holstein-Friesian blood into dual-purpose stock to improve performance.

The most common breed of cattle in Germany is the Black and White, a distant cousin of our Canadian Holsteins. Other breeds (in order of importance) are Red and White, Spotted Mountain, Brown, and Angler. There are also very small numbers of specialized animals such as Jerseys and Aberdeen Angus.

Pig breeding is the second most important animal industry. There are approximately 18 million pigs, about 90 per cent of them German Improved Landrace. German Large White and a variety of other breeds account for the remainder. Excellent breeding programs lowered the feed-conversion ratio in hogs from 3.82 pounds of feed to 3.18 for one-pound gain between 1953 and 1965.

Poultry raising is important but not nearly as advanced as in North America. There are some 40 million laying hens, most of them hybrids of

TABLE I

AVERAGE CROPS, ACREAGE AND YIELDS — 1960-65

Type of Crop	Acreage	Percentage of crop acreage	Average yield lb./acre	Feeding value lb. grain equivalent/acre
Grains	12,311,000	64.3	2,640	2,640
Potatoes	1,958,000	10.2	21,120	5,390
Fodder beets	902,500	4.7	40,920	4,410
Sugar beets	747,500	3.9	32,220	8,380
Other crops (pulses, cash crops, horticulture, etc.)	3,206,000	16.9	....	....
Total cropland	19,125,000	100.0		
Grassland	15,875,000			
Total agricultural area	35,000,000			

TABLE II

VALUE AND IMPORTANCE OF AGRICULTURAL PRODUCTION

Product	*Value (million U.S.$)*	*Share of total (per cent)*
Cow's milk	1,788	27.8
Pigs	1,385	21.5
Cattle	1,029	16.0
Eggs	388	6.1
Calves	158	2.5
Poultry	80	1.2
Sheep & goats	19	0.3
Plant products	1,550	24.1
Other	31	0.5
Total	6,428	100.0

TABLE III

SHARE OF TOTAL CONSUMPTION PRODUCED IN GERMANY

	(per cent)
Fluid milk	100
Butter	100
Pork	97
Animal fat	94
Beef	81
Eggs	80
Cheese	57
Poultry	42

the Leghorn type. West Germany relies heavily on imported breeding strains to improve breeds, especially for the broiler industry which is still under-developed.

Sheep and goat raising were relatively important before World War II but have all but died out.

Animal production is not sufficient to satisfy domestic consumption. The deficit is shown in Table III.

Tobacco, Fruit and Vegetables

Like Canada, West Germany grows tobacco on a limited scale. It has 200,000 acres of orchards which produce (in order of importance) apples, pears, plums and cherries. Cabbages are grown in large quantity for the well-known sauerkraut. Hops, grown extensively in certain areas, may be the secret of German beer's fame.

Grapes are the most romantic of these special crops. Rhine and Moselle wines are known to educated palates the world over—their exquisite flavor is matched only by the beauty of the vineyards from which they come. There are 200,000 acres of vineyards in Germany, most on or near the sloping banks of a river and frequently within sight of a ruined knight's castle built 800 years ago. Sloping banks is perhaps an understatement. Particularly on the Rhine, the banks are little more than cliffs, laboriously terraced over the ages to make room for vines. Vineyards are to be found along many other rivers, including the Main, Ahr, Neckar and Saar.

Canadian Viewpoint

The consolidation of land into larger, more easily operated farms will bring with it changes in farming methods. The present emphasis on certain crops may alter too. Canadians with specialized equipment to sell and suppliers of breeding stock should watch developments closely. The Canadian Trade Commissioners in Germany welcome inquiries from exporters and potential exporters and are glad to provide assistance.

