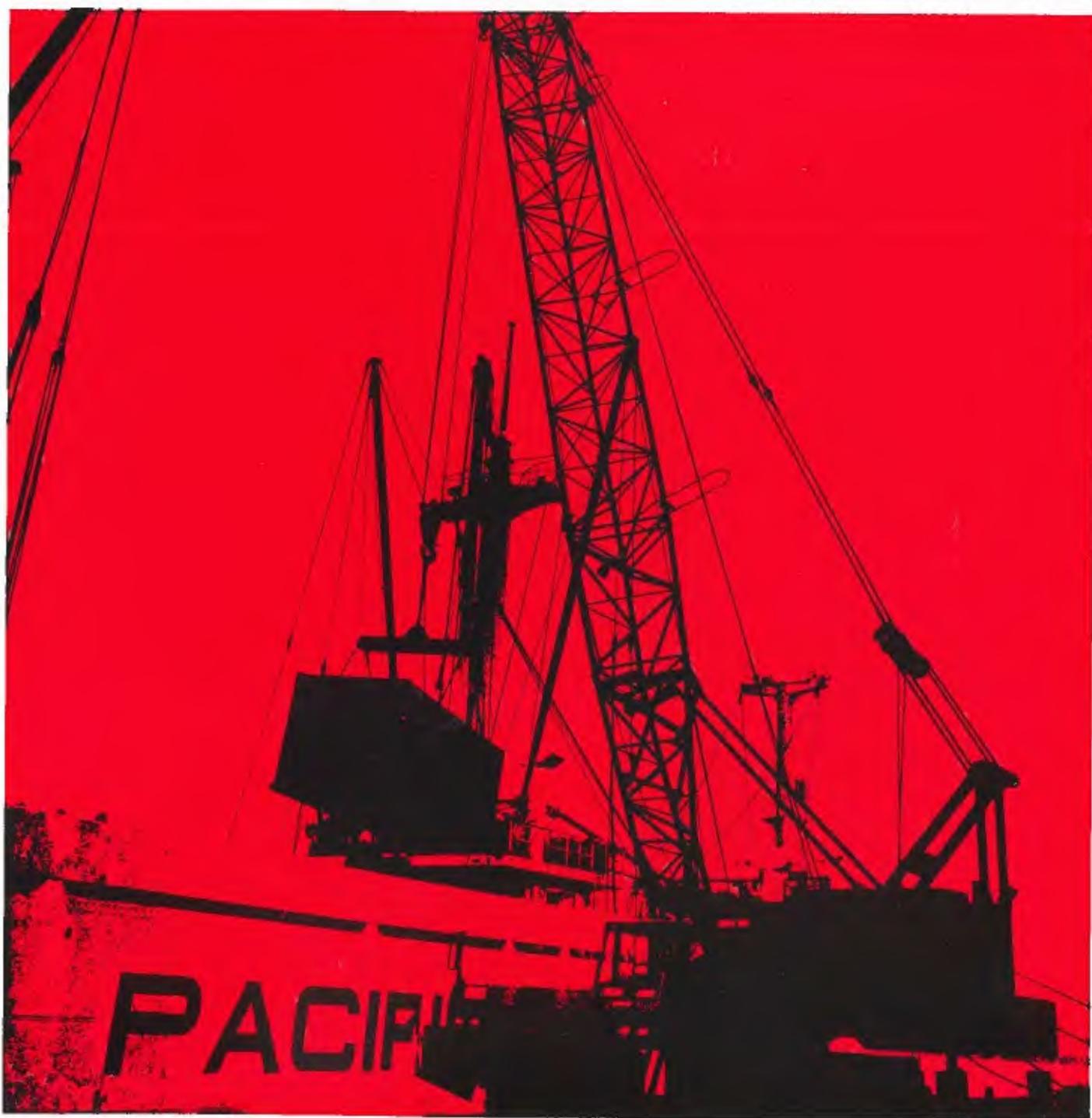


foreign trade



Department of Industry, Trade and Commerce, Canada

December 6/69



In This Issue

The leading article in this issue grew out of research carried on during the summer by Claude Courtemanche, one of the Trade Commissioners in training who joined the Department last spring. During his assignment with the International Financing Division, he was given the task of gathering information on export factors and the role that they play in furthering export trade. Export factors have only recently made their appearance in Canada and many firms do not understand their function. In addition to studying printed sources of information, Mr. Courtemanche went to Montreal and interviewed one of the factors who has lately opened an office there and also made contact with a second one in Toronto. We think that you will find the article that resulted well worth reading.

The picture on our cover serves to introduce both the piece on factors and the one that follows it on selling materials handling equipment in the Southern States. When we were looking for photographs to illustrate the latter, we discovered one Canadian

company which had just sold six cranes in South Carolina. The cover picture that we chose shows a standard 8'x8'x20' container being loaded by a huge crane on the CPR vessel *Moose Jaw*, en route from the Great Lakes to Britain. The container is packed with Green Giant canned corn destined for the British market. As our New Orleans office points out, Europeans and the Japanese are already making sales of materials handling equipment to the South, so why not more Canadians?

A number of other articles and photos in this issue show Canadians hard at work in foreign countries promoting products and lining up sales. The "Trade Fairs" section features brief writeups and pictures of fairs in which Canada has been taking part in countries as widely separated as New Zealand, Yugoslavia, and the United States. From our office in Buenos Aires comes a picture story about the range of Canadian products and services being sold in Argentina. Doug Packman, manager of the Regional Office of the Department in Halifax,

went along with 30 Maritime exhibitors to the Eastern States Exposition in Springfield, Mass., this fall. He has provided pictorial proof (see page 18) of products that sold well and of the image presented of industry in the Maritime Provinces.

Fifteen years ago we published in *Foreign Trade* an article about the many purchasing organizations located in New York and buying for their own account, for overseas business enterprises, or for foreign governments. Later the New York office compiled and the Department issued a Directory of these "New York Buyers for Export". This is revised and republished from time to time. The latest edition, a revision of the 1965-66 version, has just come from the press. You can read about it in the article on page 25 and decide whether you want to have a copy.

The next issue of the magazine, December 20, will feature Central America and Panama and the progress and potential in these six countries.

foreign trade



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The Hon. Jean-Luc Pepin, Minister

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O. Mary Hill, Editor

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Factoring

Two large international agencies of factors have recently set up branches in Canada. They can help remove credit worries and leave the exporter free to concentrate on sales.

CLAUDE COURTEMANCHE
Assistant Trade Commissioner

The export factor first made his appearance in international trade about ten years ago, particularly in the United States and Britain. Recently factoring has come to Canada and provides a new service to exporters—especially to those who miss out on sales opportunities abroad because of credit risks.

An export factor can assist a Canadian company in three main ways.

1. He can handle its foreign credit accounts and make collections.
2. He can insure the firm against bad debts.
3. He can provide financial facilities for discounting its foreign accounts receivable.

The factor's handling of credit and collections permits an exporter to shift the normal responsibility for credit problems. **The factor makes the credit inquiries, collects sales and credit data, approves or rejects the accounts, makes the collection, and looks after the sales and credit ledgers.** In fact, the exporter has only one customer to whom he bills all his export sales and from whom he receives all the payments for them—the factor.

The factor also provides 100 per cent insurance coverage against bad debts on all shipments that the exporter makes and the factor approves. This coverage has normally no restrictions once the importer accepts the shipment. In other words, whatever the circumstances—political unrest, importer's bankruptcy, unwillingness to pay, currency revaluation or devaluation—the factor absorbs accounts that cannot be collected. Disputes over the quality of merchandise, missing goods, warranties, etc., remain at all times the responsibility of the exporter. He still has to insure his merchandise against the hazards of

transport, but he does not have to obtain export credits insurance from the Export Development Corporation because the factor accepts the credit risk.

The factor may also under certain circumstances finance an exporter's accounts receivable by providing him with payment advances at the time he invoices his customers. Normally these advances range from 70 to 90 per cent of the value of an invoice, depending on a number of considerations, principally the particular industry and the supplier.

The chief economic advantage that the factor has over most exporters is first that he enjoys economies of scale because he specializes in credit handling and second, he is affiliated with international associations of factors. There are at least three of these international associations covering most of the developed countries and they have the backing of many of the world's leading financial institutions. One of them, for instance, is headed by the First National City Bank of Boston.

When an exporter deals with a local factor backed up by one of these international groups, he is assured of their knowledge of foreign laws, markets and habits, as well as their ability to contact a customer directly.

How does one go about making contact with a factor and how does the relationship develop? After a preliminary discussion, the factor makes a survey of the company's export sales (actual or potential), credit policy and financial background, as well as of the nature of its business and the foreign market or markets it serves.

When this information has been assessed, a commission rate (usually a percentage on sales) is quoted and the firm must decide whether or not

it accepts the factor's terms. If so, a contract is signed between the factor and the company. Once it has been signed, the firm is ready to enter the export market without worrying about the credit risk. It still has to develop a foreign demand itself or through a sales agent, but can do it more intensively because the credit problem is eliminated.

Dealings with a factor typically follow this pattern. When the exporter receives an order from a foreign buyer located in a country that is covered by the contract, he submits it to the factor for approval. If it is approved, he ships the merchandise upon receipt of the confirmation form—a matter of days. He makes out the usual invoices and sends them to the factor. The customer is billed by the factor and is instructed to pay the factor located in his country.

An agreed percentage of the sale is remitted to the exporter immediately if he uses the financing facilities or on a payment plan in accordance with the terms of sale if he does not want his foreign accounts receivable financed by the factor. For example, if it is a monthly plan, all invoices that fall due within a month are paid to him at a given date of the month. If the volume of his business is big enough, he may arrange for fortnightly or even weekly payments. He receives his money whether the invoice has been paid or not. Collection is the factor's job, not the exporter's. The commission for the factor is normally deducted from the remittance.

The terms of the contract may vary from one factor to another and must, needless to say, be carefully studied. The following points should be spelled out in any contract.

1. **Nature of the credit insurance coverage**—What are the restrictions, if any, and what percentage of sales is cov-



The services that a factor provides can benefit particularly the exporter of household appliances, textiles, apparel, footwear foods, etc. These are products normally sold in department stores such as Stockmann's in Helsinki, capital of Finland.

ered? Normally, coverage is 100 per cent and this must be specified in the contract. What are the rights and responsibilities of both parties in a dispute over merchandise by the importer? Ordinarily the factor, in the light of his credit policy, sets a limit on the size of the shipment. If the exporter wants to make a shipment above this limit, he is responsible for the over-limit portion and the factor bears the risk on the under-limit portion. The contract between the factor and the exporter should thus specify how the buyer's payments are applied to each portion.

2. Countries covered by the contract—The agreement between the factor

and the exporter covers all sales made to the countries included in the contract. Once the exporter has signed it, he is bound to deal through the factor for all the shipments he makes to all the countries specified.

3. Procedure to be followed—The contract should indicate how orders are to be submitted to the factor for credit approval, how export invoices are delivered, whom the buyer pays, and other details of this nature.

4. Remittance procedure—Because the foreign buyer pays his bills to the factor, the transfer of this money from the factor to the exporter must be specified in the contract. Normally

a fortnightly, monthly or bimonthly remittance plan is worked out between the factor and his client.

5. Factoring commission—The percentage on sales that the factor receives from the exporter to obtain his services is known as the "factoring commission". If, in addition to the handling of accounts and the bad-debt insurance coverage, the factor also provides his client with financing facilities, the rate of interest on borrowed money is added to the factoring commission.

6. Duration of the contract—Contracts between factor and exporter are normally very flexible. They do not have

Balance Sheet on the Factor

Advantages

1. If the factor is well organized and has valuable contacts abroad, he can reduce the risk in credit transactions and authorize shipments that would otherwise not be made. He has better information and collection facilities than most exporters. His operations are thus profitable to export trade in general and to his client in particular.
2. As a managing director describes it: "Factoring enables me to get on with the job I know best and like doing—manufacturing and marketing.....It frees me from the headaches of sales ledgers and the many problems associated with accounts." Factoring permits the exporter to concentrate his efforts on sales promotion.
3. The cost of factoring is linked to the amount of export sales—no sales, no expenses. This is particularly attractive to those firms whose export sales are constantly fluctuating.

time limits and either party can terminate them 30 to 90 days after giving written notice to the other.

There is no fixed figure but we understand that the average "factoring commission" rate (without financing) is about 1½ to 2 per cent of the sales that the exporter makes and that the factor covers. This rate includes sales and credit ledgering and bad-debt insurance coverage. For financing, the rate is usually set at about 2½ per cent over Canadian banks' prime rates.

This factoring commission may vary from one customer to the other. The general criteria that determine one rate rather than another are the average length of credit terms offered by the exporter, the volume of business, the size of the shipments, the product line, and the foreign customer's reliability. It also depends greatly on the factor's representative in the country or countries to which the Canadian firm is exporting. He is the one who makes the collection, handles the credit routine, and bears the responsibility for any unpaid account.

Factoring is one of the many services that exporters can call on. Its role, like that of the confirming house, is

Disadvantages

1. The factor does not cover developing countries.
2. The cost of using a factor may be prohibitive to certain exporters. The 1½ per cent commission he charges has to be added to other costs such as the marine insurance, sales commission to your sales agent or distributor, etc.
3. The factor does not necessarily insure a complete sale. If he finds that the risk on a shipment is too high, he may refuse it or set a limit on the shipment.
4. Some factors do not accept business from an exporter unless he has a minimum volume of sales (\$500,000 a year was mentioned). However, domestic sales may be included in arriving at this figure if the firm is prepared to have these factored as well. This policy may close the door to some very small firms which might be interested in factoring.

primarily financial. Although a factor can help you indirectly to develop new markets, he does not act as a sales agent.

