

foreign trade



Department of Industry, Trade and Commerce, Ottawa **Sept. 27/69**



In This Issue

St. Louis, in the days of westward expansion, was the place from which hardy would-be settlers went out to find new and virgin land. It was, in other words, the "Gateway to the West." This aspect of its 205-year history is symbolized by the 500-foot stainless steel arch designed by the eminent Finnish architect, Eero Saarinen, that stands on the old levee. Our cover pictures it at night, with the lighted city behind it. With such a symbol ever present, it is small wonder that St. Louis has been carrying out an expansion program that it calls the "Soaring Sixties."

To share in the prosperity of this city and the surrounding area, our Department has mounted a campaign in October and November to introduce and sell Canadian goods. First comes a store-wide promotion in one of St. Louis'

top department stores—a promotion that has been months in the making. Later a team from the Canadian Trade Commissioner's office in Chicago will be following up opportunities that this promotion uncovers and discovering new ones in different lines. Read our feature article, "Canada Focuses on St. Louis", to discover how you might benefit from this initiative.

Active exporters seldom submit articles about their experiences to "Foreign Trade". We were therefore particularly pleased to receive one in mid-August from Robert Bruck, executive vice-president of Bruck Mills Limited of Montreal, telling why his company continues to exhibit on its own at the largest textile trade fair in the world, Interstoff, in Frankfurt, Germany. Mr. Bruck admits with candor that the results are slow in coming, but

suggests that the exporter needs to keep his eye on the long-term as well as the short-term results of his efforts.

One of the product lines that the Department believes has great export potential is educational equipment. Because of this belief it is actively promoting its sale in a number of ways, including displays at trade fairs. This issue of the magazine carries an article in this field—on the demand for language laboratory equipment in France. We will present others from time to time.

To round off the issue, there is a study of the market for plastics in the Scandinavian countries and reports on six countries in Southeast Asia. And to help you in your contacts with the Department, there is an updated Head Office Directory.

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The Hon. Jean-Luc Pepin, Minister

The Hon. Otto Lang,
Minister without Portfolio

J. H. Warren, Deputy Minister

Address correspondence to the Editor, "Foreign Trade", Trade and Commerce Building, Wellington and Lyon Streets, Ottawa, Canada.

O. Mary Hill, Editor

Vol. 132 No. 7

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Articles

Canada Focuses on St. Louis	2
Selling Plastics in Scandinavia	4
Marketing Foods in Switzerland	7
Language-Teaching Equipment for France	11
The River Plate Basin	12

Six Southeast Asian Markets

Singapore Stresses Industry	23
Taiwan Begins Fifth Plan	26
Indonesia Regains Confidence	28
Trade with Indo-Chinese States— Cambodia, Laos, South Vietnam	31

Departments

Trade Fairs	14
Head Office Directory	17
Trade Lines	35
Foreign Tariffs and Trade Regulations	36
Trade Commissioners on Tour	37
Foreign Exchange Rates	38
Businessman's Bookshelf	40

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Canada Focuses on St. Louis

For two weeks in October, Canadian goods will hold the spotlight in St. Louis' top department store. It's the first part of a major campaign, spearheaded by the Chicago office, to boost our sales to the booming St. Louis area. Part two comes in November.

R. D. SIRRS

Consul and Senior Trade Commissioner, Chicago

This year the Chicago office is putting special emphasis on sales promotion in St. Louis, Missouri, with a comprehensive program beginning in October and aimed at realizing more fully and profiting from the dynamic potential of this vital center. Not only is it the second largest city in the Chicago territory and often overlooked by Canadian businessmen, but it is also just reaching the peak of an economic growth campaign which the people of St. Louis refer to as the "Soaring Sixties".

From the beginning, the *raison d'être* for St. Louis and the foundation for its expansion was its location in the middle of the continental United States, near the confluence of two important waterways, the Missouri and the Mississippi. Transportation and distribution were key factors in its growth and their influence still persists. Today it is the busiest inland port in the U.S. and the second largest railroad terminal and trucking center.

The city makes an effective impact on an area which includes 136 counties with five million people and with 1.2 million families with a median income of over \$8,000 per family. The metropolitan area of St. Louis proper, which ties in six counties as well as the city itself, has a population of 2.46 million. The effective buying income of residents in this area was an estimated \$6.8 billion in 1967. Altogether it has 17,651 retail establishments with an annual turnover of \$2.8 billion.

Because Canadians know more about the more northerly parts of the U.S. Midwest—such as Chicago, Milwaukee and Minneapolis—the Chicago office has naturally tended to concentrate its effort on those cities and the surrounding districts. For this reason, we might call St. Louis a neglected market. This is unfortunate in view of the trade potential that it offers. Now we



A fashion show held in one of St. Louis' best known department stores, Stix, Baer and Fuller. A store-wide promotion featuring Canada will run from October 6 to 18.

are planning to remedy this situation and to give St. Louis the full measure of attention that it warrants, both from our office and from Canadian businessmen. We hope that, during the ninth year of the "Soaring Sixties", we can apply several marketing techniques to stimulate future sales.

The first important event in what we could call "Operation St. Louis" is centered around one of the city's best known department stores, Stix, Baer and Fuller, with four outlets in St. Louis and annual sales of about \$100 million. This top-quality store has sponsored in other years imaginative

and forceful promotions featuring France, Britain, Italy, Ireland and Israel, among others. This time it will feature Canada in a store-wide promotion that will run from October 6 to 18.

Planning for this promotion began about a year ago when store executives got in touch with the Chicago office and outlined their proposed program. **By October 6, 1969, over a million dollars worth of Canadian-made consumer goods will be on sale in the Stix, Baer and Fuller stores in St. Louis.** And these products will cover a wide range—men's outerwear, fine suits and sports jackets, skiwear, women's and children's clothing, shoes, furs, jewelry, Eskimo sculpture, giftware and Canadiana. The store will also set up a special little shop selling Canadian foods—such as Canadian bacon, honey, cheese, and delicacies like Arctic char. The main dining room will feature Canadian dishes on the menu. Outside display windows will carry special Canadian presentations.

The merchandise that the store will display and sell during the promotion was selected in Canada by its buyers. Before detailed planning began, the vice-president in charge of sales promotion, the display manager and the director of special projects paid a visit to central Canada. Their purpose was to get the feel of the country. They called on Mayor Drapeau in Montreal, rode Ski-doo's, visited officials of Air Canada, the CNR and CPR, inspected collections of Eskimo art, visited Canadian Arctic Producers, and kept other appointments during a busy schedule. Later, Mr. Baer, the store's president, came to Canada (accompanied by the executive vice-president) to speak at the annual meeting of the Retail Distributors' Association. Mr. Baer also met Mr. Pepin, the Minister of Industry, Trade and Commerce.

Then came the SB and F buyers or merchandise managers, 25 of them. They travelled to Montreal, Toronto and Winnipeg, considering and selecting the products that the store will feature. None of these buyers, incidentally, had ever been in Canada on business before. In addition to personal visits, some of the merchandise was selected by correspondence with or through telephone calls to some

750 firms outside the three largest cities. The names of these companies were furnished by the Department of Industry, Trade and Commerce.

The St. Louis promotion takes on added importance for Canada because Stix, Baer and Fuller is a member of the Associated Dry Goods group. Many high-quality well known retailers belong to this group, including Lord and Taylor of New York, and will be aware of this special promotion. The excellent sales opportunities that Canadian companies are already cultivating successfully in the U.S. will thus be enhanced.

The image of Canada will be projected also in a number of supporting events being planned for October 6 to 11 and being co-ordinated by the Canadian Government Travel Bureau. The provinces of Manitoba, Ontario and Quebec will also be contributing to this program to draw attention both to Canadian products and to what Canada offers the tourist. Quebec will send a unit of the French Marines which will provide a guard at the store entrance and will give displays of precision drill as practised in the 18th century. The Fort Henry Guard from Kingston, their English counterparts of the same era, will perform similar manoeuvres. Leading off the big "Salute to Canada" parade at mid-morning on Monday, October 6th, will be the Winnipeg Police Pipe Band. The skirl of its bagpipes will thrill St. Louis shoppers on a number of occasions during the promotion.

Inside the store there will be special displays. A Canadian woodcarver from St. Jean-Port-Joli will be at work and an Eskimo sculptor will divide his time between the craft shop and the Canadian gourmet food display. An Indian canoe-maker from Ontario will fashion an authentic birchbark canoe, using traditional skills, before the eyes of Stix, Baer and Fuller customers. There will also be an historical display of Fort St. Marie. A central travel kiosk is to be staffed by travel counsellors from the Canadian Government Travel Bureau and the participating provinces. All SB and F sales clerks will sport Canadian flag pins during the two weeks. The Canadian Government Exhibition Commission is providing materials and designing, in co-opera-

tion with SB and F staff, interior and exterior displays that will project an authentic image of Canada. Highlighting these displays will be an immense Canadian flag, 40 by 80 feet, draping the store front from main floor to rooftop.

Once this promotion is finished, follow-up by the Canadian firms whose products have been shown will be vital. The staff of the Chicago office also will be concerned in this. In fact, we in Chicago will be carrying out a follow-up program through a "Major Impact Tour" in St. Louis during the last week of November. This will be an extended version of the regular trade tours that our Trade Commissioners and Commercial Officers make; five of them will concentrate on St. Louis for one week. They will investigate prospective outlets for Canadian products in their own areas of specialization and acquire a more comprehensive knowledge of marketing procedures there. They will meet with local groups involved in trade, and give a reception for some of the key trade people of the area.

Opportunities in St. Louis are not confined to consumer goods, such as those that Stix, Baer and Fuller will be promoting. Sales are being and can be made in many other fields. It is, of course, practically impossible to pin down the volume of Canadian trade with an area like that which St. Louis services. In rough terms, we estimate that our over-all territory (nine Midwest states) accounts for close to \$2 billion in Canadian exports. Lumber, newsprint, agricultural equipment, automobiles, aircraft, chemicals, metals and metal fabricated products, live animals, wood products, petroleum, minerals and commercial communications equipment are major exports to the Midwest. And many of these exports gravitate towards St. Louis.

Wholesale trade in this area reached \$6.5 billion in 1967 (latest figures) and this is perhaps the figure that most vividly reflects the impact of the city as a distribution center on the outlying areas. The 3,853 wholesale establishments include 711 firms handling machinery, groceries 461, automotive 329, electrical goods 227, lumber and construction materials 217, hardware 192, dry goods, apparel 186, drugs and chemicals 180, electrical

machinery 90 and printing 508. Industry continues to expand in St. Louis, with 90 per cent of the \$394 million of investment during 1967 going towards the expansion of existing plants. In nine months of 1968 alone, investment totalled \$358 million.

Representatives of Canadian firms interested in investigating marketing opportunities in St. Louis in any sector are invited to contact this office well in advance of our scheduled late-November tour. We will be pleased to undertake initial investigations on

their behalf, either before or during the tour, or to include them as part of our team should they be able to plan their visit to the area at that time. It is, of course, imperative that any contacts which we provide or which are uncovered directly be followed up.

Plastics

There's a \$300 million import market for plastics in Scandinavia and despite new plants now going up, it will continue to be substantial. Yet Canada gets less than one per cent of the business done by non-Scandinavian countries.

D. B. BROWNE

Assistant Commercial Secretary, Oslo

J. M. HILL

Vice Consul and Assistant Commercial Secretary, Copenhagen

NORMAN PARSONS

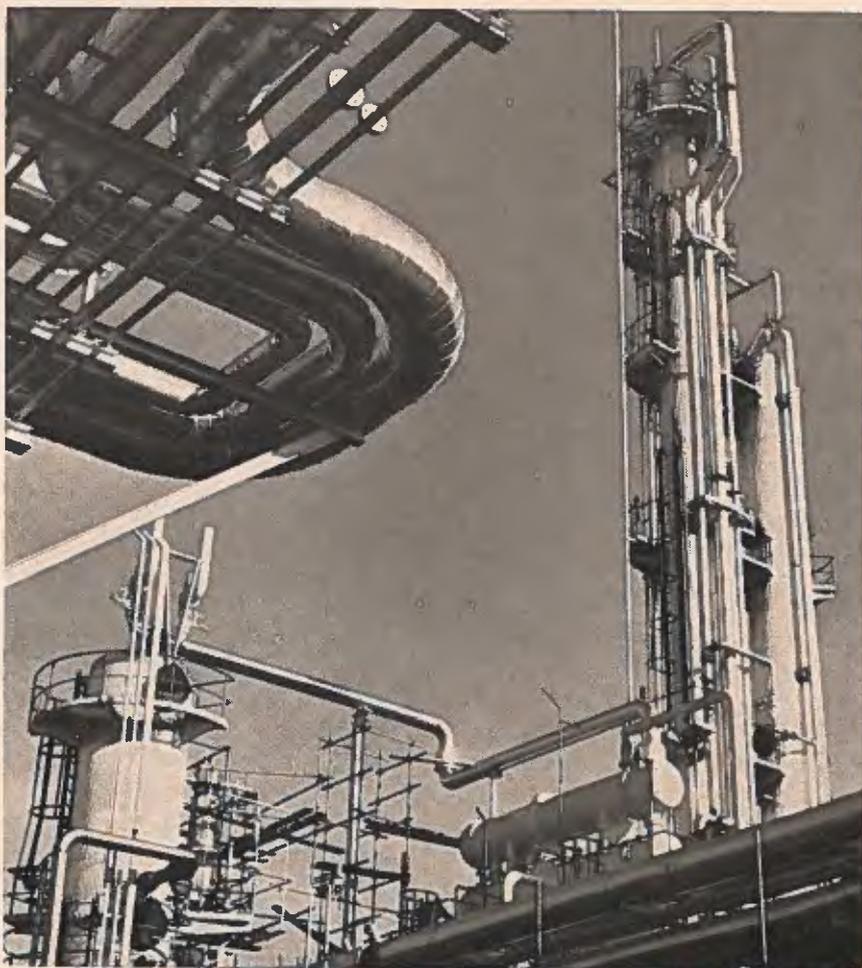
Commercial Assistant, Stockholm

Scandinavia is the world's largest importer of plastics raw materials. Imports in 1968 totalled about half a million tons valued at Cdn. \$300 million, an increase of Cdn. \$100 million since 1965. Canada accounted for one-third of 1 per cent—about Cdn. \$1 million compared with the Cdn. \$38 million which was the U.S. share of this market.

The four Scandinavian countries have as many people as Canada. Gross national product and plastics consumption are also similar. Imports of polymers are uniquely high because big local production and consumption of finished plastics goods are not backed by a corresponding output of the polymers themselves.

Scandinavia holds real promise for the Canadian manufacturer of plastics materials. This is true even though almost every international supplier is active in the area, competition is intense, and prices are probably the lowest in Europe. About one-third of the imports of plastics materials are movements from one Scandinavian country to another.

Local manufacture of polymers has in the past been held back by the lack of a big enough home market to absorb



This is Fosfatbolaget's new vinyl chloride plant on the west coast of Sweden, built alongside the Esso refinery and cracker.

the output of large-scale basic production units. Scandinavia therefore has started at a later stage in the production chain, using imported intermediates such as methanol and naphthalene for making alkyds, pheno- and amino-plastics, polyesters and polyvinyl acetate. The position is now changing.