South African Market for Automotive Parts

■ The second phase of the local-content program for passenger vehicles was introduced in July 1964 by the South African Government. Models which had 45 per cent local content by weight (excluding tires and tubes) and for which the manufacturer submitted, between July 1, 1964, and June 30, 1966, a program to raise this content to 55 per cent by weight within 3½ years could be imported without limit. They received higher rebates on the excise duty, then S.A. 11 cents per pound payable on all cars assembled locally, a percentage of which was returned. This phase of the Government's program ends on December 31, 1969, and as a result of these measures, 32 models have already been declared "manufactured". That is, they have reached the required 55 per cent local content.

There are about 700 companies in the Republic supplying parts to the automobile manufacturers. During the eight years from 1958 to 1966, the purchase of South African-made components by local manufacturers, for original equipment and for replacement, has increased at an average annual rate of approximately R.40 million. In spite of this, the Government believes there is room for the further use of South African-made components. With this in mind, it has decided to invite the motor manufacturers and representatives of the components manufacturing industries to attend a meeting to discuss how to step up purchases of locally made parts. The Government is particularly concerned because the present scheme requires a certain local content by weight. This has resulted in the incorporation of heavier components to the exclusion of those that do not contribute materially to the excise weight of the vehicle. The Government appears to think that use of high value/low weight components could be increased by placing higher duties on imports of these components to protect local manufacturers, rather than by offering additional excise rebates.

This second phase of the Government's program to promote local content will be completed by the end of 1969. It has been suggested that it will be followed by a new series of measures to boost local content.

Canada's growing automotive components industry seems well placed to take advantage of the opportunities presented in South Africa. Imports of automobile components are still large and it is doubtful whether South Africa will ever be completely self-sufficient in this field. In 1966 it imported R.34* million worth of automobile components and accessories from all sources; imports from Canada of automobiles and automotive parts totalled Cdn.$17.268 million and represented 23 per cent of our total trade with South Africa.

In addition to the possibility of selling components for incorporation into vehicles, Canadian manufacturers of automobile accessories added by the owner should not overlook this market. Car ownership is widespread and growing; one in every thirteen South Africans owns a motor vehicle and over the past 35 years the number of cars has increased from 113,002 in 1928 to 1,111,426 in 1963. Only six other countries have higher figures for motor vehicle ownership. South Africans love to boost the performance and improve the appearance of their cars by the addition of a myriad of gadgets and gimmicks, as the sales window of any garage will verify.

Canadian manufacturers interested in the possibility of exporting their products to this market should provide full details and prices to one of the two Canadian Trade Commission offices in South Africa. The Trade Commissioner can then carry out an initial market survey. Write to P.O. Box 683 in Cape Town or to P.O. Box 715 in Johannesburg.

—DONALD H. LEAVITT
Assistant Trade Commissioner
Cape Town

*One South African rand equals Cdn.$1.50.

U.S. West Coast Electronics Industry

Product of the U.S. electronics industry, this spectra-physics laser alignment instrument, the Transit-Lite, is being used during dredging operations for the San Francisco BART, the transit tube to be built under San Francisco Bay.

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

■ The West Coast electronics industry is continuing its rapid growth and this means more opportunities for Canadian manufacturers. Many firms are already active here. Kaar Electronics Inc., a subsidiary of Canadian Marconi, manufactures in California and includes Canadian items in its selling line. Others sell through agents or manufacturers' representatives. Canadian subsidiaries are able to sell in their parent's backyard because production in the electronics industry is so highly specialized.

Research done at universities, such as Stanford and the University of California at Berkeley, provided the base for the electronics industry which is now heavily involved in the aerospace field and in research and development. Less of its output goes into consumer products than in the East Coast electronics industry.

Northern California has a big slice of the market for semi-conductors and integrated circuits. Instrumentation is important also and Hewlett-Packard, the largest U.S. instrument manufacturer, is located here. Most of the firms making or doing research on metal oxide semiconductors — Fairchild, Philco-Ford, Union Carbide, National Semi-Conductors—are in the peninsula, south of San Francisco.

Defence production is important but it is not a major factor in Northern California. The President of the Western Electronics Manufacturers Association recently said that an immediate end to the war could double the projected 7 per cent increase in annual sales.