There are two differences between the confirming house, which is also a newcomer to Canada, and the factor. First, the factor buys the accounts receivable on a continuous basis and acts as a permanent credit agent for the exporter; the confirming house is normally concerned with individual transactions. Further, the confirming house may work out with the buyer credit terms that can go to five years and it pays the exporter as soon as the shipment is made. The factor does not normally support or finance credit terms over 180 days and pays the client on the maturity date, unless financing is required.

As with any other service, factoring has its advantages and its disadvantages and fits the needs of some exporters but not all. Some of the advantage and disadvantages are listed in the accompanying box feature.

We believe that the service offered by the factor is particularly suited to exporters of consumer durable or non-durable goods such as household appliances, textiles, garments, foot-

wear, processed foods, etc., which are usually sold on short-term credit to foreign commercial, industrial or retail firms.

The medium-sized or small but expanding exporter, interested in a fast expansion of export sales, selling to many customers in many countries, enjoying a high enough markup but suffering considerable cyclical or seasonal variations in sales should find export factoring a useful aid. Currently, two of the three large international agencies of factors have affiliated groups in Canada. One is located in Toronto and the other one has its headquarters in Montreal and a branch in Toronto. They can provide all of the services mentioned in this article and they cover through their membership most of the developed countries. If you want to know more about them, address your request for information to the Editor, *Foreign Trade*, Department of Industry, Trade and Commerce, Ottawa.

Featuring Fences

Three full days of seminars and exhibits will feature the annual United Fence Industry's Exposition to be held in the Hilton Hotel, Chicago, from January 22-24, 1970. It is being sponsored jointly by the Chain Link Fence Manufacturers Institute and the International Fence Industry Association. All sessions of the meeting will stress the challenge facing the fence dealer today. Companies interested in obtaining exhibit space at \$375 for a booth 8 by 10 feet should apply to the United Fence Industry Exposition, 60 East 42nd Street, New York, N.Y. 10017. Last year 900 people visited the 75-booth exhibit.

Philippine Visa Requirements Changed

Businessmen travelling to the East, stopping in the Philippines and holding valid visas to a destination beyond it could under the former regulations remain there for 72 hours only without a visa. As of August 7, 1969, all visitors, whether in transit or not, may remain in the Philippines for up to seven days without being required to apply for or hold a Philippine transit visa. The immigration officers on duty will issue appropriate landing-card permits that the traveller must turn in on departure.

Materials Handling Equipment

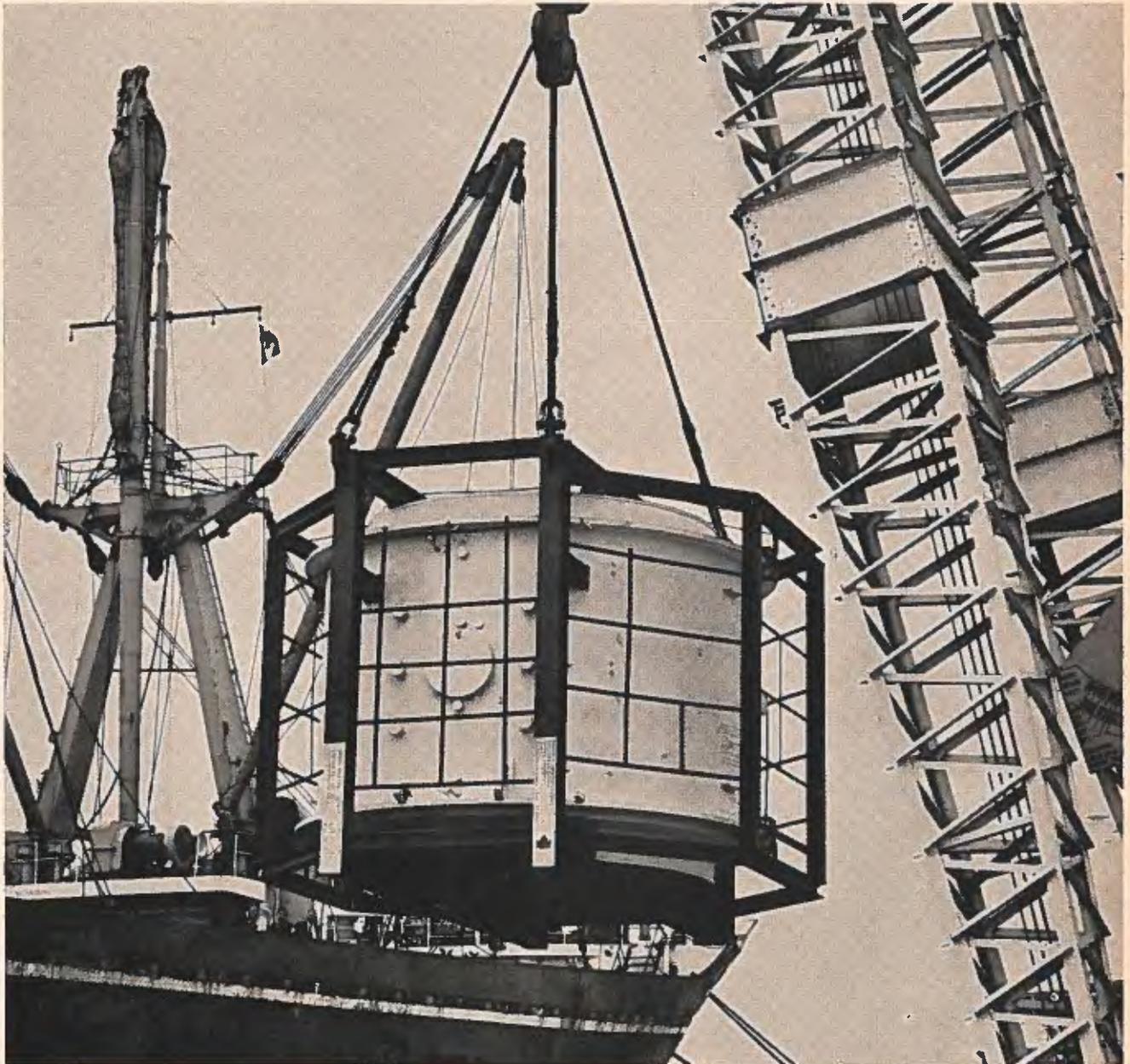
Japanese and European companies are selling a wide variety of this equipment in the Southern U.S. So could Canadians, with good representation and good promotion.

J. B. WHITNELL
Commercial Officer, New Orleans

Modernization and expansion of facilities at the major Southern ports and the faster pace of industrialization in the rural South have resulted in the construction of regional warehouses and storage facilities. This in turn has

created an expanding market for a wide range of materials handling equipment—a market quickly exploited by Japanese and European manufacturers. Last year the Japanese and Europeans shipped materials handling

equipment to the value of \$2.5 million directly to the South and an almost equal amount destined for the South through the West Coast and north-eastern U.S. ports. Sales by Canadian-owned factories, on the other hand,



Loading this calandria for an atomic power plant in Rajasthan, India, called for materials handling skill of a high order. The calandria was encased in a special 10-ton steel frame and itself weighed 64 tons. It was made by Canadian General Electric.

totalled only a small fraction of this amount. Now is the time for Canadian companies to act while there are still a number of gaps in this market not being filled by the Americans, Japanese or Europeans.

Until recently, firms in the South were reluctant to use foreign-made equipment because they feared that delivery, service, and parts would be a problem and a suspicion that the equipment itself would not be suited to conditions in the U.S. The lucrative forklift market (it is not uncommon for stevedoring firms to own 2,000 of these) is an example of how this reluctance has been overcome. The Datsun and Komatsu companies of Japan have, by a vigorous quality control program and a willingness to modify their forklifts to suit U.S. conditions, succeeded in selling large quantities of their equipment. Admittedly, the approximately 25 per cent lower price has been a big factor but the deciding one has been the high performance and low maintenance requirements of the Japanese forklifts. Datsun has 100 dealers throughout the United States and Komatsu is rapidly building up its dealer network.

In addition to forklifts, the Japanese have sold a considerable amount of bulk-loading equipment. The Italians have been particularly active in the Carolinas and have also shipped approximately \$775,000 worth of materials handling equipment through the port of New Orleans for use farther north. Denmark has shipped a sizable number of conveyors to the mid-South, and West Germany has sold a wide variety of materials handling equipment to Georgia, North Carolina and the west coast of Florida. French cranes, hoists and winches have primarily been shipped to the Charleston and Miami areas, Swiss-made conveyors have gone to Georgia, and Swedish hoists, cranes and similar equipment to Georgia and Florida. A Canadian company has recently sold six cranes to a South Carolina firm. Exports by the British have been smaller and have gone mainly to Georgia and Florida.

A market survey which we have just completed revealed that sources for the following equipment were of most interest: casters and wheels, conveyors, dock boards of all types, dumpers,

forklift trucks, jib cranes, hydraulic lift tables, monorails, pallet trucks, racks, stackers, tote pans, heavy duty belt conveying, heavy duty pneumatic conveying, and pipe conveying equipment, palletizers and can-handling equipment.

Materials handling equipment has traditionally been sold in one of the following ways: one, through the regional sales office of the manufacturer; two, by a manufacturer's representative working on commission; three, by a franchised dealer, and four, by an independent dealer and/or stocking distributor. Some franchised dealers carry an extensive range of allied lines, such as non-forklift, although usually three to five allied lines is the more common practice. Independent dealers, in addition to the 20 or 30 allied lines they carry, frequently act as stocking distributors for several companies. Generally speaking, most dealers secure their equipment from the factory or from the company's regional sales office and warehouse, unless there is a stocking distributor in the area. Not many independently owned firms function only as distributors.

The commission paid to manufacturers' agents on most allied equipment is generally 20 per cent; discounts to dealers on forklifts are 20 to 25 per cent off, and up to 50-20-10 per cent off on allied lines. A few American forklift manufacturers offer floor plans to their franchised dealers but this is not a general practice. Usual trade terms are 1 per cent—10 days, net 30 days, although 2 per cent—10 days, net 30 days is not uncommon.

Good merchandising is required in this market, and this includes not only promotional support by co-operative advertising in trade journals and the mailing of flyers, but also attendance by both the dealer and manufacturer at trade fairs. In addition, dealers frequently mention incentive plans and other inducements to offset the high freight cost as the difference between accepting or declining a line. Needless to say, it is absolutely necessary to quote at least f.o.b. Buffalo, U.S. dollars, if not to some point farther south, so that the dealer can estimate his laid-down costs.

Dealers have commented on a number of trends, such as the increasing use

of pneumatic and hydraulic controls in lieu of electricity and the more general move to automation wherever possible. One trend that is particularly important is for more and more customers to request the dealer to submit a package quotation—a quotation on an entire materials handling system rather than on just the lines of equipment which the dealer represents. This is especially true of the installation of new facilities. This has resulted in the emergence of full-line materials handling equipment dealers/distributors with application engineering capabilities. In addition, many manufacturers' agents have the necessary background to quote on a systems basis. Some firms, while acknowledging this trend, are nevertheless retreating into narrow specialization rather than attempting to recruit the necessary engineering talent to secure package quotations. Hence a polarization is taking place between narrow field specialists and engineering-oriented firms. At present, no one is quite sure just what ultimate impact containerization will have on the industry. Many of the most beneficial features of containerization are being fought by the labor unions and in addition, it is generally acknowledged that containerization will not be the answer to all shipping and handling problems.

Distribution patterns are in a state of transition, especially in the forklift field, because of a number of mergers and consolidations among American manufacturers. Companies which formerly sold either through a chain of independent dealers or through a chain of franchised dealers now find themselves with dual distribution channels. Sooner or later, these manufacturers will decide in favor of either a franchised or an independent dealer. The result will be a number of independent dealers and former franchised dealers eagerly seeking lines to replace those which they no longer have. Some of these companies will continue a fairly narrow specialization, but others will attempt to secure a wide range of products to represent and move into the systems approach. We urge Canadian companies to act now and take advantage of the opportunities opening up in this expanding market. We in New Orleans are in a position to provide substantial assistance.

Dallas for Displays

Five groups of buildings, year-round exhibits, twenty major market weeks a year. Want to sell consumer goods in five Southwestern States? Investigate what Dallas offers.

C. M. FORSYTH-SMITH

Consul and Trade Commissioner, Dallas

The announcement early in August that the Dallas Market Center has been designated by the U.S. Department of Commerce as an International Trade Fair on a year-round basis emphasizes its growing importance in the commercial life of the Southwest. This development is particularly noteworthy because the certification of the Dallas Mart is the only one in the United States valid throughout the year. Other state and national fairs have been certified for a single show only. The significance of the designation is that **it enables foreign goods to be shipped to the Center duty-free and in bond, provided they are subsequently re-exported to the country of origin.** It will thus reduce appreciably the red tape involved in exhibiting at the various trade shows at the Center.

Intended to serve five states (Texas, Oklahoma, Louisiana, Arkansas, and New Mexico) the Dallas Market Center has expanded steadily and now

counts visitors from some 14 states among its regulars. This is not surprising, considering the facilities it offers to both exhibitors and buyers. Ten minutes from downtown Dallas, ten minutes from Dallas's Love Field, and within walking distance of several hotels, **it has on 100 acres a complex with five groups of buildings scientifically designed to display merchandise.**

The Market Center had its beginning 13 years ago with construction of the Decorative Center. The developer had previously built furniture warehouses in the Trinity industrial district. An outgrowth of this was the need for showrooms to which decorators and furniture retailers could bring customers to select furniture, fabrics and accessories. The showroom space for the Decorative Center surrounds a central patio and houses the elite of the furniture industry (Knoll, Dunbar, Kittinger, to name a few). There is even a tearoom where clients may be softened up for the sales talk.