First, the four small markets are dismantling the walls between them and there are signs that a single industrial and consumer market will eventually be established for the whole of Scandinavia, perhaps with a single domestic supplier of a given product for the whole area (see *Foreign Trade*, June 7, 1969, issue). Second, a start has been made on integrated production from primary materials and two petrochemical plants are being built beside the oil refineries at Stenungsund in Sweden and at Porvoo in Finland which by 1972 will have a combined capacity of 400,000 tons of feedstock for p.v.c. and low-density polyethylene. Third, extensive offshore oil and natural gas resources have been proved under both the Baltic and North Sea. The Swedish and Finnish Governments both seem set on establishing a national petrochemical industry.

These changes will reduce the dependence on imported raw materials but the area will continue to be a valuable market, probably still the world's largest. Plastics is the most rapidly expanding of all industrial sectors, and this is especially so in Scandinavia. Local manufacture of polymers may well provide a fillip both to the plastics industry and to industries that are using plastics.

There are opportunities for bulk materials (polyethylene and polystyrene) because North American quality is good. Even though U.S. and Canadian manufacturers periodically cut off supplies to Europe, they are able to return to the market again when they have capacity available. But agents and customers would be more inclined to place regular orders if they did not have to guard against such withdrawals.

The other line of opportunity is in non-standard polymers: acrylics, fluor (p.t.f.e.), nylon, acetate, and epoxy resins and emulsions, together with polyester and cellulose sheet and film for laminates and for floor coverings.

These are relatively high-priced materials and freight is only a small part of total cost.

Customs duties on unworked plastics materials average 10 per cent in Sweden and Denmark and will be reduced to 9 and 8 per cent respectively on January 1, 1972, under the Kennedy Round. In Finland, raw materials are admitted duty-free and products are charged 10 per cent but in Norway duties are over 20 per cent. Sweden, Denmark and Norway grant exemption from duty for certain plastics materials not produced locally. All four countries have been negotiating to form an economic union in which national tariffs would be harmonized; there are proposals for achieving this by 1972 but a longer transition period will probably be necessary. Trade between the Scandinavian countries and other EFTA members, including Britain, is duty-free. This represents a definite handicap to Canadian suppliers of standard plastics even though duties are relatively low. It is however a handicap shared by German and Dutch suppliers who have lost very little ground to British and other EFTA competitors whose products enter duty-free. The key to their success is an intensified effort to service the market.

Service is important. This means regular supplies and prompt delivery. Swiss suppliers can deliver by road in three days and a manufacturer in Rotterdam can have his product at a customer's factory in Finland, the farthest away of the Scandinavian markets, a week after he gets the order. Europeans give good technical service too, flying a man in when there is a problem to solve. Canadians need a qualified local representative if they are to meet this kind of competition.

Visitors to plastics plants in Scandinavia are often amazed to find the latest machines even in the simplest factories and wonder how manufacturers have managed to obtain the necessary capital. The answer seems to be that all the money that has gone into plant and working capital comes largely from suppliers' credits—three months to pay net is quite usual.

Canadian companies can reach prospective buyers at the annual plastics show (which is in London, England,

this year but which visits Paris, Duesseldorf and Milan in turn) or at Interpack at Duesseldorf. The four Swedish trade organizations serving both large and small manufacturers, suppliers and the packaging industry sometimes arrange a charter flight to these shows. The Trade Commissioners in Stockholm, Oslo and Copenhagen will tell local buyers what Canadian companies are exhibiting if they are contacted in good time. There are good plastics journals in Sweden and Denmark which are always interested in technical information on new products.

Although Scandinavian countries have much in common, Canadian exporters should have an agent in each country in which they wish to sell. Buyers will buy direct from local producers but not from a source as distant as North America. Wholesalers and importers buying on their own account are negligible; marketing is normally through commission agents who provide technical service as well as processing orders. The Trade Commissioners can help in the selection of a good agent but regular technical visits by Canadian staff are often needed as well. Most of the major plastics companies have their own sales subsidiaries in Scandinavia but this is not necessarily cheaper than working through an agent.

Sweden accounts for over one-third of Scandinavian consumption of plastics materials and half of production. Swedish production of materials and plastics products doubled in the five years ending 1967; in the next year production rose by a third and imports by a half and further rapid expansion is expected. The biggest and most expansive sector is low-density polyethylene, followed by p.v.c., by phenol and melamine plastics for "Perstorp" laminated board, and by alkyds for paints and urea for glues.

The Swedish plastics industry includes a dozen companies which are U.S. subsidiaries or have a substantial U.S. shareholding. Others have licensing agreements with foreign firms. Concentration, with the large firms taking over the medium-sized ones, and collaboration with other Scandinavian countries are two noteworthy features of the industry. Out of something like 1,700 Swedish firms engaged in some

part of the plastics business, there are about a score of important customers, most of them within easy reach of Stockholm, Gothenburg or Malmo (a p.v.c. and flooring plant farther north is an important exception). Packaging and building each account for a quarter of Swedish plastics consumption and they are the most rapidly expanding sectors.

The duty in Sweden is 10 per cent on all unworked plastics (9 per cent from January 1, 1972) and 13 or 15 per cent for sheet, rod, laminate and similar products (to be reduced to 13 per cent). Certain plastics materials are admitted into Sweden duty-free from all countries under paragraph 13 of the Customs Tariff Ordinance (TFF). These are cellulose acetate, propionate and butyrate; cellulose nitrate sheet and rod; alginic acid and modified mucilages; polycaprolactam and polypropylene granulate for making textile fibers; saturated linear polyesters; laminated cellulose film for making light-sensitive film; polyvinyl alcohol in solid form, and polyvinyl butyral for making laminated safety glass. "Temporary exemption" was also granted early this year to certain plastics-working machinery.

Finland's plastics-processing industry made news in Canada last year when Wiik & Høglund opened a plant at Huntsville, Ontario, for extruding polyethylene pipe up to 40 inches in diameter. Finnish consumption of plastics raw materials in 1968 was 190,000 metric tons. This works out at 88 pounds a head (90 pounds in Sweden and 51 pounds in Norway). One-third of it was imported. A third of the total consisted of synthetic resin glue. Finnish production of plastics materials is at present 14,000 tons of urea formaldehyde, 18,000 tons of phenol resins from Typpi, and 9,000 tons of urethane foam, alkyd resins, polyvinyl acetate and miscellaneous products. Production of furfural at Rosenlew's Pori plant started last year and it will be used for making furan plastics.

The state-owned Neste company has announced that it will build an ethylene cracker at Porvoo near Helsinki with integrated plant at Skoldvik for p.v.c. and low-density polyethylene to be in operation by 1972. It will meet domestic requirements and provide a

substantial surplus for export. Skoldvik will also be the location for two Sateri plants producing 30,000 tons a year of phenol and 20,000 tons of acrylonitrile and a Kymin factory for dioctyl phthalate and di-iso-octyl phthalate for plasticizers, phthalic anhydride and polyester resins.

A special problem of the industry is the small size of the domestic market of 4.7 million people and the consequent dependence on export markets. So far exports have been modest. Over two-thirds of them go to Finland's Scandinavian neighbours and the bulk of the remainder to the U.S.S.R. and Eastern Europe. Further expansion of exports is confidently expected.

Finnish imports of plastics materials last year totalled Cdn. \$51 million. About 25 per cent came from West Germany, 20 per cent from Sweden, about 14 per cent from Britain, 9.2 per cent from the United States and 0.3 per cent (\$180,000) from Canada. These figures do not cover semi-manufactured or finished plastics products. A score of customers account for 80 per cent of demand. The textile, wood-processing and cable industries use more resins and powders than the plastics industry proper.

Danish consumption of plastic resins and powders last year amounted to some 160,000 tons. Domestic production was equivalent to a quarter and came from only four companies. Danbritkem (ICI and the A. P. Møller group) produces 30,000 tons a year of low-density polyethylene. The remaining 10,000 tons are divided fairly equally between polyester resins from Popyplex (Hoechst), phenolic moulding powders from Syntesia, and plasticisers from Scandiflex.

Imports of plastics materials were worth \$92 million in 1968 which was 57 per cent higher than in 1965. Britain, West Germany, the United States and Scandinavia between them supplied three-quarters. Exports of materials reached \$27 million, increasing in step with imports; exports of plastics manufacturers were slightly greater in value than exports of materials. There are some 400 manufacturers of plastics products in Denmark and about 100 of them have sales exceeding \$150,000. The extrusion sector is the largest (turnover estimated at \$71 million)

and comprises packaging film, p.v.c.-coated cable, and monofilament for ropes. Injection-moulding output (\$43 million) includes household articles; components for the engineering electrical and electronics industries; gears and bearings; toys, beer containers.

Norway gives its plastics industry the greatest tariff protection of the four Scandinavian countries. Norwegian consumption of plastic raw materials in 1968 totalled 90,000 tons. Production, imports and exports were all about 90,000 tons too. There are five producers of raw materials, all of them with purchasing offices in or near Oslo. The largest is Norsk Hydro which makes 30,000 tons of p.v.c. a year. Exports of finished products have increased sharply and further growth is expected, most of it from the expansion of existing firms.

Packaging materials, building products, cables and electrical components, boats and clothing are the main products, roughly in that order. The total value of these and other plastics products is estimated at \$120 million a year. There are 600 manufacturers, many of them very small. Polyethylene, polystyrene, p.v.c. and film and sheet, and film and tape made from regenerated cellulose are the imports in greatest demand.

Temporary suspension of customs duty has been granted for several polymers provided the importer uses them in his manufacturing process and they are not resold. These items are polyethylene, polystyrene, polypropylene and polyvinyl acetate; melamine, polyester and urea formaldehyde moulding materials; cellulose acetate and acetate butyrate; cellulose propionate and ethyl cellulose; acrylic resins, phenol formaldehyde and polyamides. The duty on p.v.c. is 12 per cent and is not suspended.

The world's number one market for plastic raw materials will not just fall into the Canadian supplier's lap. However, the fact that Scandinavia buys 13 per cent of its imports from across the Atlantic despite all the plants now producing in Europe is an indication that there are opportunities for the right products from Canada if they are well marketed. Scandinavia is an industrially advanced market without trade hindrances—a market

where buyers can often make a better deal nearer at hand on standard products but who look farther afield for new and unique developments in materials and machines to purchase

or license. Canada's Trade Commissioners in Scandinavia would welcome an opportunity of investigating possibilities for export-minded Canadian companies. The Chief, Plastics and

Rubber Division, Chemicals Branch, Department of Industry, Trade and Commerce, Ottawa, can supply copies of the full report from which this article was prepared.

Foods

The Berne office has conducted a thorough survey of food retailing in Switzerland and of the potential for Canadian food exporters. Here are some of its findings.

DAVID T. JOHNSTON
Assistant Commercial Secretary, Berne

The Berne office decided a short time ago to survey the market for Canadian foods in Switzerland in some detail. Some companies had already succeeded in selling foodstuffs here and we wanted to discover whether there were other opportunities. We wrote to the Regional Offices of the Department of Industry, Trade and Commerce across Canada to uncover potential suppliers and we also wrote directly to many of the firms which had shown an interest in the Swiss market. Some sent us samples and most at least sent us prices c.i.f. Antwerp/Rotterdam, brochures and other sales literature. Armed with this information, we called on different levels of the food trade. Some of our findings are outlined later in this article under a special section "Market Possibilities".

The retail foodstuffs industry in Switzerland consists first of traditional retail outlets, (including "magasins de comestibles") and also private retailers affiliated with purchasing organizations and independent foodstuffs retailers. In 1964 they handled 58 to 62 per cent of the trade. Second come chain stores and consumer co-operatives, with about 37.5 per cent of the trade and including the Swiss Union of Consumer Co-operatives (Verband Schweizerische Konsumgenossenschaften), Migros and other consumer co-operatives including the Zurich co-op Concordia and the chain stores such as Denner and Mercure. Department stores are third, with 1.5 per cent of the trade and



Swiss housewives look over foodstuffs offered in a Migros "market on wheels".

others, including independent retailers, 1 per cent.

Magasins de Comestibles—These retailers sell mainly fish and sea products, game and other specialties. Most of their products are sold fresh; some are frozen. About 100 of these shops, including the largest ones, belong to a purchasing organization known as CASIC, currently the largest importer and wholesaler of fish and marine products in the country.

Consumer co-operatives and chain stores—The two largest operations in this category are the Swiss Union of Consumer Co-operatives (VSK) and the Federation of Migros Co-oper-

atives (Migros). VSK is a central association of 3,200 or so co-op stores; Migros has about 448 stores in urban centers and 133 mobile vans which sell to rural areas. Both Migros and VSK import directly when sufficiently large quantities are involved; otherwise they buy from the Swiss wholesaler and importer. Their range of products is similar to that in Canadian supermarkets and includes most fresh and frozen goods and canned goods. There are two other large distribution chains. Denner has 170 stores in the German part of Switzerland and Mercure has 190 outlets throughout the country. Mercure deals mainly in coffee and chocolate but is now diversifying into other food specialties.

Denner, like Migros and VSK, carries a line of products similar to those in Canadian supermarkets. Both buy directly and through importers and wholesalers. There are a few smaller regional co-operatives. Department stores usually have a retail food department. Both the regional co-operatives and the department stores order either directly from the producer or from the importers and wholesalers.

Private retailers affiliated with purchasing organizations—Some independent retailers have set up central purchasing agencies which supply their members either entirely or in part. The largest is USEGO whose 4,200 members are retailers throughout Switzerland. Another retailers' organization, the Kolonial Einkaufsgenossenschaft, Burgdorf, groups 1,200 retail stores, almost all in the Canton of Berne. These organizations purchase fresh and frozen products and canned goods.

Voluntary chains—The voluntary chains are associations comprised of a number of retailers and a few wholesalers, in which the retailers arrange for joint purchases from the wholesalers. The principal chains are VêGé (10 wholesalers, 1,632 retailers), Toura (1,050 stores), Schweizerische Handels-

gesellschaft (540 stores), LIGA (527 stores) and STOP, AS and Fregate, which together group 21 wholesalers and 4,900 retailers.

Independent dealers—There are an estimated 1,400 independent food-stuff retailers in Switzerland.

The principal foodstuff importers and wholesalers in Switzerland have formed COLGRO, a central purchasing agency. The members sometimes import directly themselves. Colgro does not purchase specialty items. There are still some independent wholesalers, some of whom specialize in food-stuffs. Some commission/import agents carry food lines; in some cases they sell in other European markets as well as Switzerland.

Frozen products—Two major companies dominate in the distribution of frozen products, Findus (a Nestlé subsidiary) and Frisco (associated with ROCO food, a Swiss preserving factory). Both function as importers, wholesalers and distributors.

The exporter must be prepared for rough competition; in Switzerland the market is filled with products from all over the world because of the country's rather liberal tariff struc-

ture. Some food products popular in Canada are specialty or semi-specialty items in Switzerland because of different habits and traditions. It requires time and money spent on advertising to persuade the relatively conservative Swiss to try unknown products. They are also quality conscious and price in many cases is secondary.

To return to our market survey, we list below, by groups, some of our findings about selling food products to Switzerland.