Factory sales of electronic products in 1967 totalled U.S.$22.15 billion. The figure for the West was U.S.$5.8 billion. Los Angeles was the leading producer, followed by the San Francisco Bay area.

A survey by the Western Electronics Manufacturers Association indicates that sales in 1968 will reach U.S.$6.2 billion, compared with U.S.$5.8 billion last year. This 7 per cent growth rate is less than in former years and reflects reduced government spending on NASA and research and development. It is interesting to compare forecasts for the whole country made by Dr. L. C. Maier, Jr., of the Electronic Components Division of GEC. He predicted 7 per cent for electronic components, 6 per cent for the communications industry, 9 per cent for the computer industry, and 8 per cent for industrial electronic equipment.

Many Canadian firms are selling to the market, most of them through an agent. Buyers in California, with few exceptions, prefer to have a local contact. There is a certain reluctance about using expensive long distance calls. Competitors' salesmen make regular calls. Your agent must do the same, if you are to get the business.

It is estimated that in 1966 the electronics industry here bought U.S.$2.45 billion worth of products. Communications and detection equipment is the largest category of purchases, followed by circuit components. Then come computers and data processing equipment, instruments, and a variety of other products. The total is about three times the entire Canadian electronics output, which gives you an idea of the size of the market. Typical Canadian products sold here are transistor heat sinks, special fasteners, servo assemblies, potentiometers, laboratory bridges, capacitors, and wire.

The Department of Trade and Commerce has participated in the Western Electronics Conference (WESCON) and may do so again in 1969. The show is held in San Francisco and Los Angeles in alternate years; it is San Francisco's turn in 1969. WESCON is the main show on the West Coast and is sponsored by the Western chapters of the Institute of Electrical and Electronic Engineers. Attendance in 1967 was over 45,000; more than half the visitors were manufacturers of electronic equipment. There are 610 contract exhibitors. One of the show's big attractions is the number of excellent technical papers which are presented.

The Trade Commissioners in San Francisco keep in constant touch with local manufacturers, agents and representatives and can provide Canadian electronics manufacturers with advice and arrange appointments for them. If you want to know more about the market, write to the Consul and Trade Commissioner, Canadian Consulate General, One Maritime Plaza, Golden Gateway Center, San Francisco, California 94111.

trade lines

Telex system improves in Italy

During the last five years, Italy's telex system has expanded rapidly with the creation of a network providing service to 5,000 subscribers in 29 countries outside Europe. Foreign traders will be the first to benefit from these improved telex facilities—Milan.

Norway sells irradiation equipment to Argentina

The Norwegian press reported recently that, following the receipt of an order from the International Atomic Energy Agency in Vienna, the Norwegian firm Noratom-Norcontrol A/S has constructed an irradiation unit which will be used in a research program in Argentina. The unit, called "Gamma 3500", will permit sterilization, pasteurization and disinfection of small objects without their becoming radioactive—Oslo.

Work to begin on Rome's airport extensions

Fiumicino International Airport has been handling an ever-increasing volume of passengers and cargo. This fall work will begin on improvements to the terminal building. Next year a third runway 2,900 meters long, an 800-meter extension to the second runway, and expansion of aircraft parking space will be started. Ground will be broken for the new international terminal building in 1970. The entire $56 million project will be completed by 1972—Milan.

Boston gets new produce center

Produce dealers have operated since 1740 at the Faneuil Hall market in the city. The new center is on the Everett and Chelsea line and has good access to road, rail and air transport. There is also a modern refrigeration system to keep produce in top condition. So far, 51 wholesale produce merchants have moved to the new location. Boston receives 4½ million tons of food annually from all parts of the world—Boston.

New refinery and pipeline planned in Saudi Arabia

The board of Petromin has announced that a 15,000-barrel a day refinery will be built in Riyadh. Crude will be brought from Aramco's Khurais field, 80 miles to the northeast. A Saudi joint stock company with a capital of about $22 million will be set up for the project—Beirut.

