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FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA



IN THIS ISSUE

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Technical advice, on-the-job training, supplies—these are some of the things UN agencies headquartered in Switzerland are looking for. When you have read the article from David Johnston in Berne, you may decide that it is worthwhile investigating, both from the point of view of immediate business and goodwill for the future.

The whirlwind tour of markets for forest products in Western Europe, pages 1 to 17, will help you to concentrate your sales effort where it is likely to be most effective. The market for Canadian timber in Britain was analysed in the June 8, 1968, issue of *Foreign Trade*.

Timber frame construction leads on to a new conception of home comfort and paves the way for the sale of a host of Canadian products. The picture-story on page 28 describes the Harlow project in Britain which has done a great deal to popularize the technique for moderately-priced homes. There's more about it in "The Maples Leads the Way".

Our cover shows the Chennai Ookkam loading at Lynn Terminals, North Vancouver, with lumber, plywood and shingles from Seaboard Mills, worth Cdn.\$3 million and the equivalent of 20 million board feet. It was the largest cargo of wood products ever carried on one ship. The destination was Britain.

Containerization is a very live issue in Germany. Hamburg is one of the main contenders for the European end of the North Atlantic trade route and has organized a containerization conference to bring together the experts. Canadians will be there and will put the case for a Canadian land bridge to speed traffic from Europe to Japan.

Australia and New Zealand will be the main feature of the October 12, 1968, issue of *Foreign Trade*. We are also preparing an issue on Southern Africa. Towards the end of the year we will publish a round-up of reports on opportunities for engineering services in many countries.

FOREIGN TRADE

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

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The UN Agencies in Switzerland

- - a market for goods and services

Companies interested in obtaining business with the various agencies should register as follows. They should also register with the Department of Trade and Commerce in Ottawa.

ILO Experts and Fellow Training

Director and Special Advisory to Director General
Canada Branch
International Labour Organization
178 Queen Street
Ottawa 4, Canada

Equipment and Subcontracts

Director General
International Labour Organization
154 Route de Lausanne
1211 Geneva, Switzerland

ITU Experts

Department of Transport
Ottawa, Canada

External Aid Office
Ottawa, Canada

Fellows, Equipment

Director General
International Telecommunications Union
Place des Nations
1200 Geneva, Switzerland

WMO Equipment

Director General
World Meteorological Organization
Avenue Giuseppe Motta 41
1200 Geneva, Switzerland

WHO Experts, Subcontracts, Fellows, Equipment

Director General
World Health Organization
Route de Pregny
1200 Geneva, Switzerland

UPU Director General

Universal Postal Union
Schosshaldenstrasse 46
3000 Berne, Switzerland

■ The United Nations and its specialized agencies are engaged in helping over 150 countries and territories to improve their standards of living. Projects range from the provision of expert services and fellowship grants to assistance in executing major pre-investment projects, which may include equipment purchases and subcontract requirements.

The executing agencies specialize in different areas of economic and social development. Those with headquarters in Switzerland include:

International Labour Organization (ILO)

World Health Organization (WHO)

World Meteorological Organization (WMO)

International Telecommunications Union (ITU)

Universal Postal Union (UPU)

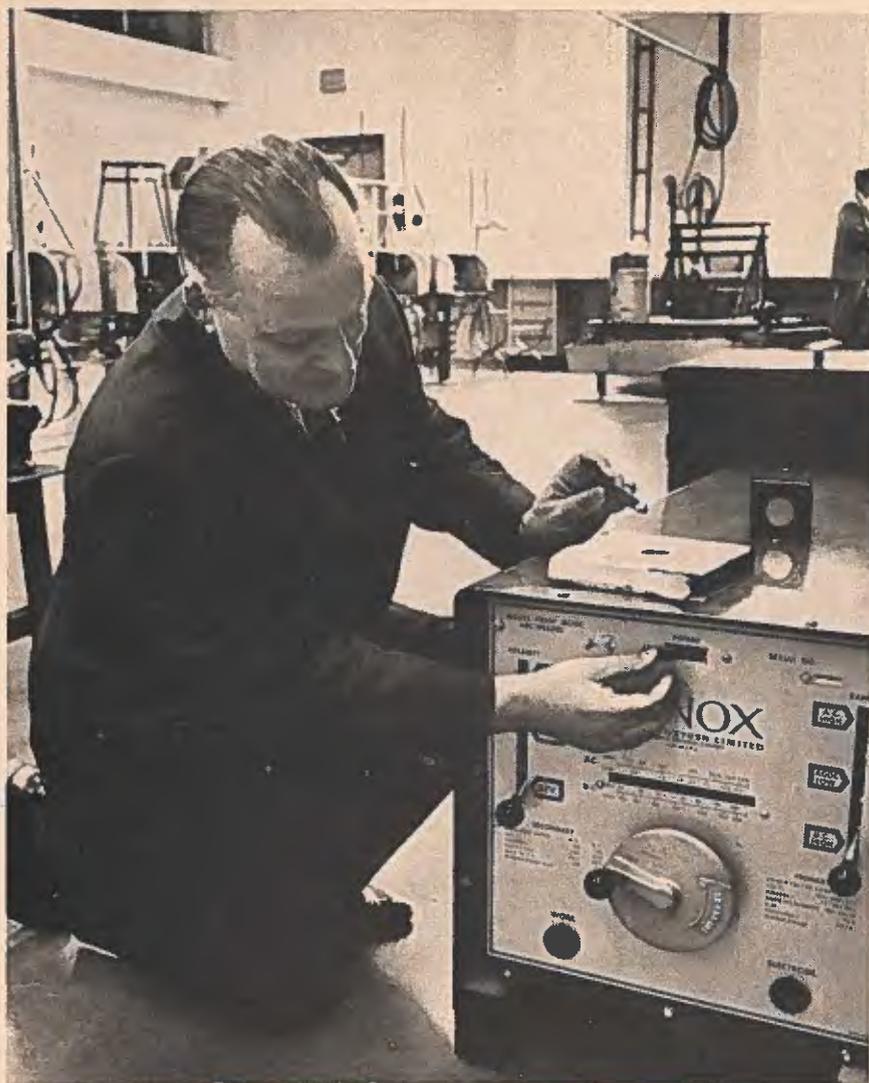
This article concentrates on four types of opportunities originating within these agencies. These are:

1. Working as an expert for periods ranging from a week to eleven months, or even for two to four years
2. Training fellows from developing countries
3. Obtaining subcontracts
4. Selling equipment and supplies.

Working as an Expert

Many countries are looking for experts who are technically competent in particular fields and also have some managerial and financial training. Canadian companies lending staff to work as experts abroad gain two advantages, altruism aside. First, the individual representing the firm gains valuable foreign experience. Second, the expert makes friends—often influential ones—in developing countries. Consequently the company enhances its chances of obtaining foreign contracts in the long run. Further-

D. T. JOHNSTON, *Assistant Commercial Secretary, Berne.*



Arthur Prandle, Chief of the Operational Equipment Division of the International Labour Office in Geneva, examines equipment in the shops at Highland Park High School, Ottawa. Mr. Prandle came to Canada for two weeks in August to inspect vocational training equipment manufactured here that might be suitable for the ILO technical assistance program to aid development in the new nations. He visited Canadian manufacturers of machine tools, sewing machines, and of equipment for machine shops, automotive repair, woodworking and occupational safety.

more, from a Canadian viewpoint, a Canadian expert recommends Canadian products and services whenever he can—those which he knows and understands from his previous experience.

Training Fellows

Fellowships are given to nationals from developing countries to allow them to become trained in a particular field. Much of this is done in de-

veloped countries in the form of "on the job" training in private companies. The company normally assumes the training expenses. As in sending experts abroad, the Canadian company that offers training facilities for fellows may be rewarded in the long run by a possible increase in sales of its products or services in export markets. The Fellow is trained to use a particular firm's equipment and/or to understand a company's

concepts. He also makes contact with the firm's employees. Consequently, the Fellow (who may eventually assume a responsible position in his native country) has an appreciation of Canadian products and/or ideas.

Because some equipment is very specialized, the Fellow has to be trained on the type of equipment already in use in his country or to be installed there. This factor sometimes limits the possibility of placing Fellows in Canada, but there are ample opportunities.

Obtaining Subcontracts

Sometimes a whole or a part of a project is subcontracted to a consulting firm because of its special skills and/or lack of manpower at the particular executing agency. Like the individual, the company must have proven technical competence, with some managerial and financial skills and experience. Technical competence is defined broadly to include all types of engineering and management consulting skills. The company has an advantage if it or some of its members have already worked in developing countries.

Because of recruitment and other related problems, UN agencies are probably going to be forced into subcontracting more work. Moreover, the specialized agencies are becoming more interested in contracting out complete projects—from the initial feasibility study to the actual operation.

An organization can overcome its lack of foreign experience by working on a bilateral aid program or having one of its staff work for an executing agency as an expert, as previously suggested.

Sales of Equipment and Supplies

Requirements depend on the executing agency and are usually training equipment per se, or demonstration equipment used for educational purposes. For the same reasons as discussed above, purchases of demonstration equipment often depend on the equipment already installed or to be installed in the country*. The ability to service the equipment is also important. However, equipment

*The equipment is usually installed under a bilateral or multilateral aid program.

sales opportunities do exist for Canadians, particularly in the field of educational training.

With the exception of the ITU expert opportunities and ILO expert and Fellow training possibilities, Canadian businessmen wishing to take advantage of opportunities described in this article should register with the appropriate United Nations agencies (see addresses listed on page 2). Those wishing to work as ITU experts should register with the Department of Transport and the External Aid Office. Those wishing to work as ILO experts or train ILO Fellows should register with the Canadian branch office of the ILO. All interested

organizations should register with the Department of Trade and Commerce as well.

Companies wishing to make equipment and supply sales should also send in catalogues and brochures describing their equipment to the pertinent UN agencies. The supplier should provide more than one copy for distribution within the agency. Headquarters should always have a copy and often the field project manager as well. Those wishing to take advantage of subcontract opportunities should send in a brochure describing briefly the company's operations and activities and giving a curriculum vitae of the leading members of the firm.

Firms which have registered with the UN agencies and have found their attempts to take advantage of the different opportunities unrealized, should follow-up with the agencies to discover where the problem lies. In many cases these can be easily overcome. Should the company be discouraged in its correspondence with the agency, the Berne office is willing to get directly in touch with the agency in question to pinpoint the problem.

Visits often prove useful in order to demonstrate a product or outline a service. The executing agencies emphasize, however, that they are only interested in a factual approach and not a high-powered sales pitch.

Activities Defined

The company wishing to obtain business of the types mentioned above should understand the activities of the various executing agencies with headquarters in Switzerland and the opportunities that each provides.

The ILO

The International Labour Organization was created to contribute to the establishment of lasting peace by promoting social justice; to improve, through international action, labor conditions and living standards, and to promote economic and social stability.

Of particular interest to the businessman wishing to train Fellows or to work as an expert are its manpower planning and organization, management development, and vocational training projects. Statistical analysis projects may also prove interesting.

Manpower Planning and Organization—ILO projects in this field accounted for 262 expert missions (2,686 man-months) and 228 fellowships (1,140 man-months' training) between 1960 and 1965. The Organization assists in planning for the development of a country's trained manpower, and in formulating policies for the full use of its manpower as a whole.

Management Development—Management development projects accounted for 298 expert missions (4,489 man-months) and 124 fellowships (611 man-months) between 1960 and 1965. Training in all fields of management is given in seminars and other courses. Moreover, the ILO gives advisory assistance in planning for the establishment of productivity and management development institutions.

Vocational Training—Vocational training is by far the largest field of activity within the technical co-operation programs of the ILO, accounting for 1,038 expert missions (17,328 man-months) and 2,695 fellowships (11,120 man-months of training) between 1960 and 1965. Assistance includes advice on the planning of new vocational

training programs and the training and upgrading of instructors and other teaching staff. It includes training in both manual and non-manual (particularly clerical and service) occupations.

Statistical Analysis—Statistical analysis projects accounted for 71 expert missions (1,030 man-months) and 45 fellowships (352 man-months) between 1960 and 1965. ILO statisticians have assisted governments to identify their minimum requirements for labor statistics and to gather data on labor costs.

Experts and Subcontracts—The ILO in the past used its own experts in most instances, although they are often hired on a project basis. The agency feels that to maintain its reputation, it must use as many of its own experts as possible. Consequently it has hesitated to subcontract any work. Only twice to date has any work been subcontracted; the amounts involved totalled U.S. \$165,000. In both instances it was for a management development project in Poland and the skills required were for training in the installation and programming, etc., of computers. This type of work will also be subcontracted for three forthcoming management development projects in Romania, Hungary and Bulgaria. Moreover, more management development projects of advanced types are foreseen, involving modern management techniques, including electronic data processing.

If subcontracting in the above cases proves successful, it is probable that the ILO will consider more subcontracts, particularly in management development of an advanced type.

Training Fellows—The ILO fellowship program is becoming increasingly larger, with ample opportunities for organizations wishing to offer their facilities for training fellows. A great majority of the fellowships have been given for in-plant training in developed countries. Fellows have also been trained in management consulting firms in developed countries.

Equipment and Supply Sales—Between 1960 and 1967 equipment purchases by the ILO totalled over U.S.\$9 million. Only \$10,000 worth was purchased from Canada.

The types of equipment and the approximate expenditures are given below:

| Equipment | Purchases | |
|--|------------------------------|-------------------------------|
| | Approx. per cent of total | Approx. value (U.S.\$'000) |
| Metalworking equipment | 43 | 3,870 |
| Motor vehicles | 9 | 810 |
| Audio-visual equipment/teaching aids | 9 | 810 |
| Tools | 7 | 630 |
| Office equipment | 6 | 540 |
| Special equipment for different industries: transportation and handling, measuring and testing, laboratory and scientific handicraft, safety and health, woodworking and forestry, auto and diesel repair, agricultural, electrical and electronic | 15 | 1,350 |

The ILO expects to spend about \$1 million a year on the above types of equipment in the immediate future, with purchases being made in about the same proportion. Moreover, it has already tendered for about \$2 million worth of computers to be bought this year. More purchases of this equipment can be expected in the future.

Procurement of Equipment—Equipment requirements of over U.S.\$2,500 must go out to tender, but the Treasurer is authorized to waive tenders for equipment on accepted Standard Lists.* Theoretically, the value of the purchase has no limit. To date the ILO has accepted five Standard Lists. In one case a U.S.\$50,000 purchase was made without tendering and in another, U.S.\$10,000. Purchases under U.S.\$2,500 are normally made directly from organizations registered with the ILO, without tendering.

The ILO wishes to make fewer but larger and more integrated purchases. Thus Canadian organizations are encouraged to combine with others when tendering, if they cannot offer a complete or nearly complete package themselves. A company's equipment would also stand a better chance of being put on a Standard List using this approach.

A group of Canadian companies have already organized themselves into an entity called CANEDEMA for export purposes. The consortium has recently received its first order from the ILO—for electrical training apparatus to be used on a project in Port Louis, Mauritius. Although the order was not very large, more will undoubtedly be forthcoming and CANEDEMA's list of equipment will probably eventually be accepted as a standard list.

The ILO sent a procurement mission to Canada for two weeks, beginning August 7. The mission, headed by A. L. Prandle, chief of the Operational Equipment Division of the ILO, gained a firsthand knowledge of equipment available in Canada for future reference and also made some specific purchases.

* A Standard List is a list of equipment based on a successful bid whose standards have been approved by the ILO. The list must be reapproved yearly, or as amendments are made by the firm.

The ITU

The International Telecommunications Union was created to promote international co-operation in telegraph, telephone and radio services, to further the development of these services, and to extend their use by the public.

This agency gives assistance in the following fields:

Telecommunications

development, organization, planning, operation and maintenance of telecommunication networks

installation of telecommunication equipment

operating procedures

economic and technical studies to ascertain future requirements in the field of telecommunications

any other area of telecommunications contributing to the economic and social development of a country

Radio and Television

radio communication techniques

radio frequency usage

monitoring

radio and television broadcasting (technical aspects only—not program).

Space Communications—The ITU's annual expenditures on space communications at present approximate \$2 million a year, and the amount is increasing steadily.

Expert Opportunities—To date, the ITU has not subcontracted any work. All experts are hired on a project basis. Approximately 50 more are required in 1968 and the number is increasing slightly each year.