Within the next three years the Home Furnishings Mart was built (for lower- to upper-middle-priced furniture) and the Trade Mart (for home furnishings, gifts, accessories, jewellery, toys and housewares). When both these buildings filled rapidly with permanent tenants, Market Hall was added to provide the maximum in flexibility. This building complements each of the others by furnishing space for temporary exhibits. Its outdoor sign, visible for several miles, has welcomed to the building major markets, industry meetings, national conventions and carnivals. It is capable of housing major exhibits of boats, mobile homes or automobiles, or it can be divided into small areas to serve private meetings or parties.

Each group of buildings in the Center has its own parking area. Inside, escalators convey buyers from one floor to another. Pools, plantings, restaurants and a relaxing atmosphere are a part of each building. In the Trade Mart building, four floors of showrooms surround a Grand Courtyard complete with trees, birds, and fountains. Tables are grouped about one end of this courtyard to resemble a sidewalk cafe. **Nothing for the comfort of the buyer has been overlooked except a spare pair of feet.**

The Apparel Mart was the latest section added. Originally covering 24 acres, it has already been enlarged by 150,000 square feet. A part of the recent expansion was the International Pavilion, in which Mexico, Italy and France have already leased space. Negotiations are going forward with other governments.

Focal point of the Apparel Mart is the Great Hall of Fashion, 57 feet from ceiling to floor, including a full-size stage with complete sound and lighting system, side balconies from each upper level, and excellent acoustics. It is specifically designed for



The Dallas Trade Mart comprises altogether five groups of buildings on a 100-acre site. In this one, the four floors of showrooms border on a Grand Courtyard with trees, birds and fountains. One end of it contains an imitation sidewalk cafe.



The Apparel Mart includes the Great Hall of Fashion, designed specifically for fashion shows and equipped with all the needed facilities. It covers more than 24 acres and has a section in which foreign governments can lease display space. Mexico, Italy and France have already set up exhibits there.

Dallas Market Center Complex

Decorative Center

High-priced furniture, accessories and fabrics.

130,000 square feet
27 showrooms

Home Furnishings Mart

Lower- to upper-middle-priced furniture.

438,000 square feet
161 showrooms

Trade Mart

Home furnishings, gifts, accessories, jewellery, toys, housewares.

968,000 square feet
420 showrooms

Market Hall

Products vary with particular shows. Used for all markets as temporary exhibit space as well as for conventions, meetings, carnival, etc.

212,000 square feet

Apparel Mart

Men's, women's, children's apparel, accessories, shoes, textiles.

1,055,000 square feet
800 permanent and temporary showrooms

1970 Market Schedule

Winter Home Furnishings Market

January 11-16

in the Home Furnishings Mart, Trade Mart, Market Hall and Decorative Center

Southwestern Men's and Boys' Summer Market

January 18-21

in the Apparel Mart

Women's, Children's Midsummer Market

January 24-30

in the Apparel Mart

Spring Gift, Jewellery and Housewares Show

February 22-27

in the Trade Mart, Market Hall and Marriott Motel

Transitional and Knitwear Market

April 5-8

in the Apparel Mart

Southwestern Shoe Travellers' Fall Shoe Show

April 12-15

in the Apparel Mart

Southwestern Men's and Boys' Back-to-School and Fall Market

April 19-22

in the Apparel Mart

Dallas Toy Show

April 26-30

in the Trade Mart, Market Hall

Home Furnishings, Gift and Accessories Market Days

April 19-20

in the Home Furnishings Mart, Trade Mart and Decorative Center

Women's, Children's Fall, Back-to-School Market

May 23-29

in the Apparel Mart

Christmas Gift, Jewellery and Housewares Show

July 4-10

in the Trade Mart, Market Hall

Summer Home Furnishings Market

July 12-17

in the Home Furnishings Mart, Trade Mart, Marriott Motel, Decorative Center

Women's, Children's Midwinter, Holiday Market

August 22-28

in the Apparel Mart

Fall Gift, Jewellery and Housewares Show

September 6-11

in the Trade Mart, Market Hall and Marriott Motel

Southwestern Shoe Travellers' Spring Shoe Show

September 20-23

in the Apparel Mart

Southwestern Men's and Boys' Pre-Spring and Holiday Market

October 18-21

in the Apparel Mart

Women's and Children's Spring and Resort Market

October 24-30

in the Apparel Mart

Home Furnishings, Gift and Accessories Market Days

November 1-2

in the Home Furnishings Mart, Trade Mart, and Decorative Center

fashion presentations. Naturally there are more plants, more fountains, more banks of escalators. Also housed in the Apparel Mart is the Dallas Fashion Museum, which serves as a research laboratory for students and designers. The museum is custodian of the Carrie Neiman Foundation Collection. (Neiman-Marcus is credited with being a major contributor to making Dallas a fashion center.)

Headquarters for this Texas-sized operation are located in the Trade Mart building, where a two-way radio system directs maintenance and security personnel throughout the entire complex. Foreman-in-charge is William E. Cooper, President of the Dallas Market Center, and a transplant from the Kansas to the Texas plains. In a recent interview we were barely past the amenities when he said, with contagious enthusiasm, "Before we get into your questions, let's talk for a moment about something that is literally going to revolutionize world trade, and that is the jumbo jet."

His feeling is that the superfreighter (to be ready for use by world shippers by 1972) will change worldwide distribution processes, solve many of the problems which have plagued international trade, and open up Dallas as a major port of entry for foreign goods. An indirect benefit will be healthy competition with surface transportation. The Dallas-Fort Worth Regional Airport, now under construction, will accommodate jumbo jets and the management of the Dallas Center is already fully prepared to take advantage of this fact.

Tenants of the Center, both permanent and temporary, are either manufacturers who lease showroom space and staff it with their own personnel, or manufacturers' representatives who handle a variety of lines. Some representatives pay their own costs but sometimes costs are partially absorbed by the manufacturer. **Major companies in all categories of consumer goods are represented at the Center and some 46 per cent of the merchandise shown is imported.**

Buyers who attend Dallas Markets represent a cross section of merchandisers. On the average there are two buyers per store from chain stores



Furniture in the lower- and upper-middle-price ranges can be exhibited in the Home Furnishings Mart. This building covers 438,000 square feet, contains 161 showrooms, and attracts visitors from as many as 14 states to see the displays housed there.

(national and regional), specialty shops, and department stores. Some also attend other markets. For others, Dallas IS the market. **The average Southwestern apparel buyer attends all Dallas markets and goes to New York a couple of times a year.** Housewares buyers also visit the Chicago market. Furniture buyers attend shows at both Dallas and High Point, North Carolina. The Dallas Gift Show is so large and comprehensive that it is no longer necessary for buyers to look elsewhere and most rely entirely on the Dallas shows.

The largest number of buyers comes from Texas, with Oklahoma, Louisiana and Arkansas following, in that order. Kansas, Missouri and Mississippi also account for a goodly number. Attendance records are continually being broken. The May apparel market attracted 15,000 and 12,000 gift buyers were expected in September. The July gift market registration was up 9 per cent over July of 1968.

Because of the large concentration of population in the Dallas-Fort Worth area, buyer attendance is not confined to Market Weeks alone and a **constant stream of businessmen visit the large number of permanent showrooms.** With the exception of certain trade shows at Market Hall (the Carnival of Foods, for example) which admits the public as well as the trade, the Center is open only to qualified buyers.

Cost of permanent space in the Center ranges from \$2.95 to \$6.00 per square foot or higher. Temporary space may be obtained for as little as \$1.95 per foot for the gift shows. For certain markets, space is leased to associations (Shoe Travellers, Retail Furniture, etc.) and subleased to exhibitors.

Participation in Dallas Markets is an excellent way for well prepared Canadian companies to enter and properly support a new market. Participation alone, however, is not enough. It is necessary to appoint an agent familiar with the region, its people and its problems and, having appointed him, to give him all the backing he needs. This includes adequate samples and publicity material, quotations on a c.i.f. U.S.\$ basis, plus strict adherence to quality and living up to delivery promises. New markets develop slowly and immediate results are unlikely. Certainly a "one-shot" exposure at a trade show cannot be considered a suitable approach. Combined with adequate market research and proper selection of a representative, however, the trade show approach can be most effective. In fact, many buyers of consumer goods plan to procure the bulk of their annual requirements at these shows.

Wisely used, the Dallas Market Center can be a useful tool for the Canadian manufacturer in marketing his product in the Southwestern United States.

Trade Fairs

Canada at Zagreb

Seventeen leading Canadian manufacturers exhibited at the International Autumn Fair in Zagreb, September 11 to 21. The Zagreb fair is Yugoslavia's largest and only international samples fair and is held each year in April and September. The Canadian participation was sponsored by the Department of Industry, Trade and Commerce as part of a program to promote exports to Yugoslavia and other Eastern European countries.

1. (below) Two Yugoslav businessmen discuss import opportunities with Robert Lee, (center) Canada's Commercial Secretary in Belgrade. The Canadian Pavilion was one of the most popular attractions for the more than one million visitors who attended the fair. The two attractive Yugoslav girls who assisted at the Canadian information booth are wearing the newly-designed costumes which will be worn by hostesses at most events of this kind. Canadian products displayed at the fair included snowmobiles, heavy machinery, merchandising equipment, camping and sporting goods and highly technical electronic products and instruments.



Fine Foods on the West Coast

Canadian food products are well received in the Los Angeles area, a highly developed market for gourmet types. This past summer eleven Canadian food manufacturers achieved good results by exhibiting super-

market items, gourmet foods and distilled spirits at the Annual Pacific Fine Foods and Beverage Fair in the Biltmore Hotel, Los Angeles. Some 3,500 visitors and 1,040 registered buyers attended the show. The latter came from Japan, Hawaii, Jamaica, Canada, California and several other states. Three of the Canadian firms established local representation as a result of their participation; seven of them already had local agents. The Canadian exhibitors reported potential sales of some \$115,000 over the next twelve months and received 200 serious business inquiries.

The participating Canadian companies were: Bee Cee Honey Co. Ltd., New Westminster, B.C.; Black Diamond Cheese Ltd., Belleville, Ontario; Burns Foods Limited, Calgary, Alberta; Canada Packers Ltd., Toronto; McCain Foods Ltd., Florenceville, N.B.; Northland Wild Rice Ltd., Winnipeg, Manitoba; Cherry Hill Cheese Ltd., Scarborough, Ontario; Joseph E. Seagram & Sons Ltd., Montreal; Stafford Foods Ltd., Toronto; United Maple Products Ltd., Delta, Ontario, and the Newfoundland Fish Trades Association.

Canada at Japan Electronics Show

Canada's electrical and electronics industry scored an outstanding success in its second appearance at the Japan Electronics Show held in Osaka, October 1 to 7. The eight participating Canadian companies received 487 firm inquiries and reported on-site sales worth \$114,000. Some 168,000 people attended the show. Of these, 40,000 came to examine the Canadian exhibit. This marked the second time that Canada has participated in the Japan Electronics Show and each company went home well satisfied with the results. The Canadian exhibitors anticipate future business of some \$2 million over the next twelve months. Canadian sales after the 1968 show were estimated at \$2 million but actual orders placed since September 1968 have totalled \$2.8 million. The show alternates between Osaka and Tokyo; in 1970 it will be held in Tokyo and in 1971 returns to Osaka. The Canadian participants, exhibiting under the auspices of the Department of Industry, Trade and Commerce, included Electrovert Manufacturing Co. Ltd. of Montreal; E.M.I. Electronics Canada Ltd. of Dartmouth, Nova Scotia; Simtec Ltd. of Montreal; and the following Ontario companies: Fisher Gauge Works Limited, Peterborough, Garrett Manufacturing

Limited, Rexdale, Guideline Instruments Ltd., Smiths Falls, George Kelk Ltd., Don Mills, and Mimik Ltd., Galt.

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2. Canada held a reception for exhibitors at the Japan Electronics Show in Osaka, Japan, in October. In the center of the picture facing the camera and gesturing is J. A. Stiles, Minister (Commercial) for Canada in Japan. 3. Two Japanese newspapermen converse in front of a panel with pictures of and information about some of the Canadian products to be seen at the show. The picture was taken at the Press Reception arranged by Canada.

Canada at Brno

One of the most effective international exhibitions attracting both Western and Eastern manufacturers is the Brno Fair, held in Brno, Czechoslovakia, each fall. Canada participated again this year with impressive displays of machinery and equipment. Nine Canadian companies showed their products under the auspices of the Department of Industry, Trade and Commerce. They reported on-site sales of \$701,500. 4. R. J. L. Berlet, Canada's Commercial Secretary in Prague, (center), opens the press conference in the Canadian Pavilion. On the right is W. E. M. Jeffery, Attaché (Publicity), at the Canadian High Commission in London. 5. Bruno Dattrino of the National Rubber Company Limited, Toronto, (second from left), signs a contract for the sale of two tire vulcanizers for passenger cars. Looking on (from left to right) are J. Zacek of Technoexport, a Czechoslovak foreign trade corpora-

tion, Mrs. V. Sulistova, also of Technoexport, and the end user of the vulcanizing equipment, S. Florian of Ruzomberok in Czechoslovakia.