United States plywood industry's output increasing

In the first five months of 1968, U.S. plywood production rose to 6 billion square feet, 750 million more than in the same period of 1967, according to the American Plywood Association which forecasts a total U.S. output of 14 billion square feet for 1968—Chicago.

Cable to link Syria-Jordan-Saudi Arabia

Under-Secretaries from the three countries met in Damascus and discussed plans for a ground cable alongside the Hejaz railway. International tenders will be invited for the project which will provide a communications link between Damascus and Medina—Beirut.

Brazil discovers more uranium

A uranium reserve of some 11,000 tons has been found in the Paraibo Valley, between Taubate and Aparecida. It is in a pyro-bituminous layer and, although poor, it may be economic to exploit it along with the shale oil—Sao Paulo.

Finland will assemble cars next year

Valmet and Swedish Saab have agreed to set up a factory in Finland to assemble 15,000 cars a year initially. Production is expected to begin late in 1969 and to include the Saab 95, 96 and 99 models. Most of the output will be exported—Stockholm.

Approval for municipal projects in Saudi Arabia

The Council of Ministers of Saudi Arabia has approved the allocation of $32.5 million for development projects to be undertaken by the Riyadh municipality in the next three years—Beirut.

Greece may expand aluminum industry

The authorities are considering applications from Greek and foreign interests to expand the country's aluminum industry. A third oil refinery is to be built and will be tied in with new industries. Also, it is government policy to limit the export of bauxite and process it into alumina or aluminum. Aluminium de Grèce, controlled by Pechiney of France, at present has a smelter with an annual capacity of 72,500 tons of aluminum and an alumina plant with a capacity of 200,000 tons—Athens.

Soviets push polymer production

The Government has decided to speed up the expansion of the polymer industries and has given instructions for the planning of large manufacturing plants and pipelines for the transportation of ethylene and ethane, according to the Soviet News Agency Novosti. Production of major polymers is to be increased several-fold—Moscow.

Hard cash from Britain

The Royal Mint exported a record 925 million pieces in 1967, compared with 774 million in 1966. Exports accounted for 70 per cent of the Mint's output—Liverpool.

British furniture manufacturers eye Japan

A recent trade mission to Japan found the prospects for British furniture there good. Department stores seemed to provide the best outlet—Liverpool.

West German rubber consumption rises

Total rubber consumption in 1968 in Germany is expected to be 7 per cent higher, with the tire and tube sector increasing 10 per cent. In 1967, Germany used 141,300 tons of natural rubber and 200,600 tons of synthetic rubber. The proportion of synthetic rubber rose from 57.4 per cent in 1966 to 58.7 per cent in 1967—Hamburg.

Cost of Italian labor moves up

The EEC Commission reports that the cost of labor in Italy rose more in 1967 than it did in the other EEC countries. The average increase in wages in Italy was 9 per cent but productivity rose by less than 5 per cent—Milan.

Germany ships to Japan via Siberia

The West German railways have begun to send containerized cargo overland to Vladivostok for onward shipment to Japan, using the Trans-Siberian Railway —Hamburg.

EUROCAN builds mill in British Columbia

A U.S.$93 million wood processing mill will be built at Kitimat, British Columbia, by EUROCAN, jointly owned by Enso-Gutzeit Oy, Kymmene Ab, Oy Tampella Ab and Myllykoski Oy, all of Finland. U.S. insurance companies will raise $60 million and a group of U.S. banks will supply the builders with construction-period credits. The Finnish companies will provide $33 million, half in the form of exports of Finnish machinery and equipment, $5.5 million in credits from Canadian sources, and about $12 million in capital investment from Finland. The plant will begin operating in 1970 with an annual capacity of 110,000 tons of sack kraft, 75,000 tons of light kraft-liner, 85,000 tons of market pulp and 35,000 standards of lumber—Stockholm.