Opportunities for Training Fellows—Fellowships are given for training in all fields where the ITU gives aid—from low-level technicians to senior specialists. Approximately 300 fellowships were awarded in 1967 and the amount increases by some 10 to 15 per cent each year. Almost all the training was done in company or institutional training courses in developed countries.

Equipment and Supply Requirements—Since 1961/62, approximately U.S.\$4.5 million has been spent on equipment and supplies. The ITU expects that annual purchases will reach approximately U.S.\$1 million per year in the foreseeable future. To date purchases from Canada have totalled only U.S.\$55,000.

Equipment and supply requirements include:

| | Approx. expenditures 1961 to 1967 (U.S.\$) |
|---|--|
| Related to training | 3,700,000 |
| A great range of telecommunication equipment, all purchases being made in small quantities. | |
| Small quantities of basic workshop tools | |
| Measuring and test equipment | |
| Training aids of all kinds. | |
| Operational-type telecommunication equipment | 800,000 |

The ITU has purchased operational-type telecommunication equipment only twice. Normally, the recipient country arranges other ways of financing this type of equipment, usually through bilateral or multilateral programs.

Procurement—Except for test and measuring equipment, the ITU normally purchases its equipment by furnishing invitations to tender to the Department of Trade and Commerce for distribution to Canadian firms. Test and measuring equipment is usually bought directly on the open market from companies normally registered with the ITU.

The WMO

The World Meteorological Organization was created to facilitate worldwide co-operation in establishing networks of stations to provide meteorological observations. It is engaged in activities normally requiring experts usually found only in national meteorological institutions and universities. There is little opportunity for private businesses to supply experts or train Fellows.

Equipment and Supply Requirements—Equipment and supply purchases have increased from U.S.\$441,000 in 1965 to U.S.\$1.8 million in 1967. Very little has been purchased from Canada. The WMO expects purchases to increase yearly in the future.

All are made by tender, mainly the following types of equipment:

- Surface and upper air meteorological equipment
- Weather and wind-finding radars
- Special agrometeorological and hydrometeorological instruments for observations
- Facsimile equipment
- Telecommunication equipment
- Radiation instruments
- Meteorological calibration laboratory equipment
- Hydrological equipment such as current meters, water level recorders, sediment samplers, staff gauges, discharge measurement by chemical methods
- Wind and solar energy survey equipment
- Meteorological and hydrological books and manuals
- Vehicles (station wagons, pickup trucks, jeeps, etc.) These constitute a large percentage of WMO purchases
- Data processing and computer equipment
- Automatic picture transmission equipment for reception of data transmitted by meteorological satellites
- Training aids.

The WHO

The World Health Organization was created to promote the highest possible level of health among people. It executes technical assistance projects in many different areas of health. It gives considerable aid, for example, in the field of water supply and sewerage. The flow of requests is continuous and shows no signs of abating. The WHO also gives help in what is known as environmental sanitation in general, which also includes waste disposal, water, air and soil pollution. Advice is given in planning long-term programs, in the establishment of quality standards (water, air, soil) and training and education of personnel in all phases and levels of environmental sanitation.

Expert Opportunities—Experts are particularly required for water supply and sewerage projects. Technical plan-

ning, design, operation and maintenance of water supply and sewerage utilities are among the fields of competence required. Experts are also needed in management of water supply and sewerage operations, waste disposal, and air, water and soil quality control.

Some 25 to 30 new experts are required each year with renewable assignments of two years for water supply and sewerage projects. Furthermore, about 35 to 40 short-term experts or consultants are hired yearly on a monthly fee basis for a period of one week to 11 months.

Subcontract Opportunities—For water supply and sewerage projects, subcontracts are awarded for both technical and managerial aspects of master planning, preliminary engineering and economic feasibility studies. Ten subcontracts have been awarded, or will be awarded in the near future, for a value totalling about U.S.\$5 million. The largest subcontract was for U.S.\$1.1 million and the smallest for U.S.\$120,000. Most of the subcontracts have been awarded in the last two years and more will undoubtedly be awarded in the future.

Training Fellows—Some fellowships are given for training in sanitary engineering consulting firms.

Equipment and Supply Requirements—The WHO has made equipment and supply purchases totalling about U.S.\$1 million in recent years, very little of it coming from Canada. Requirements are listed below:

| | Approx. Expenditures 1966 (U.S.\$) |
|--|---------------------------------------|
| Laboratory equipment and supplies, including reagents and culture media for the study of bacteria behavior | 250,000 |
| Preventive medicines—anti-malarial drugs, all types of vaccines, drugs to prevent TB | 250,000 |
| Transportation vehicles for use in developing countries (mainly four-wheel drive) | 250,000 |
| Miscellaneous—especially teaching aids | 250,000 |

Procurement—Tenders or supply requisitions are sent directly to organizations which WHO thinks can supply the required equipment or supplies.

The UPU

The Universal Postal Union was created to improve postal systems throughout the world.

Because of the specialized nature of the Union's work, experts come only from postal organizations in the developed countries. Thus there are virtually no opportunities for private industry to send experts or offer training facilities.

Equipment and Supply Requirements—Very small purchases have been made to date. In 1967/68 so far only three purchases have been made totalling U.S.\$3,000. The equipment, audio-visual teaching apparatus, was bought on the open market.

The UPU has not yet taken part in the UNDP/SF program. However, it expects to participate in the future and equipment purchases may then increase somewhat. Nevertheless, purchases will remain small in the foreseeable future.

Forest Products Markets in Western Europe

The Netherlands

Timber frame construction is making gains

DAVID J. S. WINFIELD, *Assistant Commercial Secretary, The Hague.*

■ Promotion of Canadian timber frame construction has met with phenomenal success in the Netherlands. For the past three years an energetic campaign has been geared to promoting the use and acceptance of this construction system and thus stimulating sales of Canadian timber, wood products and building materials. Within this short period and despite many hurdles, over fifty houses have been built in various parts of the country. Plans for several hundred more are on drawing boards or in the hands of official agencies awaiting final approval.

The goal was and is to minimize, if not overcome completely, obstacles in many sectors. Local fire and building regulations in nearly all municipalities prohibited the building of new timber structures. An effort had to be made to try and convert even a small part of a building industry traditionally tied to brick and concrete construction. Government agencies responsible for accepting the system had to be shown that timber frame houses would be as safe, comfortable and attractive as traditional homes and, in addition, would be more economical to build.

In 1964 there was a housing requirement of approximately 150,000 units in the Netherlands and in 1967 over 100,000 were still needed. The result of destruction during the war and the gradual decay of existing structures, the above figures did not

include over 500,000 sub-standard units that had to and still must be replaced. Moreover, the Government was concerned that better quality homes should be built in greater numbers in order to eliminate this shortage by 1970. The feeling was that, with experience and competence in the house-building field and with a range of good quality building products, Canada should try to participate in the effort to meet this housing need.

Mission Comes to Canada

As a result, in 1965 the Department of Trade and Commerce took a joint Dutch-German mission across Canada. Composed of builders, architects and government officials, the mission met Canadian builders, technical experts and building officials and visited building sites, industrialized building plants, sawmills and logging camps.

On its return the mission reported to the Dutch Minister of Housing that "timber frame construction as developed in Canada can also be used in the Netherlands" and that "timber frame construction is well suited for row housing in the Netherlands with prefabrication utilized to its fullest extent."

Shortly after the return of the first mission, a timber frame study group was formed by a small group of the members and attracted architects, builders and officials who had not been to Canada. It was established to investigate the best method of

adapting the Canadian system to Dutch climatic, architectural and legal conditions. An interesting highlight is that the present Minister of Housing, Ir. W. F. Schut, although he had not been to Canada, chaired the group for a short period before he entered active politics.

For the past two and a half years the group has been very active, stimulating interest, providing information and establishing design and technical requirements for a Dutch timber frame system. Close to completion is a study which the committee hopes will be accepted by the Ministry of Housing as a national timber frame building code.

As a result of contact with their friends in the timber frame study group and with those who were on the previous missions, individual Dutch architects, university professors and two groups of importers visited Canada at their own expense to see the system and to meet builders, technical experts and exporters. Itineraries and visits were set up by the Forest Products Division of the Department of Trade and Commerce in co-operation with the Regional Offices. In addition, the Dutch representative of the British Columbia Lumber Manufacturers Association (BCLMA) has taken numerous groups to England to see the Canadian Demonstration Homes. Visits of this nature were encouraged so that as broad a range of the Dutch building industry as possible could inspect and investigate at first hand the Canadian timber frame system.

Finally, a high-level mission, the last in the present program, went to Canada this month (September 13-29) to see row-housing and garden-home developments, to meet with technical experts from the Canadian building industry and official agencies, and to study some of our newer projects and ideas in town planning, particularly in medium-rise, high-density housing built in timber frame.

Exhibitions Help Promotion

Enthusiasm and interest in the timber frame system were generated by the missions and it was decided that, rather than taking the mountain to Mahomet, it would be much more practical to stage exhibits in the Netherlands. Two very successful exhibits have been held and another is planned for the Utrecht Building Products Fair in April 1969.

With outstanding co-operation from Delft Technical University, the first exhibit was held in the Convocation Hall in Delft in November 1966. Designed as a technical display, it demonstrated the Canadian building technique to those involved in the designing, planning and building of homes, and to those concerned with regulating house construction in the Netherlands. Throughout the show, programs were organized for groups of specially invited technical visitors and one day was set aside for three busloads of German guests brought to Delft by our officers in Bad Godesberg, Duesseldorf and Hamburg. At each session papers were given by the Dean of the Faculty of Architecture at Delft, Professor Gout, who had visited Canada in 1965, and by the British and Dutch representatives of the BCLMA and the British representatives of the Plywood Manufacturers of British Columbia (PMBC). Films and special receptions rounded out a popular, enthusiastically received program.

It was at the opening of this exhibit that the first official success was announced. Ir. H. M. Buskens, Director-General of Housing and Town Planning, stated that official permission had been granted for the construction of 21 timber frame row houses at Horst in Limburg. On December 28, 1967, the Minister of Housing, Ir. W. F. Schut, opened the project at what he called a "Dutch-Canadian Love-In".* He also announced that

the project would be studied by building officials as a means of determining the viability of providing more government subsidies for timber frame construction in the social housing sector.

The 1967 Utrecht Spring Fair, the largest spring exhibition in Europe, was the site for the second demonstration. Open for ten days in March, the exhibit was visited by about 100,000 people out of a total attendance of approximately 150,000, including builders, architects and government officials. According to Fair officials, it was the biggest attraction of that year. Two bungalows rented from Engineered Homes Ltd. and sent from its factory in Wales were erected on the site. One house was finished and furnished in Canadian style, the other was used as a display hall to demonstrate the construction technique and to show Canadian building and equipment.

Technical and business visitors, although often critical, were impressed by the system and the products displayed. The general public expressed envy and the wish that they could live in houses like these. One lucky fellow bought the two houses at the Fair and, after some haggling, paid cash on the spot to have them delivered to his home town in the north of the Netherlands. As another direct result of the Utrecht Fair, one contractor in Belgium and at least five in the Netherlands are building homes using the Canadian timber frame system, timber and building products.

Housing Units Built

There are other encouraging signs of success. By the end of 1966 ten housing units had been built and by the end of 1967 another forty were completed. It is expected that in 1968 at least 140 more will be finished. From old peoples' homes to private bungalows and in the social housing, subsidized and private sectors, projects ranging from one unit to 86 units are going up. Some of these projects are experimental and, if they prove to be economical and practical, architects and builders are assured of another 325 units. This, of course, does not include development from active sales campaigns.

*See brief article in the April 13, 1968, issue of *Foreign Trade*.

In 1964 there were no builders or architects using this system. Now there are some 15 to 20 contractors and about 20 architects active and making money with their modifications of the Canadian building method. They are concerned about the economies of building in timber frame and much time, effort and money have gone into studies on the efficient combination of prefabrication and on-site labor. The timber frame study group has been active in this area and has been supported by commercial officers of the Canadian Embassy and the local representative of the BCLMA. Prefabrication was used to maximum advantage in the Horst project: exterior walls were clad with prefinished cedar siding and window frames were installed; interior walls came complete with electric wiring, wallboard and door frames; the bathroom wet-cell was completely prefabricated even to the fixtures and was hoisted into place with a crane. All the houses built so far have used industrialized building techniques and most builders can now complete one unit within 30 days.

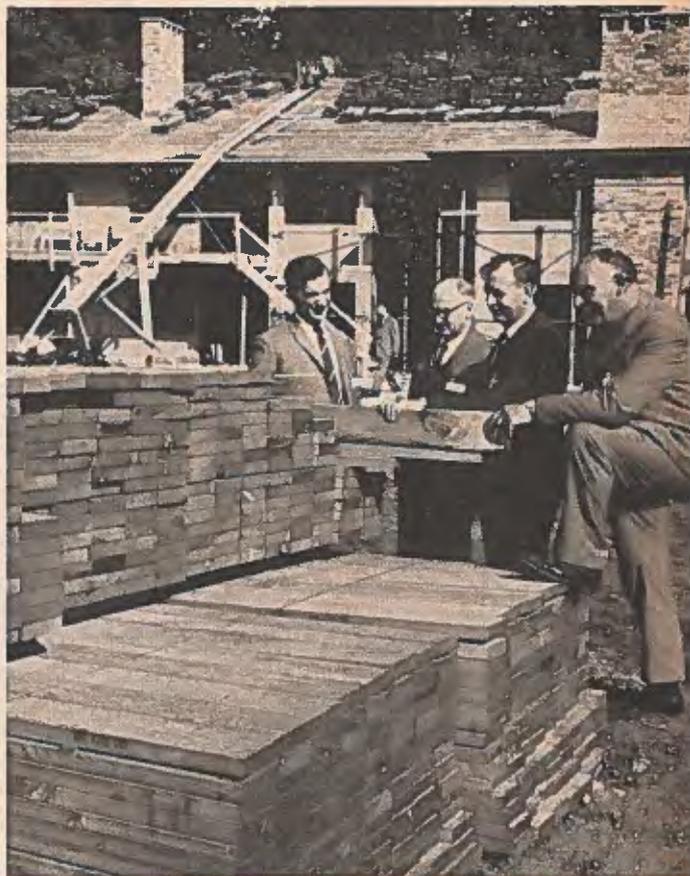
Timber, Plywood and Products

Most of the houses built so far contain Canadian CLS timber and all contain Western red cedar, plywood and building products. Whether or not contractors will continue to use Canadian materials depends on the follow-up by the Canadian exporter himself.

Dutch statistics indicate a gradual decrease of about 17 per cent in total timber and plywood imports since 1964. This can be attributed to a decline in house construction over the past two years because of tight money and to an increase in concrete construction. Canada's timber and plywood exports in 1966 reached a record \$11.0 million but in 1967 they dropped to \$8.0 million. This, however, is still far ahead of our position ten years ago; in 1957 Canadian exports of timber and plywood to the Netherlands totalled \$870,000.

By far the greatest threat to the Canadian timber trade comes from the Scandinavian countries and the U.S.S.R., both outside the EEC. With good reserves of top quality softwood, they benefit also from relatively lower freight rates to the Netherlands. In addition, the Scandinavians are

Two years after a Netherlands Housing Mission toured Canada in 1965 to examine timber frame house building techniques, the 21-unit government-subsidized project below was well underway at Horst, Limburg. Canadian timber, and Canadian windows, were used. Examining surfaced timber in Vancouver, right, are members of that 1965 mission which reported to the Dutch Minister of Housing that they believed that "timber frame construction as developed in Canada can also be used in the Netherlands".



actively trying to move into the timber frame market by claiming that their slightly larger than Canadian Lumber Standards dimension is structurally as efficient and yet more economical than Canadian timber. Canadian exporters themselves are the only ones who can counter this competition and the Commercial Division of the Canadian Embassy will be pleased to help in any way possible.

Canadian plywood exports to the Netherlands show a healthy growth since 1960 and this trend is expected to continue. In 1960 they reached about \$15,000 but they soared to approximately \$1.9 million in 1966, with a slight decline in 1967. Only a small part of this gain results from the introduction of Canadian timber frame. The biggest boost by far comes from the increasing use of Douglas fir plywood for concrete forming, for cladding on agricultural buildings, and for packaging materials. Small quantities of other types of plywood are used for decorative wall covering, furniture blanks and packaging.