4



5



Canadian Office Furniture at Chicago

The rapidly growing furniture industry in Canada was given an opportunity to display its progressive manufacturing and design ability at the National Office Products Association Convention and Exhibition at Chicago, September 24 to 27, open to the trade only. Ten Canadian office furniture manufacturers participated under the auspices of the Department of Industry, Trade and Commerce. Potential sales from show exposure are estimated at approximately \$1.5 million over the next 12 months, and some firms were able to obtain sales representation for the entire U.S. market. A number of exhibitors also arranged for warehousing in major market areas. One firm now has warehouse facilities in eight places as a result of the show which will permit immediate delivery of its stock items. The Canadian information booth received a number of inquiries from U.S. factory representatives looking for new lines. The participating Canadian companies and their products were: Paul Arno Limited, Montreal, fiberglass contract seating with furnishing accessories; Ebena-Lasalle Inc., Division of Art Laboratory Furniture Limited, Montreal, institutional and office seating made of molded urethane; Stuc-Art Inc., Montreal, decorated vases, ashtrays and lamps made of cement coated with stucco; and the following firms from Ontario: Cana-

dian Atlas Furniture Mfg. Ltd., Weston, executive and secretarial desks and chairs, and single unit and modular office furnishings; Galaxy Division, Eleven Forty-One Management Services Limited, Toronto, galaxy modular indexed revolving record system; Global Upholstery Co. Ltd., Downsview, office, commercial and institutional seating; James Murray Furniture Limited, Ayr, slab armchairs, sofas and end tables; Nightingale Industries Limited, Toronto, executive suite, office and institutional chairs, and single and multiple unit seating; Royalmetal Corporation, Galt, Croydon desks and chairs; Stefan Siwinski Designs, Toronto, chairs, sofas, tables and desks.

Canada at Auckland Trade Fair

Canada recently participated for the first time in a New Zealand fair—the International Trade Fair held in Auckland from August 20 to September 6. The twelve participating Canadian companies met with good success and received some 800 serious business inquiries. They reported on-site sales of \$8,600 and anticipated sales of \$214,590 in the next 12 months. Both the general public and trade visitors viewed the consumer and industrial goods on display. The Canadian exhibitors included Associated Textiles of Canada Limited, Montreal; Canadian Kenworth Ltd., Burnaby, British Columbia; Compagnie Pharmaco-Chimique, Montreal; Controlled Environments Ltd., Winnipeg, Manitoba; Electrovert Manufacturing Co. Ltd., Montreal; Hafner Fabrics of Canada Ltd., Montreal; Wajax Equipment Ltd., Montreal, and the following Ontario firms: Canadian Coleman Co. Ltd., Toronto; Canadian



Visitors examine one of the Canadian exhibits at the Auckland International Trade Fair. Controlled Environments of Winnipeg, Manitoba, displayed environmental cabinets.

Research Institute, Don Mills; Dominion Road Machinery Co. Ltd., Goderich; Kohler of Canada Ltd., Malton; Timberjack Machines Ltd., Woodstock.



R. M. Dawson, Consul and Trade Commissioner in San Francisco (right), and K. J. M. Tyrrell, Canadian Government Exhibition Commission (center), talk with a Canadian Eskimo about one of his carvings displayed at the San Francisco Gift Show held recently in San Francisco. Nineteen Canadian firms participated in the show for the first time exhibiting giftware and handicrafts. They reported on-site sales of \$58,300 and estimated future business of \$212,300 for 1969 and \$382,500 for 1970. Some 9,000 visitors attended the show.

Coming Up in 1970

January

International Hotel and Catering Exhibition, London, England, January 6 to 15

Solo Apparel Show, Men's Suits, New York, N.Y., January 11 to 13

National Association of Homebuilders Convention, Houston, Texas, January 18 to 22

February

National Sporting Goods Association Convention, Chicago, Illinois, February 1 to 5

American Association of School Administrators Annual Convention, Atlantic City, New Jersey, February 14 to 18

Boston Herald-Traveller New England Boat Show, Boston, Massachusetts, February 20 to March 1

International Exhibition and Conference for Shopfitting and Display Equipment (EUROSHOP), Duesseldorf, West Germany, February 21 to 25

March

New England Hospital Assembly, Boston, Massachusetts, March 23 to 25

Institute of Electrical and Electronic Engineers Conference and Exhibition (IEEE), New York, N.Y., March 23 to 26

Boston Furniture Market Show, Boston, Massachusetts, March 31 to April 2.

Oilfield Equipment

Expansion in petroleum industry in Venezuela by large foreign-owned companies creates opportunities for Canadian consultants, equipment manufacturers and service companies.

FRED M. G. SULLIVAN
Assistant Commercial Secretary, Caracas

The new Venezuelan administration, in office since last December, has carried out an extensive review of government policies, major projects and programs. Following a period of relative inactivity, the budgetary problems have been resolved, thanks in no small part to Venezuela's export earnings from the sale of crude oil which exceed U.S.\$6 million per day.

In May and June of this year, the Department of Industry, Trade and Commerce sponsored a mission to Venezuela, Trinidad and the Netherlands Antilles to study the oil industry. A precis of the mission report appeared in *Foreign Trade* of September 13, 1969. Prospects in Venezuela of specific interest to Canadian firms include the new oil exploration program, pending investments in excess of U.S. \$500 million for petrochemical processing plants, and associated equipment and services.

The four major Venezuelan oil-producing companies—Creole (Standard Oil of New Jersey), Shell, Mene Grande and Sun Oil—pump 80 per cent of Venezuela's average total production of 3.54 million barrels a day, three times the Canadian output.

The Creole Petroleum Corporation is the largest oil-producing company in Venezuela, averaging approximately 1.50 million barrels a day during the first few months of 1969. Approximately 50 per cent of all Creole's equipment and supplies are imported and purchased mainly through the local supply companies. Total monthly expenditure on supplies averages approximately U.S. \$4 million. This figure may soon increase as the company has an expansion program scheduled for the immediate future involving some U.S.\$32 million. Creole's stock of materials and supplies currently stands at U.S.\$24 million.

The Corporation spends approximately U.S.\$15 million per year on main-



This industrial gas turbine, made by Canadian Westinghouse and being prepared for shipment, is one of two going to an oil production plant in Maracaibo. The two units, of 14,000 horsepower each, will drive a 6,000 r.p.m. compressor.

tenance, of which 50 per cent is labor, contracted out on a competitive short-term basis to local supply and service companies. An example of the type of subcontract awarded to local companies is the overhaul and servicing of the Orenda gas turbines used by Creole for gas production.

A considerable number of Creole requisitions for normal heavy machinery and materials are processed in the New York offices of Standard Oil Company of New Jersey. These purchases are open to international bidding on the basis of quality, price and service. Normally the U.S. specifications for standard equipment are used as guidelines by the New York office.

The Esso Research Institute in Florence Park, New York, administers the majority of Creole Petroleum Corporation projects in Venezuela, the engineering aspects of which run over U.S.\$1 million. Mr. Ilzhogger is Esso's project purchasing manager. The Caracas office does have a sizable engineering department which handles

smaller engineering jobs, such as water flood systems.

The Shell Oil Company of Venezuela produced an average of 915,000 barrels a day during the first four months of 1969. Shell's large engineering projects are administered and directed from Caracas and the field offices in Lagunillas. Approval for large Shell projects in Venezuela is required from head office in The Hague. The recent gas-injection plants constructed for Shell in the Lago area were built entirely by foreign companies with representatives in the Maracaibo region. Another example is the cold storage facilities which were recently subcontracted out to a local company on a turnkey basis. For projects carried out by the Shell staff in Venezuela, the company's own engineers normally write up the specifications and Shell Oil in Venezuela refers to The Hague only as a last resort.

Canadian supply companies should send company and technical product information to Shell's Lagunillas

office, c/o Apartado 19, Maracaibo, Estado Zulia, marked for the attention of G. A. Rouse, Manager of Materials Administration Division, Shell of Venezuela.

Local purchases made by Shell Oil in Venezuela during 1968 amounted to U.S.\$50 million. Decisions on equipment, service and supply procurement are made primarily in Caracas and at the Shell offices in Lagunillas near Maracaibo.

The Mene Grande Oil Company, a subsidiary of Gulf Oil, is a producing company averaging approximately 400,000 barrels a day during the first few months of 1969. Its own refinery at Puerto La Cruz produces over 200,000 barrels a day. Mene Grande also purchases and markets petroleum for 14 companies in Eastern Venezuela. It has 32 gas-injection plants in Eastern Venezuela and three LPG plants manufacturing over 15,000 tons a year.

Mene Grande subcontracts the design and procurement work for many of its projects and new plants in Venezuela. The company operates independently of the Gulf Oil head office in Coral Gable, Pittsburgh, Pennsylvania, and only refers the Venezuelan budget for annual approval. It does occasionally use the Gulf Oil purchasing agents in Pittsburgh to supplement the buying of equipment and supplies done through the local companies in the Maracaibo region.

The contact for Canadian suppliers of equipment interested in exporting to Mene Grande is A. E. Urich, Purchasing Manager, Gulf Oil, Pittsburgh, Pennsylvania. Canadian companies should also write directly to the Mene Grande offices in Lagunillas, c/o Bob Crebes, General Manager, Apartado 234, Maracaibo, Estado Zulia, Venezuela. Company and product or service information should also be sent to the Caracas office of Mene Grande, c/o Maynard Doerge, Apartado 709, Caracas.

The current warehouse inventory of the company is approximately U.S.\$2 million and consists primarily of tubular products which are imported through the local supply companies.

The Venezuelan Sun Oil Company operations consist of joint ventures for

two concessions covering some 10,000 hectares of oil-drilling property and 150 operating wells. Production approximates 250,000 barrels a day. Sun Oil has eight large oil-pumping stations and one permanent drilling rig operating on Lake Maracaibo. It has scheduled a new 25,000-barrel-a-day operation which will feed the new Bajo Grande refining plant. It is expected that the specifications for this project will be prepared by the end of 1969. Another new operation planned for the immediate future is a joint venture with Instituto Venezolano de Petroquímica (IVP), Atlantic and Texaco to build and administer a 1,500-tons-a-day ammonia plant to be integrated into the El Tablazo petrochemical complex of the IVP.

The large Venezuelan oil companies unanimously express a strong preference for placing equipment orders with local agents and supply companies. These not only handle top quality products but provide a qualified technical service to back up equipment sales and iron out difficulties without delay. The service factor is critical with the oil "majors" and foreign companies should take great care to appoint well-established, competent representatives.

Geographical location of the local agent's warehouse is another important consideration in breaking into the Venezuelan petroleum industry market and Canadian firms should investigate this aspect before making any commitment.

The Trade Commissioners at the Canadian Embassy in Caracas can be of great assistance to Canadian oil equipment manufacturers or service companies planning to enter this market by putting them in touch with appropriate contacts and recommending the best local agents for the job. Canadian petroleum or petrochemical consultants wishing to offer their services in Venezuela would be well advised to form an association with a good local Venezuelan engineering contracting group which has already had considerable experience and carried out previous engineering design projects for the large oil companies or government ministries.

The most effective procedure is to have a technically qualified repre-

sentative spend three or four days talking to the equipment and materials procurement division managers of the large oil companies in the Lake Maracaibo region, as well as several appropriate local agents. The Canadian business visitor should also allow at least two days for discussions with head office officials in Caracas. The Canadian Embassy in Caracas will be pleased to provide a preliminary market study of the potential for any company product or service and to arrange a complete itinerary for a visit to this challenging country.

Foreign companies wishing to export new types of equipment to Venezuela must receive approval from the Ministry of Mines and Hydrocarbons, which issues a certificate that is used to apply for an import licence from the Venezuelan Ministry of Development. These licences are becoming more and more difficult to obtain as the trend is to use more and more local production wherever possible. However, the Ministry of Development is known to issue occasionally a certificate of exemption from import duties and import licences to the Venezuelan oil companies for equipment that is not available locally, even if such equipment may normally be subject to import restrictions. This is a very time-consuming procedure and offers no guarantee that an exemption will be granted.

Canadian manufacturers are advised to contact the Canadian Embassy in Caracas to ascertain whether or not a market does exist in Venezuela for their particular lines of equipment.

There are two corporations in Venezuela in the petroleum and petrochemical industries with which Canadian companies could do business. The Corporation Venezolana del Petroleo is charged with developing the country's petroleum resources in accordance with policies formulated by the Ministry of Mines and Hydrocarbons. The Instituto Venezolano de Petroquímica is responsible for planning, promotion and administration of the country's petrochemical industry. An article in a subsequent issue of *Foreign Trade* will describe both and list opportunities for Canadian consultants, service companies and manufacturers of petroleum and petrochemical equipment.

Cosmetics and Toiletries

Germans with money to spend are spending more of it on beautifying themselves. Where and what do they buy? Can a foreign supplier move into this market?

HENRY MAHNCKE
Commercial Officer, Duesseldorf

German consumers spend more money on higher-quality products than in the past, with the result that the market for cosmetics and toiletries is growing much faster in value than in volume. In 1968, total expenditure on cosmetics and toiletries at retail reached an estimated record figure of DM3,100 million.* The annual rate of increase in consumer expenditure on these went up from 3.8 per cent between 1966 and 1967 to 14.8 per cent between 1967 and 1968. And this German market is a long way from the saturation point. At manufacturers' selling prices, the total value of these products in 1968 was DM1,996 million compared with DM1,736 million in 1967 and DM1,677 million in 1966, or a rise of 14.9 per cent over the previous year. (See the accompanying table.)

Cleansing and hygiene products like toothpaste, shampoos and soaps account for 25 per cent of total expenditure. This confirms the opinion in trade circles that **German consumption has now moved completely out of its primary phase, when the emphasis was on personal hygiene products, into luxury products.**

The over-all increase in terms of value was 33.5 per cent for the four-year period 1965-1968. The sharpest rises were in "other cosmetics" a category which includes nail polish, eyelash and eyebrow makeup, and deodorants. These are all products for which a market has developed only recently—although rapidly—and which are almost exclusively used by women. But other market segments have also grown considerably: toilet water by 45.3 per cent, skin creams and lotions by 45, and perfumes by 39. The value of toilet soap decreased 6.7 per cent because of a general drop in prices.