Eilat-Medsea pipeline completed in 1969

The Eilat-Mediterranean pipeline will be ready to carry 15 million tons of oil by the middle of 1969, in addition to the five million tons that flow through the existing pipeline to Haifa. Pending negotiated contracts, it could be expanded to carry 50 million tons within three years. Eilat and Ashkelon are deep-water ports that can accommodate king-size tankers. Using the Israeli pipeline will save vessels 25 travel days, over one-third of the 65-day return journey around the Cape to London or Hamburg. This would shave one dollar a ton off the three dollar shipping costs (the price of oil freight on board is about $10 a ton). It is hoped oil shippers will use the 42-inch, 250-kilogram tube as a short-cut from the Red Sea to the Mediterranean—Tel Aviv.

Spain obtains $60 million loan

Spain has recently obtained a $60 million loan from a group of foreign banks to finance economic development through official credits. The Ministry of Finance and the Foreign Exchange Institute in Spain negotiated with a group of foreign banks headed by the Bankers Trust Co. of London, with White Weld & Co. acting as financial advisers. The loan will be paid back in five half-yearly payments, beginning three years after granting the loan. The operation will be carried out within the framework of the Eurodollar market, with interest rates adjustable in line with market conditions in London—Madrid.

Selling housewares through self-service

Self-service techniques—with emphasis on self-display cartons, aisle display pieces and attractive top displays —are revolutionizing housewares merchandising in the United States, according to *Housewares Review*. One leading cookware manufacturer says that self-service accounts for over half his sales volume. Canadian suppliers should tailor their packaging for this self-service market—Boston.

Singapore accelerates dockyard conversion

The British dockyard in Singapore will become a commercial operation on December 1, 1968, combining commercial and British naval work in its first few years.

Britain is giving Singapore S$9 million (Cdn.$3.2 million) to meet re-equipment costs during the first year of operation. The government-owned Sembawang Shipyard has appointed the Swan Hunter group of Britain as managing agents. Repairing naval vessels is expected to be the largest single activity in 1969 and 1970—Singapore.

Pakistan harvests more fish

The Marine Fisheries Department of the Government of Pakistan estimates that fish production will reach 541,000 metric tons in 1970 compared with 442,000 metric tons in 1967. Most of this is exported to neighboring countries. Foreign exchange earnings from fish exports in 1967 increased to approximately $20 million from $3 million in 1951. Pakistan has spent $10 million between 1958 and 1967 on the development of this industry—Islamabad.

Turkey makes printing ink

Ismir is the site of Turkey's first large printing ink plant BYO, which will have an annual capacity of 2,500 metric tons and will use the Sadolin (Denmark) licence. Turkey's printing ink imports, which totalled 1,417 metric tons and were valued at U.S.$2 million in 1967, will be drastically restricted—Athens.

foreign tariffs and trade regulations

Hungary

TRADE AGREEMENT WITH CANADA RENEWED—The Honourable Jean-Luc Pepin, Minister of Trade and Commerce and Minister of Industry, signed in Budapest on August 9, 1968, a Protocol renewing the 1964 most-favored-nation Trade Agreement between Canada and Hungary for a further three years from date of signature. The Protocol was signed on behalf of the Government of Hungary by Dr. Jozsef Biro, Minister of Foreign Trade.

During the three years of the Agreement, Hungarian foreign trade enterprises will purchase Canadian goods of their choice to a value of $15 million. They will also consider Canada as a source of supply for their additional import requirements of goods in which Canada has a demonstrated competitive export performance.

Although wheat is not specifically mentioned in the new Agreement, Hungary will continue to consider Canada as a source of supply in the event that imports are required in the future. Hungary, a traditional net exporter of wheat, experienced substantial shortfalls of supplies in the late 1950's and early 1960's but its expanding production in recent years has been more than sufficient to meet domestic needs.

According to the most recent trade statistics, Canada's exports to Hungary from July 1964 to the end of June 1968 have totalled $21.8 million, with wheat accounting for $8.8 million. Other major items were hides and skins, sulphur and copper scrap.