Directly attributable to the campaign are the new agencies established for a variety of Canadian building products. Aluminum and vinyl windows, decorative wallboard and acoustic ceiling tiles, all made in Canada, are now coming to the Netherlands in increasing quantities.

Potential is Good

Generally speaking, the potential for Canadian timber and building products in the Netherlands is good. A great deal depends on the ability and willingness of the Canadian producer to meet the competition with vigor and with good quality and competitively priced materials. Also important is a constant and reliable supply available to Dutch buyers.

Higher Canadian labor costs, shipping charges and exorbitant duties make the export of components from Canada practically impossible. Anyone interested in selling components is strongly recommended to enter into a joint venture with a Dutch contractor. At the same time he should

be prepared to market an "open" system—that is, not patented—because to register and obtain approval for a "private" system, he must be ready and able to spend anywhere from \$3,000 to \$10,000 and to wait for at least two years while the system is examined and tested.

The Canadian Government has instigated and supported an extensive campaign, which is by no means finished. With another mission going to Canada and participation in the Building Products Fair in Utrecht in 1969, a continued effort will be needed to guarantee success.

The door has been opened and it is up to the Canadian exporter to step across the threshold and seize the opportunities that are there. Both the BCLMA and PMBC have energetic Dutch-speaking representatives here, ready with expert advice and information, and the Commercial Division of the Canadian Embassy in The Hague is always ready to assist Canadian exporters interested in the Netherlands.

West Germany

Decorative woods show most promise

DAVID H. CLEMONS
Vice Consul, Hamburg

■ West Germany has recovered from its recession and has started another period of rapid growth. Canadian lumber sales to Germany which had shown remarkable gains for several years, scarcely paused for breath during the recession. The upward trend is expected to continue.

Postwar housing shortages have still not been overcome. Almost 600,000 new housing units a year are being built. Although the emphasis is on low-cost apartments, the per capita income of over \$2,100 means that many Germans can afford to improve their scantily-equipped apartments and flats as well as older houses with decorative panelling, cupboard and shelving units, and many modern conveniences.

Two Promotion Targets—The single family dwelling market amounts to about 25 per cent of the total units built each year but it represents a much smaller volume of sales even though the lumber used per unit is high in comparison with apartments. Part of the Canadian lumber sales promotion is aimed at this sector in the hope that a larger proportion of single family units will be built after the housing shortage has been overcome. By then per capita income will have risen even higher. Up to now, timber frame houses (other than cottages) have been almost unknown and they are not preferred to other types.

Canadian promotion efforts have therefore concentrated on two targets: decorative applications and timber frame construction. The aim of the decorative promotion is to take advantage of the abundance of Canadian clear grades with attractive color and grains (chiefly red cedar, and Douglas fir). The aim of the timber frame promotion is to introduce construction grades of the Canadian species already being sold here.

The decorative promotion has been by far the more successful and most

of the current efforts are concentrated on it. Virtually all the lumber Canada now sells in Germany is clear. A contractor recently built a row of small houses on the timber frame principle but the results are being used to support both sides of the argument about the merits of the technique. Despite this, however, promotion is continuing aggressively, and better results are expected.

Softwoods—Germany manages its forests very efficiently and normally produces two-thirds of its softwood requirements, about 1.5 million standards per year. This is supplemented by imports of softwood for general construction use, chiefly from neighboring sources. Canada has sold some eastern white spruce for general construction use when prices were unusually favorable but this business is not yet on a continuing basis. The

western construction grades are not normally competitive in price.

West Germany imports decorative and special softwoods for joinery, furniture, flooring, panelling, and even sauna baths. This is where Canadian exports have shown great strength, even in competition with similar species from the United States.

Canada came twelfth as a softwood supplier in 1967 with 12,000 standards. Our competitors and the approximate composition of our sales are shown in the tables on page 11. Unfortunately, transshipment through Rotterdam introduces some discrepancies between the German and Canadian figures. Pitch pine, which has no direct Canadian counterpart, accounts for a large percentage of U.S. sales and distorts the comparison. Probably the best measure of Canadian success is a comparison with the 1962 figures—in five years, sales of softwood have almost doubled, rising from 6,375 to 12,152 standards.

Hardwoods—Among decorative woods Germany imports many exotic hardwood logs, used as lumber and as



Many Germans can now afford to improve their flats and houses with decorative floor and wall panelling and Canadian producers are pursuing this market.

veneers, often on particle board backing. Canada has a very small part of this market, supplying approximately \$150,000 worth out of total imports of \$91.5 million.

Despite an effective tariff difference of about 12 per cent between logs and veneers, Canada sells more veneers. Improvement in our share of this sector should result from continued strong promotion because the use of veneers increases with the growth of "wood-consciousness". At present we supply about \$2.5 million worth of hardwood veneers (\$2,043,000 walnut and \$322,000 elm) out of the \$34.5 million total German veneer imports.

Prospects—Perhaps the best comment on the future is that made by a man actually in the business of selling Canadian lumber in Germany. R. Brickenstein, chairman of the Association of German Wood Importers, puts it this way:

"The growth of imports from Canada developed in the early 1960's, after insignificant imports in the 1950's. It was assisted by the excellent advertising program of the British Columbia Lumber Manufacturers Association, as well as the visit to Canada of a European Common Market Importers Mission at the invitation of

GERMANY'S SOFTWOOD IMPORTS 1967

SUPPLIERS

| | (standards) |
|----------------|----------------|
| Austria | 144,139 |
| Sweden | 130,977 |
| Romania | 126,635 |
| U.S.S.R. | 92,858 |
| Finland | 72,417 |
| United States | 34,613 |
| Poland | 28,780 |
| Brazil | 22,593 |
| Czechoslovakia | 19,866 |
| Hungary | 19,087 |
| Honduras | 12,950 |
| Canada | 12,152 |
| France | 10,987 |
| Total | 741,120 |

Source: Jahresbericht des Vereins Deutscher Holzeinfuhrhäuser e.V. 1967

CANADIAN SALES

| Species | Quantity ('000 bd. ft.) | Value (\$'000) |
|-------------------|----------------------------|-------------------|
| Western red cedar | 7,744 | 1,153 |
| Douglas fir | 6,838 | 1,232 |
| Hemlock | 6,642 | 537 |
| Western larch | 443 | 64 |
| Balsam fir | 192 | 19 |
| Spruce | 22 | 12 |

Source: DBS

the Department of Trade and Commerce and the Canadian timber industry.

"West Germany's sawmills produce 1.5 million standards yearly, meeting two-thirds of the requirements of coniferous lumber. Other European sources provide some of the construction grades but the imports of high quality stock come mainly from overseas.

"It is therefore logical for the lumber trade between the Federal Republic and Canada to concentrate on clears from B.C., mostly western red cedar, Douglas fir and hemlock. Construction grades from Canada, because of high freight costs, have only very limited possibilities on the German market, depending on seasonal factors.

"Visits to each other's country, the exchange of knowledge and the co-ordination of sales promotion continue to strengthen the friendly relations between Canadian shippers and German purchasers. The German timber trade expects further increases in lumber shipments from Canada; the increase in imports will come primarily from B.C.

"Packaging according to length and transport in modern shipping units will continue to be important factors in support of this development."

Greece

Opportunities to sell if prices competitive and regular supply guaranteed

G. BASTOUNIS

Commercial Officer, Athens

■ Greece is a major importer of forest products because it has very limited forest resources. Last year its imports, mainly sawn lumber, totalled U.S.\$40.9 million. Yet Canadian lumber sales to this market are still minimal.

The traditional suppliers of lumber and other forest products to Greece are the Scandinavian countries and Eastern Europe, with the latter furnishing some 70 per cent of imports

in recent years. It is difficult for Canadian suppliers to compete with the East European countries because they will accept payment in agricultural commodities under bilateral trading agreements, thus conserving Greece's foreign exchange. There is little reason, however, why Canadians could not compete with the Scandinavian countries. The Greek market has developed a preference for Scandinavian types of wood, but Canadians should be able to overcome this if they can offer good quality and regular supply. The latter has been a problem.

Imports of all types of lumber and lumber products in 1967 totalled U.S.\$40.9 million as compared with U.S.\$44.8 million in 1966 (see Table I). This drop in total imports is due to a domestic recession and not to any significant fall in Greek requirements for imported lumber. Softwood imports totalled 554,835 cubic meters valued at U.S.\$27.9 million, and hardwoods 114,492 cubic meters valued at U.S.\$7.9 million. Other lumber products valued at U.S.\$5.0 million were also imported.

Sawn whitewood (spruce) and redwood (red pine) are the two principal species of lumber imported into Greece. The former is used for construction and concrete form work and the latter for joinery. The U.S.S.R., Austria, Romania, Hungary and Yugo-

slavia are the principal suppliers of whitewood and Sweden, the U.S.S.R. and Finland supply most of the redwood. Softwood logs are mainly imported from Hungary, Romania and Bulgaria, wooden poles from Finland, Czechoslovakia and the United States, and oak logs and sleepers from France and Yugoslavia.

The standard lumber specifications for the two main species of softwood lumber are as follows:

Redwood—in falling lengths

| | |
|----------|------|
| 3½ × 5" | 20% |
| 3½ × 3½" | 5% |
| 3 × 3" | 5% |
| 2 × 6" | 15% |
| 2 × 5" | 35% |
| 1½ × 6" | 5% |
| 1½ × 15" | 15% |
| | 100% |

Whitewood—predominantly in lengths of 4 meters and widths 4" to 12" and in these thicknesses:

| |
|-----|
| ½" |
| ¾" |
| 1" |
| 1½" |
| 1¾" |

Whitewood and redwood sawn balks of 3×3 inches, which used to be imported exclusively from Sweden and Austria are now also imported from Hungary.

Current Prices

Prices of Swedish and Finnish redwood as per the above specifications are currently approximately U.S.\$182 to \$187 per standard f.o.b. for a quality consisting mainly of fifth grade. Current freight rates from Scandinavian countries to main Greek ports are approximately U.S.\$41-\$43 per standard. Redwood prices from the U.S.S.R. for a slightly higher quality, including about 50 per cent unsorted and 50 per cent fifth grade, are about the same as those quoted by the Scandinavians. Freight rates from Soviet Baltic ports are slightly less than those from Scandinavia.

Whitewood f.o.b. prices from the U.S.S.R., Romania and Hungary vary from U.S.\$38 to U.S.\$44 per cubic meter and from Austria from U.S.\$46 to U.S.\$48. Freight rates range from U.S.\$3.50 to U.S.\$4 per cubic meter.

In general, prices for lumber from the U.S.S.R. and Eastern European countries are lower than those from other sources. Furthermore, because the Greek authorities wish to expand exports of slow moving agricultural products under bilateral trading agreements with these countries, they allow special financial arrangements on imports of lumber from these sources.

Current c.i.f. prices for Douglas fir clears range from U.S.\$220 to U.S.\$235 per 1,000 board feet based on freight to Piraeus of U.S.\$78 per 1,000 board feet. Payment terms granted by most foreign suppliers of lumber are 25 per cent letter of credit with the balance cash against documents. The tables below give a breakdown of Greek lumber imports.

**TABLE I
IMPORTS OF LUMBER INTO GREECE**

| Timber | 1966 | | 1967 | |
|--|--------------------------|---------------------------|--------------------------|-------------------------|
| | Volume (cubic meters) | Value (‘000 dr.) | Volume (cubic meters) | Value (‘000 dr.) |
| Timber in the rough | 69,944 | 101,357 | 74,065 | 106,564 |
| Telephone and power poles | 31,370 | 58,012 | 81,135 | 149,024 |
| Roughly squared timber | 35,383 | 43,121 | 30,422 | 35,857 |
| Sawn lumber | 559,213 | 908,074 | 475,037 | 759,440 |
| Railway sleepers | 1,038 | 2,969 | 1,381 | 3,298 |
| Staves (cooperage) | 9,227 | 30,676 | 6,188 | 19,755 |
| Planed lumber | 1,549 | 5,645 | 295 | 889 |
| Flooring | 2,053 | 8,668 | 804 | 3,742 |
| Total | 709,777 | 1,158,522 | 669,327 | 1,078,656 |
| | | (Cdn.\$38.6 million) | | (Cdn.\$35.9 million) |
| Other Wood Products | | | | |
| | 1966 | | 1967 | |
| | Volume (metric tons) | Value (‘000 dr.) | Volume (metric tons) | Value (‘000 dr.) |
| Sticks for making walking sticks | — | 20 | — | — |
| Veneers | 394 | 16,032 | 261 | 10,401 |
| Plywood | 17,229 | 114,843 | 14,472 | 89,666 |
| Cellular wood panels and "improved" wood in sheets, etc. | 31 | 595 | 17 | 101 |
| Particle board | 12,324 | 28,669 | 11,695 | 26,938 |
| Boxes and shooks | 4,173 | 11,227 | 3,461 | 10,459 |
| Prefab houses | 116 | 936 | 145 | 1,438 |
| Doors and readymade flooring | 95 | 3,598 | 24 | 1,194 |
| Hardboard | 5,069 | 11,588 | 4,705 | 10,459 |
| Total | 39,431 | 187,508 | 34,780 | 150,251 |
| | | (Cdn.\$6.25 million) | | (Cdn.\$5 million) |
| Grand total | | Cdn.\$44.9 million | | Cdn.\$41 million |

**TABLE II
CANADIAN LUMBER IMPORTS INTO GREECE**

| | 1966 | | 1967 | |
|---|----------|---------------|----------|--------------|
| | Quantity | Cdn.\$ | Quantity | Cdn.\$ |
| Balsam fir (MBF) | 67 | 6,022 | — | — |
| Douglas fir lumber (MBF) | 33 | 4,375 | — | — |
| Hemlock lumber (MBF) | 363 | 41,446 | — | — |
| Douglas fir plywood (sf) | 80,352 | 5,642 | 73,389 | 5,015 |
| Hardboard (cwt.) | 184 | 1,812 | 239 | 2,356 |
| Total | | 59,297 | | 7,371 |
| For the first five months of 1968 Canadian sales were: | | | | |
| | | | Quantity | Cdn.\$ |
| Lumber, red western cedar (MBF) | | | 5 | 855 |
| Plywood, Douglas fir (SF ¼" basis) | | | 28,416 | 2,739 |
| Hardboard (cwt.) | | | 516 | 5,074 |

Prospects for Sales

According to DBS statistics, Canadian lumber exports to Greece in 1967 totalled only Cdn.\$7,371. The breakdown is given in Table II.

At present Douglas fir plywood for concrete form work, bus flooring, marine and decorative purposes appears to be one of the few lumber products imported from Canada. With the development of interest in locally manufactured prefabricated houses, there has been a small increase in the demand for western red cedar as a premium wood for top quality houses. This market, however, will never be very large.

Greek lumber importers have made repeated attempts to introduce Eastern Canadian spruce, but these have failed mainly because Canadian exporters were not able to offer regular supplies. Attempts were also made to introduce hemlock and balsam fir, but local customers did not find these suitable substitutes for red pine for joinery work. There is a demand for Douglas fir clears for making window shutters, but Canadian supplies of this particular item are apparently not available.

For the time being, the export of wooden poles to Greece is not possible. The Greek authorities have not accepted Canadian offers of lodgepole pine in the past because these have not met the minimum Greek requirements and Douglas fir poles are not competitive in price.

Major Problems

The major problems facing Canadian lumber exporters appear to be high freight rates, lumber specifications (especially for whitewood), and continuity of supply. Greek importers are eager to import lumber from Canada because the lumber trade in Greece is at the present time dominated by Eastern European monopolistic traders. Exporters of eastern Canadian spruce should be in the best position if they can offer sizeable quantities on a regular basis at competitive prices. So far West Coast lumber has proved too expensive to be used in large quantities here, although some finds its way into special decorative work. Although Greece is becoming self-sufficient in some types of plywood, particle board, flooring

etc., its demand for sawn lumber will continue to increase.

There has been considerable interest in the past in exporting Canadian timber frame prefabricated houses into Greece but no successes have been reported. There is a definite demand for prefabricated houses but high duties and preferential treatment of local manufacturers prevent the import of complete or semi-complete structures. The only way Canadian com-

panies can participate in this market is through a joint venture with a Greek firm using Canadian techniques and, if possible, Canadian lumber.

The best way to penetrate the Greek market is to visit Greece to obtain first-hand information, to meet buyers, and to establish reliable agency connections. The office in Athens knows many importers and agents who would be interested in working with Canadian firms and we would be pleased to assist any Canadian exporters.