Meat—Most meats are produced in Switzerland; imports are permitted as demand and the domestic supply situation dictate. Most imports are made in the spring and summer because of the tourist trade. The importer requires an import licence but is not restricted as to source. The only country which enjoys a preference is Denmark, which is permitted to ship up to 30 per cent of Swiss requirements for pork and beef (heifers). Four organizations import the majority of the meat in Switzerland: one, Genossenschaft für Vieh-und Fleischhandel, Schützenmattstrasse 39, 4000 Basel, which groups about 150 big meat retailers and imports about 60 per cent of all meat into Switzerland; two, Viehbörse, Irisstrasse 10, 8000 Zurich,

EXPORTS OF FOOD AND FISHERIES PRODUCTS TO SWITZERLAND

	Cdn.\$'000				Cdn.\$'000		
	1966	1967	1968		1966	1967	1968
Beef, fresh or frozen, boneless	—	—	5	Mixed feed oats, oat scalplings	—	84	—
Veal, fresh or frozen, boneless	—	465	702	Rye	—	8	—
Horse meat, fresh or frozen	55	25	205	Durum wheat, except seed	3,900	1,890	3,243
Fancy meats, edible offal, fresh, frozen	241	181	233	Wheat, except seed n.e.s.	2,342	1,598	2,342
Hams and shoulders, cured	—	—	—	Cereal products n.e.s.	6	4	12
Meat and meat preparations, canned n.e.s.	3	1	—	Beans, dried n.e.s.	—	6	—
Salmon, spring, fresh whole dressed	27	12	8	Corn, canned	2	1	2
Salmon, coho, frozen, whole dressed	30	39	51	Tomato juice, canned	—	1	—
Salmon, spring, frozen, whole dressed	48	13	12	Vegetables and vegetable juices, canned n.e.s.	—	4	—
Sole, flounder fillets, frozen	42	—	2	Pickles and relishes	—	3	3
Perch fillets, frozen	—	18	6	Sauces, dressings and spreads n.e.s.	8	12	8
Salmon, canned	67	66	18	Gelatin, edible	—	10	17
Lobster in shell, fresh or frozen	47	30	33	Sausage and similar meat casings	42	71	120
Lobster meat, fresh or frozen	6	6	3	Nuts, except oil nuts	—	5	3
Lobster and products, canned	42	19	25	Peanut butter	—	—	1
Fish roe n.e.s., fresh, frozen, cured	1	4	3	Infant and junior foods	—	11	10
Eggs, hatching	6	7	8	Food preparations n.e.s.	—	5	11
Eggs, whole, yolk or albumen, prepared	—	—	7	Dog and cat feeds, complete	—	3	—
Indian corn, shelled	5	4	—				

which groups about 2,500 medium-sized butchers; three, Transcarina A.G., Monbijoustrasse 24, 3000 Berne, which supplies butcher shops, and four, SEVERA, Habsburgerstrasse 19, 4000 Basel, which has seven members with large butcher shops.

In 1968 Canada sold veal, frozen beef (ox tongues and cow beef), chicken liver and horsemeat to Switzerland (see Table 1). The veal is boneless and used for sausage meat, as is the frozen beef (cow). Canadian beef (heifers) is too expensive except for some hotels and restaurants which to date have been supplied from the U.S. and import through the Viehbörse. In 1968, the U.S. exported 44,978 kilos for a value of SF711,083. In 1969 a Canadian firm supplied the restaurant Fischstube with quality beef (see box feature). Chicken liver is imported through firms specializing in poultry products or agents.

Canada exports up to 133 metric tons of chilled or fresh horsemeat per year into Switzerland for human consumption and possibly some frozen horsemeat for animal food. According to the trade, an estimated 1,200 metric tons of fresh, chilled horsemeat per year are imported for human consumption and about 200 to 300 metric tons for animal food. There are three major importers of horsemeat. One of these has exclusive rights to sell the production of one Canadian supplier and imports from seven to ten metric tons per week. Another imports about 20 metric tons per year from Canada. All three say that they would like to import more horsemeat but cannot obtain supplies.

In general Switzerland imports good quality meat at the best available prices. **The trade indicated that meats from Canada, other than those mentioned above, are far too expensive.** This includes poultry and pork and usually calf liver. When there is a short supply of calf liver in Europe, Canadian firms can compete and have in the past exported to Switzerland.

Fish and Marine Products—Consumption of fish and preserved fish was only about 4.32 kilos per capita in 1968, or about 6.3 per cent of the total meat and marine consumption in Switzerland. More and more frozen marine and fish products are being consumed and these accounted for

Zurich Restaurant Goes Canadian

Last October Hans Hohl, owner of the Restaurant Fischstube in Zurich, and Fred Wolf, Air Cargo Sales Representative for Air Canada, visited Berne and presented us with an attractive proposition: a Canadian Food Festival in the Restaurant Fischstube. The Fischstube, which is only open in the summer, is situated in a park on the lake of Zurich. With a seating capacity of 770, it caters to businessmen and to families who are out for a special treat; prices are just below those in an exclusive restaurant. It specializes in serving marine products but also serves other dishes. Mr. Hohl was ready to put up Cdn.\$2,500 for promotion at the beginning of the Food Festival, to include a press conference, buffet and publicity in local newspapers. Air Canada offered to fly Mr. Hohl to and throughout Canada. Mr. Hohl left for Canada early in November for a 2½ week tour to meet potential exporters and a number of Canadian restaurateurs.

The Festival was officially opened on April 25, 1969, with a press conference, a cocktail party and a Canadian dinner. During the next week nine different newspapers carried articles on the Canadian Food Festival. During the festival, which lasted one month, Canadian match boxes and maple leaf pins were given out; ash trays, napkins, swizzle sticks and food picks with the Canadian maple leaf printed on them were used. A special menu was printed with the coats of arms of the Canadian provinces on the inside. Air Canada supplied some of the posters and distributed Air Canada banners throughout the restaurant.

about 30 per cent of the total fish consumption. Imports from Canada decreased from 256,861 kilos (1.8 million SF) in 1967 to 117,464 kilos (1.6 million) in 1968 mainly because of a drop in canned salmon exports. Between 1964 and 1967 Canadian fisheries exports to Switzerland increased yearly in value and in every year except 1965 in weight. They comprised slightly less than 1 per cent of the total in 1968.

Switzerland has a liberal import policy on fish and marine products; the EFTA countries have certain minimal tariff advantages. Transportation costs

The results were encouraging. Mr. Hohl will have purchased about Cdn.\$11,000 of Canadian food by the end of the season. A Canadian company that supplied smoked salmon has been introduced to a good importer of specialty marine products by Mr. Hohl. Another large importer of marine products has also shown interest in Canadian smoked salmon. We hope to obtain more permits to import high-quality Canadian beef. One of the large importers was impressed with the taste of the Canadian beef at the Fischstube and the excellent way it was packed.

Salmon, lobster and shrimp, all well known in Switzerland, were popular. The consumers who tried crabmeat enjoyed it, but since it is not well known, it required too much selling on the part of the waiters and was eventually dropped from the menu. Queen crab was originally served poached but the diner had trouble in finding the meat and thought it too expensive. A mousseline nantua stuffing was eventually added to the crab and it was then fairly well received. Scallops with white wine sauce were popular.

Canadian freshwater fish were less popular. Pickerel and pike fillets did not win favor; pike fillet was eventually taken off the menu, probably because these fish contained too many bones. Arctic char was not a big seller. Those who liked salmon and who tried it were disappointed that the taste was not stronger. Ocean perch was also introduced during the food festival.

from Canada are higher than those of its European competitors and it is hard for us to supply at short notice. **Air transportation, particularly for luxury items such as lobster and salmon and other high-priced fish and marine products, helps considerably.**

It seems unlikely that Canada's position in this market will change significantly in the future. Sales trends should remain about the same. If, however, prices and delivery from Canada become more competitive, sales might rise, particularly where Canada is recognized as having a high quality product such as salmon.

For the non-luxury products, exports from Canada could increase as air tariffs decrease. Since 1967, Canada has exported freshwater fish fillets to Switzerland, mainly perch and gray sole. This year there has been a great shortage in Europe and Switzerland, but it seems that Canadian suppliers were unable to supply much because of the demand in North America.

Fruit and Vegetables—Chances of selling most canned fruit and vegetables from Canada are in most cases slight, with the exception of products in insufficient supply in Europe. The only real possibility at the present time is Canadian canned corn kernels. The market is small but growing and is dominated by a U.S. supplier. Limited amounts of canned corn kernels from one Canadian company are currently on the market and sold to specialty stores. A few importers have shown interest in selling canned corn from another Canadian source whose prices are competitive. Corn may soon be grown in Switzerland for human consumption and this could mean that imports from abroad would be substantially smaller.

Soft Drinks, Fruit Juices, Biscuits—Canadian firms have not done too

well in selling these. A Swiss import agent who sells throughout most of Europe is looking into the possibility of working for a Canadian company which manufactures orange crystals for an orange drink.

Honey, Jams and Jellies—Canadian honey can be sold only as a specialty item in small quantities, especially creamed honey. The main imports come from Central America, in either liquid or crystallized form, and retail from SF4 to 7 per kilo. One Canadian firm may be exporting its honey to Switzerland this fall. Because of excellent domestic jam and jelly production, only unique products can be sold in Switzerland to a limited clientele. Canadian firms have had no success to date.

Spices, Peanut Butter—The competition in this area is rough. McCormick's of the U.S. dominates the field and may even do some packaging in Switzerland. Two or three other companies are in the market. A new company would require publicity and time and the results may not be worth the effort. Only one firm imports limited amounts of peanut butter. Again, to sell this product would require advertising and time.

Wild Rice—There is a small market for wild rice. EIG, a restaurant chain, featured wild rice on its menu last year. An importer of specialty products sold about 100 cartons of this product in 1968; other importers showed some interest.

Pickles—One Canadian firm is active on the Swiss market, selling through a specialty import wholesaler. Canadian-type pickles are a specialty food in Switzerland and they do not yet have a large market. There is a good possibility that sales will rise.

Maple Syrup—Our efforts in the past to promote the sale of maple syrup in Switzerland have been disappointing. However, a large Swiss firm recently began marketing pancake mix fairly extensively and an enterprising Canadian firm might be able to sell maple syrup in Switzerland in collaboration with the Swiss packager by advertising it on the package.

If after reading our findings in this survey you feel your product might sell here, write to the Canadian Embassy, Commercial Division, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Britain's Fishing Fleet Faces Problems

The British trawler fleet is divided into three categories: near-water vessels 80 to 110 feet long, fishing in the North Sea and around the northern and western coasts of the British Isles; middle-water vessels of 110 to 140 feet operating farther out in the Atlantic and north towards the Norwegian coast, and distant-water vessels of over 140 feet going east as far as the Barents Sea and west to Newfoundland and Labrador. Out of a total of 546 vessels in 1968, 132 were conventional distant-water vessels and 32 were large freezer trawlers capable of staying at sea for six weeks and bringing back 500 tons of frozen fish in their holds.

The greatest concentration of fishing vessels is in the Humber, at Grimsby on the east coast of Britain, (which accommodates all three types) and Hull on the other side of the river (specializing in distant-water vessels). The fishing companies were pioneers of frozen foods in

Britain and their freezing and cold-storage facilities are now used for peas and other vegetables and fruit from Lincolnshire and for meat and fish from many parts of the world, including Canada.

In recent years, the cost of building and operating trawlers has risen steadily and the owner's share of the retail price has fallen to below 50 per cent from 60 per cent ten years ago. The industry claims that in 1967 each vessel was losing £20 (about \$60) a day and that better catches in the following year were offset by fewer voyages and lower prices. Imports meanwhile have been increasing. Some sections of the canning industry have advocated a curb on imports but this attitude is not shared by other leading producers, who are members of groups with interests in the whole field of fish distribution and are themselves big importers of varieties needed to fill out their selling range.

Britain has had a scheme to subsidize its deepsea fleet since 1962 involving payments for days spent at sea based on the size of the vessel. The amounts were to be reduced each year and the scheme was scheduled to end in 1972. However, the *Sea Fisheries Act 1968* removed the requirement that the subsidy should be reduced each year and provided a formula under which there would be a basic subsidy of £2 million which would be increased or reduced by half the amount that the industry's profits exceeded or fell short of £4 million. The total will be distributed according to the operating efficiency of individual vessels and not their size as was the case previously. This is intended to encourage the elimination of uneconomic vessels and the consolidation of the industry into larger and more effective units.

H. G. GARLAND
Attaché (Fisheries), London

Language Laboratories

French language teachers are turning to audio-visual techniques. They need up-to-date equipment and Canadians could supply it but first they must study market needs.

A. C. PERRON

Assistant Commercial Secretary, Paris

Canadian manufacturers of language laboratory equipment should cultivate the market in France more seriously. French buyers are often not even aware that Canada produces this type of equipment. The French are building many language schools and much of the equipment for them comes from foreign sources. In addition to these new schools, old ones are being converted to audio-visual methods and sales could be worthwhile for a company willing to work for them.

There were over 200 language schools in France in early 1968 using audio-visual techniques, with more than 4,000 individually equipped booths. Half of these schools obtained their equipment between 1964 and 1968 and the tempo of expansion shows no sign of slowing down. The widespread educational reforms have reinforced this trend. Institutes have been encouraged to convert to the new method and as a result, arts faculties will in future be equipped with language laboratories with modern facilities.

The national government is backing most of the new schools but many cities and municipalities are also building some which they finance largely on their own. This means that a potential supplier can knock on a number of doors in trying to sell his equipment. Even the armed forces and private organizations are setting up or improving their own facilities. In addition, language school directors or teachers attached to a given institute often act as consultants for other institutes, especially in the selection of the most suitable equipment. They thus are in a position to influence sales—a fact that Canadians should keep in mind.

Language schools look for equipment that is simple, sturdy, and easy to service. They dislike equipment that looks like the dashboard of a com-

plicated aircraft and little highly sophisticated equipment is sold in France. It must be sturdy because students are not always careful in making use of it and this can lead to frequent and costly breakdowns. These become a major irritant to school directors and as a result, they are always on the lookout for equipment that can stand up to constant handling. Most schools service their own equipment and want something that their own personnel can repair after a bit of training. French teachers look upon direct communication between teacher and student as vital, and Canadians must offer types of language laboratories that permit student-teacher communication at any time.

Then there is price. Funds for buying this equipment are restricted and price is often the determining factor. Even if your product is the most advanced in the world, you will not be able to sell it if the French consider the price too high. Manufacturers should remember this and not fix prices at what they think the market will bear.

The first essential in making an impact on the French market is to find good representation. Because this is a relatively new field and because a few large firms are selling directly to users, definite distribution patterns have not yet emerged. There are, however, three methods to use.

1. Direct Sales—It is possible to sell direct to private or municipally financed schools. Obviously they will want to see and examine the product first but it is simple to send over a sample that can be used for several demonstrations.

2. Agents—Even though there are more agents in this type of business today than in the past, they are still relatively rare, and good ones are hard to find. This is because the large firms use their own distribution systems and because they supply most of the market, an agency system has never developed. For the Canadian supplier an agent is a good solution because he can also look after all the paperwork, initiate proceedings to obtain government approval of the



Language schools in France look for equipment that is simple, sturdy and easy to service. Could you supply equipment for this French language laboratory?

equipment, and disseminate information about it. He may also look after servicing problems. But because the schools usually service their equipment themselves, the Canadian supplier normally would merely have to keep a small inventory of parts with the agents, who could send these out on request.

3. Consultants—These have already been mentioned. If the firm can convince a consultant to language schools that his equipment is the best, he can suggest that it be purchased.