United States

MARKING OF FLANGES—In Treasury Decision 68-57 issued last February, the U.S. Bureau of Customs ruled that imported unfinished welding flanges which are to be processed into finished fittings and flanges in the United States should be marked to show origin elsewhere than on the face or edge of the flange. However, additional information submitted to the Bureau indicates (1) that the back of the flange is not a suitable location for the country of origin marking because marking on the back may be obliterated by the drilling of bolt holes and the machining of faces around such bolt holes, and (2) welding flanges are usually forged to desired outside diameter and the edges are not ordinarily machined. This information adds that standard markings which are normally placed on welding flanges are placed on the edge. Accordingly, the Bureau has issued T.D. 68-167 which modifies T.D. 68-57 of last February to provide that welding flanges shall be marked to indicate country of origin on the edge in a manner which will survive the processing necessary to complete them. This modification shall apply to welding flanges entered, or withdrawn from warehouse, for consumption on and after September 27, 1968.

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.

Brazil—W. G. Huxtable, Consul and Trade Commissioner in Sao Paulo:

Vancouver—September 23-26
Winnipeg—September 27
Fort William—September 30
Windsor—October 2
Sarnia—October 3
Brantford, Galt—October 4
Port Perry—October 7
Peterborough—October 8
Toronto—October 9-15
Montreal—October 20-25

Britain—J. H. Nelson, Trade Commissioner in Liverpool:

Vancouver—September 9-11
Edmonton—September 12
Calgary—September 13-15
Winnipeg—September 16-17
Montreal—September 18-22
Cornwall—September 30
Kingston, Gananoque, Napanee, Brockville and area—October 1
Belleville, Trenton, Picton and area—October 2
Toronto—October 3-6
Barrie—October 7
Hamilton—October 8
Brantford—October 9
Kitchener—October 10
London—October 11

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

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

United States, Washington—S. G. Tregaskes, Commercial Counsellor in Washington:

Montreal—September 16-20
Toronto—September 21-27

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).

C. D. Caldwell, Assistant Commercial Secretary (Agriculture) in Wellington, New Zealand, September 13-18.

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

W. G. Huxtable, Consul and Trade Commissioner in Sao Paulo, Brazil, September 16-22 and October 16-18.

D. A. B. Marshall, Commercial Counsellor in The Hague, Netherlands, October 7-11.

J. H. Nelson, Trade Commissioner in Liverpool, England, September 23-29, and October 15-18.

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.

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

Leicester—September 13 and 20
Leeds—October 2
Birmingham—October 8 and 9
Manchester—October 10 and 31
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. Hobson-Garcia, Commercial Officer in Port-of-Spain, Trinidad, will visit Georgetown October 8-10.

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

Switzerland—D. T. Johnston, Assistant Commercial Secretary in Berne, will visit the food industry in Zurich, Basle, Lausanne and Geneva during October.

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—J. M. C. Lavoie, Assistant Commercial Secretary in Port-of-Spain, will visit South Trinidad October 29-30.

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

Mail to Sao Paulo

■ *W. G. Huxtable, Consul and Trade Commissioner in Sao Paulo, Brazil, advises businessmen to send only letters to him at the Canadian Consulate address: Caixa Postal 6034, Edificio Scarpa, Avenida Paulista, 1765, 9 andar. To ensure prompt arrival of parcels of any kind, the sender should consult Mr. Huxtable first about the best method to use.*

Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but tbey should consult their banks before making any firm commitments. When more than one rate is shown, the one to be used depends on tbe 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 coiumn two, *divide* by .93.