Between 1965 and 1968 production increased by 32.9 per cent in value,

* One DM equals Cdn.\$0.2917.



This could be taken in a Canadian store, with a smartly dressed customer looking for expert advice on what Arden products to buy. Actually, it's a scene in a department store in Duesseldorf. Imported cosmetics still hold a very small percentage of the market; some North American brands are made in Germany under licence.

a rate of growth similar to that in consumption. Local output and domestic consumption are closely linked. Another market segment for which increases both in value and volume were substantial is skin tonics and after-shave lotions, up 58.7 per cent in value and 39.1 per cent in value, as a result of growing demand from males in Germany.

Significant too are the increases in output in the perfume sub-sector—46.9 per cent in value and 100 per cent in volume. Even though eau de cologne remains by far the largest single item, the German industry has started to diversify its product range to include perfume and scents. For the first time German production of perfume and scents in 1968 equalled

imports in volume terms, taking over a small share of the market traditionally dominated by the French.

Hair sprays, lacquers, oils and similar products also showed increases, with output rising by 46.6 per cent in volume and 37.6 per cent in value. Because of near saturation of the market, sales of lipsticks and other products declined but this situation could change rapidly. There is also a shift from shaving brush and soap towards shaving creams in tubes and sprays.

Imports are negligible and account only for 3.8 per cent of total consumption. Three product groups (perfumes, skin creams and lotions, and other cosmetics) represent a little less than two-thirds of this total. Only for perfumes is the share of imports of any real significance (50 per cent in volume, and 34.1 per cent in value). Imports of the other two product groups have a share of 3 and 6 per cent of net supplies.

The leading supplier of most cosmetics, especially perfume, is France, accounting for 94 per cent of foreign supplies of perfume and scents and 83 per cent for eau de cologne.

Exports in 1968 amounted to approximately 7 per cent of output in value. However, the total value of exports increases yearly at a fast rate—more than 20 per cent—which means that total exports could double every four years. The main export markets are the Netherlands and Belgium-Luxembourg, followed by Italy.

The low export figures are explained by the fact that **numerous large foreign firms such as Avon, Revlon, Coty, Colgate-Palmolive, L'Oreal, Unilever, and Max Factor have production facilities in Germany** and distribute their full range of products.

Some German firms have licensing agreements with foreign companies, in addition to making their own national products. There are no official figures but it is estimated that approximately 30 per cent of toiletries and cosmetics produced in Germany are manufactured by subsidiary companies of foreign groups or under foreign licence. On the other hand, large and well-known German firms like Schwarz-

kopf, Beiersdorf, Mouson and Inka have formed overseas subsidiaries or granted licences for the manufacture of their products in other countries.

The leading manufacturers and their products are:

Ferdinand Mulhens, Cologne
Eau de cologne (4711), perfume (Tosca) and other products

Kurt Schwarzkopf GmbH, Hamburg
Hair-care products and after-shave lotions

Beiersdorf A.G., Hamburg
Brand: NIVEA skin cream and various pharmaceutical products

Thera-Chemie GmbH (subsidiary of the Henkel group)
Lacquers, sprays, and hair dyes under the brand Poly-Color

Avon Cosmetics GmbH, Munich (subsidiary of the U.S. Avon group)
Wide range of high-quality cosmetics

Blendax Werke, Mainz
Toothpaste, shampoos, skin creams, deodorants

Unilever, Hamburg (consists of three German subsidiaries of the Anglo-Dutch group—Sunlight, Elida, Kleinol)
Toilet soap (Rexona), toothpaste (Pepsodent), deodorants and other products

Colgate-Palmolive GmbH, Hamburg (subsidiary of the U.S. group)
Toilet soap, toothpaste

J. G. Mouson GmbH, Frankfurt
Skin creams, toilet soap, perfumes

The traditional distribution channel—through wholesalers and retailers—accounts for 45 per cent of sales; direct selling from manufacturers to retailers for approximately 35 per cent, and direct sales by producers to consumers (mail order agents) for 20 per cent. This complex distribution structure results from the fact that toiletries and cosmetics are sold in many different types of containers.

In the past four years the "Drogerie" and specialized stores on the one hand and the food stores and supermarkets on the other hand have increased their share of sales at the expense of hair-dressers, in particular. **German consumers prefer buying in supermarkets, self-service stores and department stores**

toiletries for which the determining factor is price—toothpaste, toilet soap, shampoos, bath salts, etc. For luxury products like perfume, lipsticks, make-up, beauty creams, they prefer specialized stores, even though prices are higher. Retail prices differ greatly from one product and one type of package to another.

Retailers' margins are fairly high, averaging 35 to 40 per cent; wholesalers' are lower, between 10 to 15 per cent. Promotion in the sector is intensive. Total advertising expenditure in the traditional media (press, radio and television) rose from DM197 million in 1967 to DM268 million in 1968.

During the past few years, the toiletries and cosmetic sectors have been expanding steadily and rapidly. In 1968, after the economy had recovered, consumption increased by 15 per cent. This seems to be the annual rate of increase which can be forecast for the next two or three years.

One of the ways of obtaining further information about the cosmetic and toiletries industry in Germany and of products offered by competing foreign suppliers is attendance at a trade fair at which these products are shown.

An international exhibition for cosmetics and hygienic products, to be known as KOSMETIKA 1969, was planned for late September 1969 in Duesseldorf, in combination with the German Soap Fair which previously had been staged every two years in Berlin. Early in September this fair was cancelled. The plan now is to combine KOSMETIKA with certain sections of INDROFA, the International Druggists' Exhibition, and with the German Soap Fair and present a combined exhibition in Duesseldorf in 1972. It will then be held every four years. The proposed 1969 KOSMETIKA was advertised as the place to exhibit cosmetics and the raw materials for cosmetics, perfumes, hygienic products, cleaning and polishing materials, candles, toilet articles, decorations for holidays and festivals and packaging and wrapping specialties. This gives some idea of products in this area that Canadian companies might promote in Germany. For further information, write to Trade Commissioner offices in Bonn, Duesseldorf, or Hamburg.

Cosmetics and Toiletries in Germany

WHAT THE CONSUMER SPENDS

	DM million	Per cent of total
Scents and other perfumed lotions (colognes, lavender water, after shave)	560	18
Skin creams, powders and similar products	620	20
Toothpastes and other mouth-hygiene products	300	10
Shampoos and other hair-care products	840	27
Shaving soaps	340	11
Other products like lipsticks, nail polish, bath salts	440	14

Source: Economist Intelligence Unit

WHAT IS IMPORTED

	'000 tons		DM million	
	1967	1968	1967	1968
Eau de cologne	0.3	0.3	5.0	4.3
Perfume	0.4	0.4	12.6	14.0
Toilet water, skin tonics	0.5	0.5	5.3	4.7
Skin creams and lotions	0.8	1.1	11.3	14.8
Powder	0.2	0.2	2.3	2.6
Toothpaste and mouth washes	0.3	0.5	1.9	2.9
Hair shampoos	0.4	0.3	1.0	0.6
Other hair-care products	0.8	0.9	3.8	4.3
Shaving creams	0.1	0.1	0.3	0.3
Toilet soaps	2.0	1.8	6.5	6.4
Other cosmetics	0.8	1.4	13.1	17.9

Source: Federal Bureau of Statistics

WHAT IS PRODUCED

	'000 tons	
	1967	1968
Toilet water	4.4	4.6
Skin tonics	2.8	3.2
Perfume	0.3	0.4
Skin creams and lotions	16.4	19.5
Powder	3.5	3.5
Toothpaste	13.5	14.3
Mouth washes	1.8	2.2
Hair tonics	9.0	8.8
Hair sprays, lacquers, oils, etc.	36.9	45.0
Hair dyes, bleaches and rinses	5.1	5.2
Other hair colorants	6.1	6.2
Lipsticks and salves	0.2	0.2
Bath oils, salts, etc.	25.9	31.0
Toilet soaps	52.9	56.5
Shaving soaps	0.5	0.6
Shaving creams	1.6	1.9
Liquid shampoos	9.7	12.6
Other shampoos	0.4	0.2

Source: Federal Bureau of Statistics

Producers and Main Brands	Turnover in DM million and per cent share of market			
	1967		1968	
	DM	%	DM	%
Ferdinand Mulhens 4711, Tosca, Friscodent, Farina	200	11.5	230	11.5
Kurt Schwarzkopf	175	10.1	185	9.3
Beiersdorf	175	10.1	200	10.0
Nivea, Atrix, Zeozon				
Thera-Chemie	135	7.8	145	7.3
Poly-Color				
Avon	137	7.9	165	8.3
Blendax	120	6.9	135	6.7
Unilever	90	5.2	100	5.0
Sunlicht, Brisk, Rexona, Pepsodent, Lux				
Wella	90	5.2	95	4.8
Colgate-Palmolive	80	4.6	90	4.5
J. G. Mouson	80	4.6	87	4.4
L'Oreal	70	4.0	80	4.0
Dalli Werke, Maurer & Wirtz	65	3.7	75	3.8
Tabac, Turnier				
F. Wolff	40	2.3	50	2.5
Vogue, Rodeo, Orlane				
Dralle	40	2.3	45	2.3
Birkin, Sulfrin				
Others	239	13.8	314	15.6

Source of information: Marketing Department of Axel Springer

Maritimers Exhibit in Massachusetts



1
For Tidewater Sea Foods of Charlottetown, this was its introduction to export business. Its canned chowders and sea-foods sold well over the counter and the firm obtained an agent. At left is Peter Paton of Tidewater with D. J. Packman, manager of the Regional Office at Halifax for the Department of Industry, Trade and Commerce.



2
This versatile all-terrain amphibious vehicle, the "Jiger", attracted much attention. The firm received inquiries from ten would-be representatives; chose one to cover the New England area. (Left to right) Jack Coffey of Breton Versatrek, which makes the Jiger, Mr. Packman, and Allan Farmer of the N.S. Department of Trade and Industry.

3
Marvens Limited, biscuit makers of Moncton, N.B., had exceptionally good over-the-counter sales at the Exposition. The company has long exported to New England. Mr. Packman and Ron Searles look over some of the Marven products.

Every fall West Springfield, Mass., is the setting for the Eastern States Exposition, or "Big E", that attracts well over 600,000 people from the New England States. Highlights are the large livestock show, the Eastern States Horse Show, and a trade display, mainly of consumer goods, in the Better Living Center.

This year firms from the three Maritime Provinces participated for the second time. Thirty companies put on displays in the 12,500-square-foot area "Atlantic Canada", and in addition officials from the three provinces handled inquiries on trade opportunities, on tourist attractions, and on industrial development.

Of the thirty companies exhibiting products and making direct sales, nine had participated in the 1968 Exposition and were already active exporters; a few of the 21 newcomers in 1969 had had no previous export experience. Many of the latter obtained agents during the Exposition, which ran nine days and drew 730,000 visitors.



4
Enamel and Heating Products of Sackville, N.B., a long-established Maritime firm, has been selling its electric stoves, oil-fired furnaces, and its Franklin-type stoves (in foreground) in the U.S. for some time. (Left to right) Ron Searles, N.B. Department of Economic Growth, Mr. Packman, and George Arnold, the firm's New England representative. Two weeks after the show, shipments went to seven new accounts.

5
The knitwear on racks at the left was made in Stellarton, Nova Scotia, by Donato, Faini & Figli (Canada) Limited, which exhibited for the second time. This firm acquired an agent following the 1968 Exposition; now has offices and showrooms in Boston, New York and Miami. (Left to right) Mr. Packman, Gabriel Omassi, the firm's general manager, and E. D. Shannon, its sales manager.

It's Time to Try in Argentina

J. M. VINCENT

Assistant Commercial Secretary, Buenos Aires

Opportunities for Canadians to sell goods and services in Argentina are greater than they have been for many years. In 1967, the Argentine Government abolished import licences, excessive import surcharges and comprehensive exchange control regulations. (Argentina is a member of GATT and exchanges most-favored-nation tariff treatment with Canada.) Government measures have checked inflation, the peso is firm, the GNP is rising, foreign reserves are the highest in twenty years, and foreign investment is strongly encouraged.

Although tariffs are still relatively high, especially for consumer goods, they do not prohibit imports of capital goods or materials and services for in-

dustry. In fact, duties are waived on purchases made by official organizations and dropped or considerably reduced on imports of capital goods to modernize and re-equip local industry.

Demand is increasing in this market for newsprint, steel sheet and strip, aluminum and other metals. New outlets are opening up for zinc, copper refinery shapes and steel blooms, slabs and billets, and for machinery, equipment and services for government infrastructure rehabilitation and expansion programs—railways, airports, subways, highways, ports, telephone and telecommunications systems. Competition from United States, European and Japanese suppliers is strong and an active Argentine agent is important,

especially because government entities discourage direct purchases from foreign sources and their tenders often require the fast response that only an on-the-spot representative can give.

Canadian businessmen have recognized the opportunities in Argentina. More and more of them are visiting the market individually or as members of trade missions. Their success is reflected in the rise in Canadian exports from \$33 million in 1967 to \$48 million in 1968, and to \$27.8 million in the first six months of 1969 compared with \$19.4 million in the same period of 1968. The pictures show some of the products and services Canadians are selling here.



Engineering firms win government contracts

The senior vice-president of a Canadian company, his Argentine representative and officials of the Argentine and Uruguayan Governments sign the formal agreement for the supply of engineering services for the \$500 million Salto Grande hydroelectric project some 300 miles north of Buenos Aires. The Canadian firm will update the engineering design done by a French company in 1962, provide an economic/financial feasibility study, and prepare the documentation that will be needed for the construction contract.