The duty on language laboratory equipment varies between 10 and 15 per cent, plus 2 per cent of the amount of the duty. The sales tax is 33 per cent but this tax applies to all equipment sold, regardless of its origin (including French equipment). The duty, but not the sales tax, can be eliminated if your equipment receives government approval because it meets

French standards and satisfies existing French requirements. This approval is not difficult to obtain and your agent should be made responsible for getting it.

If you feel that your equipment can be sold successfully in France, write to the Centre de Recherches et d'Études pour la Diffusion du Français (M. Janecek), 8, rue Jean Calvin, Paris 5e, and ask for the booklet entitled *Cours pour les Étudiants Étrangers en France*. In this booklet you will find the addresses of many language schools and information about them.

If they write to say they are interested, you should plan a trip to France as part of a European promotion tour. Before making firm arrangements, you should check with the other Industry, Trade and Commerce offices in Europe to obtain information on their markets and to ask them to set up meetings with prospective importers.

Personal contact is extremely important and language barriers can be overcome without too much difficulty.

In recent months imports into France have been increasing substantially so you should have no problems. The only government provision about payment is that the importer must present his bank with import certificates and shipping documents before funds can be released. There is a delay of a few days before the money can be transferred to the exporter. This is no real obstacle and Canadian exporters should not hesitate to promote their equipment in France.

It is also important to send a copy of your correspondence with French institutes to the Trade Commissioner in Paris, France, so that he can assist you by co-ordinating your marketing activities and ironing out any misunderstandings that may arise.

River Plate Basin

Countries in the River Plate Basin recently signed a treaty that lists areas for joint effort in infrastructure and development of resources. Canadian companies may be able to participate in projects there; this article suggests some initial steps to take.

L. D. BURKE

Commercial Counsellor, Buenos Aires

The River Plate, which empties into the Atlantic Ocean near the cities of Buenos Aires and Montevideo, is the final section of a vast river system extending through Argentina, Bolivia, Brazil, Uruguay and Paraguay. Other major waterways in this region include the Parana, Paraguay, Uruguay and Bermejo Rivers. This huge basin drains approximately 1,160,000 square miles and an estimated 80 million people live in the area.

The river system is extremely important to all five riparian countries. Much of Argentina's heavy industry is located on the Parana River. For Bolivia, the system provides a means of access to the Atlantic Ocean. The Basin serves the heavily populated south central part of Brazil and Paraguay

depends to a very large degree on the Paraguay and Parana Rivers for the movement of both its exports and imports. Uruguay is strategically located within this river system, at the junction of vital trade routes.

For many years the River Plate countries have been interested in improving the infrastructure in the area and in working together on projects that would benefit all. Finally in February 1967, the Governments of the five countries at a special conference held in Buenos Aires agreed to undertake a joint study of the River Plate Basin in order to promote the integrated development of the region. Following this, each country established its own National River Plate Commission. An Inter-Governmental Co-ordinating

Committee (ICC) was set up in Buenos Aires to co-ordinate the activities of these special commissions. Its membership consists of the Ambassadors of Bolivia, Brazil, Paraguay and Uruguay accredited to Argentina and resident in Buenos Aires, plus the Argentine Under Secretary of Foreign Affairs. It also has a permanent secretariat. The Buenos Aires Conference decided to hold annual meetings of the Foreign Ministers, at which time the ICC Secretariat would report on the progress made on projects and studies assigned to it and would receive instructions on further projects. A second meeting of the River Plate countries was held in Bolivia in May 1968.

In April of this year, the Foreign Ministers convened once again, on

this occasion in Brasilia. This was the first international conference at government level ever held there and coincided with the ninth anniversary of the new capital of Brazil. Two meetings were held. One was the first extraordinary meeting of Foreign Ministers of the River Plate countries and the other the third regular and annual meeting of Foreign Ministers.

The purpose of the first extraordinary meeting was to discuss and to sign on April 23, 1969, the River Plate Treaty. Listed in it are a number of special areas for joint effort: navigation, water resources; preservation and development of animal and vegetable life; infrastructure improvements in communications, railways, roads, aerial transport and electricity systems; education and health; regional industrial complementation, and promotion of projects of common interest, especially those related to the inventory, evaluation and development of natural resources in the area.

It is a flexible treaty. Members are left completely free to pursue projects within their own boundaries or bilaterally. The contracting parties may withdraw from the Agreement and provision has also been made for other Latin American nations to join. Its duration is unlimited.

The main projects considered at Brasilia and their present status are:

1. Construction of a port in Bolivia on the Paraguay River. A preliminary report on this has been submitted and the Inter-American Development Bank has been given responsibility for any further studies that are needed.

2. Study of the measures to be taken, such as dredging, to permit permanent navigation on a number of the more important rivers in the Basin. The terms of reference for this have now been approved and the ICC (Inter-Governmental Co-ordinating Committee) has been given responsibility for determining the next step to be taken to implement the project.

3. Inventory of basic information on natural resources in the River Plate Basin to be put in motion and the results analyzed. This study is already under way under the Organization of

American States and is to be completed in 1970. The fisheries resources in the River Plate Basin are also to be studied; the ICC has been requested to set up terms of reference for this.

4. Infrastructure works for railways, roads, and communications between the River Plate Basin countries. The ICC is also to set up terms of reference for these and make recommendations about financing these projects.

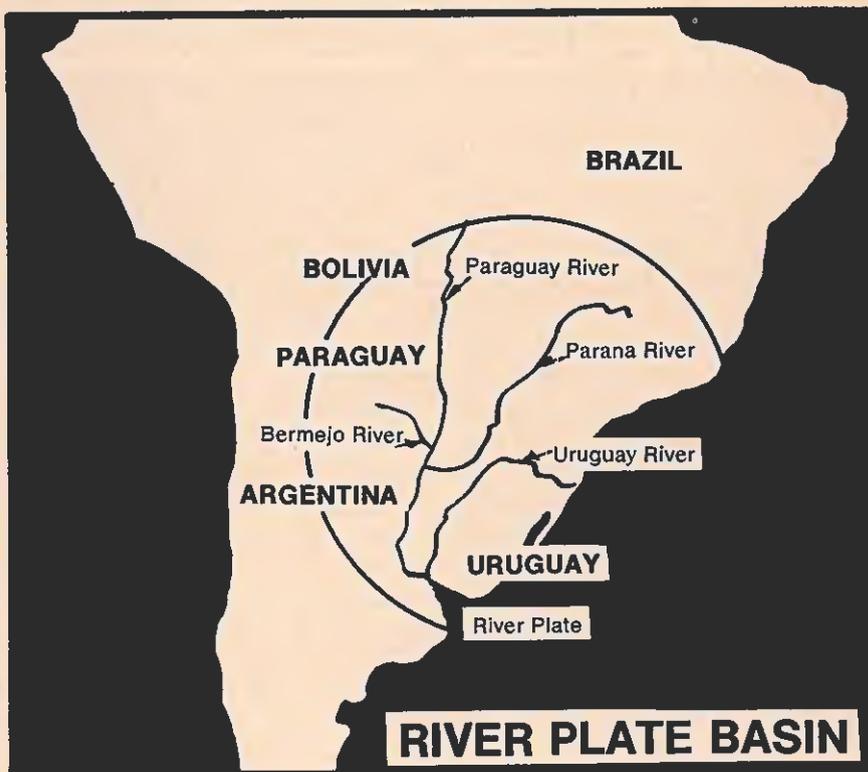
5. Creation of an information system on hydro-meteorology, including the establishment of hydro-meteorological stations. The ICC and the OAS are working jointly on this project.

6. Power integration study. The ICC is to set the terms of reference and to make recommendations about the financial and/or technical entities that might be approached for assistance.

In addition, there is the Salto Grande Project on the River Uruguay being sponsored by Argentina and Uruguay which will provide hydro and navigation benefits. Finally, Argentina, Bolivia and Paraguay at the Brasilia meeting indicated their interest in a study being made on the Bermejo River which is primarily responsible for silting problems in the Parana and River Plate waters.

It is apparent that most of the activity set in motion by the River Plate countries up to now has been centered around technical studies and surveys. Consulting services will therefore be what these countries will need most for some time to come. These countries hope, however, that these studies will soon result in the undertaking of actual projects. Many of the suggested studies are now almost completed or require little or no outside help. None the less, the signing of the River Plate Treaty has given a real impetus to regional co-operation and development in this part of Latin America and more studies and projects will undoubtedly be forthcoming. In each study or survey, some international organization, such as the IADB, the OAS or the UNDP, is usually involved because the River Plate group normally needs technical or financial help from these organizations.

Canadian consulting firms who wish to obtain general information on the River Plate Basin or on specific projects involving Argentina, Paraguay or Uruguay, should write to our office in Buenos Aires. For details on projects affecting Brazil, they should contact the Canadian Trade Commissioners in Rio de Janeiro and Sao Paulo, and for projects in which Bolivia is participating, our office in



Lima, Peru. As an initial step in securing possible contracts to be carried out under the River Plate Basin Agreement, Canadian companies will, in all instances, want to make their organizations known to the National River Plate Commissions in the member countries and for specific projects, to the international organization involved. It would probably also be wise for

firms to make sure that the Canadian International Development Agency in Ottawa is aware of their interest in working in the River Plate Basin, in case that organization is approached (particularly in association with the IADB) for technical or financial aid. Finally, one of the principles on which the River Plate countries have agreed is that they should use to the maximum

the resources, including engineering skills, which they already have before seeking outside aid. This means that in nearly all projects and studies carried out by the River Plate group, Canadian consultants will be expected to have local partners. They will probably wish to make such an arrangement in any event from the practical business point of view

Trade Fairs

Bruck at Interstoff

The largest textile fair in the world, the Interstoff, held in Frankfurt, Germany, is an important gateway to the rapidly expanding European textile market. Well aware of the opportunities it offers, Bruck Mills of Montreal will participate in this semi-annual fair in November for the seventh consecutive time.

In May of this year, we were the only Canadian firm among the more than 645 mills and converters that displayed its wares to some 25,000 international buyers from a restricted list of manufacturers and retailers.

As a result, many persons have asked: "Is this a worthwhile effort?" The answer to this is definitely "yes". Are our sales at the present time sufficient to warrant the expense of this costly show? The answer is really "no", yet we will continue to go back to the Fair. Why?

First, although any firm exhibiting at Interstoff to sell fabrics will be disappointed at first, we are convinced that over a period of years, we will build up trade.

Second, to coincide with the Fair, we call a meeting of our overseas agents a day before the show opens. After showing them the complete new lines, we spend the better part of an afternoon and evening listening to their problems—these include deliveries, traffic problems and styling—and discussing new products. By talking over these matters thoroughly, our agents become better acquainted with our production and our products and achieve a better mutual understanding.

Third, the Interstoff has become a meeting-place for all our customers and friends. They meet at our booth and we have a chance to exchange ideas. Later we

have an opportunity to entertain them over cocktails and dinner. During this time we learn more about their markets and about new trends developing in their countries. In short, the Interstoff improves our communications with our customers.

Naturally, we take advantage of this fair to supply our customers with brochures explaining the Bruck operation and we show how we advertise our products. At



This Khadejha designed print, influenced by motifs and culture of the North American Indian, is exclusive with Bruck Mills.



The Bruck team appears at Interstoff to show products, meet customers and learn about markets and trends.

Interstoff too our stylists and technicians have a chance to discuss style trends, machinery innovations, and yarn problems with many experts and generally to become more up-to-date in what is happening in the textile world.

Finally, it enables our company, which was established in 1921 and is well known in North America, to become better known in Europe by showing consistently twice a year as we have done. By probing, we are determining whether we can be competitive in the European and world markets. With the information we have gathered we are finding out how to sell, what types of fabrics to make for these markets, and how to plan for the long term so that some day we may establish plants in some of these countries as we did in Australia.

Today we sell our products in 19 countries—England, Iceland, Holland, Germany, France, Italy, Sweden, Denmark, Greece, Finland, Switzerland, Scotland, Belgium, Ireland, the West Indies, New Zealand, Australia, Israel and the United States. We have accomplished this export market penetration in Europe by building up a network of agents who have continued to sell our products after we made the initial contact at the Interstoff.

How did we organize ourselves to ensure that our participation at the Interstoff would be a success? We started with a well-organized export department. At the present time this department consists of a merchandise manager, a sales manager, a traffic manager, a documentation clerk, and multilingual typists. Supporting these people are all our sales departments and our sample department. The merchandise manager co-ordinates all the sales departments. He evaluates the different fabrics

which are woven, dyed and finished in our five different mills and then offered to the domestic market. He reprints them where necessary and submits them, with detailed letters, to our agents and customers around the world. He corresponds frequently with these agents, giving them additional information and providing them with advertising matter which will stimulate the sales of these textiles overseas.

The sales manager spends most of his time travelling in the different countries, working with the agents and helping them to sell our products. Before the last Interstoff, our sales manager was in Europe from April to the end of May. After the Interstoff he stayed on to follow up further leads resulting from the Fair itself and to become more familiar with problems. These he brought home for further analysis.

Back at head office the export sales manager discusses his findings with the domestic sales managers. Each of these men is responsible for developing his own lines and then supplying the styling of the lines to the export department. To give the domestic sales managers the opportunity to discover firsthand what European customers want, sales managers from different departments have been invited to accompany the export sales group to the Interstoff. I head this group and accompany the team every time, ably assisted by Seymour Wener, assistant vice-president in charge of dresswear and export. Both Mr. Wener and I have had long experience in export. Mr. Wener spent a year in Australia at the time when our Australian company was starting up, and has visited South Africa and other countries.

We have had our problems, of course. **One problem we encountered in the export market was convincing our foreign customers that we have a long-term outlook.** We are not offering fabrics as opportunists trying to make a one-time sale. To overcome this, we had to prove that our correspondence and deliveries are reliable. This took time, but after our many showings at the Interstoff and our sales record in the market, we believe our reputation as a serious, dependable manufacturer is well established.

To convince buyers further of our sincerity we offer many types of merchandise: fabrics for dresses, blouses, sportswear, outerwear, and skiwear, drapery, industrial fabrics and double-knits. We show that all our fabrics are not staples but rather have a little different styling from those offered by the normal competition. There is no definite price for distinctive styling and a beautiful fabric can always command a better price if the demand is there. This is another factor which is helping in our world competition for sales.

We have found that the Interstoff can be the pivot point of our export department. We must convince our European and world customers that we are serious

about export by showing them our methods of selling, our methods of communication, our system of packaging, and last but by no means least, the quality of our products. Trade fairs like Interstoff can help a company prove that it is as responsible in the export market as it is in the domestic market.

ROBERT J. BRUCK

Executive Vice-President, Bruck Mills Limited

Canadian Success at INTERPACK

INTERPACK, West Germany's fifth national exhibition of packaging machines and materials, wound up in Duesseldorf on May 16, 1969. This is the largest packaging exhibition in the world. It covers 100,000 square meters of hall space and attracts 112,000 visitors, half of whom come from outside Germany. One third of the 864 exhibitors at this year's fair came from 17 countries throughout the world. The large number of foreign exhibitors and visitors emphasizes the international aspect of the packaging industry and the importance attached to this triennial exhibition.