Country and Currency	Value of Foreign currency unit in Canadian dollars at August 16	Value of Canadian dollar in foreign currency units at August 16
Algeria		
Dinar	.2156	4.63
Argentina		
Peso (free)	.0030	322.58
Australia		
Dollar	1.198	.8340
Austria		
Schilling	.0415	23.98
Bahamas		
Dollar	1.051	.9506
Belgium and Luxembourg		
Franc	.0214	46.25
Bermuda		
Pound	2.565	.39
Bolivia		
Peso	.0901	10.97
Brazil		
Cruzeiro (official free)	.3346	2.99
Britain		
Pound	2.566	.39
British Honduras		
Dollar	.6415	1.55
Burma		
Kyat	.2252	4.43
Ceylon		
Rupee	.1802	5.54
Chile		
Escudo (bank rate)	.1525	6.55
(free)	.1331	7.51
China, Republic of		
New Taiwan Dollar (official)	.027	37.04
Coiombia		
Peso (fixed)	.065	14.95
Congo, Republic of[1]		
France	2.149	.4653
Costa Riea		
Colon	.1619	6.12
Cuba[2]		
Peso	....	....
Czechosiovakia		
Koruna	.1489	6.70
Denmark		
Krone	.1426	6.98
Dominican Repuhiic		
Peso	1.073	.93
Ecuador		
Sucre (official)	.0596	16.50
(free)	.0534	18.45
El Salvador		
Colon	.4290	2.35
Fiji		
Pound	2.463	.41
Finland		
Markka	.2554	3.91
France, Monaco, etc.[3]		
Franc	.2156	4.63
Franco-African Repuhlics[4]		
Franc	.0043	235
French Pacific[5]		
Franc	.0119	84.24
Germany		
D Mark	.2667	3.72
Ghana		
New Cedi	1.051	.95
Greece		
Drachma	.0358	27.93
Guatemala		
Quetzal	1.073	.93
Guyana		
Dollar	.5363	1.85
Halti		
Gourde	.2145	4.65
Honduras		
Lempira	.5363	1.86
Hong Kong		
Dollar	.1770	5.64
Hungary		
Forint (official)	.0921	10.86
Iceland		
Krona (official)	.0188	52.91
India		
Rupee	.1421	7.02

Couotry and Currency	Value of Foreign currency unit in Canadian dollars at August 16	Value of Canadian dollar in foreign currency units at August 16
Indonesia[6]		
Rupiah	....	....
Iran		
Rial	.0142	70.42
Iraq		
Dioar	3.003	.33
Ireland		
Pound	2.566	.39
Israel		
Pound	.3064	3.23
Italy		
Lira	.0017	581.86
Jamaica		
Pound	2.566	.39
Japan		
Yen	.0030	333.33
Kenya		
Shilling	.1526	6.55
Lebanon		
Pound (free)	.3325	3.00
Malaysia		
Dollar	.3504	2.85
Mexico		
Peso	.0858	11.64
Morocco		
Dirham	.2119	4.72
Netherlands		
Florin	.2957	3.35
Netherlands Antilles		
Florin	.5687	1.76
New Zealand		
Dollar	1.201	.83
Nicaragua		
Cordoba	.1532	6.51
Nlgeria		
Pound	2.995	.33
Norway		
Krooe	.1502	6.64
Pakistan		
Rupee	.2252	4.43
Panama		
Balboa	1.073	.93
Paraguay		
Guarani (free)	.0086	116.28
Peru		
Sol (free)	.0245	41.66
Philippines		
Peso (free)	.2748	3.63
Poland		
Zloty (fixed basic rate)	.2685	3.72
Portugal & Colonies[7]		
Escudo	.0373	26.80
Saudi Arahia		
Riyal	.2066	4.84
Slerra Leone		
Leone	1.502	.66
Singapore		
Dollar	.3304	2.85
South Africa		
Rand	1.502	.66
Spain & Dependencies		
Peseta	.0154	64.25
Swedeo		
Krona	.2077	4.81
Switzerland		
Franc	.2489	4.00
Syria		
Pound (free)	.2812	3.55
Thalland		
Baht (free)	.0520	19.19
Trlnldad & Tohago[8]		
Dollar	.5392	1.85
Tunlsia		
Dinar	2.043	.48
Turkey		
Lira	.1192	8.38
United Arab Republic		
Pound (official)	2.467	.40
United States		
Dollar	1.073	.93
Uruguay		
Peso (free)	.0043	232.55
Venezuela		
Bolivar (official free)	.2389	4.18
Yugoslavla		
Dinar (official)	.0858	11.64