A Montreal company in conjunction with two Argentine firms (partnership with local companies is usually a requisite in tender specifications), has been awarded the design contract for the renovation of old and construction of new terminal grain elevators at five ports throughout the country. The picture shows the company's offices in Buenos Aires where four Canadian engineers are working with a staff of 75 on this IADB-financed project.



The representative of a Canadian engineering consortium points out to J. M. Vincent, Assistant Commercial Secretary in Buenos Aires, the location of the Zapata thermal power station in western Argentina. The five Canadian firms in the consortium have submitted a bid on this project; on the left is their Argentine representative.



Canada, by land and air . . .

Ten of these Canadian-made 45-ton rear dump trucks arrived in Argentina early this year and are in constant use at the site of the El Chocon hydroelectric project in the south of Argentina. This \$560 million power and irrigation project has been called the "Tennessee Valley" of Argentina.



Three Canadian tracked vehicles like this one are being used by Gas del Estado, the state gas development and distribution entity, in the south. As Argentina expands resource exploration and development plans in the interior, interest is increasing in the multi-terrain vehicles which Canadian manufacturers have developed.



This aircraft, being readied for a trip to the Argentine Antarctic last April, is one of five bought from a Canadian company by the Argentine Air Force. One of them is being used by the Commander in Chief as his personal aircraft. Five more were ordered this year by two private regional airlines for intercity services.



. . . in the factory and on the farm

This is the plant of the largest paint brush manufacturer in Argentina and the Canadian machine it has installed has so increased production that the company is making plans to export to other countries which are members of LAFTA.



Four Shorthorn bulls from Ontario were sold recently in Argentina and one of them fetched the highest price at the large auction.

Electric Power

More electric power is needed for new industries in Jamaica, the Bahamas, and the Caymans. Equipment must meet British or ASA standards.

J. PIERRE LEFEBVRE

Assistant Commercial Secretary, Kingston

Jamaica, the Bahamas and Cayman Islands rely heavily on the income from tourism, from exploitation of their natural resources and from new industries to achieve higher economic standards. An adequate supply of power to hotels, factories, alumina and desalination plants, to name a few, is essential and of prime interest to these countries.

The increasing demand for electric power calls for expansion schedules in the three areas named above. Canadian manufacturers of electric power generating, transmission and distribution equipment may be able to supply the need.

Two main companies serve the Bahamas. The Bahamas Electricity Corporation supplies Nassau and the whole of New Providence Island and the Freeport Power Company Limited supplies Freeport on Grand Bahama Island.

The Bahamas Electricity Corporation is a crown corporation with its own management and staff, responsible to the Minister of Public Works. It is the largest single producer of electric power in the Bahamas. Its activities are limited to New Providence Island but there is a possibility that it will absorb smaller, privately operated power generating units in the outer islands, with the exception of Freeport.

The installed capacity of the generating plants operated by the Corporation stood at 46.14 mw. in September 1968; 21.32 mw. were produced by a combined steam/diesel station and the remainder by four smaller diesel generating units. In addition, the Corporation was hiring two generators producing 1.75 mw. Two 4.3 mw. units were installed by Fairbanks Morse International Incorporated. A considerable portion of the cost of this extension was met by a loan from the Export-Import Bank to the Government of the Islands.



These linemen at work in Kingston, Jamaica, typify the effort being made to step up the supply of electricity for the island. Jamaica Public Service, the publicly owned company that generates power, has ambitious plans for expansion.

The Government also employed foreign consultants to prepare a report on the workings of the Corporation. They recommended the abandonment of the policy of installing diesel-driven units and a reversion to the policy of installing steam turbine-driven units. The recommendation was accepted in principle and a steam plant will be commissioned in 1971. In 1969, the Corporation appointed a foreign firm of consulting engineers to implement this policy, planning and forecasting the Corporation's requirements.

To meet demand until 1971, the Corporation placed an order with Fairbanks Morse International for two additional 8.6 mw. sets and an order with another foreign company for a smaller gas-turbine generator. **The Corporation will be looking for a package deal which will include financing and the construction of two steam turbines (20 and 30 mw.) to be commissioned in 1971 or 1972.**

Several cable circuits, each carrying 30,000 volts, were connected to two

submarine cables running across Nassau Harbor during 1968; these cables were in turn wired into a 33,000-volt stepdown substation on Paradise Island.

The Bahamas Electricity Corporation purchases British-made underground cables. It is difficult for Canadians to compete in this field because these cables must comply with British standards. Such compliance would oblige a Canadian manufacturer to engineer changes, thus outpricing his standard product.

During the course of the year, the Corporation installed nine miles of high-voltage overhead line and 11.5 miles of low-voltage underground cable.

Freeport Power Company is owned by Grand Bahama Port Authority, the private development company managing Freeport. It supplies electricity to the Freeport area and to other distributors who serve the western section of Grand Bahama Island; outside Freeport is a bonded area.

The installed capacity of generating plants stood at 59.5 mw. by the end of 1968. Generators used are a combination of steam turbines and gas turbines and produced 122 million kwh. in 1968.

There is no need for load shedding on Grand Bahama Island; the forecast is made well in advance to cope with the economic growth of the island. The use of electricity increased by 32 per cent in 1968 and the company was well equipped to supply it. In 1969, the sale of electricity will exceed that of 1968 and the company's total electric load is expected to double in three years. Plant capacity should expand to 130 mw. by 1974 for the generation of 380 million kwh., more than three times the present figure.

To cope with this projected increase, Freeport Power plans this expansion:

1970: 20 mw. generator (International General Electric)

1971: 35 slice, 39 mw. steam turbine generator; new plant and \$2 million substation

1973: 40 mw. gas-turbine generator

1973: 35 slice, 39 mw. steam-turbine generator; new plant and substation.

To date, the expansion has been self-financed but the company may consider participation by international financing agencies.

The Freeport Power Company relies on ASA standards for underground and aerial transmission cables and its requirement varies yearly; in 1968, approximately 25 miles of line were installed. It would welcome quotations on cables from any supplier.

Power generation in Jamaica is the responsibility of the publicly owned Jamaica Public Service Company Limited. In 1967, a 25-year licence to supply the electricity requirements of the island was granted by the Jamaican Ministry of Trade and Industry to Jamaica Public Service. The Public Utility Commission is a regulatory body which protects the interests of the Government and the consumer.

Bauxite companies, alumina plants, sugar refineries and cement plants, all important industrial power users, have their own generating facilities. Some are interconnected with JPS to provide an interchange of power when the peak load required at one plant exceeds its available capacity.

As of November 1968, the installed capacity of JPS was 140 mw.; steam stations supplied 70 per cent, hydro stations 17 per cent, and diesels 13 per cent.

The last independent generating station was interconnected with the main grid during the year. The system's peak load was 117.6 mw. in 1968; total output was 682,211 kwh., compared with 529,939 in 1967 and 474,377 in 1966. Delay in installing new generating capacities and lower output from the hydro stations—due to the effects of the prolonged drought of 1968—necessitated a program of load shedding which is still in existence.

Power generated by private companies increased to 119.288 mw. in 1968 from 90.133 mw. in 1965. These companies use processed steam and, as the electricity requirements are less than the steam requirements, the production of steam and electricity is combined. The result is that electricity is pro-

duced at a relatively low cost. It is believed that service will continue on this basis.

The expansion schedule for JPS is as follows:

1968: 16 mw. gas turbine commissioned in January 1969.

1969: 60 mw. steam generator to be commissioned at the end of 1969.

1969: 60 mw. steam generator to be commissioned in 1971.

Further studies on the expansion schedule are in progress.

In 1968, 13.2 miles of transmission line were added and work began on a 30.5 mile line. Six new substations and switching stations were built.

If you plan to sell aerial and underground cables to JPS, they should be equivalent to ASA or British standards.

Electricity for the Cayman Islands is supplied by Caribbean Utilities Company, a foreign-owned company responsible for power generation and transmission facilities throughout the islands with the exception of Cayman Brac, (population 2,000). There power is generated by Cayman Brac Power Company, owned by private business interests and the Government.

Four interconnected generators provide a total installed capacity of 2.6 mw. to supply electricity to the most densely populated center in the island. The eastern part of the country is not supplied with power and will remain without it unless the company is able to tap a source of long-term financing. The largest problem stems from the buildup in consumption coupled with the demand resulting from the growth of hotels and light industries.

The distribution voltage on the lines is 12.47 kw. All equipment for transmission and distribution comes from the United States and meets ASA standards. The company is interested in getting quotations from other sources.

Expertise about Exporting

On the desk in front of me lie five books on one general subject that have come to my attention recently. All of them deal with various aspects of exporting, some at length and others more briefly. Each, as I discovered when I examined them closely, reflects the particular experience and expertise of the author or authors and each is therefore particularly helpful about some facet of the export operation.

The author of the first and most comprehensive one, John V. Horne, has a wide acquaintance with the export community, obtained during his years as head of the Tariff Department of the Canadian Manufacturers Association and latterly as the Association's Foreign Tariff Adviser. He has now produced and Sir Isaac Pitman Canada Limited has published a textbook entitled *Essentials of Export* (price \$8.25). It is written in true textbook style, with numbered paragraphs, footnotes, lists for further reading at the end of each chapter, and an appended bibliography. It also quotes at length from a number of government press releases, ministerial speeches, and government documents, such as the report of the Science Council for Canada on a science policy for this country. This may tend to date the book as time goes on.

In view of Mr. Horne's long experience with tariffs and documentation, it is not surprising that the sections on trade terms, on documentation, financial and other, and on export transportation and its problems are the most valuable. He is also helpful about relations with agents and includes sample agency and distributor agreements. The exporter concerned about documentation problems will find facsimiles of most types of documents, from the B13 Export Entry to bills of lading, certificates of origin, customs invoices for goods going to the United States, consular invoices, airwaybills, packing lists, and many others.

The shortest of the five books—it is actually a pamphlet—is called simply *Export Manual*, was written by Mark M. Trilling and Leonard Rose, and is available free from Gallagher and Ascher Co., 222 West Adams Street, Chicago, Illinois 60606. Mr. Trilling is a freight forwarder and customs broker and Mr. Rose a member of the Chicago Bar. The authors call their brochure "a graphic outline of export procedures" and the emphasis is on getting things moving; the advice given is always practical and it is slanted largely to the novice. He will find here specific suggestions about replying to a first inquiry from an overseas buyer, on what to do about the language problem in correspondence, and on helping the buyer work out his landed cost. I found the treatment of bills of lading and of the point at which the risk passes from supplier to customer particularly clear; so is the explanation of what the authors call "delivery by documentation". There is also a good chapter for the layman on marine insurance.

The third book is put out by the National Industrial Conference Board as one of its studies in business policy. Entitled *Organizing for Exporting*, it deals in its 57 pages entirely with this one aspect of export trade, and is based upon the material that the author, James Greene, obtained from 160 manufacturing companies and commercial export houses. Chapter one deals with independent export units, defining the various types and their methods of operation. The author then goes on to treat "export units in the corporate organization".

The company that has gained a foothold in export markets through using export merchants or a combination export manager and wants to go it alone will find this section of the book valuable. It not only discusses various types of export organization and which types of business are best suited to

each, but also gives actual job descriptions for a director of export in the domestic marketing structure, for a vice-president and director of export sales in a separate export department, for an international operations manager, and so on. The large number of charts illustrate in detail the various types of export organizations. The book is sold by the National Industrial Conference Board, 615 Dorchester Blvd. West, Montreal 2, and the price is \$17.50 for non-members; members receive one copy free and pay \$3.50 for additional copies.

The fourth book looks at export promotion from the Swiss point of view and is directed particularly to the developing countries. Published by the International Trade Centre at GATT in Geneva as *Lectures in Export Promotion*, it is a compilation of lectures given in 1967 to 20 English-speaking African nationals at the St. Gall Graduate School of Economics and Business Administration. The course was financed in large part by a grant from the Dag Hammarskjöld Foundation of Sweden and was followed by in-service experience for the trainees with export promotion organizations, both public and private, and private trading firms in a number of European countries. The lecturers were drawn from the St. Gall Graduate School and from private Swiss exporting firms, banks, etc. Some of the chapters may be helpful to Canadian firms exporting to Africa by increasing their understanding of the African situation and the problems these countries face in their own export trade. There are also good treatments of the *Incoterms*, of transport problems in export, documentary credits, and so on. The book is available from the International Trade Centre at Geneva (Villa Le Bocage, Palais des Nations, Geneva 10).

The final book is a paperback, one of the Management and Marketing series put out by Pan Books in England, and

sells for \$1.50. It is called simply *Exporting*, is written by Robin Neillands and Henry Deschampsneufs, (we have previously reviewed books on export marketing by the latter) and is directed to businessmen not only in Britain but also in Canada, South Africa, New Zealand and Australia. It sets out to do two things: one, to show how the basic principles of sound business "can be applied to markets other than the domestic" and second, to show how "small and medium-sized companies can, without costly investments in manpower, research or new equipment, obtain and develop business from export markets." It covers all the usual export topics—it is particularly good on overseas visits and how to plan them—including the total distribution function. Towards the end there are nine case histories of firms that went into export and the lessons to be drawn from their experience. For an inexpensive, sound introduction to exporting, this is the book.

O. MARY HILL
Editor, *Foreign Trade*.

Canadians Design Iranian TV Network

The National Iranian Television Service (NITV), a government agency, has awarded a contract to Hoyles Niblock Associates, Canadian broadcast consulting engineers, to plan and design a national television network throughout Iran. The Iranian Government recently purchased the two existing private television stations in Iran as a start on the project.