German production of packaging machinery has increased 60 per cent in the last five years and machinery exports have doubled over the same period. Some 71 per cent of Germany's \$28 million annual production is now exported. This growth record might perhaps discourage some Canadian exporters of packaging equipment who wish to sell in Germany, but Griswold Corp. of Montreal did not give it a second thought.

Griswold, a wholly-owned subsidiary of CIP, designed and now manufactures the Rap-Round (TM) packing and sealing machine. It is relatively simple and compact but has an output roughly twice that of competitive types. The TM machine has gained wide acceptance throughout North America and Griswold decided the time was ripe to introduce it to Europe. In early spring the firm's vice-president, D'Arcy Quinn, visited the officers of the Department of Industry, Trade and Commerce in Duesseldorf to ask their help in exhibiting the Griswold machine at INTERPACK. Space was arranged, publicity arrangements were made, and the machine was flown to Duesseldorf for the show.

The result of Griswold's participation at INTERPACK is impressive. The firm must now decide which of the French, German, Italian, Dutch and Japanese firms that have applied will receive manufacturing rights for the Rap-Round (TM) machine. Practically overnight Griswold will have established global distribution of its product in a highly competitive field. The firm's

performance again shows that participation in an appropriate exhibition in Germany can prove to be the most effective method of introducing a product to the world market.

By manufacturing the TM machine under licence in Germany, Griswold has reduced the selling price of its machine by some 30 per cent. This is because shipping costs, tariffs, and expenses involved in producing a metric machine in Canada were eliminated.

INTERPACK is held every three years, the length of time considered desirable by the industry for getting together and looking at recent developments in the packaging field. The next INTERPACK will be held in 1972 at the new Duesseldorf fairgrounds. The theme will be "Complete Packaging Service" and it will attempt to present an over-all view of all concepts of packaging, from materials selection to packages as an advertising medium. Any firm wishing to participate in the 1972 show would do well to book space now.

INTERPACK is only one of dozens of large trade fairs held regularly in Germany. If a Canadian manufacturer has a product he would like to exhibit in Europe, there is probably a suitable trade fair for him in Germany. A few of the German trade fairs coming up in 1970 are listed below.

Information about these fairs and many others can be obtained by contacting the Department of Industry, Trade and Commerce, Ottawa, or by writing directly to one of the three trade offices in West Germany: Commercial Counsellor, Canadian Embassy, Friedrich-Wilhelmstrasse 18, 53 Bonn; Consul General, Canadian Consulate General, Koenigsallee 82, 4 Duesseldorf 1; Consul General, Canadian Consulate General, Esplanade 41-47, 2000 Hamburg 36.

JOHN H. LANG

Vice Consul, Duesseldorf

Trade Fairs in Germany 1970

International Toy Fair
Nurnberg, February 14-20

International Household Goods and Hardware Fair
Cologne, February 19-22

Euroshop Modern Shopfitting and Display
Duesseldorf, February 21-25

SPOGA International Fair of Sports Goods, Camping
Equipment and Garden Furniture
Cologne, March 15-17

Head Office Directory

Most of the offices of the Department of Industry, Trade and Commerce are in Tower B, Place de Ville, 112 Kent Street, Ottawa. A few are still in other locations and the Directory makes this clear. It will be updated and republished from time to time.

		Dial 99 and	Location	Floor
Minister	The Hon. Jean-Luc Pepin.....	6-1880	Tower B.....	22...
Executive Assistant.....	S. Mizgala.....	6-1880	.....	.....
Deputy Minister	J. H. Warren.....	6-3560	Tower B.....	22...
Executive Assistant.....	A. A. Lomas.....	6-3560	.....	.....
Senior Assistant Deputy Minister (Industry and Trade Development)	Andrew G. Kniewasser.....	2-1037	Tower B.....	22...
Executive Assistant.....	Ian Wood.....	2-7428	.....	.....
Assistant Deputy Minister (Trade and Industrial Policy)	Maurice Schwarzmann.....	2-2649, 2-4042	Tower B.....	19...
Liaison Officer.....	R. A. Kilpatrick.....	2-6980	.....	.....
Assistant Deputy Minister (Operations)	Robson G. Head.....	5-6277	Tower B.....	12...
Executive Assistant.....	R. E. Pike.....	5-6580	.....	.....
Assistant Deputy Minister (External Services)	D. B. Mundy.....	2-0581, 2-5969	Tower B.....	7....
Executive Assistant.....	H. Wilson.....	2-0933	.....	.....
Assistant Deputy Minister (Administration)	A. Senecal.....	2-0056	Tower B.....	22...

Trade and Industrial Policy

Assistant Deputy Minister.....	Maurice Schwarzmann.....	2-2649	Tower B.....	19...
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Office of General Relations

General Director.....	M. G. Clark.....	2-0982, 2-1035	T and C Bldg...	4....
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General Trade Policy Branch

Director.....	P. T. Eastham.....	2-4100	T and C Bldg...	4....
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Commodity Trade Policy Branch

Director.....	W. M. Miner.....	6-1917	T and C Bldg...	4....
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International Financing Branch

Director.....	B. C. Steers.....	2-6143, 6-3995	T and C Bldg...	4....
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Office of Area Relations

General Director.....	T. M. Burns.....	2-4815	Tower B.....	19...
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United States Division Director.....	J. H. Stone.....	2-5176	Tower B.....	19...
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European Division Director.....	A. W. A. Lane.....	2-2250, 2-2981	Tower B.....	19...
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Commonwealth Division Director.....	R. B. Nickson.....	2-2421	Tower B.....	19...
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Latin American Division Acting Director.....	G. W. Green.....	2-7641	Tower B.....	19...
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Asia and Middle East Division Acting Director.....	G. W. Green.....	2-5642	Tower B.....	19...
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Office of Industrial Policy Adviser

General Director.....	L. F. Drahotzky.....	2-7788	Tower B.....	21...
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Industrial Policy Division Acting Director.....	J. M. Belanger.....	6-3070	Tower B.....	21...
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Programs Division Acting Director.....	B. S. Barewal.....	6-1408	Tower B.....	21...
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		Dial 99 and	Location	Floor
Office of Economics				
General Director	V. J. Macklin	2-5658	T and C Bldg.	5
General Analysis Branch				
Director	C. Schwartz	2-8900	T and C Bldg.	5
Canada and United States Division Acting Chief	D. F. McKinley	2-8900	T and C Bldg.	5
Overseas Analysis Division Chief	F. A. Piscopo	2-7667	T and C Bldg.	5
General Assignments Division Chief	H. R. Smale	2-5266	T and C Bldg.	5
Investment Analysis Branch				
Director	J. H. Latimer	2-3847	T and C Bldg.	5
Capital Expenditure Division Chief	A. N. Polianski	2-8288	T and C Bldg.	5
Foreign Investment Division Chief	R. J. Loosmore	6-5884	T and C Bldg.	5
International Companies Division Chief	T. R. Vout	2-5701	T and C Bldg.	5
Market Analysis Branch				
Director	A. M. Coll	2-7408	T and C Bldg.	5
Co-ordinator Special Projects	A. C. Kilbank	2-5711	T and C Bldg.	5
Manufactured Products Division Chief	W. L. Posthumus	2-5466	T and C Bldg.	5
Resources Commodities Division Chief	R. J. Konecny	2-5753	T and C Bldg.	5
Regional Trade Patterns	H. D. Henderson	2-8780	T and C Bldg.	5
Productivity Branch				
Director	I. Bernolak	2-1722	Tower B	21
Research and Development Division Chief	J. G. Snaauw	6-5299	Tower B	21
Inter-Firm Comparisons Division Chief	G. G. McLeod	6-5144	Tower B	21
Consultant, Economics of Technology	G. H. O. Dines	6-5298	Tower B	21
Consultant, Economics of Management	L. E. Turner	2-1303	Tower B	21
Industry and Trade Development				
Senior Assistant Deputy Minister	Andrew G. Kniewasser	2-1037	Tower B	22
Office of Science and Technology				
General Director	Sydney Wagner	5-7151, 5-7152	Tower B	21
Director (Programs)	H. C. Douglas	2-4143	Tower B	21
Director (Scientific)	R. K. Brown	2-0406	Tower B	21
Office of Design Adviser				
General Director	E. P. Weiss	2-0341	Tower B	20
Director	J. H. Swann	2-1696	Tower B	20
Office of Promotional Services				
General Director	L. J. Rodger	2-7411, 2-2262	T and C Bldg.	4
Special Assistant	R. B. Fournier	6-3210	T and C Bldg.	4
Industry, Trade and Traffic Services Branch				
Director	G. M. Schuthe	2-6236	Tower B	3
Deputy Director	C. Varkaris	2-7163	Tower B	3
Export and Import Permits Division Chief	S. G. Barkley	2-5670	Tower B	3
	R. Traversy	2-3640	Tower B	3
Industrial Traffic Services Division Chief	H. A. Hadskis	2-2737	Tower B	3
Market Analysis (Import) Division Chief	J. G. MacKinnon	2-4446	Tower B	3
Industrial and Trade Inquiries Division Acting Chief	K. E. Hacker	2-4441	Tower B	3
Directories	J. Y. Lafleche	2-6681	Tower B	3

		Dial 99 and	Location	Floor
Publicity Branch				
Director	J. A. Murphy	2-2479	T and C Bldg.	2
Assistant Director, International Operations	K. A. Prittie	2-6435	T and C Bldg.	2
Assistant Director, Canadian Operations	R. H. Tippet	2-3186	T and C Bldg.	2
International Operations Division Chief	K. V. D. Gardner	2-7372	T and C Bldg.	2
"Canada Courier" Division Chief	P. Bomford	2-1295	T and C Bldg.	1
Graphics Division Chief	R. Williamson	2-8922	T and C Bldg.	2
Special Publications Division Chief	K. Purvis	2-1259	T and C Bldg.	2
Program Publicity Division Chief	J. E. Struthers	2-1436	T and C Bldg.	6
Media Relations Division Acting Chief	R. M. Shaw	2-2186	T and C Bldg.	2
"Foreign Trade"/"Commerce extérieur" Division Chief	O. M. Hill	2-6588	T and C Bldg.	2
Special Assistant, Canadian Operations	C. Bruyere	6-1537	T and C Bldg.	1
Administrative Services	D. J. McLewin	2-6897	T and C Bldg.	2
Production Planning Division Chief	E. Plummer	2-4098	T and C Bldg.	2
Fairs and Missions Branch				
Director	D. A. W. Olliver	2-8269	T and C Bldg.	3
Fairs Division Chief	W. P. Schutte	2-8855	T and C Bldg.	3
Missions Division Chief	R. C. Montreuil	2-8069	T and C Bldg.	3
Canadian Government Participation Expo 70				
Staff Officer	G. P. O'Keefe	6-4246	440 Coventry Rd.	

Operations

Assistant Deputy Minister	Robson G. Head	5-6277	Tower B	12
Chemicals Branch				
General Director	J. J. Tennier	2-9456, 2-5760	Tower B	14
Director	A. M. Tedford	2-6905	Tower B	14
Industrial Chemicals Division Chief	G. E. McCormack	2-1071	Tower B	14
Plastics and Rubber Division Chief	A. G. Pinard	2-1054	Tower B	14
Chemical Specialties Division Chief	Dr. H. A. Showalter	2-1591	Tower B	14
Tourist, Hospital and Education Division Chief	G. W. J. Rahm	2-1068	Tower B	14
Programs Division Assistant Director	W. D. Dawson	2-1758	Tower B	14
Electrical and Electronics Branch				
General Director	E. A. Booth	2-8160	Tower B	10
Director	T. C. Jones	2-2243	Tower B	10
Assistant Director Program Management	G. R. Logan	2-8366	Tower B	10
Marketing Adviser	R. Sangster	2-8897	Tower B	10
Electronics Division Chief	C. D. Quarterman	2-1091	Tower B	10
Electrical Division Chief	V. E. Tant	2-9043	Tower B	10
Consumer Products and Components Division Acting Chief	P. U. Aasgaard	2-9084	Tower B	10
Agriculture, Fisheries and Food Products Branch				
General Director	A. H. Mathieu	2-1289, 2-1489	Tower B	15
Director	D. B. Laughton	2-1100	Tower B	15
Assistant Director	M. J. Heney	2-1873	Tower B	15
Livestock, Meat and Dairy Products Division Chief	L. H. McMillan	2-0001	Tower B	15
Cereals, Bakery and Edible Oils Division Chief	L. G. Rupert	2-0015	Tower B	15
Fruit, Vegetables and Special Crops Division Chief	A. J. Stanton	5-8245	Tower B	15
International Commodities Division Chief	J. MacNaught	2-0012	Tower B	15
Grain Division Chief	R. M. Esdale	2-5648	Tower B	15
Programs Division Chief	W. R. Parkinson	2-0012	Tower B	15
Fisheries and Fish Products Division Acting Chief	A. J. Hemming	5-8107	Tower B	15

		Dial 99 and	Location	Floor
Machinery Branch				
General Director	J. J. McKennirey	2-7181, 2-1129	Tower B	11
Director	J. C. Stavert	2-4737	Tower B	11
Director and Secretary Machinery Equip. Advisory Board	W. H. Chandler	2-5800	Tower B	11
Mechanical Products Division Chief	J. H. O'Connell	2-0324	Tower B	11
Mechanical Equipment Division Chief	A. Chiperzak	2-0321	Tower B	11
Industry Machines and Engineering Services Division Chief	R. C. Wallace	2-4082	Tower B	11
Machinery Program Analysis Division Chief	S. A. Radley	2-1359	Tower B	11
General Programs Division	R. K. McGregor	2-0371	Tower B	11
Specialist Staff Division Chief	F. K. Gardner	2-0347	Tower B	11
Materials Branch				
General Director	R. D. Hindson	2-1113	Tower B	12
Director	H. R. Pinault	2-5672	Tower B	12
Iron and Steel Division Chief	E. J. Davis	2-0025	Tower B	12
Non-Ferrous Metals Division Chief	S. H. Rochester	2-0088	Tower B	12
Industrial Materials Division Chief	R. J. Jones	2-1581	Tower B	12
International Commodities and Special Projects Division Chief	Dr. H. W. Pfeffer	5-6428	Tower B	12
Construction Division Chief	D. G. Laplante	2-0028	Tower B	12
Programs Division Chief	H. E. Wilson	2-1015	Tower B	12
Aerospace, Marine and Rail Branch				
General Director	J. C. Rutledge	2-7318, 6-1288	Tower B	9
Industry and Trade Development Programs Director	G. E. Hughes-Adams	2-0605	Tower B	9
Air Chief	J. L. Harrison	2-1001	Tower B	9
Marine Chief	M. J. Colpitts	2-0036	Tower B	9
Rail and Propulsion Chief	E. P. Bishop	2-0051	Tower B	9
Company and Support Programs Director	H. R. Footitt	6-2035	Tower B	9
Aircraft Chief	H. A. Staneland	5-6405	Tower B	9
Propulsion, Marine and Rail Chief	H. Roberts	2-1569	Tower B	9
Ship Subsidies Chief	H. K. McIntosh	2-7830	Tower B	9
Wood Products Branch				
General Director	K. O. Roos	2-1116	Tower B	13
Director	T. C. Arnold	2-1493	Tower B	13
Deputy Director	P. L. MacDougall	2-7128	Tower B	13
Pulp and Paper Division Chief	G. C. Campbell	2-0065	Tower B	13
Lumber, Plywood and Panel Products Division Chief	E. W. Smith	2-0068	Tower B	13
Furniture and Secondary Wood Products Division Chief	M. N. Murphy	2-1545	Tower B	13
Printing and Publishing Division Chief		2-0093	Tower B	13
Programs Division Head	R. H. McGee	2-0095	Tower B	13
Apparel and Textiles Branch				
General Director	A. M. Guerin	2-4078	Tower B	8
Director	L. C. Howey	2-1207	Tower B	8
Programs Division Assistant Director	A. C. Fairweather	2-6197	Tower B	8
Clothing Division Chief	H. Sherman	2-1048	Tower B	8
Textiles Division Chief	P. A. Barker	2-1045	Tower B	8
Leather and Footwear Division Acting Chief	L. J. Henderson	2-1051	Tower B	8
Mechanical Transport Branch				
General Director	E. A. McIntyre	6-4122	Tower B	9
Agricultural and Construction Equipment Division and Special Products Division Acting Chief	K. R. Burgess	2-1027	Tower B	8
Technological Assistance Division Acting Chief	J. W. Harrison	2-1024	Tower B	9
Motor Vehicles Division Chief	J. A. McMillan	2-4478	Tower B	8
Adjustment Assistance Board Secretariat Acting Secretary	F. Wanko	2-0021	Tower B	8