1. Additional rates are in effect.
2. There is no tradiog in Cuban pesos in U.S. or Caoadian banks at preseot.
3. Franc is also used in French Guiaoa, Guadeloupe and Martinique.
4. Chad, Central African Republic, Coogo, Dahomey, Gaboo, Ivory Coast, Islamic Republic of Mauritania, Niger, Seoegal, Upper Volta, Camerooos, Togolaod, and Malagasy. Also Reuoioo, 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 repręseotative 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

Britain, an Official Handbook

Central Office of Information. 557 pages. $5 paperback, $7.20 hard cover.

IF YOU do business with Britain, this is the book to keep at hand. It provides enough information to answer most general questions and is readable and well organized. Its greatest value, however, may be in showing the Canadian reader where he must do more research and not assume that things are roughly the same as at home. To take an example, Britain has a public and a private television system. Advertising is not allowed on the public system and is closely regulated on the private system—the rules don't permit the sponsoring of programs by advertisers and advertising cigarettes is forbidden. The BBC, which has a monopoly of radio, broadcasts no advertising messages at all.

The 1968 edition of the Handbook went to press in September 1967, before the devaluation of sterling. Publishing is always at the mercy of the clock—the wise businessman knows this and double-checks whereever possible. The 27-page bibliography at the back of the Handbook helps him to do so.

Obtainable from: British Information Services, HMSO Sales, 80 Elgin Street, Ottawa, Ontario.

Ports in Britain

Central Office of Information. 47 pages. Free.

THERE WAS no centralized control over port authorities in Britain as a whole until 1964. Capital investment was running at only £18 million a year in the 1950's and early 1960's; by 1966 it had reached £35 million and it was expected to rise to £45 million in 1967. Modernization of port facilities and the streamlining of management will take many years to complete even at this rate, for it is not just a question of replacing old equipment but of increasing the scale of operations and introducing entirely new techniques.

The booklet gives a concise review of the general situation as it is today and then goes on to describe individual ports, outlining the main trade of each and the special facilities. The Canadian exporter will search here for alternatives to Britain's more congested ports —alternatives which could be anything from distributing through other ports to transshipping from Continental Europe.

There is a lot of general information to be gleaned too. The chapter on port labor throws light on some terms such as "decasualization" which have become emotionally charged in the press. It is interesting to see that the unions nominate half the industry's new recruits and the employers nominate half; dockers' sons have priority. On the other side of the coin, the National Ports Council's ten-year training program for dock supervisors and the National Dock Labour Board's many training schools promise to provide a better-trained labor force.

Order from: British Information Services, HMSO Sales, 80 Elgin Street, Ottawa, Ontario.

How British Industry Buys

Hugh Buckner. 97 pages. £3.

THIS BOOK, undertaken jointly by The Institute of Marketing and Industrial Market Research Ltd., is based on a research project in which over 900 companies co-operated. It provides basic marketing data not previously obtainable and includes an analysis of the composition of decision-making units and of the role and influence of each member.

There are many tables showing how industry buys plant equipment, material, and components, what the plant responsibility is, and its involvement in decisions for all industry. They also show the methods of receiving information on products, the effectiveness of sales engineers' visits, and the important factors in purchasing (price is rated as the most important, followed closely by technical specifications).

One chapter is devoted to explaining the use of the various tables, and two checklists—on marketing procedure and purchasing procedure—direct the reader to the more important findings of the tables.

This book will be useful to the firm which sells industrial goods by showing how companies that are actual or potential customers think and behave, and to whom they delegate authority when they buy.

Order from: Hutchinson Publishing Group Ltd., Tiptree, Colchester, Essex, England.

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

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