The first phase calls for five regional program production centers and stations to be located in Iran's largest cities. These will be supplemented by some 30 medium- and low-power stations to serve smaller cities and towns. The network of stations will be interconnected by a microwave system now being set up by Hoyles Niblock overseas engineers. The multi-million-dollar project will take shape over the next three years.

New York Buyers for Export

The Consulate General in New York has recently revised the useful *Directory of New York Buyers for Export* and this fourth edition, in both English and French, is now ready for distribution. The three previous editions have proved most helpful to Canadian exporters.

New York "buyers for export" fall into three classes: purchasing offices of large trading firms and of foreign government corporations; export merchants who buy for their own account abroad; export agents who represent foreign firms on commission but do not take title to the goods. To help Canadian manufacturers sell to these sources, this directory has been compiled to give essential information on these potential customers and provide direct contacts.

Although most of the 250 New York buyers listed have worldwide agency networks, the majority of them are exporting to the following areas:

1. The Caribbean countries. Jamaica, Puerto Rico and the Dominican Republic were mentioned most frequently.
2. Mexico, the Central American countries (mainly Honduras) and other Latin American countries (mainly Argentina, Brazil, Chile, Colombia, Peru and Venezuela).
3. All the countries of the Middle and Far East (including Indonesia). These have all been well covered for years by these New York exporting firms.
4. Western Europe. Belgium, Italy, West Germany, Portugal and Spain are the markets most actively covered.
5. Africa. Besides South Africa, which is always mentioned, the following countries are covered and could be of interest to Canadian exporters: Algeria, Liberia, Ivory Coast, Senegal, Cameroon Republic, Kenya, Angola and Mozambique.

Most of the firms listed in the Directory have expressed interest in receiving price quotations for Canadian-made products that will fit into the lines they are currently handling.

Although every effort has been made to ensure that only firms of good commercial standing are listed in the Directory, the Canadian Consulate General cannot accept responsibility for the integrity or financial standing of the companies mentioned.

Under the name and address of each of the 250 New York purchasing offices listed is the name of the officer to contact and a description of the organization, including the products handled for export and the markets in which the firm mainly operates. Sources of banking references are also supplied, as are the terms of payment and the basis for quotations generally used.

In addition to the alphabetical index of the 250 firms, there is a cross-index by product, giving items generally purchased by these New York firms. By looking through the product index, a Canadian exporter can locate five or more firms interested in buying a particular commodity for export. He can then check the description of how these firms operate to determine which ones are mainly doing business in countries where he is not represented and approach them.

The Directory should be of substantial benefit to Canadian exporters who do not have and do not intend to set up permanent representation in some overseas countries.

If you wish to use this tool for expanding your exports, I suggest that you phone the contact given to determine his specific interest. As a second step, I recommend that you keep the Commercial Division of the Canadian Consulate General aware of your efforts by sending to it an information copy of your correspondence. This will facilitate any follow-up.

To obtain a complimentary copy of the directory, simply write to the Publicity Branch, Department of Industry, Trade and Commerce, Wellington and Lyon Streets, Ottawa.

R. J. LEDOUX
Vice Consul and Assistant
Trade Commissioner, New York

Trade Lines

South Africa's telecommunications network ranks twenty-first in the world, with assets of \$65 million. It is second to none in technical development, according to South Africa's Minister of Planning. The Minister estimates that the number of telephones will increase from 1.43 million in 1969 to 5 million by the year 2000 and that the telecommunications industry will yield an annual revenue of \$1,350 million—Johannesburg.

American Metal Climax Inc. of New York is now building a \$3 million plant to produce aluminum sections in Roermond, Netherlands. The new plant will be known as Amex Aluminum Extrudes N.V. and will be built in two phases. The first will be operational by mid-1970 and the second by 1971. In full operation the plant will produce 3,600 tons of six-meter rods for the building trades, shipbuilding and electro-technical industries. Part of the production will be exported to Common Market countries. At present, the U.S. firm has a plant producing molybdenum in Rotterdam. The Roermond plant will be its second Dutch subsidiary—The Hague.

A multi-million-dollar project to improve processing facilities at the Ketchikan Pulp Company plant in Ward Cove is now under way. The expansion will extend over two years and will involve a new sawmill, a log deck, additional barking and shipping equipment, and an expanded power plant. A sawmill complex will also be built at Ward Cove, in addition to the Ketchikan Spruce Mills sawmill in Ketchikan—Seattle.

Aluminum Delfzijl N.V. of Holland plans to increase its annual production capacity to 84,000 metric tons of crude aluminum, up from 72,000 metric tons. Investment in the expansion will amount to some 25 million guilders (Cdn.\$7.5 million). Aluminum Delfzijl is jointly owned by Koninklijke Nederlandse Hoogovens & Staalfabrieken (50 per cent), Alusuisse (33½) and Billiton Maatschappij (12½)—The Hague.

Plans to invest \$250 million in Venezuela's mining sector were recently announced by Venezuela's Minister of Mines and Hydrocarbons. Seventy per cent of this will be spent on three large projects: exploiting gold, rehabilitating coal deposits, and developing the Loma de Hierro nickel project. The Minister stressed the importance of attracting foreign capital and expertise for these projects—Caracas.

Hong Kong's fishing fleet has recently added a concrete fishing boat to its traditional fishing junks. The 65-foot vessel is made of reinforced thin-wall ferro-cement. Although it is heavier than the fishing junk, it is relatively maintenance-free and much cheaper to build—(about Cdn.\$22,000)—Hong Kong.

Bayer Industrial S.A., the Peruvian subsidiary of the German chemical manufacturing firm, is building a \$13 million acrylic fiber plant in Callao near Lima, Peru. Investment in the project will total over \$20 million—Lima.

Tourists visiting Hong Kong spent some Cdn. \$230 million in 1968. In the first six months of 1969, 350,000 tourists arrived in the Colony, nearly 24 per cent more than in the same period of 1968. This large increase is straining Hong Kong's tourist facilities and more hotel rooms are urgently needed—Hong Kong.

Vianini S.p.A. of Italy has been awarded a contract to modernize the international airport at Fiumicino, near Rome. At present, the 60-year-old company is involved in building projects in some 20 countries and is constructing one of Italy's largest dams in Sicily—Milan.

A Cdn.\$30 million plant to manufacture vinyl chloride is being built near Rotterdam by Koninklijke Zout-Organon. To be completed by the end of 1970, it will be one of the largest in the world, with an annual capacity of 300,000 metric tons. A large part of the output will go by pipeline to the petrochemical plants of Shell Nederland Chemie at Pernis for processing into polyvinyl chloride. The plant was designed by Comprimo/Lurgi of Amsterdam and Badger of The Hague. Licences were obtained from B. F. Goodrich Chemical Company and Stauffer Chemical Company, both of the U.S.—The Hague.

Italy is not expected to make a final decision between the Italian (PAL) and the French (SECAM) color television systems until 1970, even though Italian manufacturers would like to step up production well in advance. RAI-TV, the Italian State network, has been going ahead on the assumption that PAL will be selected. The president of RAI says that if SECAM is chosen, it will cost some 10 per cent more, increasing the network outlay by \$5 million to \$6.4 million—Milan.

An Angola mining company plans to build a pelletizing plant at Cassinga and develop its ore loading facilities at Mocamedes where the harbor is being deepened to take 200,000-ton ships. The Companhia Mineira de Lobita has received some Cdn.\$21 million from British and European bankers for the development. Another major iron ore project is planned in the Salazar Malanje area by the Companhia do Manganés de Angola, but an ore loader will first have to be built at Luanda, the rail link between Cassala and the port will have to be improved, and the second phase of the Cambambe hydroelectric project will have to be completed—Johannesburg.

Sydney was Australia's busiest port again in 1968/69. Some 15.4 million tons of cargo went through the port, 600,000 tons more than in 1967/68. The trade included bulk oil imports of 2.5 million tons. Coal exports fell by 300,000 tons to 2.7 million and wheat exports also dropped by more than 250,000 tons. General cargo trade with Japan was larger than with Britain for the second consecutive year: Japanese trade through the port totalled 740,000 tons and British trade 600,000—Sydney.

The New Zealand Manufacturers' Federation is sending another trade mission to South Africa after the success of last year's mission. It is made up of 18 top manufacturers whose interests cover the whole industry. They will spend five days in Johannesburg and then visit Durban, East London and Port Elizabeth. The New Zealand Government is paying part of the expense—Johannesburg.

Grain stored on German farms at the beginning of the new fiscal year, July 1, 1969, totalled 1.46 million metric tons, 25 per cent more than in the previous year and 44 per cent above the average for 1963/68. Of this, wheat accounted for 361,000 metric tons (up 12 per cent), rye and winter mixed grain 274,000 (up 20 per cent) and feed and industrial grain 842,000 (up 29 per cent)—Bonn.

New Zealand has worked out a new plan to improve the efficiency of its dairy industry. Marginal or sub-marginal farms will be either strengthened by giving them financial or technical assistance or will be voluntarily taken out of production. Farmers thus removed from their farms will be aided to buy a home or will be allocated a state house in an urban area. They will also be retrained for other jobs—Wellington.

Czechoslovakia is suffering from a shortage of meat and is importing substantial quantities. Domestic supplies of beef decreased by 10,000 tons and pork by 34,000 tons in the first eight months of 1969. The importing monopoly in Prague is seeking quotes on Canadian pork for delivery before the close of the shipping season in Montreal this year—Prague.

The Houston National Co. and PIC Realty Company plan to build a \$125 to \$150 million complex in the business center of Houston. It will consist of an 800-room, 30-storey luxury hotel and two office buildings, each of which will have at least 33 floors. The complex will be the largest downtown real estate development in Houston's history. Construction will begin early in 1970—Dallas.

Eleven million tourists visiting Italy spent \$659 million in the first six months of 1969, 2.8 per cent more than in the same period of 1968. Tourist revenue is expected to reach \$1.7 billion by the end of the year—Rome.

Peru has recently announced that imports of powdered milk will be controlled by the State. Private imports will continue until details of the new changes are published—Lima.

The Institute for Industrial Reconstruction (IRI) has received approval from the Interministerial Committee for Economic Planning (CIPE) to invest \$1.35 billion in Italy in 1970. Some \$564 million is earmarked for southern Italy. The IRI will allocate funds to the communications sector (\$384 million), engineering industry (\$275 million), steel industry (\$249 million), and highways (\$244 million). It plans to emphasize development of Italy's space, electronics and nuclear energy industries. The Institute will invest \$2.37 billion in the south in the next few years. This investment will increase government ownership of southern enterprises beyond all previous plans and guidelines—Rome.

The Corporacion Minera de Bolivia plans to build the country's first bismuth smelter and refinery at Potosi in southern Bolivia. The new plant will have a capacity of 700 tons of bismuth a year. It is expected to cost \$500,000 and is being financed with a loan from the Belgian Government—Lima.

Norway's two chief aluminum manufacturing firms, Alnor and ASV (Ardal and Sunndal Verk), plan to expand over the next few years. Alnor now produces some 90,000 tons of aluminum a year and is expected to double its production in the next ten years. The company is building new foundries in western Norway. ASV plans to modernize its foundries and increase its annual production capacity by at least 50,000 tons to reach 170,000 tons by 1972—Oslo.

South African schools will begin to change over to the metric system at the start of the school year in January 1970. Primary schools and the lower grades of secondary schools will be the first to make the changeover. By January 1971 all schools will teach in the metric system and syllabuses will be adjusted. The Department of Higher Education will not approve textbooks that do not use the metric system in future and will replace standardized apparatus and equipment—such as rulers,

measuring instruments, pressure gauges and so on—as soon as possible. It will purchase all other replacements and new equipment according to specifications in metric units—Johannesburg.

The Ignis group of Comerio Italy and the Philips Company, Eindhoven, and Philips S.p.A. Italy have announced that they have recently concluded an agreement of industrial association in the field of “white goods” (refrigerators, washing machines, etc.). A new company, with equal participation of the two groups, has been

set up and incorporated under the name of Cassinetta di Biandronno to produce the products mentioned. This agreement is a further step in co-operation in the field of manufacturing white goods that has existed for several years. As a result, a close association of their industrial activities will be reached both on an Italian and international basis. The commercial networks of both parties will retain their independence but the association between the two companies will make it possible to sell their common production to their respective commercial networks and customers.

Foreign Tariffs and Trade Regulations

The Australian Government has recently introduced new health regulations which affect wooden packing cases, pallets and dunnage that are shipped in large door-to-door containers to Australia. Briefly, the new regulations provide that wood packings shipped in these large containers or, if applicable, wooden components of the container itself are treated in a specified manner to ensure that the wooden packing materials are free from insects, soil, plant material and contamination from animal products. The new regulations were considered necessary to provide some safeguards for these container shipments which cannot be subjected to quarantine inspection at point of entry dockside in the usual manner because they are normally forwarded direct to the addressee. Under these new regulations the Canadian consignor must provide a declaration to the effect that the crates, pallets, etc. shipped in the container have been treated by heat or chemical means in accordance with the Australian regulations.

The new regulations, which were implemented on October 1, 1969, are contained in a brochure published by the Australian Department of Health which is available upon request from the Commonwealth Division, Department of Industry, Trade and Commerce, Ottawa.

It should be stressed that these new regulations do not apply to wooden crates, pallets and packing cases carried in conventional vessels, i.e., non-container shipments. These wood packings are not required to

be treated before export since all non-container cases, pallets, etc., are inspected by health officials at ports of entry. However, the Australian authorities advise that if an exporter chooses to treat non-container wood packings and the accompanying treatment certificate is presented to the Australian health officials, the crates, pallets, etc., will receive faster processing.