		Dial 99 and	Location	Floor
Office of Tourism				
General Director	T. R. G. Fletcher	6-5651	150 Kent Street	9
Travel Industry Branch				
Director	F. B. Clark	6-5651	150 Kent Street	9
Research & Development Division Chief	J. W. Gibson	5-8426	150 Kent Street	9
Industry Evaluation Division Chief	L. C. Munn	5-6367	150 Kent Street	9
Canadian Government Travel Bureau				
Director	Dan Wallace	2-3166	150 Kent Street	2
Deputy Director	Roland Boire	2-5256	150 Kent Street	2
Offices Abroad Assistant Director	O. Tiessen	2-1384	150 Kent Street	2
Support Services Assistant Director	R. D. Palmer	2-1680	150 Kent Street	2
Marketing Assistant Director	D. C. Bythell	2-2944	150 Kent Street	2
Operations Manager	M. E. Campeau	2-7355	150 Kent Street	2
Publicity Services Manager	J. A. Carman	2-6373	150 Kent Street	2
Travel Trade Relations Manager	G. Towse-Smith	2-2077	150 Kent Street	2
Administration Manager	D. J. Molloy	2-1491	150 Kent Street	2
Travel Information Services Acting Manager	R. Dunse	2-3334	150 Kent Street	2

External Services

Assistant Deputy Minister	D. B. Mundy	2-0581, 2-5969	Tower B	7
Trade Commissioner Service				
General Director	H. M. Maddick	5-8337, 5-8338	Tower B	6
Personnel and Finance Director			Tower B	6
Assistant Director (Finance)	W. J. Collett	2-5669	Tower B	6
Assistant Director (Personnel)	R. C. Anderson	2-6800	Tower B	6
Operations and Development Director	H. S. Hay	2-5456	Tower B	6
Regional Co-ordinators				
Asia, Africa and Australia	R. W. Burchill	2-5461	Tower B	6
Europe	E. L. Bobinski	2-1655	Tower B	6
Latin America and Caribbean	A. T. Eyton	2-3058	Tower B	6
United States	N. L. Currie	6-5140	Tower B	6
International Defence Programs Branch				
General Director	D. H. Gilchrist	2-4864	Tower B	7
Director	D. J. Janigan	2-8584	Tower B	7
Market Research and Analysis Division Chief		6-2543	Tower B	7
Project Marketing Division Chief	F. Dugal	2-1679	Tower B	7
U. S. Market Development Division, Chief	W. E. Grant	2-3456	Tower B	7
Overseas Market Development Division Chief	J. C. Oliver	2-8626	Tower B	7

		Dial 99 and	Location	Floor
Administration				
Assistant Deputy Minister	A. Senecal	2-0056	Tower B	22
Personnel Branch				
General Director	E. J. Fitzpatrick	6-1530	Tower B	16
Financial Services Branch				
General Director	W. R. Teschke	5-6126	Tower B	18
Financial Analysis Director	J. G. Sheldrick	2-2888	Tower B	18
Comptroller	R. M. Hammond	6-3639	Tower B	18
Professional and Administrative Services Branch				
General Director	V. J. Walton	6-4010	Tower B	17

Regional Offices in Canada*		Telex	Phone
St. John's, Newfoundland, Regional Manager Room 601, Sir Humphrey Gilbert Building Duckworth Street P.O. Box 5849	B. E. Baker	0164582	722-6074 (area code 709)
Halifax, Nova Scotia, Regional Manager Sir John Thomson Building 1256 Barrington Street	D. J. Packman	014-422829	422-3851 (area code 902)
Montreal 128, Quebec, Regional Manager Floor 17, Commerce House 1080 Beaver Hall Hill	J. G. Touchette	0120280	879-6254 (area code 514)
Toronto 111, Ontario, Regional Manager Suite 2001, P.O. Box 114 Toronto-Dominion Centre	R. Campbell Smith	0221691	369-3711 (area code 416)
Winnipeg 1, Manitoba, Regional Manager Room 521 269 Main Street	G. A. Gillespie	035287	985-2386 (area code 204)
Regina, Saskatchewan, Regional Manger Suite 651, Saskatchewan Wheat Pool Building 2625 Victoria Avenue	G. A. Cooper	0312745	525-9814 (area code 306)
Edmonton 15, Alberta, Regional Manager 802 Chancery Hall 3 Sir Winston Churchill Square	W. Mackenzie Hall	0372762	422-7178 (area code 403)
Vancouver 1, British Columbia, Regional Manager 2003 Board of Trade Tower 1177 West Hastings Street	J. F. Murray	045391	666-1434 (area code 604)

*These offices operate under the direction of the Industry, Trade and Traffic Services Branch.

Singapore

After Japan, Singapore has the highest standard of living in Asia. Trade is booming and the Government hopes that its industrialization policy will increase exports further.

M. B. BLACKWOOD

Commercial Counsellor, Singapore

If Sir Stamford Raffles could be present for Singapore's 150th birthday celebrations, he would be proud of the progress made since he established a trading post here in 1819. At that time the island was virtually unpopulated swamp and jungle but Raffles foresaw the possibilities of a deep-water port in this strategic location. The end of the 19th century found Singapore with a population of a quarter of a million Chinese, Malays and Indians. Today Singapore, the "City of the Lion", has a population of two million, with the second highest standard of living in Asia (after Japan). It is the world's fourth largest port and one of its greatest emporia.

Gross national product at current prices rose by an estimated 7.7 per cent in 1968 to a total of Cdn. \$1.4 billion. Unlike many other countries, Singapore does not have inflation worries. Trade is on the increase and so is manufacturing, thanks to the stepped-up industrialization program. However, the current highly prosperous position has not been reached without difficulties. In the 1960's there have been several setbacks. Indonesia's "confrontation" with Singapore from 1963 to 1966 severely restricted trade and economic development. Separation from Malaysia in 1965 came suddenly and made skilful adjustments necessary. Just recently, internal security was briefly disrupted as a result of the post-election racial disturbances in Malaysia. Some persistent uncertainties could restrict the rate of growth and cause balance-of-payments problems in the 1970's.

Unemployment, now running at about 10 per cent of the labor force, is becoming a major problem, particularly because the population is largely urban. The phasing-out of the British bases by 1971 will result in the loss of employment for some 40,000 workers. The withdrawal will also mean a loss

of income equivalent to about 15 per cent of GNP and a drop in foreign exchange earnings estimated at Cdn. \$190 million a year. The fast rate of growth of entrepot trade in recent years is expected to level off in the early 1970's as the increase in this trade with Vietnam and Indonesia slows down and Singapore's share of the Malaysian market declines.

Singapore's competent and stable Government, headed by Prime Minister Lee Kuan Yew, is facing up to these problems and is determined to provide every possible incentive to create new economic activity, even if it means running down the present healthy reserves. The intention is to step up investment in public utilities, convert the British bases to industrial use, increase technical education, continue the expansion of export-oriented industries, and promote tourism. Singapore has obtained loans from the World Bank and the Asian Development Bank but will need more capital from such sources. No difficulties are anticipated in this because it has an excellent credit rating.

Singapore is a miniature state and its domestic market is much too small to support the normal process of industrialization. The emphasis is therefore on export-oriented industries Hong Kong style. A highly efficient network of government agencies has been established to provide incentives to both local and foreign capital and promote economic development. The first of them was the Economic Development Board and from it have spun off the Jurong Town Corporation to administer the industrial estate at the western tip of the island, the Development Bank of Singapore to speed up capital formation for new manufacturing industries, and INTRACO, a trading organization with 30 per cent of its capital coming from the Government and 70 per cent from

private firms. It will market Singapore products on a world-wide basis, paying particular attention to the products of small manufacturing firms. **Manufacturing output in Singapore increased by about 18 per cent in 1968. The Jurong Industrial Estate now has over 150 factories and about one-third of their output is exported.** Over the past twelve months, a number of U.S. electronics firms have established plants for producing components, almost all for export to the United States, and such labor-intensive industries are given every encouragement.

Singapore has found the solution to many of its labor problems. The new labor law enacted in 1968 makes the labor force one of the most disciplined in Asia and wage rates are higher than in Hong Kong. Singapore now has a 44-hour work week, only 11 statutory holidays, and strict controls on overtime, bonus payments and sick leave. The Government's view is that the island's economic future comes first. Control of overtime is also a means of creating work for the 12,000 coming out of school each year.

Absence of labor disputes is particularly important to the Port of Singapore Authority. PSA can now provide stevedores on a second or third shift when needed and the port has 24-hour berthing services. PSA has also installed a computerized billing system. The result is that Singapore has become the world's fourth largest port after Rotterdam, New York, and Yokohama, with 11.3 million tons of shipping entering and clearing the port in 1968, an increase of more than 10 per cent in one year. The port is the keystone to the island's economy. Singapore's traditional role as an entrepot is still very important but manufactured exports are beginning to catch up with unprocessed and semi-processed re-exports such as rubber.

1. Raffles Place—named in honor of Sir Stamford Raffles who established a trading post here 150 years ago—is the commercial heart of Singapore.

2. Labor-intensive industries like this electronic components factory in Singapore are given every encouragement by the Government.

3. Singapore River is crowded with small craft kept busy transporting goods to and from vessels anchored in the harbor.

4. A variety of produce is available in this street market in Singapore.



By the end of 1969, 2½ per cent of the total cargo handled will be containerized and the proportion will rise to 25 per cent within three years as fully containerized ships come onto the Japan/Europe run. A container terminal is now under construction; the first phase is expected to be completed by the end of 1970 and the second phase, which includes a container crane, will be ready by 1971. The terminal will provide 2,250 feet of wharves with a crossberth of 700 feet for feeder services. One hundred acres are reserved for backup facilities.

Singapore's function as a service center received a boost when international oil companies took out large offshore concessions in Indonesian and Malaysian waters. Singapore has barges, contract divers and production platforms available as well as the consumer goods the oil companies need. The oil boom will benefit shipbuilding and ship repairing and Singapore might eventually become a regional refining center.

Singapore has for years provided excellent banking and insurance facilities. The Bank of America in Singapore is contemplating setting up an Asian-dollar market similar to the Euro-dollar market. The plan is to provide loans in Asian-based U.S. dollars for international transactions, with Singapore as the clearing-house for the Asian dollars handled by branches in other Asian countries. Interest is paid on deposits and no withholding tax is deducted in Singapore from non-residents, making it the logical place for such an operation.

Singapore is currently gearing up to capture more foreign exchange from tourism. Some 30 new hotels are under construction in preparation for the jumbo-jet era. In 1968 there were over 300,000 visitors, 25 per cent more than in 1967; 340,000 are expected this year and half a million by 1972. Shopping is being made even more attractive with new shopping arcades and a resort area is to be established on one of the offshore islands. One of the British bases in the northeast of Singapore may be turned into a tourist complex using the theme of "Instant Asia", based on the island's multiracial society. There will be more air links between Singapore and Bali in the hope that visitors will stop off for a few days

in Singapore. As tourism develops many thousands of jobs will become available for young Singaporeans in the hotel and service industries.

Singapore's imports and exports both increased in 1968. Imports at Cdn. \$1,761 million were up 15 per cent over 1967 and exports at Cdn. \$1,303 million were up by 12 per cent. The need for equipment and raw materials for industrialization was the main cause of the trade deficit but it was more than covered by the inflow of capital. Malaysia and Indonesia are Singapore's major trading partners. Statistics on trade with Indonesia are not published but it is believed to be higher than it was in the early 1960's before "confrontation". Indonesian rubber is now passing through Singapore warehouses at a rate of 35,000 tons a month. The continuing economic recovery of Indonesia has therefore tremendous significance for Singapore. After Malaysia and Indonesia comes Japan as the number three trading partner, followed by the United States and Britain. The People's Republic of China, Australia, Thailand and West Germany are important suppliers.

Canada provides less than half of one per cent of Singapore's total imports. In 1968, Canadian exports to Singapore amounted to Cdn. \$3.2 million, up slightly from 1967. Our imports, on the other hand, (mainly rubber, pineapple products, textiles and mahogany) totalled Cdn. \$15.1 million, a significant increase from Cdn. \$11.2 million in 1967. Our principal exports to Singapore in 1968 with their value in thousands of dollars were: potassium chloride 562, newsprint 392, zinc blocks, pigs and slabs 238, mining and drilling equipment 220, wheat 219, X-ray and related equipment 137, salmon and other fish products 129, tobacco 127, powdered milk 104, and wood pulp 76.

International Minerals and Chemicals Corporation established a bulk handling fertilizer plant in Jurong in 1968. Potash from IMC's Saskatchewan mine comes to Singapore in bulk and is bagged there for re-export to neighboring markets. The prospects for potash look good.

Newsprint is one of Canada's traditional exports to this market. Not all of it is consumed in Singapore; some

is re-exported to Indonesia. Modest quantities of wheat are purchased by the two local flour mills but Australia is closer and has the major share of the market.

Apart from fresh, frozen and canned salmon and other canned fish, our sales of grocery products have been small. However, last April two buyers from Singapore supermarkets were taken to the Canadian Processed Foods Show in Japan and sales should increase as a result.

The lumber, plywood and veneer industry is becoming increasingly important and should provide opportunities for Canadian equipment manufacturers, as the Hon. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, pointed out during his visit in April. Raw materials are also needed for Singapore's new factories and Canada is a natural source of supply for many of them. Oilfield equipment has already been mentioned. In short, Singapore imports a highly diversified range of goods and Canadian exporters should be able to get more of the business.

Lower Air Cargo Rates to Far East

Canadian Pacific has announced that it will introduce lower air cargo rates to the Orient on October 1, 1969. General cargo rates will be cut by about 7 per cent (up to six cents a pound) in the 660, 880 and 1,100-pound weightbreaks. Specific commodity rates will also be lowered. Dresses, skirts and blouses shipped between Eastern Canada and Tokyo will be cut to 88 cents a pound from \$1.10. Automobile and motor scooter parts to the Orient will similarly be reduced from \$1.27 to 85 cents a pound.

What's the Zip Code?