France

Unsatisfied demand for individual homes

PAUL LABBÉ, *Assistant Commercial Secretary, Paris.*

■ The housing shortage has created some excellent prospects for builders and suppliers of housing components. France's Fifth Five Year Economic Plan (1966-1970) calls for 470,000 family housing units a year by 1970 and offers substantial credit terms and incentives. But the industry is not quite meeting the targets set for it and, what is more, critics feel that even fulfilling these targets would not make up for the low level of construction during the interwar years and immediately after World War II. In the last three years, completions have increased steadily—412,000 in 1965, 414,000 in 1966 and 423,000 in 1967. However, the general strikes which crippled the country for almost six weeks in the spring will significantly impair the 1968 and 1969 housing programs.

It should be emphasized that more than two-thirds of the total number of dwellings completed fall in the high-rise category. Recent surveys have found that this ratio is the exact inverse of what the French customer wants, a fact of great importance to Canadian exporters. The French Government is well aware of the situation and has taken steps to encourage a much greater proportion of low-rise and detached homes. Despite this, the majority of units will continue to be in the high-rise category for some time to come.

One of the major problems is that there are very few large builders of individual homes capable of producing them by industrialized methods. House builders in France are, by and large, small and local enterprises.

"La Technique Canadienne"

The Department of Trade and Commerce realized some time ago that there was a good opportunity to promote Canadian building materials and techniques. In co-operation with representatives in France of the Canadian West Coast lumber manufacturers, it began a campaign to encourage the use of the timber frame construction method. The timber frame exhibit in Paris early in 1967 was visited by architects, engineers, builders and representatives of the lumber trade and the press. In connection with the exhibit, some 400 prominent members of the French building profession took part in two half-day study sessions, organized to illustrate and discuss timber frame techniques. Last fall, a mission composed of important French housing authorities visited Canada at the invitation of the Department of Trade and Commerce. During their stay, the visitors saw building sites across Canada as well as private and public testing laboratories for wood products and other building materials. Technical lectures and discussions completed the mission program.

The over-all promotion was supported by repeated showings of technical films and constant contact with the building trade and the press. It has been successful to the point where the timber frame method is often referred to in France as *la technique canadienne*.

As a result of the timber frame promotion, a major breakthrough for the timber frame construction is expected shortly. When this happens, it could benefit a large segment of the Canadian housing components industry. Your firm's share of this new expanding market depends on the steps you take now.

Three Basic Steps

Your first step should be to make sure that you can sell your product competitively in France and to find out whether it will require modification to fit in with French norms and tastes.

France uses the metric system. The problem is not just one of converting measurements from one system to the other; their standard sizes are not quite the same as ours. Kitchen appliances such as stoves and washing machines are smaller and lower than in North America. Electrical apparatus has to be designed for 230-volt 50-cycle current. The output of heating equipment is measured in calories rather than BTU's. These are just a few of the differences you will have to cope with if you want to market your line successfully, but they are not insurmountable. If you have any questions about your product's possibilities in France, simply drop your Trade Commissioner a line and he will do his best to give you an accurate rundown on the market situation. Or, alternatively, get in touch with the Department of Trade and Commerce in Ottawa.

Having assured yourself that there is a market for your product in France and that you can sell it at a competitive price, the next step will be to introduce it. Bear in mind BATIMAT, the builders' materials fair, which will be held in Paris in November 1969. The Department of Trade and Commerce will have a large exhibit as it did in 1967 when more than 24,000 persons visited the Canadian stand, 60 per cent of them professional people. Detailed planning for BATIMAT '69 starts next month

—better act now if you want to reserve space.

The next step will be to decide on your method of distribution, whether through direct sales, commissioned representatives or an agent. Choose the one best suited to your particular aims and your product.

More often than not a French distributor will ask for exclusive rights. Before you agree, make sure that he can either cover all France or handle all the volume you want to sell in the French market. Consider both immediate and long-term prospects.

Publicity is important and you should take it into account when establishing your pricing policy. There are over 10,000 architects in France and an equal number of consulting

firms. In many cases, you must contact these people in order to have your product specified for a particular project. A distributor cannot do this properly if you only give him a meagre supply of brochures. He should either have sufficient publicity material or an additional margin to allow him to produce his own. If he already publishes a catalogue, he may ask for financial help in defraying the cost of including your product. This should not be overlooked in the negotiating stages if you want to avoid misunderstanding later.

If for some reason your product cannot be sold competitively in France, look into the possibility of licensing. This has already been done successfully by some Canadian firms.

Denmark

There's a big demand for plywood

JOHN M. HILL, *Assistant Commercial Secretary, Copenhagen.*

■ Canadian exports of Douglas fir plywood to Denmark totalled a scant Cdn.\$19,000 in 1964 but only three years later they passed the million-dollar mark. Douglas fir exports in 1967 reached Cdn.\$1,145,000 and those of other softwood plywoods Cdn.\$116,000. Denmark now ranks as Canada's sixth overseas market for Douglas fir plywood, well behind Britain (\$30.7 million), but close to the Netherlands, Japan, West Germany, and France, (1967 range from \$1.99 million to \$1.17 million). On the basis of per capita consumption, Denmark ranks high among Canadian markets for plywood.

Danish users have quickly recognized the versatility of Canadian construction-grade plywood and it is being used in more and more ways. Roofing, flooring and gable ends are the principal applications. Danish designers have used plywood roofing to great effect in the reconstruction of one of the famous restaurants in Copenhagen's Tivoli Gardens. In both the roofing and walls of two new building materials supermarkets ex-

tensive use of plywood has been made—an eloquent testimony to the advantages of one of their fastest growing sales items. World-renowned Danish gymnasts practise in gymnasiums with flooring of Canadian plywood. The Danish State Railways has a substantial program for rebuilding boxcars and Douglas fir plywood has been used on its prototype model.

Unlike its Scandinavian neighbors, Denmark is not a heavily forested country and so it does not have the timber tradition which accounts for the extensive use of forest-based building materials in other Scandinavian countries. The success of Canadian construction-grade plywood has not been achieved by merely offering an excellent product at competitive prices. It has also involved a concerted marketing effort directed at introducing a new product to consumers who had no concept of its uses or advantages.

Sales Strategy

Faced with the task of introducing a new product, marketing managers

Two views of the new supermarket for building materials in Slagelse, Denmark. Canadian Douglas fir plywood was used for the exterior wall cladding and interior lining, and the unusual pyramid roof line. Examining the stressed skin panels of the roof sections are John M. Hill, Assistant Canadian Commercial Secretary in Copenhagen (left), John Wilson, Plywood Manufacturers of British Columbia, and E. Ellesoe-Hansen.



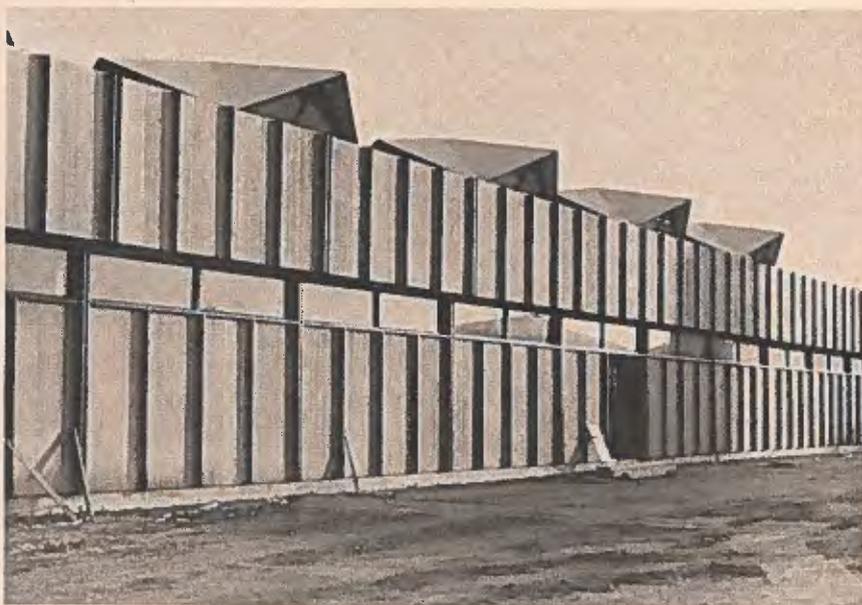
traditionally examine the advantages to be gained from either the "push through" or "pull through" strategy. The Danish representatives of Canadian plywood manufacturers initially emphasized the "push through" strategy. They attempted to sell all levels of the distribution system—from importers and wholesalers down to the traditional small timber merchants or lumber dealers—on the advantages of plywood. More recently, emphasis has been placed on the "pull through" strategy, which bypasses the distribution system and relies on influencing the consumer directly, with the result that consumer demand becomes a force that effectively draws plywood through the distribution system and ensures that it is widely available.

The principal targets at the consumer level have been the engineer and architect, who have been made aware of both the practical advantage of plywood and the scope it offers for design. Supplying technical information and assisting with specific design problems have been the major elements in this program. As a result, engineers and architects increasingly specify Canadian plywood for their clients.

Close contact has been maintained with a number of institutions, both government and private, which have important roles to play in ensuring the success of Canadian plywood. These institutions are involved in applied research, the determination of standards, and the drawing-up of codes of practice and regulations.

Technical Help for Trade

The remarkable increase in consumer acceptance of Canadian plywood has brought about greater interest in the Canadian product within the timber trade. In recent years a



group of Danish timber merchants have come to Canada to visit manufacturing operations. Two plywood seminars for the trade were held in Copenhagen and Aarhus this spring. Representatives of the plywood manufacturers of British Columbia (PMBC) were able to provide individual dealers with valuable technical information and advice. The Danish Timber Information Council, an organization financed by the timber trade, has had great success in furthering the acceptance of forest products through an ambitious program. This program includes research grants, publications and seminars directed at the specifier group of architects and engineers. The Council encourages research work in the timber field in the universities, where timber construction is attracting increasing interest and support.

Canadian interests are well represented in Denmark. Aggressive manufacturers' agents are working hard to expand the market. A representative of the plywood manufacturers of British Columbia visits the market regularly to provide technical assistance for builders, architects and engineers. Through the Trade Commissioners stationed in Copenhagen, and a study mission by one of its Ottawa-based commodity specialists, the Department of Trade and Commerce has been able to assist Canadian manufacturers in their export efforts.

Although construction activity can be heavily influenced by current economic policy in the short term, the medium- and long-term prospects for residential and non-residential building are favorable. Combine this with

the active marketing effort being made by Canadian interests in Denmark and there is little doubt that this will continue to be one of the fastest growing markets for Canadian plywood.

Many Canadian exporters are dismayed by the small size of the Danish market and the extremely competitive conditions which prevail there. The success of Canadian plywood shows

that a small but sophisticated market can become a significant consumer of Canadian products when these are competitive in price, quality and delivery, and are promoted aggressively.

Spain

Good market for pulpwood and decorative woods

F. M. MULKERN, *Assistant Commercial Secretary, Madrid*

■ The demand for forest products in Spain has risen rapidly over the last 15 years in step with the country's industrialization. By 1963, Spanish coal mines were consuming 424 million board feet of props and poles, the pulp and paper industry some 244,000 cords of pulpwood, and 530 million board feet were going into crates and barrels for fruit, vegetables and other agricultural products. These three industries together took 63 per cent of Spain's production and imported 342 million board feet log equivalent as well.

The manufacture of veneer and plywood took 159 million board feet in 1963 and a good proportion of the finished product was exported. Sawn lumber for construction in the same year amounted to 677 million board feet equivalent from domestic production and 403 million from abroad. The substantial quantities imported have focussed attention on reforestation to increase home supply and reduce the deficit, but this has not yet made much impact on the market.

Canada's Share of the Market

In 1967, Canada sold Cdn.\$3.2 million worth of forest products to Spain—sawn lumber, pulpwood, plywood and logs—out of total Spanish imports of Cdn.\$71.7 million from all sources. The major competitors were Sweden (\$22 million), United States (\$9 million), Ivory Coast (\$6 million), France (\$4.7 million), Finland (\$4 million), U.S.S.R. (\$3.3 million), Cameroon (\$3.2 million), Yugoslavia (\$2.5 million), and Portugal (\$2.1 million).

Hemlock, Douglas fir and red cedar are the main Canadian species sold.

Hemlock goes largely into joinery products including windows and related items. Douglas fir is used in shipbuilding and for window shades, windows and furniture. Red cedar, because of its beauty, is employed in the construction of luxury buildings. There is a preference for Western species of lumber for some uses because clear grades are more readily available.

Surveys by the Madrid office show that the Soviet Union and Scandinavian suppliers are becoming more competitive in the Spanish market. The Scandinavian countries, except Sweden, supply mainly hardwoods for construction and furniture manufacturing. The Soviet Union competes with them and is expected by the trade to increase its share of the market considerably at their expense. It does not compete directly with Canada for sales of the better quality woods.

The Market at a Glance

Pit props—Mostly local woods used but there are some imports from Portugal. Pine was the main species used but now eucalyptus is popular. Little prospect of worthwhile business for foreign suppliers.

Pulpwood—Small number of large importers. Price is the major consideration and peeled balsam and spruce are preferred. Contracts with Canadian suppliers are usually signed in the fall for spring shipment on chartered vessels. Our sales were 39,300 cords in 1965, 56,300 cords in 1966, and 40,200 cords in 1967. The U.S.S.R. entered the market for the first time in 1968.

Canada, Portugal and Finland are traditionally the major foreign suppliers of logs for cellulose pulp. Canada provided 156 million board feet in 1966 out of a total of 196 million, and 98 million in 1967 out of a total of 151 million. Portugal's share in 1967 was 41 million board feet and Finland's was 11 million.

Crates and containers—The use of light crates made from sawn lumber is increasing rapidly. In 1963 consumption for this purpose was 537 million board feet of which 15 million

were imported. Consumption is expected to reach 763 million board feet by 1975. Canadian exporters should look into this market.

Construction and furniture—Total Spanish consumption of sawn lumber in 1963 was 695 million board feet of which 262 million were imported. Some 43 per cent went into residential construction, 31 per cent into other construction, 14 per cent into repair and maintenance, and 15 per cent went to the furniture trade. Coniferous species accounted for 83 per cent and deciduous species for 17 per cent. For construction work, the tendency is to use imported sawn lumber for carpentry and for decorative purposes; comparatively little is locally sawn.

Plywood—The plywood industry in Spain is one of the newest and most efficient of the forest industries. In recent years large quantities have been exported; some has even been sold to Canada. Imports are used mainly for decorative purposes, such as walls and interior panelling in luxury buildings. Spanish Guinea is one of Spain's main overseas suppliers.

Much of the Spanish market is for relatively inexpensive European redwood which Canada does not produce. Canada has, however, been shipping construction grades of hemlock which compete with European species. Construction grades of other Eastern and Western species might also be competitive. The sudden dip in Canadian sales of sawn lumber from Cdn.\$1.47 million in 1965 to Cdn.\$0.75 million in 1967 is partly due to sluggishness in the construction industry and carry-over of stocks from the previous year, but competition was a factor too.

The great majority of Spanish sawn lumber imports are handled by commission agents who sell in turn to importers. More than half the importers hold stocks; the others sell direct to retail outlets or large consumers. The syndicates play an important role in the trade—syndicates are industry groupings sponsored by the Government and representing government, labor and management. They are organized on a provincial and a national basis. Within the National Syndicate of Wood and Cork is the National Group of Wood Importers whose members exchange information on prices, commissions, imports and similar subjects.

The commission agent usually receives between 2 and 3 per cent on softwood imports and up to 5 per cent on hardwood imports. The importer selling to stockists adds 10 per cent for his margin; the importer/stockist selling to the public adds another 20 per cent. There are only a few very large commission agents and they handle a wide range of lumber from non-competing sources.

The prospects for Canadian pulpwood suppliers are very good, provided that prices are competitive. We can look forward to a growing market for our sawn lumber too, particularly for Western species. There may be opportunities for Eastern sawn lumber also. Specialty hardwoods can be sold in Spain in smaller but worthwhile quantities. The outlook for plywood, however, does not seem too encouraging at present. The Commercial Counsellor, Canadian Embassy, Apartado 117, Edificio Espana, Avenida de Jose Antonio 88, Madrid, has a list of Spanish importers of different types of wood and would be happy to assist you to explore the opportunities.