Israel has placed on the Free Import List (for which import licences are no longer required) the following: Customs tariff item 73.13.9991—cold rolled sheets and plates of a thickness not exceeding 3 mm.; 73.10.1019, 73.10.1090—bars and rods of D-oxide steel; 73.11.1010—angle iron.

Venezuela will revalidate import licences, the Venezuelan Ministry of Development announced recently, only in the two cases given below and provided such cases can be proved by original documents.

(a) When the arrival of the merchandise within the original validity of the import licence is delayed by damage to the carrying vessel.

(b) In the case of a strike in the port of shipment, if it can be proved that the merchandise would have arrived at its Venezuelan port of destination within the term of the licence if shipped on the day the strike started, and basing the calculation on normal sailing times for the respective run.

Trade Commissioners on Tour

In Canada

If you wish to meet the officers whose itineraries are listed below, get in touch with—

In Ottawa—

Department of Industry, Trade and Commerce

In St. John's, Halifax, Montreal, Winnipeg, Regina, Edmonton, Vancouver—

Regional Office, Department of Industry, Trade and Commerce

In Toronto—

Canadian Manufacturers Association

In Windsor, Ontario—

Greater Windsor Industrial Commission

In Fredericton, New Brunswick—

Department of Industry

In all other centers—

Board of Trade or Chamber of Commerce

Pakistan

J. E. G. Gibson, Commercial Secretary in Islamabad:

Montreal: December 8-10

Toronto: December 11-12

Temporary Duty in Ottawa

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

M. A. Brault

Assistant Trade Commissioner
Johannesburg, South Africa
February 1-7

G. M. Wansbrough

Assistant Commercial Secretary
Tokyo, Japan
December 8-12

In Territory

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

Bolivia

M. R. Bell, Commercial Secretary in Lima, Peru, will visit La Paz early in December.

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.

Colombia

J. A. Elliott, Commercial Secretary in Bogota, will visit Cartagena, Barranquilla and Santa Marta January 26-30.

Costa Rica

A. L. Lyons, Assistant Commercial Secretary in Guatemala City, will visit Costa Rica February 2-7.

Cyprus

An officer from the Tel Aviv, Israel, office will visit Cyprus every month for at least three days, usually in the second half of the month.

El Salvador

J. D. Tennant, Assistant Commercial Secretary in Guatemala City, will visit El Salvador March 16-20.

Guyana

Officers of the Port-of-Spain, Trinidad, office will visit Guyana as follows:

J. M. C. Lavoie, Assistant Commercial Secretary, January 26-30.

D. J. McJanet, Commercial Secretary, February 16-20.

D. Hobson-Garcia, Commercial Officer, March 16-20.

Honduras

S. G. Tregaskes, Commercial Counsellor in Guatemala City, will visit Honduras February 23-28.

Nicaragua

W. Kuhn, Commercial Officer in Guatemala City, will visit Nicaragua January 26-31.

Pakistan

M.H. Jafri, Commercial Officer in Islamabad, will visit Karachi December 15-19.

Panama

S. G. Tregaskes, Commercial Counsellor in Guatemala City, will visit Panama January 11-15.

Trinidad

Officers of the Port-of-Spain office will visit North and South Trinidad as follows:

North Trinidad

D. J. McJanet, Commercial Secretary, February 25.

South Trinidad

J. A. Ahow, Commercial Officer, March 25.

Commercial Agent for Surinam

To promote and develop Canadian trade with Surinam, the Department of Industry, Trade and Commerce has appointed Philibert G. Chin of Paramaribo as its Honorary Commercial Agent there. He will assist the Commercial Division of the Canadian High Commission in Port-of-Spain, Trinidad, whose territory includes Surinam, in promoting trade and capitalizing on opportunities for Canada as they arise. Mr. Chin is the managing director of a navigation company and a Dutch citizen. He becomes one of the ten Honorary Commercial Agents in various parts of the world. These agents normally are appointed for two years (the appointment may be renewed) and receive small annual honoraria.

Foreign Exchange Rates

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

Relations, Department of Industry, 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 .92.*

To convert column two, *divide by .92.*

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at November 20	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at November 20	Canadian dollar in foreign currency units
Algeria Dinar	.1939	5.15	Denmark Krone	.1433	6.98
Argentina Peso (free)	.0030	333.33	Dominican Republic Peso	1.078	.93
Australia Dollar	1.202	.8319	Ecuador Sucre (official) (free)	.0599 .0536	16.72 18.65
Austria Schilling	.0415	24.09	El Salvador Colon	.4308	2.32
Bahamas Dollar	1.055	.94	Fiji Pound	1.232	.80
Belgium and Luxembourg Franc	.0215	46.51	Finland Markka	.2568	3.89
Bermuda Pound	2.578	.38	France, Monaco, etc. ² Franc	.1928	5.18
Bolivia Peso	.0906	11.06	Franco-African Republics ³ Franc	.0038	263.15
Brazil Cruzeiro (official free)	.2516	3.97	French Pacific ⁴ Franc	.0106	94.3
Britain Pound	2.578	.38	Germany D Mark	.2917	3.42
British Honduras Dollar	.6442	1.55	Ghana New Cedi	1.056	.94
Burma Kyat	.2260	4.42	Greece Drachma	.0359	27.93
Ceylon Rupee	.1809	5.52	Guatemala Quetzal	1.079	.93
Chile Escudo (bank rate) (free)	.1098 .0960	9.10 10.41	Guyana Dollar	.5395	1.85
China, Republic of New Taiwan Dollar (official)	.027	37.04	Haiti Gourde	.2154	4.64
Colombia Peso (fixed)	.062	15.87	Honduras Lempira	.5384	1.85
Congo (Kinshasa) Zaire	2.154	.4651	Hong Kong Dollar	.1779	5.62
Costa Rica Colon	.1625	6.15	Hungary Forint (official)	.0921	10.85
Cuba ¹ Peso	Iceland Krona (official)	.0123	81.96
Czechoslovakia Koruna	.1498	6.68	India Rupee	.1429	6.99
			Indonesia ⁵ Rupiah

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at November 20	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at November 20	Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	Peru Sol (free)	.0248	40.65
Iraq Dinar	3.019	.33	Philippines Peso (free)	.2750	3.63
Ireland Pound	2.577	.38	Poland Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.3077	3.24	Portugal & Colonies ⁶ Escudo	.0375	26.66
Italy Lira	.0017	588.23	Saudi Arabia Riyal	.2066	4.84
Jamaica Dollar	1.284	.77	Sierra Leone Leone	1.502	.66
Japan Yen	.0030	333.33	Singapore Dollar	.3525	2.85
Kenya Shilling	.1526	6.55	South Africa Rand	1.504	.66
Lebanon Pound (free)	.3338	2.99	Spain & Dependencies Peseta	.0155	64.93
Malaysia Dollar	.3516	2.84	Sweden Krona	.2086	4.79
Mexico Peso	.0863	11.60	Switzerland Franc	.2491	4.01
Morocco Dirham	.2223	4.49	Syria Pound (free)	.2819	3.55
Netherlands Florin	.2986	3.34	Thailand Baht (free)	.0523	19.15
Netherlands Antilles Florin	.5710	1.75	Trinidad & Tobago ⁷ Dollar	.5392	1.85
New Zealand Dollar	1.204	.82	Tunisia Dinar	2.055	.48
Nicaragua Cordoba	.1537	6.50	Turkey Lira	.1198	8.34
Nigeria Pound	3.003	.33	United Arab Republic Pound (official)	2.480	.40
Norway Krone	.1509	6.63	United States Dollar	1.076	.92
Pakistan Rupee	.2266	4.42	Uruguay Peso (free)	.0043	232.56
Panama Balboa	1.079	.92	Venezuela Bolivar (official free)	.2396	4.17
Paraguay Guarani (free)	.0086	116.28	Yugoslavia Dinar (official)	.0863	11.61

1. There is no trading in Cuban pesos in U.S. or Canadian banks at present.

2. Franc is also used in French Guiana, Guadeloupe and Martinique.

3. Chad, Central African Republic, Congo (Brazzaville), Dahomey, Gabon, Ivory Coast, Islamic Republic of Mauretania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.

4. New Caledonia, New Hebrides, French Polynesia.

5. Because of the complexity of the Indonesian exchange rate system, it is impractical to quote a single representative rate for the rupiah.

6. Approximately same rate for Portuguese territories in Africa.

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

Marketing Data Sheet

Trinidad and Tobago

Area

1,980 square miles.

Climate

The mean temperature ranges from 71°F to 87°F. Humidity averages 87 per cent at 8 a.m. and 67 per cent at 2 p.m.

Population

994,850 (1966)—495,750 males and 499,100 females. There were 186,900 aged between 15 to 24, 125,000 between 25 and 34, and 260,850 aged 35 and over. 1968 estimate of population was 1.05 million.

Private Households

1960 census, 180,846 private households.

Income

Gross domestic product at factor cost, 1966, Cdn.\$753 million. Per capita income approximately Cdn.\$485. Average wage for laborers Cdn.\$0.40 per hour, carpenters Cdn.\$0.47, electricians Cdn.\$0.51, and warehouse stockmen Cdn.\$19 per week.

Banking

Assets of commercial banks at the end of 1967 totalled Cdn.\$196.2 million.

Motor Vehicles

Registrations totalled 65,593 in 1967; 52,739 passenger vehicles, 8,964 commercial vehicles, 1,182 motorcycles and scooters, 2,708 tractors and trailers.

Telephones

September 1968, 18,807 private lines, 10,114 business lines, 21,272 private handsets and 26,677 business handsets.

Radio and Television

In 1966 some 34,238 radios and 7,829 television receivers were licensed. The estimated number of TV sets now in

use is 43,000. Radio and television broadcasting facilities (525 lines and 60 cycles) are privately owned.

Water Supply

The water is safe to drink. Pressure fluctuates between 40 and 65 p.s.i. and hardness 100 to 300 p.p.m.

Electric Power

Domestic supply: 60-cycle, single phase, two- or three-wire 115/230 volts (three phase is also available). Domestic cost for two months ranges from Cdn.\$0.075 per kwh. for the first 50 kwh. to Cdn.\$0.013 per kwh. for over 1,250 kwh.

Commercial supply: 60-cycle, single phase, three-wire 115/230 volts; three phase, four-wire 115/230 or 230/400 volts up to a maximum of 50 kva. Commercial cost for two months ranges from Cdn.\$0.081 per kwh. for the first 60 kwh. to Cdn.\$0.013 per kwh. for over 15,000 kwh.

Industrial (rate D2) supply: 60-cycle, three phase for loads from 200 kva. to 3,999 kva. at 2.4 kv., 4.16 kv., 6.6 kv., 12 kv., 33 kv. or 66 kv., depending on the locality and the Commission. Industrial (rate D2) cost for two months ranges from Cdn.\$0.008 per kwh. for the first 50,000 kwh. to Cdn.\$0.004 per kwh. for over 500,000 kwh.

Industrial (rate D1) supply: 60-cycle, three phase, 236 volts to a maximum of 199 kva. and 400 volts to a maximum of 350 kva. Industrial (rate D1) cost ranges from Cdn.\$0.009 per kwh. for the first 30,000 kwh. to Cdn.\$0.007 per kwh. for over 30,000 kwh.

At present a ground conductor is not required in the electrical cord attached to an appliance but the distribution system has a ground wire. A new

80,000-kilowatt generator now being installed is expected to be commissioned in mid-1969 bringing the total national capacity to 335,000 kw.

Coal

Charcoal is available.

Gas

Both natural gas and LPG are available. A specially constructed 40-mile gas line carries natural gas from the fields to the Electricity Commission. Natural gas is not distributed to domestic customers. LPG is distributed in cylinders to domestic and commercial customers. One 100-pound cylinder of LPG costs Cdn.\$10.80.

Petroleum

Production of crude oil in 1967 was 65 million barrels. Substantial quantities of crude oil are also imported to augment domestic production for refining.

Weights and Measures

Imperial weights and measures are used except for petroleum products, which are in U.S. measures.

Screw Thread

Whitworth is generally used; North American SAE is now being used in the automotive industry.

Standards

There is no local standards approval organization.

Samples

Samples of no commercial value may be imported duty-free. Samples subject to duty may be brought into the country without payment of duty under bond, or if duty is paid, it will be refunded on re-export.

See Now, Buy Later



The five men in the picture above watching a demonstration have two things in common: they are all overseas distributors of asbestos and asbestos products and are all attending a two-week course in quality control at Carey-Canadian Mines Ltd., East Broughton, Quebec. Dr. R. J. Merrill (left), president of Carey-Canadian Mines, is explaining the workings of a research device for measuring the weight of water and other materials lost by chrysotile asbestos fiber when it is exposed to temperatures of up to 1,000 degrees Centigrade. His audience of five are (left to right): D. C. Bennett, London, England; K. V. Robinson, Victoria, Australia; George Messman, Copenhagen, Denmark; A. Marukawa, Tokyo, Japan, and Jaime Klapp, Mexico City.

The course was planned in co-operation with the Department of Industry, Trade and Commerce, as part of its program of bringing foreign technical personnel to Canada for training with a view to fostering sales opportunities and improving after sale service. The five men above, all of whom are in a position to influence asbestos purchases, studied in the two weeks the latest chrysotile fiber production methods, quality control, and shipping and mining techniques. The course included a day-long visit to an underground mining operation.

Cost of the course was divided between the Department and the mining company; the Department paid the men's traveling expenses and the mining company the other costs.

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

CANADA
POSTAGE PAID
PORT PAYÉ

Sometimes when there isn't any machine on hand, you can press a camel into service. This one is carrying an Iraqi woman, discreetly veiled, and her goods and chattels too. The disdainful look seems to convey the beast's scorn of modern machinery.