Ever have a problem finding the Zip Code number when you have mail going to the United States? If you live in Toronto, Montreal, Ottawa, Winnipeg, or Vancouver, all you need do is to telephone the office of the District Director of Postal Service or the Postmaster. He or someone on his staff will consult the Zip Code reference book with supplements for the United States. The U.S. now insists that these Zip Code numbers be used on all mail posted in Canada for delivery in the United States.

Taiwan

The Republic of China (Taiwan) has introduced its fifth Four Year Plan; it should provide Canadian companies with good opportunities.

D. S. BAKER
Consul and Assistant Trade
Commissioner, Manila

Taiwan is continuing to achieve impressive economic growth. The real rate of growth in gross national product, 10.3 per cent, remained not only one of the highest in the region in 1968 but provided the momentum to carry the economy strongly into 1969. Probably the most significant development has been the large-scale expansion of industries producing for export and the increasingly diversified intermediate products industry.

Exports, the major catalyst behind Taiwan's rapid advance in 1968, expanded by an astonishing 25 per cent—the highest rate of increase since 1964. Nearly three quarters of this reflects the opening of new markets in the United States. There was also a rise in tourist income to a new high of almost U.S.\$65 million. The international reserves at the end of the year were sufficient to support more than five months of imports at the current rate of growth.

The fifth Four Year Economic Development Plan was recently introduced. This plan sets priorities for those government activities that will maintain the high growth rate. It is a comprehensive plan and it would not be feasible to give complete details here. Certain aspects can be pointed out, however, which both indicate the objectives and show where the potential lies for Canadian exporters.

In the first place, certain growth rates are set out in the Plan. The target for minimum annual growth is 7 per cent, for minimum annual agricultural growth 4.4 per cent, for minimum annual industrial growth 9.2 per cent, and for minimum annual average growth in the transportation industry 7.4 per cent. The expected average annual growth rate in exports is 12.5 per cent and in imports it is 11.2 per cent.

Certain priority areas are of particular interest to Canadians.

1. **Acceleration of industrialization**—included will be a gradual improvement in the industrial structure. This will require widespread modernization because much of the factory equipment is old and primitive.
2. **Expansion of communications and transportation**—the infrastructure of communications and transportation is inadequate to meet demand. Facilities must be expanded rapidly and constructively.
3. **Large-scale development of power resources**—the installed capacity is expected to increase by 1.5 million kilowatts during the next four years at the cost of approximately NT\$14,000 million (U.S.\$350 million).

Taiwan's trade is dominated largely by Japan and the United States, its two chief trading partners. Japan, for example, supplies 40.5 per cent of Taiwan's imports, the United States 24.3, West Germany 4.1, Iraq 4.5, and Canada only 2 per cent. Imports in 1968 totalled about U.S. \$976 million and exports about U.S. \$843 million. Taiwan maintains a favorable balance of payments, however, thanks to invisible receipts.

Exports from Taiwan have been concentrated chiefly on a few major groups of commodities and this situation, in the Government's view, calls for early attention aimed at further diversification. Principal exports include sugar, rice, bananas, canned pineapple, canned mushrooms, footwear, garments and plywood. The Government is putting new emphasis on export promotion. Its plans include the study of a number of problem areas, such as research and development, product design, marketing techniques, and the training of improved technical and managerial staff. In addition, there is an increasing awareness that too much reliance has been placed on a relatively small number of major products and that exports have gone to only a small number of countries: the United States 35.4 per cent, Japan 15.9 per

cent, West Germany 5.7 per cent and Canada 5.2 per cent.

Exports to Canada in 1968 followed the usual pattern and included among the major items garments, footwear, canned food and plywood. Canadian exports to Taiwan have consisted largely of basic commodities such as wheat, nickel and zinc, although recently certain manufactured items have been sold, such as telecommunications equipment, abrasive wheels, and parts and accessories for chain saws.

In the light of the priorities under the Fifth Four Year Economic Plan, there should be opportunities to develop sales of industrial machinery, special process, telecommunications and transportation equipment, and other manufactured goods that industry needs. In addition, the rapid growth of tourism will continue to call for hotel and institutional equipment, already a significant import into Taiwan, as new hotels are being built and older ones upgraded.

In short, Taiwan offers excellent scope for Canadian exporters and firms not already in the market should definitely consider it. Some form of representation is virtually essential in order to obtain business in Taiwan and the Trade Commissioners in Manila, whose territory includes Taiwan, are well acquainted with the wide variety of agents there. It should be noted that because the currency is controlled, the Government of Taiwan must approve requests for foreign exchange to pay for imports. The importer must show the amount quoted in U.S. dollars and any price quotation should be in U.S. funds to eliminate the need for revising price lists.

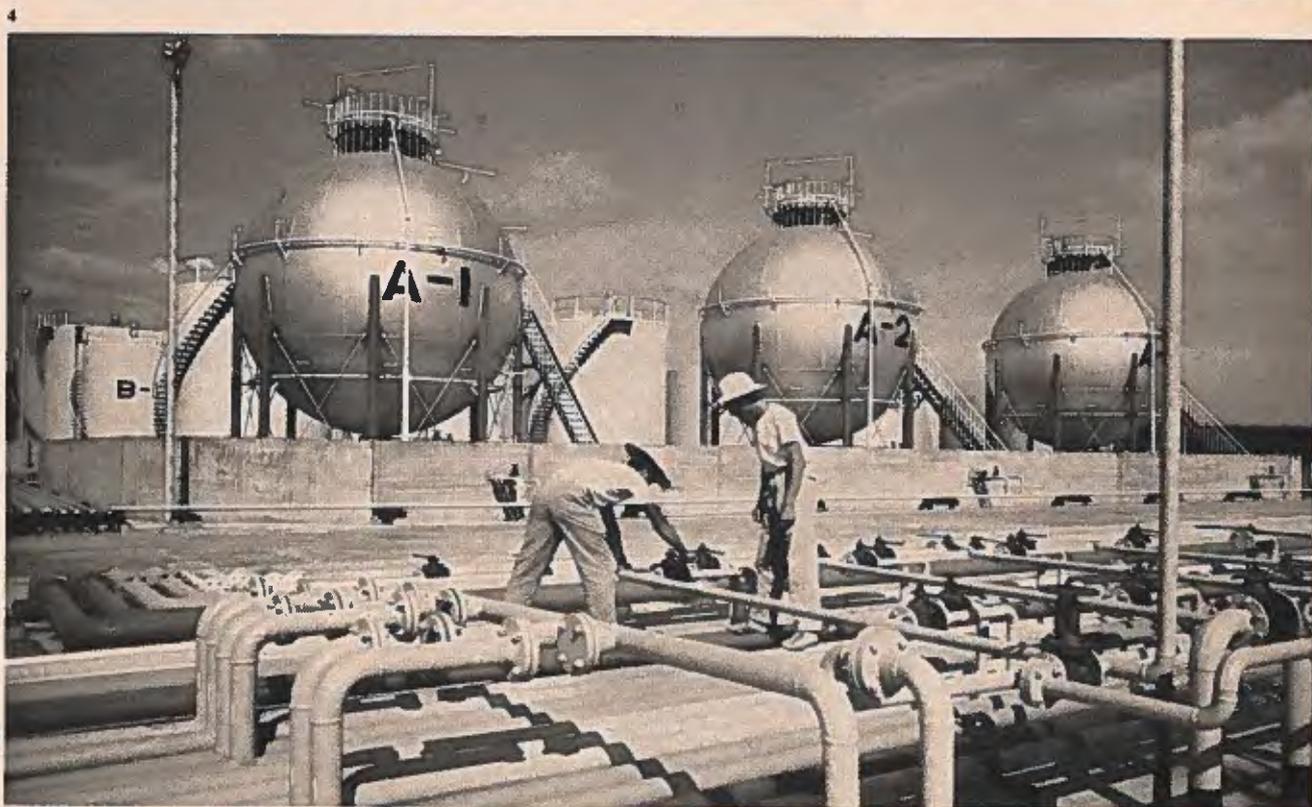
Canadian businessmen interested in Taiwan are invited to write to the Consul General and Trade Commissioner, P.O. Box 1825, Manila, Philippines, who will be glad to provide marketing information, arrange introductions, and follow up inquiries during regular visits to Taiwan.

1. Chung Hsin Electric and Machinery Mfg., in Taipei, produces refrigerators, motors and air-conditioners in co-operation with U.S. companies. Taiwan's exports in 1968, mostly to the U.S., expanded by an astonishing 25 per cent.

2. The east-west cross-island bridge in Taiwan.

3. Pineapple harvest at Taitung farms in east Taiwan. The target for minimum annual agricultural growth in 1969 is set at 4.4 per cent.

4. The China Petroleum Corporation Kachsuang Refinery in Taiwan. Planned industrial growth could mean sales for a greater variety of Canadian products.



Indonesia

Trade opportunities are improving as Government works to revive the economy and international aid flows in. Equipment for forestry, mining, oil exploration needed.

CHARLES R. DONLEY

Assistant Commercial Secretary, Singapore

The world business community and international agencies concerned with economic progress have in the past year demonstrated a growing confidence in the possibility of a viable Indonesia, under the "New Order" government of President Suharto.

This growing confidence is apparent in the capital city of Djakarta. The Hotel Indonesia, towering above the city, stood virtually empty a short time ago; now it is filled to capacity with business visitors. Various other hotel projects, curtailed only a few years ago, are now being completed.

The transformation of Djakarta under the imaginative administration of its Governor, Ali Sadikin, is an example of the realistic policies the Government is adopting in its efforts to revive the Indonesian economy. Even the most pessimistic observers admit that this effort has made considerable progress. The holes in the roads are being patched, new schools are being built, and public sanitation measures taken.

Much more important is the determination the Government shows to overcome the crippling economic problems it inherited. Under the previous government of President Sukarno, many expensive projects were undertaken that resulted in little economic benefit. Overseas debts in 1966 were estimated at U.S. \$2.4 billion. The foreign exchange earning sectors of the economy, such as the rubber plantations, had been allowed to run down and exports were falling. The rate of inflation was about 650 per cent in 1966. Under these circumstances, the world business community lost virtually all confidence in Indonesia.

The Suharto Government recognized these problems and decided that one of its first tasks was to restore monetary order. Convinced of its sincerity, the International Monetary Fund (IMF) has been working closely with the

Central Bank of Indonesia in attempting to restore monetary stability. A double exchange rate called the BE (Bonus Export) system was established to encourage exports and the import only of essential goods. Luxuries can still be imported but at a less favorable exchange rate. (For an explanation of how the BE system works and of other import methods, see "Trading with the Indonesians" in our issue of February 15, 1969.) The inflationary spiral has almost been checked and is now about 2½ per cent a month.

Inflation was only one of Indonesia's problems. The crippling foreign debt had to be rescheduled and a consortium of Western creditor nations agreed to a moratorium on debt repayments until 1971. This has given the Government a breathing space. In addition, **most of the Western creditor countries have agreed to extend new credits to facilitate the rehabilitation of the economy.** For 1969-70 these donor countries have promised President Suharto's Government financial aid amounting to about U.S. \$500 million. Much of this aid is in the form of import credits tied to purchases from the donor countries. The remainder is food aid and project aid. The United States has promised \$200 million, including \$70 million of food aid, and Japan \$120 million. West Germany, Australia and the Netherlands are the other major contributors. To date Canada's aid to Indonesia has consisted mainly of food and technical assistance.

The efforts of the IMF and the contribution of the inter-governmental consortium on Indonesia have been reinforced by the activities of international aid organizations. Indonesia's readmission to the United Nations has resulted in a modest but worthwhile program under the United Nations Development Fund. Other specialized agencies are undertaking many technical assistance projects.

The World Bank is also helping out. Just as IMF experts have been working with officials of the Central Bank, the World Bank has sent a development team to work with and advise officials of BAPPENAS, the economic planning organization. It is likely that the World Bank and the increasingly active Asian Development Bank will make commitments for long-term projects.

The whole thrust of government activity in Indonesia is primarily in the economic sector. Those international political initiatives that have been undertaken under the Foreign Minister, Adam Malik, have in general sought to improve relations in the region. Indonesia, with Thailand, the Philippines, Malaysia and Singapore, within the Association of South East Asian Nations (ASEAN), are beginning to co-operate in technical fields such as regional tourist promotion, communications, shipping, etc. The current co-operation between Indonesia and its neighbors is in happy contrast to the strained relations which dominated the last days of the Sukarno Government.

Foreign government officials, technical assistance experts and international agency personnel alone do not fill the Hotel Indonesia; the world business community is also represented. Initially, most of the foreign businessmen were mainly trying to gain a share of the aid credits advanced by their governments. Now many of them are investigating and establishing business enterprises in Indonesia.

One of the first acts of the new government was a new foreign investment law. This emphasizes those industries which will earn foreign exchange quickly, such as forestry, mining and oil. Concurrently, 15 branches of foreign banks have been established. Over U.S.\$565 million has been committed by foreign investors. One of the attractions of the new Foreign Investment Law is

1. A brewery in South Vietnam. Machinery is the second largest import after rice, followed by textiles, electrical equipment, and iron and steel.

2. Coffee beans drying in the sun on a plantation near Ijen Mountain, East Java, Indonesia.

3. The fishing harbor at Phan-Thiet.

4. Rice is a staple food in Indonesia. Here, it is being cultivated on irrigated terraces in Bali. In 1968, ten million metric tons were produced, but millions of tons still had to be imported in addition to sizeable amounts of flour.



the provision which allows duty-free import of equipment.

Some 20 forest companies are beginning or expanding operations, with a capital commitment of about \$85 million. At present most of this activity is centered on the cutting and exporting of whole logs. As these activities increase, sawmill operations will probably be set up and plywood and forest-related industries will follow.

In mining, most of the activity at the moment is in exploration. Two Canadian companies are associated with this. Provided their ore estimates are confirmed, extensive mining operations will begin. Naturally, the Indonesian Government will encourage the processing of minerals in Indonesia but will not be equipped to do so for a number of years.

About U.S. \$200 million of foreign funds have been committed in the petroleum sector. Even when Indonesia was at its lowest economic ebb, oil was being exported. With the improved economic climate, many of the old oilfields are being rehabilitated and production is increasing. There is tremendous activity in exploration of new oil concessions, many of which are offshore. The whole international oil community is well represented. Two Canadian producers are already active and **some Canadian companies which service the exploration stages of the oil business have begun to investigate opportunities.**

With aggressive salesmanship and on-the-spot promotion, **Canadian forestry equipment suppliers should be able to make significant sales.** Indonesian forest operators could also benefit from the forest exploitation techniques developed in Canada. The situation is similar in mining and petroleum. These three areas appear to offer the best immediate prospects for the sale of Canadian products. However, Canadian companies must be prepared to spend considerable time and effort. Business is not conducted as it is in Canada and there can be many frustrations.

A population increase of 2.8 million per year (total population 118 million) guarantees a growing market for at least the most basic consumer

products. The Government is also encouraging import substitution. As an example, at present Indonesia is importing a large amount of flour (mainly as food aid) as it does not have a flour milling industry. It is fairly certain that one or more flour mills will be established in the near future. Naturally, there are investment risks and many obstacles but the firms which establish themselves at an early stage stand to gain most in the long run.