Switzerland

Promising market for plywood

M. MEISTER

Commercial Assistant, Berne

■ Forests are Switzerland's most important natural resource. They yield about 3.3 million cubic meters a year and cover 2.4 million acres, 30 per cent of the country's productive land. Various public and semi-public bodies together own 70 per cent of the forests, leaving some 30 per cent in the hands of private owners. The Government exercises over-all control—its foresters even mark the trees which may be cut on private land—and subsidizes reforestation. Complete clearing is prohibited and after felling, new trees have to be planted to maintain the total acreage.

Of the 3.3 million cubic meters a year that Swiss forests yield, approximately 22 per cent is hardwood and 78 per cent softwood. Some 60 per cent of it is used for lumber, 20 per cent for pulpwood and chips, and 20 per cent for firewood.

Storm Damage Upsets Markets

The storms which devastated large forest areas in Europe in February and March 1967 caused particularly heavy damage in Switzerland. Some 2.6 million cubic meters of wood were added to the normal supply at a time when prices were already declining and anti-inflationary measures had brought about a recession in the

construction industry. In spite of pressure from forest owners, the Swiss Government did not at any time consider import restrictions, which would have been contrary to its EFTA commitments. Instead, the Federal Government made available a credit of 5 million Swiss francs, which was increased in December 1967 to 8 million, enabling forest owners to quote prices in line with the foreign competition. This also made it possible to export about 476,000 cubic meters of wood the price of which would otherwise have been too high. To check the decline in prices, the Cantons and the lumber wholesalers reached an agreement that called for restricted harvesting of trees during the 1967/68 season. In spite of these measures, profit margins were much below the previous year's level.

Swiss Imports

Switzerland's concern about keeping its forests intact makes it necessary to import substantial quantities of wood. The temporary surplus in 1967 did not interfere with the regular import trade channels, although total imports of wood declined from 607,137 metric tons in 1966 to 563,629 in 1967 (see table).

The developing countries have found a good market in Switzerland for tropical woods such as teak and mahogany. The largest supplier is

SWISS IMPORTS OF WOOD

| | 1966 | | 1967 | |
|----------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| | Quantity (<i>'000 m. tons</i>) | Value (<i>Cdn.\$'000</i>) | Quantity (<i>'000 m. tons</i>) | Value (<i>Cdn.\$'000</i>) |
| Firewood | 60 | 1,109 | 54 | 1,087 |
| Shavings and other wood waste | 32 | 344 | 36 | 355 |
| Timber tropical | 73 | 7,618 | 69 | 7,008 |
| deciduous | 107 | 5,376 | 102 | 5,168 |
| coniferous | 54 | 2,185 | 42 | 1,592 |
| Pulpwood and chips | 51 | 1,501 | 50 | 1,536 |
| Lumber tropical | 8 | 1,148 | 9 | 1,295 |
| deciduous | 60 | 5,271 | 50 | 4,263 |
| coniferous | 147 | 16,198 | 136 | 14,804 |
| Railway sleepers | 14 | 981 | 16 | 961 |
| Total | 607 | 41,730 | 564 | 38,071 |

Nigeria, followed by the Ivory Coast and the Congo, and the list includes practically every country in tropical Africa and Asia.

France is by far the most important supplier of deciduous woods. Coniferous woods come mainly from West Germany, Austria and the Eastern European countries. Sawn lumber—fir, spruce, Douglas fir, hemlock and redwood—is imported from the United States. France supplies most of the imported railway sleepers. Nearly all the pulpwood imported into Switzerland comes from West Germany. Two buying co-operatives formed by the Swiss paper mills purchase 95 per cent of it.

What Canada Sells

Canada's share of the Swiss market for timber and lumber is not very large—242 metric tons of deciduous timber and 4,397 metric tons of coniferous timber in 1967, according to Swiss statistics. The main species we sell there are Douglas fir, western red cedar and hemlock and the main hardwood variety is elm. Western red cedar was quite popular a few years ago but is no longer in great demand. The prices for Douglas fir are considered too high, but sales of hemlock are increasing. However, it appears that Swiss importers have some difficulty in obtaining lumber sawn to the sizes and specifications the market needs. Prices for hemlock are still competitive, but any increase would make it difficult for Canadian exporters to maintain their present share of the Swiss market.

There are good prospects for Douglas fir plywood from British Columbia. The market for this item is only beginning to be developed—total Swiss imports of plywood and veneers in 1967 amounted to 20,960 metric tons of which only 212 tons came from Canada. Canada's position is expected to improve in the near future. An association of Canadian plywood manufacturers with an office in West Germany is actively promoting sales in Switzerland. The response from Swiss importers and builders is very promising.

Can We Sell More?

Once the over-supply of wood caused by last year's storms is dis-



Photo by H. Rubin

Canadian Douglas fir plywood was used in the construction of this modern barn and stable near Clarens-Montreux, Lake Geneva. Prospects for plywood are good.

posed of (probably in 1968), the Swiss market should return to more normal conditions, with increasing imports and decreasing exports. European countries will continue to be the most important suppliers. Because of higher shipping costs, Canadian exporters are at a disadvantage, but prospects are good for certain types of lumber such as hemlock and elm, provided that it can be supplied in the required dimensions. Douglas fir plywood is also in demand. The people to contact are the few large Swiss importers who will always examine any offer submitted to them. You may reach them through the Commercial Division of the Canadian Embassy in Berne.

Imports of wood into Switzerland are completely free and no permits are needed. Chestnut wood may not be imported because of potential disease. Deciduous wood imported from Canada and several other countries has to be accompanied by a phytosanitary certificate stating that the wood is free of black bark beetle (*bostryche noir*). These certificates are

issued in Canada by the provincial forest services. No certificate is required for coniferous wood.

The average import duties levied under the General Tariff are:

| | Duty per 100 kg. gross (Swiss francs) |
|------------------|--|
| Timber tropical | exempt |
| deciduous | 0.45 |
| coniferous | 0.50 |
| Pulpwood | 0.05 |
| Lumber tropical | exempt |
| deciduous | 2.00 |
| coniferous | 2.50 |
| Railway sleepers | 1.65 |

Imports from EFTA countries are duty-free. A turnover tax of 5.4 per cent of the value is levied on all wood imports except firewood and pulpwood.

Wood and lumber from Canada are usually shipped by Rhine barge from Rotterdam to the Swiss border city of Basel. The Swiss importer does not stipulate how the lumber should be packed; it is left to the shipper to find the best ways and means.

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"The Maples" Leads the Way

. . . in convincing the British of the advantages of Canadian timber frame housing and opening up more markets for our timber, building products and equipment.

W. D. WARDLE, *Assistant Commercial Secretary (Timber), London.*

■ Some of the people at Harlow are different—or at least they live in different houses. They have purchased homes in *The Maples*, one section of the town of Harlow, Essex, 26 miles northeast of London. (Harlow was one of the first of the new satellite towns planned after the war and consists of a number of neighborhoods grouped around a town center; today more than 70,000 people live there.) *The Maples* offers houses built by the Canadian timber frame method and promises to the British buyer all the comforts that Canadians take for granted in daily living, including warm-air heating.

The Maples is naturally important to the families who elect to live there; it is even more important to the Canadian timber industry and to Canada's export trade. It marks the latest step in a long-term campaign by the Canadian Government to convince the British that timber frame houses can play an important part in alleviating the housing shortage in Britain and that they are comfortable and safe to live in. It is also an attempt to show that these houses can be adapted to British tastes and conditions.

How It Began

The story of Harlow really began in the summer of 1963. In June of that year the Department of Trade and Commerce sponsored the visit to Canada of a 16-man Housing Mission from Britain headed by Sir Donald Gibson, then the Director General of

Research and Development at the Ministry of Public Buildings and Works. Members of the mission were selected with great care and they included representatives from government, public and private housing interests and the timber trade. Their itinerary in Canada covered Ottawa, where they conferred with Central Mortgage and Housing Corporation and the Division of Building Research of the National Research Council; southern Ontario, where they studied large-scale millwork and industrialized house-building operations, and Alberta and British Columbia, where the housing experts studied housing developments and the timber men sawmills and plywood plants.

After the mission had returned to Britain, its findings were published in a White Paper put out by the Ministry of Public Building and Works. Contained in it were observations about the potential value to Britain of the adoption of Canadian timber frame methods. Phrases like this appeared in the report:

"Wall-framing members and joists were always of dressed timber and the number of sections used was very limited; . . . We noted the simplicity of jointing methods."

"The completed houses we saw everywhere presented a high standard of workmanship and finish, despite evident speed and the relatively low labour content."

"Accuracy of fit was made possible by the use of pre-cut and often shop-assembled dressed timber and in part by the use of simple and ingenious tools and accessories."

The report then went on to endorse the use of timber frame construction in the British building program, a program which then called for the production of 500,000 houses a year by 1970.

The Mission Suggests

In their report, the mission members made four concrete suggestions:

1. That three pairs of two-storey houses be built in Britain to demonstrate the building techniques used in Canada and to show the speed of construction and the use of new tools and equipment.
2. That there should be a group of about 200 dwellings erected in Britain, the planning, design and supervision to be the responsibility of the Canadian Government (Central Mortgage and Housing Corporation).
3. That a group of British builders should be shown Canadian methods.
4. That Canada should demonstrate timber frame techniques to Britain through the medium of the International Building Exhibition.

—continued on page 30



↑ Every worker on the Harlow project was presented with a Canadian-style carpenter's apron, complete with a carpenter's marking pencil, as a gesture of goodwill from Canada. This group of workers, after coping successfully with the learning of new building techniques, seems pleased with the chance to advertise the Maples.



↑ The two demonstration houses—and, symbolically, the whole Maples project—were opened officially by Sir Donald Gibson, Controller-General, Ministry of Public Building and Works, in May 1967. As this picture shows, public interest in the Canadian-style houses was at once aroused and visitors flocked to see them.

The Harlow Project Takes Shape

← The Canadian timber frame houses were built on 14.65 acres in one section of Harlow and included 173 dwellings in all. As this picture of several of the units under construction shows, the exterior finish combined blue-gray or buff Sussex brick with Canadian western red cedar. The pitched roofs were covered with tile in the English style and both walls and roofs were insulated.

➔ The first two houses finished at Harlow did not go on sale but were retained for special purposes. One was furnished immediately and became a "show house" for potential customers. Here some of the people who worked on the job drink to the success of the project. The other house was used as a class room in timber frame building methods.

↓ Here is one section of the Maples, with houses finished and ready to be occupied. To the buyer they offered warm-air central heating, double windows, fitted kitchens, and coloured tile bathrooms—all novelties in this price range in Britain. Each unit has its own garage and private garden—the latter a necessity in English eyes.



"The Maples"

—continued from page 27.

These recommendations were duly followed through. A 26-man mission of British architects and builders was brought to Canada in October 1964 and visited Vancouver, Calgary, Toronto and Ottawa. That same year, three pairs of two-storey houses were built at three different locations to illustrate Canadian building techniques and to promote the sale of Canadian lumber, plywood, and central heating and other equipment.

It was the second recommendation that became the germ of the Harlow Project. Following closely in time the three pairs of demonstration homes referred to in the first recommendation, this medium-density project was to prove the viability of timber frame construction in Britain, where a large proportion of housing is rowed or terraced in order to achieve densities from eight to sixteen houses per acre. (Harlow actually has twelve units per acre.)

Project Develops

Through the London office of the Department of Trade and Commerce, discussions were initiated between the Ministry of Housing and Local Government (MOHLG), Canada's Central Mortgage and Housing Corporation (CMHC), and the Harlow Development Corporation (HDC). MOHLG agreed to provide financing to HDC, the potential developer, through normal government channels. CMHC became the appointed architect to ensure good timber frame practice in keeping with Canadian standards.

The Harlow Development Corporation, representing Harlow New Town, agreed to provide a 14.65 acre site for the project and to offer the completed units for sale as part of its long-range plans to make homes available for purchase to local residents. Working drawings produced by CMHC were within MOHLG cost yardsticks and complied with the Parker Morris standards established in 1964, which outlined requirements for council or local authority housing financed through the central government.

During the initial design stages the Department of Trade and Commerce discussed with the architect the Cana-

dian content. It was understood by all parties that Canadian timber would be used in the framing and roof trusses and that Douglas fir plywood would be used for sub-flooring and wall sheathing. Mindful of the experience acquired in the demonstration homes project in 1964, it was decided to include Lloyd-Truax bi-fold louvred doors of western red cedar, Canadian extruded vinyl window hardware in western red cedar frames, Canadian Weiser door locks, and gas-fired warm-air furnaces from General Steel Wares (U.K.) Ltd., a wholly owned subsidiary of General Steel Wares (Canada) Ltd.

Bills of quantities were drawn up and four British builders were invited to tender. Eventually the contract was awarded to George Calverley & Sons (Contractors) Ltd. of Leicester and groundwork on the prepared site began two months later.

With foundations completed, wall panels began to arrive from T. Bath & Co. Ltd. of Edmonton, just north of London. It was approximately twenty miles from the fabrication plant to the site. The walls were quickly erected and roof trusses fabricated by Newsum Timber Engineers Ltd. of Rainham, Essex, were rapidly set and fastened to the outer wall plates.

From the beginning of the job, two representatives of CMHC were on the site to ensure good building practice. C. L. Tye, a site engineer from Vancouver, and his colleague J. G. Kingston, an area inspector from Toronto, assisted the contractor in providing first-class houses despite certain initial difficulties encountered because of inclement weather and the need to train personnel in the new techniques. Details were checked scrupulously to rule out any possibility that the houses might not be up to the required high standard.

Official Opening

On May 22, 1967, at the invitation of the Canadian Minister (Commercial), in London, L. H. Ausman, Sir Donald Gibson, CBE, DCL, FRIBA, Dist. TP, MTPI, opened the first show houses and, symbolically, the over-all project before an invited audience of distinguished builders, architects, suppliers, press representatives, timber trade representatives,

mission members and local government officials. In declaring *The Maples* open, Sir Donald actually opened two houses only, which proved in time to be the focal points on the site. Because the houses were to be offered for sale, Unit No. 173 was established as a show house for the Harlow Development Corporation. It was completely furnished to enable the prospective purchasers to acquire a feel for the size of the house. It also offered them an opportunity to discuss with sales people the advantages of living in a Canadian timber frame house.

Unit No. 172, at the request of the Canadian Government acting on behalf of the Canadian timber industry, was left unfinished to facilitate the mounting of a display showing timber frame housing techniques that could be readily observed by visiting professionals. Descriptive literature was prepared for them and a film made showing the use of the technique at the demonstration homes built before the Harlow project. The unit thus offered graphic material, models of exterior wall sections, roof trusses and dry-wall exhibits. It became a classroom on site, with a retired CMHC inspector from Vancouver brought over to man the exhibit.

In the relative privacy of unit 172, British builders, architects, component manufacturers, building society representatives, students, quantity surveyors and local authority personnel received instruction. A direct mail campaign aimed at these professional groups—a mailing that was co-ordinated with publicity in the appropriate trade journals—advertised this expert guidance and ensured that all were offered an opportunity to benefit from it. An estimated 10,000 persons were eventually given guidance in the finer details of timber frame construction as applied to the British situation. This on-site classroom was to continue only until March 31, 1967, but it eventually proved possible to keep it open until June 30, adding a further three months to its useful life.

Visitors to the classroom included not only the British but also Europeans. Harlow's proximity to London and the fact that it is a developing planned new town means that it is continually visited by touring groups of professional town planners from

all parts of Europe and countries as distant as the United States and Japan.

Meeting the Objectives

The original timber frame project had basically two objectives. How far have those objectives been met?

In the first, to secure a place for Canadian timber frame housing in the British housing program—a program due to produce 500,000 dwelling units a year by 1970—it appears that Canadian timber frame housing has indeed been adopted by the housebuilding industry. There is a definite swing to industrialized building techniques and timber frame is one of these. Trade estimates are that approximately 30,000 houses will be built in timber frame in 1968 compared with 1965 estimates of 1,000 to 1,500. This is generally thought to be an increase of 5,000 over 1967 and could possibly be followed by substantial gains in the next two or three years as the general economic situation improves, following the devaluation of the pound. Housing starts have increased from 373,700 in 1964 to 404,400 in 1967 and part of this increase is due to the use of Canadian techniques.

The second Canadian objective was to develop a tertiary market for CLS timber (lumber dressed to Canadian Lumber Standards sizes) and a secondary market for Douglas fir plywood. Surfaced timber is used in the housing industry in North America and could readily be sold to Britain to use for the same purpose. Douglas fir plywood is being used extensively in the concrete shuttering market and could equally well be sold to builders for wall sheathing and sub-flooring. These objectives have, for the most part, been met—or at least the groundwork has been laid. More and more builders are asking for CLS timber and it is now being stocked in Britain; before 1963 it was virtually unavailable. The Council of the Forest Industries of British Columbia deserves credit for this. Acting on behalf of coastal B.C. producers of CLS hemlock, the Council established the B.C. Timber Frame Housing Group in London to advise British builders on the use of Canadian timber in housebuilding programs. Following this aggressive action, the Timber Research and Development

Association of the United Kingdom and the Timber Trades Federation began to promote timber frame housing to benefit member companies. The result is that sales of Canadian CLS lumber and Douglas fir plywood showed remarkable gains up to the date of devaluation and the subsequent rise in prices in pounds sterling.

As an additional bonus, Canadian sales of louvred doors have increased sharply although trade statistics do not provide quotable figures. General Steel Wares (U.K.) Ltd. estimated that it has sold 10,000 gas-fired warm-air furnaces in 1967. Sales of PH windows, now being manufactured by Price Bros. (Penarth) Ltd. in Swansea, under licence from Panoramic Hardware Ltd. of Quebec City, have increased substantially. Other Canadian window manufacturers have also enjoyed export sales. Trans Canada Truss Ltd. of Ottawa has established over the last two years a chain of licensees who are using the Trans Canada system of manufacturing roof trusses in an industrialized environment.

Booklets Published

To continue promotion in Britain, the Department of Trade and Commerce sponsored the production of *Canadian Wood-Frame Houses*, a film showing how the technique was used at *The Maples*. This 17-minute film highlighting the salient points of timber construction and following its predecessor, *More Homes for More People* (which grew out of the demonstration homes project) will continue to provide builders with visual impressions of the usefulness and flexibility of timber frame construction long after the Maples project is completed and the houses occupied. The film has already been used by a major timber and plywood importer at a sales meeting and it is fully expected that the twelve copies in circulation will convince even more builders of the advantages of Canadian techniques.

To date many builders have changed to timber frame construction and the amount of interest shown in CMHC's new manual, which was produced for Trade and Commerce, indicates that more may do so. Copies of the manual, *Canadian Wood-Frame House Construction*, and the B.C. Timber Frame Housing Group's *Check Points*

in *Good Practice* are in constant demand. Ten thousand copies of the former have been distributed in the last four months and twenty thousand will shortly be mailed to interested persons.

The Harlow project has, we believe, shown many influential people in the building industry that timber frame construction has a place in British building. All persons connected with the system and in touch with the building trade provide evidence to substantiate the claims that the system is viable and provides both good accommodation for the occupant and profits for the builder.

Canada will be proud of *The Maples* and its one hundred planted sugar maple trees—a symbol of Canada's Centennial. The opinion of one satisfied occupant is reported in the national press this way: "Thinks his house is great and adds that he and his wife looked at a lot of houses before deciding to buy at *The Maples* which they thought was the best they had seen . . . They are delighted with the central heating which keeps the house warm and only costs them £20 for four months."



It's 74 Years Since . . .

. . . the first full-time Canadian Trade Commissioner was appointed. On August 25, 1894, John S. Larke was named Commercial Agent and posted to Sydney, in the Colony of New South Wales. (The title Trade Commissioner had not yet come into use.) Other Commercial Agents (the first were appointed in March 1892) were local businessmen in commercial centers abroad who became correspondents of the Department for the prestige of the position and an honorarium of \$250 a year.

Mr. Larke was a Canadian businessman and was employed by the Department full time for a salary of \$3,000. He toured Canada and met with businessmen before he sailed, as the Trade Commissioners do today. Not until ten years later was he finally brought back to Canada on leave, when he again travelled across the country. His work in Sydney was highly praised.

Argentina Improves Transportation System

Argentina is expanding and modernizing its present transportation system. The author outlines some of the recent projects and suggests areas of interest for Canadian firms.

W. PERKINS, *Commercial Assistant, Buenos Aires*

■ Argentina's transportation system radiates from a central point like the spokes of a wheel. Geographical barriers, overseas markets for the country's agricultural production, and little contact with neighboring countries have contributed to this unique pattern. Today most roads and railways radiate from the principal ports to inland points. There are few connections between ports or routes into surrounding countries.

Recent industrial and economic development in Argentina and closer economic relations among Latin American countries have made necessary an expansion in the transportation system and many projects have recently been undertaken. These projects are financed both by local sources and by international development agencies such as U.S. AID and the Inter-American Development Bank (IADB). Shipping, air, railway, and particularly road facilities are receiving attention.

Ports—The Atlantic ports of Mar del Plata and Bahia Blanca are being dredged to a depth that will take larger ocean-going vessels. A large project is being planned for the Rio de la Plata ship channels servicing the ports of La Plata and Buenos Aires. The IADB has been asked to provide money for dredging these channels and international tenders may be called shortly for carrying out the work.

Airports—Argentina's airports are undergoing improvements but much work has still to be done. In the last federal budget, U.S.\$11.4 million was allocated for general repairs and expansion of ground facilities. Argentina's airports are not large enough, there are not enough of them, and they are not adequately equipped to cope with increasing air traffic. An over-all airport improvement plan has been

promised for some time but has not yet got under way.

Railways—The railways owned by the Government are no longer the principal means of transport in Argentina. The present Government is, however, streamlining the operation of the railways. The service is improving and the deficit is gradually being reduced.

The Missing Link

The roads of Argentina are receiving the largest share of funds for transportation improvements. In the fertile region known as Mesopotamia (the northeastern provinces of Entre Rios, Corrientes and Misiones) a tunnel is being built under the Paraná River. It will be the province's first road connection with the rest of Argentina. The consortium which is building the tunnel includes German, Italian, and Argentinian contracting firms. It should be open for service by 1969. A new bridge will also be built on this route and the contract for it was awarded last November to the local subsidiaries of two international engineering firms. Also on this route is the Colastine bridge, built by the Argentine Federal Highway Board. It was opened in March 1967 and is the first toll bridge in Argentina.

A second road connection between Mesopotamia and the rest of Argentina will require a bridge over the Paraná River joining the cities of Resistencia and Corrientes. Tenders for selecting consulting engineers as the Federal Highway Board's advisers on this project were called recently from local engineering companies, some of them associated with foreign consultants. Tenders were also called for construction of the bridge and were to be closed on April 10, 1968. Approximately half of the cost of construction will be financed by a U.S.\$34 million

IADB loan awarded to Argentina in December 1967. At least one Canadian firm was expected to bid on this project.

A third link with Mesopotamia will be a combined road and railway bridge over the two main branches of the lower Paraná River. The engineering design for this bridge was awarded recently to an Italian firm, in association with two local engineering companies. A World Bank mission which was in Argentina in February has shown some interest in providing financing for this bridge.

Beyond the Borders

A road into Uruguay is now receiving attention from the governments of both countries. Two bridges over the Uruguay River have been proposed. The improvement of Argentina's road communications with Paraguay is being studied and three bridges connecting the northern province of Formosa with roads in Paraguay have been considered. These plans for a more accessible route to Paraguay are still in the early stages of development. New highways to Chile and Bolivia are also being proposed. Paving of the major route from Argentina to Chile is almost completed on the Chilean side of the border. On the Argentinian side, work will soon begin on the highway so that it can be kept open the year round. (It reaches an altitude of 10,000 feet in the Andes.) Roads crossing the barren northern plateau to Bolivia will be improved to handle modern traffic. These improvements are to be financed from the U.S.\$34 million IADB loan mentioned above.

Access to Urban Areas

Another road transport problem receiving the attention of local authorities is the access to Argentina's main cities. Buenos Aires has the most serious access problem—more than a third of the country's population lives there. The northern access expressway is now being completed. Several others are being started, including an expressway to the city of La Plata.

Argentina's efforts to improve its transportation system provide opportunities for Canadian firms in four different fields:

1. Consulting services to carry out feasibility studies or to act as advisers to local government bodies.
2. Engineering and design services for large projects (as long as funds are not provided by another country

which has "tied" the loan). The most effective way to obtain contracts in these two areas is through an association with a local company. On certain tenders, this association is, in fact, obligatory.

3. Contracting for projects called by international tender. Three Canadian companies submitted pre-qualification information on various aspects of the El Chocón Cerros Colorados hydro-

electric project in southeastern Argentina. Participation by Canadian companies in other projects is possible.

4. Supply of construction equipment and construction materials.

Canadian firms in the above fields who wish more information on opportunities in this transportation program should write to the Commercial Division of the Canadian Embassy in Buenos Aires.

Brazil Advances into the Electronic Age

A Brazilian trade mission which visited Canada last year was greatly impressed by our electronic industry. Now is the time to sell electronic products there.

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

■ An easy market to penetrate—that is the first impression of most Canadians who contemplate exporting electronic equipment or components to Brazil. But don't be too hasty in your judgment. Brazil is self-sufficient in many products and turns out more than 95 per cent of its television and radio sets and components. Canadians, however, can sell educational television equipment, supervisory equipment, machinery and production equipment for electronics, medical and scientific instruments, specialized commercial television equipment, and telecommunications and navigation equipment.

Incentives to Industry

The Brazilian Government has paved the way for imports of sophisticated electronic products from abroad. For example, one law exempts from import duties and other taxes all imported equipment, machinery and spare parts for the maintenance and construction of television stations. Another grants tax exemption for imported machinery, equipment, components, devices and spare parts brought into Brazil specifically for use in the

electrical and electronic manufacturing industries when no similar product is made locally.

The Executive Group of the Electrical and Electronic Industry (GEINEE) was established within the National Development Plan in March 1967 to foster the development, integration and rational expansion of the Brazilian electronics industry. It consists of representatives of every government agency, including the Ministry of Planning and Co-ordination, the Central Bank, the Foreign Trade Bureau (CACEX), the National Bank of Economic Development (BNDE), and representatives of electrical and electronic industries. In 1967, GEINEE approved 14 projects for the rationalization of equipment and manufacturing facilities in the electronics industry.

Product lines to be developed include glass isolators, television resistors, channel switches, radio-communication equipment, electrical measuring equipment, glass tube components, enamel-coated wire, magnetic tape, television tubes, incandescent lamp filaments and electronic receiver valves. The total value of these projects which qualified for tax exemptions and in-

centives was U.S.\$2.3 million. More important, the value of imported equipment for these projects was over U.S.\$1.5 million. Projects under study in December 1967 amounted to over U.S.\$4.8 million and the value of the imported material and equipment to U.S.\$2.5 million. This shows the size of the market for which Canadians should be competing.

Bridging the Education Gap

Corning Glass Works International recently opened a new television bulb plant in São Paulo. The reason for setting up this plant was that manufacturers in Brazil expected to sell 425,000 television sets in 1967 and to reach the 700,000 mark in five years. Corning will sell to four major television set manufacturers in Brazil and has received initial orders from Mexico and Argentina, two other LAFTA countries.

Now is the time for Canadian manufacturers to get into this market with the hard sell. Equipment for the recently inaugurated Bandeirantes television station in São Paulo was supplied by four of our major foreign competitors. It is reported to be the world's fourth largest television station, has a total constructed area of 15,500 square yards, seven studios (each with its own control room), transmits to 2.5 million people now, and will soon reach 8 million by means of two or more re-transmitters.

What are the reasons for the rapid development of this market?

1. The enormous distances to be covered and the importance of integration in LAFTA which has made telecommunication systems vital to Brazil.

2. Television provides a means of combating illiteracy and bridging the technological gap. The Government has already set up an Educational Television Foundation which will have a center for educational television tapes in Rio de Janeiro and will revamp the educational television system in Brasilia. By the end of the ten-year program, educational television should be available in 85 major centers throughout Brazil. A four-member mission from the Educational Television Foundation visited Canada in the fall of 1967 to discuss Brazil's educational television requirements and to see in which areas Canadian manufacturers and consultants could assist. On their return, all members of the mission highly praised the state of electronics in Canada and said they were amazed at Canadian technology.

3. The new Ministry of Telecommunications has decided that the Brazilian electronics industry must close the technological gap and lower unit costs if Brazil is to maintain its rate of development in this area. Brazilian manufacturers have therefore been looking overseas for partners in licensing, joint ventures, and subsidiary manufacturing operations. Their efforts are proving successful. The electronics industry is one of Brazil's most dynamic today.

The Brazilian Industry

Brazil's electronic knowhow has come mainly from the United States and West Germany, followed by Britain, France, Belgium, Italy, Switzerland and Japan. The U.S. contribution amounts to some 60 per cent. Large international firms with Brazilian plants for domestic consumption and export include RCA, General Electric, Siemens, Ferranti and Pirelli.

Computers and data processing machinery—These are produced in Brazil for the domestic market and export. Data processing machinery has become one of Brazil's leading exports of manufactured goods. At home, computers and data processing machinery have found widespread appli-

cation in government and private enterprises—from the Bank of Brazil to the São Paulo Jockey Club. The major manufacturers include IBM, Burroughs, Remington Rand, Bull do Brasil, National, Siemens, and Telefunken.

Control, command and measuring equipment—In Brazil there are more than nine manufacturers of industrial control equipment, one manufacturer of automatic control equipment, and over eight producers of measuring devices for industry.

Electronic testing sets for radio and television—More than ten manufacturers produce these.

Radio, television and amplifier sets—Brazil has more than fifty manufacturers of these products. At the end of 1966, some 30,000 people were employed in this sector. Transistor radios represented over 90 per cent of total radio production in 1966.

Electronic components—More than 90 per cent of the industry is in the State of São Paulo. Components manufactured include diodes, transistors, powdered iron cores, ferrite cores, resistors, capacitors, electrolytic cells, photoelectric relays, carbon resistors, television potentiometers, polystyrol condensers, electrolytic condensers and polyester condensers. The component and spare parts industry is expected to grow in spite of the vertical integration policy of most major producers of radio and television sets. Sockets, plugs, shieldings, etc., are also made locally.

CANADA'S ELECTRONICS EXPORTS TO BRAZIL

| | 1966 | 1967 |
|---|----------------|----------------|
| | (Cdn.\$) | |
| Telephone apparatus equipment and parts | 98,012 | 59,503 |
| Radar equipment and related devices and parts | 24,154 | 9,210 |
| Commercial communication equipment n.e.s. | 2,060 | 97,531 |
| Electronic tubes and parts | | 14,256 |
| Semi-conductors and parts | 1,134 | 1,053 |
| Components for communication equipment n.e.s. | 150,422 | 198,741 |
| X-ray and related equipment and parts | | 124,838 |
| Electricity-measuring instruments and parts | 33,834 | 304,299 |
| Total | 309,616 | 809,431 |

Source: DBS

The policy of the Ministry of Telecommunications is to encourage the establishment of large equipment plants using as much Brazilian equipment, parts and manpower as possible and creating opportunities in turn for the establishment of smaller firms to supply parts.

There are already two firms producing Crossbar 5005 telephone equipment, Plessey and Automatic Telephone, and two others making the step-by-step system. They also manufacture carrier equipment and, to a very small extent, microwave equipment. Crossbar 5005 is being produced in Brazil with a national content of 80 per cent.

The Market for Canada

Brazil's import bill for major electronic parts and equipment came to about U.S.\$9.4 million in 1966. This consisted of diodes, transistors and triodes (U.S.\$2.7 million); telephone apparatus and accessories (U.S.\$4.9 million); transformers (U.S.\$1 million), and electronic instruments for measuring and control (U.S.\$0.9 million).

Canada's exports to Brazil in 1967 included electronic components worth about Cdn.\$810,000, of which the main items were electricity-measuring instruments and parts (Cdn.\$304,299), components for communication equipment (Cdn.\$198,741), X-ray and related equipment and parts (Cdn.\$124,838), commercial communication equipment n.e.s. (Cdn.\$97,531), and telephone apparatus, equipment, and parts (Cdn.\$59,503).

Customs duties on electronic equipment tend to be high because Brazil wants to encourage its own industry. You should obtain an expert opinion on the rate of duty for your own particular product. Bear in mind, however, that imports for certain projects may be exempt from duty.

Exporters who are thinking about licensing arrangements, joint ventures or setting up subsidiaries should look closely at the special incentives offered to new industries in Brazil's development areas.

Brazil is a big market for electronic equipment and Canada can increase its share. The first step is to make Canada and Canadian products better known. Every exporter doing business in Brazil can help.



The greater part of our exports to West Germany enter through the port of Hamburg. The development of its container terminal (above) and railway feeder services is therefore of great interest.

The Containerization Movement: Hamburg

D. S. McCracken
Consul, Hamburg

■ Containerization was virtually unknown in Europe ten years ago but it has developed rapidly. Today, Hamburg and Bremen are fighting to become Germany's principal container center and to head off competition from Rotterdam and Antwerp. The Germans have recognized the advantages offered by these ports at the crossroads of land and water routes between Western Europe, the Soviet Bloc countries, and Scandinavia. Canadian exporters to the German market should also look closely at what containerization offers them.

The development of container traffic by these two cities, Hamburg especially, is important to Canada both because they are gateways to Northern Europe and because the winds of economic change in the Soviet Bloc presage more trade with Western countries. Improved transportation in itself inevitably stimulates trade. It is not unlikely that Hamburg may become one of the principal staging areas for the expanding trade between North America and Europe.

Trans-America Route—Traffic experts in Germany are considering North America as a possible landbridge for freight going from Europe to the Far East. The idea is to establish huge container facilities on both coasts of

the North American continent. Containers would go by special ship across the Atlantic or Pacific, cross North America by rail and complete their journey by sea. The saving in time could be as high as 16 days. Futuristic? Not at all. Containers are already moving eastwards from Holland to Japan across the Siberian land-bridge.

Container Terminal Facilities—Hamburg, which is now the main German port of entry for Canadian goods, will play a large part in the European containerization program. To meet the demands of the future, it has embarked on a major expansion of containerization facilities. By the end of 1968 the Hamburg container terminal will have 2,800 feet of wharfage, 125,000 square yards of paved staging area, two huge sheds covering 11,000 square yards, and ancillary equipment including two special container cranes, four large van carriers, five straddle carriers and two mobile cranes. There will be nine berths for containerships (this could be expanded to 14) with a theoretical annual potential of seven million tons of containerized cargo.

Some of the major carriers have based their own expansion plans on these new facilities. United States Lines has just started a special container service from Hamburg to North American ports. The Hamburg America Line and North German Lloyd have formed the Hapag-Lloyd Container Line. Four ships are now under construction for this new venture which will operate from Bremen and Hamburg. Each will carry 616 twenty-foot containers and will be able to complete the round trip across the Atlantic in 14 days.

Railroad Service—The German Federal Railway (Bundesbahn) is moving into the container business with a vengeance after a slow start which allowed the trucking industry to virtually dominate inland container traffic. The first round in the railway's fight was the inauguration last February of a daily container express service from Hamburg and Bremen to South Germany. It is possible to load a container at the plant in Toronto and express it by sea and rail direct to the customer in Munich or Frankfurt.

Although the demand for this service has not been large, the Bundesbahn is going ahead with plans to establish 60 container terminals, backing up the ports with an intricate inland rail distribution system. The railway will spend over \$40 million this year on materials handling equipment alone. Looking farther ahead, as foreign industry begins to "produce into the container", door-to-door service will be made available.

Consolidation — In containerization, the principal determining factor is size—of shipper and of receiver. Where does this leave the average Canadian exporter to Germany whose individual shipments are rarely large enough to fill a container? The answer is of some significance to Canadian exporters and to Canadian freight forwarders as well. The forwarding industry stands to lose as container-

ization brings direct and continuing contact between shipper and carrier, leaving the forwarder, as middleman, reduced in importance.

The solution for shipper and forwarder alike seems to lie in freight consolidation. If your forwarder is not thinking in these terms, a bit of pressure from you would be to your advantage. Freight consolidation entails the forwarder's making up full container loads from less-than-container lots. Even if your shipments are relatively small in physical volume, there is still a good chance for you to enjoy some of the advantages of containerization. Shop around among shippers and forwarders and see who will give you the best deal.

The Conference in Hamburg—Traffic managers and planners will be interested in the scientific conference on containerization and exhibition which

take place in Hamburg from October 3 to 7, 1968. The object is to examine the role of the container today, to see where improvements are necessary, and to exchange technical information with experts from the Western world, for the benefit of container producers, carriers and users. Canadian firms with a major interest in containers should consider visiting Hamburg during the exhibition. H. A. Mann, Chairman of the National Harbors Board, will give a paper on "The Canadian Land Bridge—Container Traffic between Europe and Asia—Revolution or Utopia?" Among other Canadians at the conference are expected to be E. J. Cook, Vice-President, Special Duties, and Rupert Tingley, Systems Manager, Container Development, Canadian National Railways, and A. G. McGavock, Co-ordinator, Atlantic Container Services, Canadian Pacific Railway Company.

Abu Dhabi Launches Development Plan

■ Abu Dhabi, the first of the Trucial States to discover oil, has now embarked on an ambitious development plan. The largest of the seven desert Sheikdoms in the Gulf called the Trucial States, with an area of about 25,000 square miles, it has a population of only approximately 25,000. The Ruler of Abu Dhabi, Sheikh Zaid, recently announced that the Government will follow the guidelines set out in a Five Year Development Plan which envisages a total expenditure of about \$822 million.* Of this, close to \$674 million over the five years will be spent on social services and on major development projects in industry and agriculture.

The sum of \$91 million will be spent on the generation and distribution of power to increase the Sheikdom's electricity generating capacity from the present 6 mw. to 130 mw. by 1972. The waste heat from generating this power will be used for water desalination. This subsidiary project is expected to supply Abu Dhabi Town with two million gallons of distilled water per day by 1969 and this capacity will be upped to five million per day by 1970. As a supplementary measure, a pipeline has been built from Buraimi Oasis, an important inland town, which supplies Abu Dhabi

Town with 1.7 million gallons per day. Concurrent with these projects are plans for street lighting, transmission lines, a power distribution network, a gas line and a municipal sewerage contract. The main contracts for these were let recently, mainly to British firms.

The Five Year Plan also allocates \$109 million for the building of 1,000 kilometres of roads linking Abu Dhabi with Dubai and Qatar as well as for an internal network of roads.

The contract for the first stage of a new harbor installation has been awarded to a German firm. This involves a long jetty out into deep water. Pending the completion of this harbor project, a temporary harbor will also be built to meet in part the present requirements over the estimated five years needed for completion of the permanent harbor. This interim port project has been awarded to a British consultant and the contract for construction, at an estimated cost of \$3 million, will be issued shortly.

The Five Year Plan is particularly concerned with the exploitation of the industrial potential of the country. About \$137 million has been allocated for the study and implementation of possible industrial projects, including a cement factory, oil refineries, a small petrochemical industry, tourist facilities and

the revival of the pearl and fishing industries. A further \$29 million will be spent on exploiting new irrigation methods and on the development of agricultural lands near the oases of the interior.

Funds totalling \$29 million have also been set aside to build some 50 elementary schools and two technical colleges. Some \$14 million will be spent on the construction of seven hospitals and 16 clinics. A development fund will also be established to assist Abu Dhabi citizens to secure low-interest loans.

The Plan provides for \$34 million to cover the State's international commitments, and a fund of \$68 million will be set up to aid other Arab countries.

The proposed withdrawal of British Forces from the Gulf by 1971 has forced a reappraisal of defence requirements in Abu Dhabi, as well as in all the other Trucial States, and in Qatar, Bahrain and Kuwait. The Government of Abu Dhabi tentatively plans to raise its defence force strength from the present 1,000 men to 4,000. It is also reported that it will try to purchase up-to-date fighter aircraft for the air wing and more modern patrol boats.

All these developments indicate that Abu Dhabi is well on its way to becoming a smaller version of Kuwait.

*All values are in Canadian dollars.

—R. H. M. CATHCART, *Assistant Commercial Secretary, Beirut.*

carbon copy paper (dekascript). International Paper Co. will grant licences to Feldmuehle for Western markets—Hamburg.

Swiss paper imports jump

Swiss mills, working near capacity, produced 645,000 tons of paper in 1967. Imports, mainly from EFTA countries, rose 36 per cent to reach 147,000 tons—Berne.

Marketing cattle in Portugal

It is reported that a large British organization with Portuguese associations will set up a holding farm in Portugal to display dairy and beef cattle. The farm will also serve as a distribution center, enabling buyers to choose their cattle on the spot—Lisbon.

Abu Dhabi buys Scottish desalination plant

The Scottish firm of Weir Westgarth is to build two large seawater distillation plants in the Arabian Gulf state of Abu Dhabi at a cost of more than Cdn.\$5 million—Glasgow.

Record exports for U.S. aircraft manufacturers

According to the Aerospace Industries Association, U.S. manufacturers of general aviation equipment exported a record 3,035 aircraft in 1967, worth \$76.5 million. This was a 4.6 per cent increase over the 2,093 aircraft valued at \$75.4 million which were exported in 1966. European nations bought 923 aircraft for \$21 million in 1967. Canada bought 391 aircraft worth \$11.6 million compared with 408 worth \$8.8 million in 1966—Los Angeles.

Aluminum plant to be built in Iran

Construction will begin early in 1969 on a \$44 million RCD (Regional Co-operation for Development) aluminum plant at Ahwaz, Iran. The plant will produce up to 50,000 tons of remelt, sheet and extrusion ingot annually. Offers from several European and British firms for plant machinery are being considered by RCD's three partners (Pakistan, Iran and Turkey)—Islamabad.

Greece awards television contract to Italy

A U.S.\$16 million contract for a Greek television and radio network to be completed by 1971 and later linked up with the European network has been awarded to Page Enropa SPA of Italy. The equipment will be supplied by Italy and Britain. As a result of this project, Greek imports of television sets are ex-

pected to increase considerably above the 50,000 now in use. Canada is a major supplier of television sets to Greece—Athens.

Czechs buy Expo technique

FEAL of Milan has granted licensing rights to its Varm-3 modular building system (used in the Soviet pavilion at Expo) to Czechoslovakia for 15 years. The Italian firm will also provide technical assistance—Milan.

U.S.S.R. aids Pakistan's fishing industry

The Soviet Union has signed an agreement to send to Pakistan three fishing survey vessels and trained specialists and to draft a plan for a fishing port at Ibrahim Haidery, West Pakistan. Pakistan will then be able to undertake deepsea fishing (at depths of 100 fathoms compared with the present depth of 15 fathoms). Along the coasts fisheries resources have been gradually diminishing—Islamabad.



Foreign Tariffs and Trade Regulations

United States

NEW PROCEDURES FOR IN-BOND SHIPMENTS

—New simplified procedures for the control of in-bond shipments have been issued and will go into effect on September 9, 1968. A new ADP card furnished by Customs will be used in conjunction with a lesser number of the forms previously required from the public for the control of the shipment. The original of this card will be sent by Customs officers to a Customs data processing center, and the duplicate will be given to the carrier to be turned over to Customs at the port of destination. This duplicate will be validated by Customs and then immediately sent to the data processing center where it will be matched with the original. Whether the shipment is in transit to another port or through the U.S. for an ultimate foreign destination, this new card will act as the control document.

Regular Customs forms will still be required but the number needed will be reduced because copies will not have to be mailed to the port of destination, and only one copy will now be retained at the port of origin.

The new procedure will also eliminate the previously complex procedures necessary to divert a shipment from one port to another.

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:

| | |
|---------------------------|------------------------|
| Windsor—October 2 | Peterborough—October 8 |
| Sarnia—October 3 | Toronto—October 9-15 |
| Brantford, Galt—October 4 | Montreal—October 20-25 |
| Port Perry—October 7 | |

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

| | |
|---|----------------------|
| Kingston, Gananoque, Napanee, Brockville and area—October 1 | Barrie—October 7 |
| Belleville, Trenton, Picton and area—October 2 | Hamilton—October 8 |
| Toronto—October 3-6 | Brantford—October 9 |
| | Kitchener—October 10 |
| | London—October 11 |

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

| | |
|--------------------|-----------------------|
| Edmonton—October 3 | Montreal—October 6-11 |
| Winnipeg—October 4 | |

Italy—C. E. Rufelds, Consul and Assistant Trade Commissioner in Milan:

| | |
|----------------------------------|--|
| Vancouver—September 28-October 5 | Montreal—October 15-17 |
| Edmonton—October 7 | Prescott, Kingston, Port Hope—October 18 |
| Calgary—October 8 | Toronto—October 21-23 |
| Saskatoon—October 9 | Kitchener, Galt—October 24 |
| Winnipeg—October 10-11 | Preston, Hamilton—October 25 |

C. D. Miller, Assistant Commercial Secretary in Rome:

| | |
|---|---|
| Arnprior, Chalk River, Ottawa—October 10 and 11 | Toronto—October 21-23 |
| Montreal—October 14-18 | Cooksville, Guelph, Brantford, Fort Erie—October 24 |

West Germany—Walter Schumacher, Commercial Officer in Hamburg:

| | |
|--|--------------------------------|
| Vancouver—October 9-12 | Brockville—October 29 |
| Edmonton—October 15 | Cornwall—October 30 |
| Winnipeg—October 16-17 | Montreal—October 30-November 6 |
| Toronto and southwestern Ontario—October 18-28 | Halifax—November 7-8 |

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).

J. D. Blackwood, Commercial Counsellor in Caracas, Venezuela, October 7-11.

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

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

C. D. Miller, Assistant Commercial Secretary in Rome, Italy, October 7-11.

J. H. Nelson, Trade Commissioner in Liverpool, England, October 15-18.

N. Parsons, Commercial Officer in Stockholm, Sweden, October 21-25.

C. E. Rufelds, Consul and Assistant Trade Commissioner in Milan, Italy, October 28-November 1.

W. Schumacher, Commercial Officer in Hamburg, Germany, September 30-October 8.

R. D. Sirrs, Commercial Counsellor in Guatemala City, October 7-11.

In Territory

Alaska—E. E. Price, Consul and Trade Commissioner in Seattle, will visit Fairbanks, Anchorage and Juneau October 2-12.

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:

| | |
|----------------------------|-----------------------|
| Leeds—October 2 | Manchester—October 10 |
| Birmingham—October 8 and 9 | and 31 |
| | Merseyside—October 22 |

Bulgaria, 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.

Norway—B. G. R. Barton, Commercial Officer in Oslo, will visit Bergen October 7-11.

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).

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.

SWEDEN

Area: 173,624 square miles.

Population: 7,894,000.

Climate: moderate, with short summers, long winters.

Language: Swedish, English; many Swedes also speak German.

Currency: krona; one krona (Sw.Kr.) equals Cdn.\$0.2077 (August 1968).

Foreign exchange and import controls: import licences are required for certain agricultural products.

Weights and measures: metric system.

Capital: Stockholm.

Chief ports: Göteborg, Stockholm and Malmö.

Marketing centers: Greater Stockholm (population) 1,275,000, Göteborg 446,000, Malmö 255,000, Västerås 109,000, Uppsala 97,000, Norrköping 94,000, Örebro 87,000, Hälsingborg 81,000, Linköping 78,000, Jönköping/Huskvarna 72,000, Borås 70,000, Eskilstuna 66,000.



Economy: Sweden's industry was built up on its extensive resources of timber, ores and waterpower, but engineering and steel are today more important than pulp and paper. Dependence on imports is heavy, particularly in textiles, chemicals and oil products.

Total Swedish imports: 1967—Cdn.\$5,069 million; 1966—Cdn.\$4,930 million (c.i.f.).

Chief imports: (Cdn.\$ million) 1967—machinery and instruments 1,176; food 603; fuel 568; iron, steel, other metals and products thereof 566; textiles and shoes 523; motor vehicles and parts 289; ships 77; timber 56; pulp and paper 47.

Chief suppliers: (per cent) 1967—West Germany 19.3, Britain 14.7, United States 9.3, Denmark 7.0, Norway 6.0, France 4.8, Italy 3.8, Eastern Europe 4.4, Finland 2.8, Canada 0.7.

Value of imports from Canada: 1967—Cdn.\$27.8 million; 1966—Cdn.\$36.6 million (f.o.b.).

Chief imports from Canada: (Cdn.\$ million) 1967—copper in ores 4.1, motor vehicles and parts 2.9, nickel in oxide 2.1, zinc 1.4, aluminum 1.4, molybdenum 1.0, hoisting machinery and parts 1.0, salmon 0.810 (f.o.b.).

Total Swedish exports: 1967—Cdn.\$4,880 million; 1966—Cdn.\$4,605 million (f.o.b.).

Chief exports: (Cdn.\$ million) 1967—machinery and instruments 1,193; pulp and paper 917; iron, steel, other metals and products thereof 705; motor vehicles and parts 351; timber 350; ships 270; iron ore 198; food 150; textiles and shoes 140; energy 40.

Chief markets: (per cent) 1967—Britain 13.3, Norway 11.9, West Germany 11.0, Denmark 9.4, United States 7.3, Finland 5.1, Eastern Europe 4.2, Canada 1.4.

Value of Canadian purchases: 1967—Cdn.\$76.2 million; 1966—Cdn.\$72.5 million (c.i.f.).

Chief Canadian purchases: (Cdn.\$ million) 1967—motor vehicles and parts 10.3, electrical switchgear 4.2, ball and roller bearings and parts 4.0, stainless and alloy steel pipes and tubes 2.9, parts and accessories for boats and ships 2.5, pulp mill machinery and parts 2.4, stainless steel plates 2.3, telephone apparatus 1.5 (c.i.f.).

Prices: quotations c.i.f.; krona or U.S. dollars preferred.

Usual credit terms: sight, 30, 60, 90 or 180 days.

Samples: samples of no commercial value are duty-free; duty paid on other samples is refunded on re-export within 12 months, provided that application for temporary entry is applied for and deposit paid when samples enter the country.

Visas: no visa is required. **Innoculations:** none.

Trade agreements: most-favored-nation agreement with Canada.

Import controls, documentation, customs tariff, marking and labelling: consult the Office of Trade Relations, Department of Trade and Commerce, Ottawa.

Correspondence: preferably airmail; letters 15 cents per half ounce.

For detailed information on this market write to:

Chief, European Division
Office of Trade Relations
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Canadian Embassy
P.O. Box 14042
S-104 40 Stockholm 14
Sweden

NORWAY

Area: 125,096 square miles, including Svalbard and Jan Meyen.

Population: 1960 Census—3,591,234.

Climate: west coast has temperate wet winters and comparatively cool summers because of Gulf Stream and mountains immediately inland. The interior has cool winters and warm summers.

Language: Norwegian; correspondence preferred in English but German or French acceptable.

Currency: krone; one krone equals Cdn.\$0.1502. (August 1968).

Weights and measures: metric system.

Capital: Oslo (population January 1967) 485,200.

Other principal cities and ports: Trondheim (population) 118,700, Bergen 117,465, Stavanger 79,700.

Income: 1966—National Factor Income (net domestic product less taxes plus subsidies) equals Kr.42,766 million (Cdn.\$ 6,415 million), giving per capita income Kr.11,365 (\$1,700).

Economy: private enterprise accounts for 71 per cent of gross fixed capital formation, public enterprises (13 per cent) and general government capital formation (16 per cent). Manufacturing accounts for 29 per cent of the domestic factor income, wholesale and retail trade (13 per cent) and construction (8 per cent).

Total Norwegian exports: 1967—Cdn.\$1,860 million.

Chief exports: (Cdn.\$ million) 1967—fish and fish products including meal 259, primary metals 427, ships and boats 228, chemical products 148, machinery n.o.p. 141, paper and cardboard 146.

Total Norwegian imports: 1967—Cdn.\$2,942 million.

Chief imports: (Cdn.\$ million) 1967—ships over 100 tons 559, machinery 502, motor vehicles 169, petroleum and its products 188, chemical products 221, iron and steel 144, textiles 128, ores and scrap metal 90.

Chief suppliers: (Cdn.\$ million) 1967—Sweden 572, Britain 417, West Germany 401, Japan (mostly ships) 239, United States 189, Denmark 184.

Value of Canadian exports to Norway: 1967—Cdn.\$87.4 million; 1966—Cdn.\$107.0 million.

Chief Canadian exports: (Cdn.\$ million) 1967—nickel matte 48.8, copper matte 16.9, wheat 3.8, copper bars and rods 2.2, barley 1.4, military ordnance 1.4, metallic salts of inorganic acids 1.4, rye 1.0.

Value of Canadian imports: 1967—Cdn.\$33.8 million; 1966—Cdn.\$33.8 million.



Chief Canadian imports: (Cdn.\$ million) 1967—nickel anodes, cathodes, ingots, rods 18.5; non-ferrous metals 1.9; fish preparing machinery 1.8; fur skins, mink 1.7; canned sardines 0.7; parts and accessories for ships and boats 0.7; pulp mill machinery and parts 0.5; Sonar echo sounding and similar devices 0.5.

Prices: quote in either Canadian or U.S. dollars, preferably c.i.f. Norwegian port.

Usual terms of payment: preferred terms are 30 days from receipt of goods or cash against documents. Generally importers will not deal on letter of credit terms.

Samples: should be declared on entry. If duty is payable and the goods re-exported within one month, drawback can usually be claimed.

Visas: no visa is required.

Trade agreements: Norway is a member of GATT and EFTA; tariff is two-column based on Brussels nomenclature. EFTA preference allows duty-free entry to all goods, except agricultural products, of other EFTA countries. Canadian goods subject to general rates.

Import controls, documentation, customs tariffs, marking and labelling: consult the Office of Trade Relations, Department of Trade and Commerce, Ottawa.

For detailed information on this market write to:

European Division
Office of Trade Relations
Department of Trade and Commerce
Ottawa

or

Commercial Division
Canadian Embassy
Fr. Nansens plass 5
Oslo 1, Norway

Foreign Exchange Rates

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

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

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

For conversion of column one to the U.S. dollar equivalent, *multiply* by .93. To convert column two, *divide* by .93.

| Country and Currency | Value of | | Country and Currency | Value of | |
|---|---|---|--|---|---|
| | Foreign currency unit in Canadian dollars | Canadian dollar in foreign currency units | | Foreign currency unit in Canadian dollars | Canadian dollar in foreign currency units |
| | at September 13 | | | at September 13 | |
| Algeria Dinar | .2158 | 4.63 | Denmark Krone | .1431 | 6.98 |
| Argentina Peso (free) | .0031 | 322.58 | Dominican Republic Peso | 1.073 | .93 |
| Australia Dollar | 1.196 | .8340 | Ecuador Sucre (official) | .0596 | 16.50 |
| Austria Schilling | .0416 | 23.98 | (free) | .0534 | 18.45 |
| Bahamas Dollar | 1.052 | .9506 | El Salvador Colon | .4294 | 2.35 |
| Belgium and Luxembourg Franc | .0214 | 46.25 | Fiji Pound | 2.465 | .41 |
| Bermuda Pound | 2.567 | .39 | Finland Markka | .2556 | 3.91 |
| Bolivia Peso | .0902 | 10.97 | France, Monaco, etc.³ Franc | .2158 | 4.63 |
| Brazil Cruzeiro (official free) | .2949 | 3.39 | Franco-African Republics⁴ Franc | .0043 | 235 |
| Britain Pound | 2.562 | .39 | French Pacific⁵ Franc | .0119 | 84.24 |
| British Honduras Dollar | .6405 | 1.55 | Germany D Mark | .2702 | 3.70 |
| Burma Kyat | .2254 | 4.43 | Ghana New Cedi | 1.052 | .95 |
| Ceylon Rupee | .1803 | 5.54 | Greece Drachma | .0358 | 27.93 |
| Chile Escudo (bank rate) | .1495 | 6.67 | Guatemala Quetzal | 1.073 | .93 |
| (free) | .1307 | 7.65 | Guyana Dollar | .5367 | 1.85 |
| China, Republic of New Taiwan Dollar (official) | .027 | 37.04 | Haiti Gourde | .2147 | 4.65 |
| Colombia Peso (fixed) | .065 | 14.95 | Honduras Lempira | .5367 | 1.86 |
| Congo, Republic of¹ Franc | 2.149 | .4653 | Hong Kong Dollar | .1771 | 5.64 |
| Costa Rica Colon | .1620 | 6.12 | Hungary Forint (official) | .0921 | 10.86 |
| Cuba² Peso | | | Iceland Krona (official) | .0188 | 52.91 |
| Czechoslovakia Koruna | .1491 | 6.70 | India Rupee | .1422 | 7.02 |

| Country and Currency | Value of | | Country and Currency | Value of | |
|------------------------------|---|---|--|---|---|
| | Foreign currency unit in Canadian dollars | Canadian dollar in foreign currency units | | Foreign currency unit in Canadian dollars | Canadian dollar in foreign currency units |
| | at September 13 | | | at September 13 | |
| Indonesia⁶ | | | Paraguay | | |
| Rupiah | | | Guarani (free) | .0086 | 116.28 |
| Iran | | | Peru | | |
| Rial | .0142 | 70.42 | Sol (free) | .0245 | 41.66 |
| Iraq | | | Philippines | | |
| Dinar | 3.006 | .33 | Peso (free) | .2751 | 3.63 |
| Ireland | | | Poland | | |
| Pound | 2.562 | .39 | Zloty (fixed basic rate) | .2685 | 3.72 |
| Israel | | | Portugal & Colonies⁷ | | |
| Pound | .3067 | 3.23 | Escudo | .0373 | 26.80 |
| Italy | | | Saudi Arabia | | |
| Lira | .0017 | 581.86 | Riyal | .2066 | 4.84 |
| Jamaica | | | Sierra Leone | | |
| Pound | 2.557 | .39 | Leone | 1.503 | .66 |
| Japan | | | Singapore | | |
| Yen | .0030 | 333.33 | Dollar | .3507 | 2.85 |
| Kenya | | | South Africa | | |
| Shilling | .1526 | 6.55 | Rand | 1.503 | .66 |
| Lebanon | | | Spain & Dependencies | | |
| Pound (free) | .3328 | 3.00 | Peseta | .0154 | 64.25 |
| Malaysia | | | Sweden | | |
| Dollar | .3507 | 2.85 | Krona | .2081 | 4.81 |
| Mexico | | | Switzerland | | |
| Peso | .0859 | 11.64 | Franc | .2496 | 4.00 |
| Morocco | | | Syria | | |
| Dirham | .2121 | 4.72 | Pound (free) | .2812 | 3.55 |
| Netherlands | | | Thailand | | |
| Florin | .2952 | 3.35 | Baht (free) | .0521 | 19.19 |
| Netherlands Antilles | | | Trinidad & Tobago⁸ | | |
| Florin | .5692 | 1.76 | Dollar | .5392 | 1.85 |
| New Zealand | | | Tunisia | | |
| Dollar | 1.199 | .83 | Dinar | 2.045 | .48 |
| Nicaragua | | | Turkey | | |
| Cordoba | .1533 | 6.51 | Lira | .1193 | 8.38 |
| Nigeria | | | United Arab Republic | | |
| Pound | 2.995 | .33 | Pound (official) | 2.469 | .40 |
| Norway | | | United States | | |
| Krone | .1503 | 6.64 | Dollar | 1.073 | .93 |
| Pakistan | | | Uruguay | | |
| Rupee | .2254 | 4.43 | Peso (free) | .0043 | 232.55 |
| Panama | | | Venezuela | | |
| Balboa | 1.073 | .93 | Bolivar (official free) | .2391 | 4.18 |
| | | | Yugoslavia | | |
| | | | Dinar (official) | .0859 | 11.64 |

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

Malta Attacks Its Problems

■ Malta has made considerable economic progress since Britain turned over to the Maltese the naval dockyard it operated on the island and began to decrease the number of its armed forces there. This has resulted in a decrease in Malta's foreign exchange earnings from £30 million per year to £13 million.*

Some eight years ago, the dockyards turned to commercial work as a private company. They were moving ahead steadily when the Arab-Israeli conflict of 1967 closed the Suez Canal, disrupting shipping routes. In order to avoid a significant drop in employment (the dry-docks' labor force is 5,000, approximately 5 per cent of total employment in Malta), the Government nationalized the docks and currently is subsidizing them. Steps are being taken to counteract the Suez closure and new customers are being found—for example, a Soviet ship, the first one, used the facilities recently, but no long-range solution is yet in sight.

Trade Deficit—Malta has always had a trade deficit; in 1967, Maltese exports totalled £9.9 million compared with imports of £40.5 million. This deficit of £30.6 million is 60 per cent of Malta's gross national product. Previously British spending and dockyard earnings offset the deficit but now Malta is in need of new sources of foreign exchange.

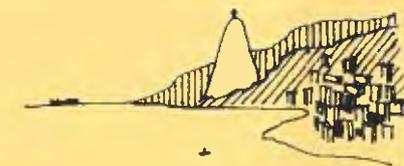
The most important commodity imports are food, manufactured goods and machinery and transport equipment. Britain is the main supplier, followed by Italy and the Netherlands. Maltese imports from Britain in 1967 totalled £15.8 million.

Malta is making a three-pronged attack on its problems by encouraging export-oriented industry, developing tourism, and establishing free-port facilities.

Export-Oriented Industry—In 1959, the Government enacted the Aids to Industries Ordinance aimed at encouraging industrial development. The administration of this Ordinance is currently being transferred to the new Malta Development Corporation which offers grants, loans, tax holidays, duty-free entry of plant machinery and raw materials, and new factories at nominal rents to bona

fide industries with export prospects interested in establishing in Malta. It also offers cheap and abundant labor (per capita annual income is approximately \$400). Since the enactment of the Ordinance, Malta's exports have risen from one million pounds in 1959 to roughly £10 million in 1967. The Government to date has committed itself to grants, loans and factory accommodation representing an investment of some seven million pounds. Much of this money is backed by a £50 million loan by the British Government to Malta over the period 1964 to 1974. Consequently Britain maintains some control over facilities offered to new firms.

Tourism—In 1967 over 100,000 tourists spent five million pounds in Malta. Growth in this sector of the economy has been rapid. In 1962 Malta received 23,000 tourists, and in 1966, 76,000. Twenty new hotels were completed last year, among them the Sheraton and the Hilton, bringing to 6,000 the total number of beds available to tourists. Many of these hotels received financing from the Government and most, because of high occupancy, are far ahead in their repayment schedules. Expansion of tourist facilities is expected to continue in the future with 13,500 beds predicted for 1972.



Free-Port Facilities—Three years of investigation and studies of a proposed free trade zone reached a significant stage in late 1967 when an operating company, Medport Limited, was formed. Robert B. Anderson, former U.S. Secretary of the Treasury, is to be the chairman. Principals in the company are Hambros Bank and Stevedore Company Quick Despatch (principal handling company for containers and bulk cargo at

Rotterdam). Medport has received a Letter of Intent from the Malta Government and is now working on proving the viability of the project. This would include the development of new deep-water port facilities, including quays and warehousing, attached to a Free Trade Zone industrial complex. If this project is realized, the resulting entrepot and bulk-breaking trade should be a valuable asset to the Maltese economy.

Other Steps—The Maltese Government has also created a Central Bank and the Malta Export Guarantees Department, patterned after the British Export Credits Guarantee Department. Although it grants export credits insurance, the MEGD is not at present extending export financing.

Outlook for Canadian Exporters—In recent years Canada's wheat sales to Malta have declined in the face of Australian competition, but at the same time our exports of foodstuffs and manufactured goods have expanded considerably. In 1967, wheat exports to Malta totalled \$1.2 million, a decrease of \$285,928 from the 1966 figure. However, exports of foodstuffs amounted to \$24,458 in 1967, an increase of \$8,946 over 1966, and exports of washing machines increased from \$5,468 in 1966 to \$11,846 in 1967. North American products are well received in Malta and Canada enjoys the Commonwealth preferential tariff. However, goods from Canada must be transhipped at British or Italian ports and the market is small and price-conscious. Canadian exporters can discover the opportunities for their products on the Maltese market by sending descriptive literature and c.i.f. prices to the Commercial Counsellor in Rome. Current trade opportunities for Canadians include aluminum window-frames, household appliances, pots and pans, and a variety of consumer goods.

In the long run, Canadian companies interested in the Mediterranean market would be wise to keep abreast of developments in the free port. Meanwhile, they can well make a start in establishing reliable business contacts.

—D. T. WISMER

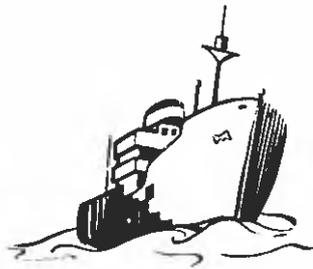
Assistant Commercial Secretary, Rome

* £1 = Cdn.\$2.6125

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