Over 70 per cent of Indonesians are engaged in agriculture and agricultural production accounts for 60 per cent of the gross national income. As in many South East Asian countries, rice is the staple. In 1968, about 10 million metric tons of rice were produced, but millions of tons still had to be imported, in addition to sizable quantities of flour. The biggest single cause of inflation in the past has been this rice shortage, compounded by an imperfect distribution system. Until the food problem is solved, Indonesia's economy will be in difficulties.

The Government's long-term economic planning is naturally focused on the agricultural sector. Government efforts during the last three years have been primarily designed to achieve some measure of economic stability. **Now the Government is beginning its first Five Year Plan. The main objective is to increase rice production and it is hoped that by 1974 production will rise to 15.4 million metric tons per year.** To reach this goal the Government is planning to rehabilitate the irrigation system on 900,000 hectares and irrigate a further 480,000 hectares for the first time. The use of newly developed high-yielding rice seed and the use of fertilizer will be encouraged. The Five Year Plan aims at stepping up domestic production of fertilizer from 100,000 to 1.4 million tons per year. Indonesia hopes that, as food production increases, money that donor countries spend on food aid will be channelled to other aid projects.

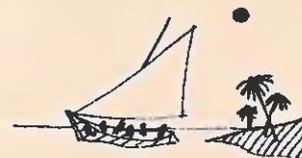
A second major area of emphasis in the Five Year Plan is communications and transportation. The present road, railway and telecommunications networks in Indonesia badly need improving. Better transportation would help the food distribution problem.

The transportation sector in Indonesia holds good potential for increased Canadian sales. Because much of the terrain is rough, with many swampy areas, Canadian aircraft and land vehicles should be able to operate effectively. Canadian light aircraft are particular favorites and, with the thousands of small islands and thousands of miles of coastline, float-equipped planes are a logical means of transportation. The entire telecommunications system needs upgrading and Canadian companies should be competitive for many of its needs.

Canada has had a modest trade with Indonesia in the past few years. Exports in 1968 reached \$2.4 million compared with \$2.7 million in 1967. Exports from Canada in the first four months of 1969 comprised foodstuffs (mainly codfish and milk powder), sulphur, newsprint, aircraft parts and electrical equipment.

The Commercial Division at the Canadian Embassy in Djakarta has been re-established and is ready to help you. Canadian Trade Commissioners in Hong Kong and Singapore can also provide introductions to firms in their territories which trade with Indonesia. Family connections, especially among the Chinese trading community, are important and both Singapore and Hong Kong are well situated to take advantage of these extensive family trading networks. Canadian firms should also keep themselves aware of projects being undertaken by international agencies, and the Trade Commissioner in Djakarta will be able to help them.

Doing business in Indonesia is not easy but many foreign companies are already successful. For Canadian firms willing to spend time and make an effort, business will result, because Canada has many of the skills and expertise that Indonesia needs.



Indo-China

M. C. J. LEMIEUX

Assistant Trade Commissioner, Hong Kong

Cambodia

All export-import trade is done through the state-controlled agency SONEXIM.

Cambodia is encouraging the establishment of new private industry and a free zone.

Official data on Cambodian trade last year was not available at the time this article was prepared. In 1967, however, the trade deficit was down to approximately Cdn.\$13 million compared with almost Cdn.\$44 million in 1966. In a year, Cambodia's exports had risen from Cdn.\$67 million to Cdn.\$83 million. Rice was the main export and was followed by rubber—one-third of the rice and over a quarter of the rubber went to the franc zone. Maize came next but only 65,000 tons were exported (most of it to the People's Republic of China and Japan) compared with 133,000 tons the previous year. Cambodia's principal customers are Hong Kong, France, Malaysia, Singapore and Japan.

Imports in 1967 fell to approximately Cdn.\$96 million from Cdn.\$111 million in 1966. France was the leading supplier, far ahead of Japan and the People's Republic of China. Indeed, France is the only country where SONEXIM (Société Nationale d'Importation et d'Exportation) has representation. **Cambodia's imports concentrated on metals, minerals, chemicals and pharmaceuticals** and France supplied Cdn.\$30 million worth of goods, slightly more than the People's Republic of China, Japan and Britain, the next three suppliers, combined.

According to the monthly bulletin of the Banque Nationale du Cambodge, the dollar area provided only 2.3 per cent of imports and took 1.5 per cent of exports, compared with the following percentages: 23.5 imports and 27.8 exports for the sterling area, 39 imports and 15.3 exports for the EEC, and 35.2 imports and 55.4 exports for all others.

The main imports for which the Cambodian Government has voted funds in 1969, expressed in millions of Canadian dollars, are: pharmaceuticals 10, petroleum products 10, iron and steel products 8, tractors 5.3, chemicals 5.2, non-metallic minerals 3.5, motor and special vehicles 3.5, fertilizers and pesticides 3.2, generators, motors and turbines 2.7, industrial machinery 2.4, electrical apparatus 1.7, pulp and paper 1.5, metal products 0.7, and textiles 0.5. In addition to the main imports for which the Government has voted funds, some Cdn.\$17.2 million worth of goods will be imported under barter arrangements, approximately Cdn.\$2.5 million in special imports not specified, and approximately Cdn.\$12 million worth under an equalization system. The list of commodities which Cambodia offers to barter is a long one and is available on request from the Trade Commissioners in Hong Kong.

All import and export trade is nationalized in Cambodia and handled by SONEXIM, a state trading company, and all tenders are issued by this government organization. Agents are still necessary to represent your interests because there is no way an overseas company can register with SONEXIM. The Trade Commissioners in Hong Kong will be glad to recommend appropriate agents. Your promotion material should include some background material on the company, samples if appropriate, and quotations f.o.b. and c. and f. Sihanoukville. Quotations should preferably be in Canadian dollars and, if it is at all possible, **all correspondence and promotion material should be in French.**

When a Canadian company receives a tender, whether from us or direct from the agent, it must fill it out and send it direct to SONEXIM, 18 Moha Vithei Preah Norodom, Phnom Penh, Cambodia, with copies of the offer to the agent.

In chemicals and pharmaceuticals, another government organization called ENAPHAR is responsible for issuing its own tenders through SONEXIM. Because most trade in these fields is usually carried on in French francs, Canadian companies in a position to accept francs in payment should mention this in correspondence with ENAPHAR. Canadian suppliers and/or manufacturers of chemicals and pharmaceuticals interested in the Cambodian market may write direct to Monsieur Sin Thim, Directeur Des Achats, ENAPHAR, 134-136 Moha Vithei Tchecoslovaquie, Phnom Penh, Cambodia. Samples and price lists are required and, because all these products first have to be authorized by the Health Department, a copy of the correspondence and samples should be sent to Monsieur le Directeur, Ministère de la Santé, Phnom Penh, Cambodia. For insecticides, pesticides and fertilizers, a copy of sales literature and samples must be sent for approval to the Agricultural Department addressed to Monsieur le Directeur, Ministère de l'Agriculture, Phnom Penh.

To make introduction of Canadian products more official, it is suggested that Canadian firms send their correspondence through our office. We will then send their sealed envelopes with a covering letter to the authorities concerned.

OROC (Office Royale des Coopératives) is a government service responsible for the distribution of rice and agricultural products under a special program instituted by the Cambodian Government. This service mainly distributes fertilizers, insecticides, pesticides and agricultural machinery. Even though all tenders are issued by SONEXIM, OROC can recommend certain products. We suggest that

copies of literature and samples sent to ENAPHAR and the Department of Agriculture should also be sent to OROC. You can introduce agricultural machinery by writing direct to OROC, sending a copy to our office so that we can recommend the best agent to promote the equipment and give the after-sale service. Write to Monsieur Lim Lay, Directeur, Office Royale des Coopératives, Phnom Penh, Cambodia.

The Government gives a number of incentives to private companies, both Cambodian and foreign, which invest in industry, particularly in the manufacture of urea, paper, cement, steel and synthetic yarn. It has also announced its intention of establishing a free zone at Sihanoukville. The Cambodian market is a little different but it is worth investigating.

Laos

Certain essential imports are obtained under foreign aid at preferential rates of exchange but the Trade Commissioners in Hong Kong receive inquiries for other products.

The Laotian economy continued in 1968 to be focused on national defence and the police, which accounted for almost two-thirds of available project funds. A matter of major concern today is the possibility of the reduction or even the disappearance of U.S. aid. If this were stopped, the relatively large trade deficit of Cdn.\$21 million could not be covered.

Exports in 1967, the last year for which figures are available, rose sharply from Cdn.\$800,000 to Cdn.\$2,100,000. Tin exports were up 50 per cent to Cdn.\$810,000, timber sales jumped from Cdn.\$92,000 to Cdn.\$692,000, and green coffee exports trebled to reach Cdn.\$380,000. Imports for 1966 (which include gold) totalled Cdn.\$24.1 million; foodstuffs represented about 40 per cent of this and included rice, which in normal times is exported. Thailand is the country's main source of imports with over 30 per cent of the total; the United States, Japan, Britain, France and West Germany are other important suppliers. Canada's exports to Laos consisted mainly of foodstuffs and beverages in 1967, according to Laotian statistics.

The U.S. commercial import program in 1967 amounted to some Cdn.\$4.8 million and was expected to be about the same in 1968. Under this program,

imports are paid for at the rate of 240 kips to the U.S. dollar instead of 500 kips to the dollar. It follows that commodities included in the program cannot be supplied by other countries. The program covers petroleum products, industrial machinery, agricultural machinery, trucks and buses. Britain and Australia also operate commodity import programs which are strictly limited to products that are directly related to economic development—for example, agricultural machinery such as irrigation pumps. All three countries' programs have been reduced since 1965 because of administrative problems resulting from re-exports to Thailand, over-pricing by merchants in Laos and, in the case of Britain, economic problems at home.

Methods of doing business in Laos are straightforward and local importers have no difficulty in obtaining foreign exchange. If you write to the Trade Commissioners in Hong Kong, they will try to find you the best possible agent in Vientiane to handle your products in Laos. One of the Trade Commissioners normally visits Laos at least once a year and, if you have a specific inquiry, he will be only too glad to investigate the market potential for your product. During his last visit, he found that **Canada's prime opportunities in the next year or so will be in**

food products, tobacco, papers of all kinds, telecommunications, and forestry equipment.

The Hong Kong office has had inquiries in the past year for transportation equipment including jeeps; heavy building equipment; telecommunications (radio teletype and VOR); agricultural equipment; forestry equipment, including chain saws and blades and log hoists; wheat flour; canned fruit, butter and other foods; powdered milk; frozen meat; tobacco, cigarette papers and filters; aluminum foil and cellulose film; newsprint, kraft and white duplex board; sanitary paper and office duplicating paper; cosmetics; polyethylene, and machinery for weaving jute and making jute bags.

The business language in Laos is French. Quotations should be given in U.S. dollars, c. and f. Bangkok, the port through which most imports come. The market is not a big one and special import programs and economic difficulties because of the war limit the potential for Canadian goods. It is worth investigating none the less. If you are interested, you should write to the Senior Canadian Government Trade Commissioner, P.O. Box 126, Hong Kong. Most of the promotion may have to be done by letter, so send brochures and samples if feasible.

South Vietnam

The Vietnamese Government is financing more and more of the imports into the country, which should allow Canadian suppliers to obtain an increasing share of the business.

Last year was the worst on record for the economy of South Vietnam. Insecurity on the roads made the delivery of goods very difficult outside Saigon. Several large rubber estates had to close down and sabotage of all kinds was a daily occurrence. Rice, one of the main exports just a few years ago, had to be imported last year to the extent of 800,000 tons even though the harvest was considered quite good.

The most recent official figures available are for 1967 and they show that imports rose sharply that year to approximately Cdn.\$646 million from approximately Cdn.\$547 million in 1966. The United States continued to be the largest supplier and was followed by Japan, Taiwan, Italy, Malaysia, France, and West Germany. The leading import was rice (representing approximately Cdn.\$125 million) followed by machinery, textiles, electrical equipment, iron and steel.

There are two main types of financing for imports into Vietnam: Vietnamese Government financing and U.S. financing. The first covered 53 per cent of all imports in 1967, compared with 34 per cent in 1966 and only 25 per cent in 1965. Even though there is a decline in Vietnamese imports financed by the United States, without U.S. procurement authorizations, direct U.S. dollars, the Food for Peace Program and U.S. public aid, the Vietnamese economy would certainly be much more depressed. U.S. economic aid funds cannot be used to finance imports from 19 countries, including the industrialized nations of Western Europe, Japan, Canada, New Zealand or Australia, and they have always mainly benefitted the U.S. and Taiwan. Commodities normally financed through the U.S. commercial import program include sugar, chemicals, textiles, petroleum products, cement, iron and steel, electrical equipment, industrial machinery, and motor vehicles.

Each year, the Vietnamese authorities issue a list of products and commodities that can be imported from Canada with

the Government of Vietnam's funds.

Most of them are products which are not imported under U.S. aid although sometimes some food products (such as wheat flour or sweetened condensed milk) are imported under U.S. Public Law 480.

The Government issues two types of tenders for procurement contracts. One is governed by Aid Regulation No. 1 and is restricted to U.S. firms and companies from countries specified by the U.S. Government; the other is open to any company in the world. The Trade Commissioners in Hong Kong usually receive the latter but in many instances there is not enough time before the closing date for Canadian firms to submit offers. Despite this, tenders are still sent through the Department of Industry, Trade and Commerce in Ottawa to the Canadian firms likely to be interested so that they can get in touch with Hong Kong if they wish to bid on future tenders. The Trade Commissioners will then advise them on the procedure for registering with the Vietnamese Govern-

ment as potential suppliers and how to obtain representation in Saigon. This should ensure they get sufficient notice of future tenders to permit them to submit an offer in time. Past tenders have frequently specified the equipment or product of a particular firm. This may mean that the firm has supplied satisfactorily under previous tenders or has actively solicited the authorities, with full specifications and literature illustrating its products.

If you are interested in this market, you should write to the Senior Canadian Government Trade Commissioner, P.O. Box 126, Hong Kong. If you want to correspond direct with the Vietnamese authorities, write to Central Procurement and Supply Authority, 140, Hong-Thap-Tu, Saigon, Vietnam, and send a copy of your letter to the Trade Commissioners in Hong Kong. They will try to get a good local firm to take care of your interests in Vietnam because only official agents are entitled to import or export (in order to qualify, they have to deposit with the Govern-

CANADA'S MAIN EXPORTS TO SOUTH VIETNAM

	1968 Cdn.\$	1968 Cdn.\$	
Milk powder, skim milk	36,996	Telephone apparatus equipment and parts	10,961
Eggs, whole, yolk or albumen, prepared	10,500	X-ray and related equipment and parts	115,875
Apples and crabapples, fresh	31,762	Medical and related instruments equipment and parts n.e.s.	180,568
Sugar, n.e.s.	164,393	Furniture and fixtures n.e.s.	25,100
Whisky	208,530	Files and rasps	67,345
Wood pulp bleached sulphate paper grades	32,160	Biological products for humans	40,348
Wood pulp, sulphite, unbleached strong	21,750	Antibiotics n.e.s.	33,844
Newsprint paper	646,418	Medicinal and pharmaceutical products n.e.s.	164,426
Copper wire and cable, except insulated	63,311	Bandages, dressings, surgical gauze	127,625
Generators and parts	83,327	Photographic equipment and supplies n.e.s.	15,841
Construction maintenance machinery and parts	40,553		
Trucks and chassis, commercial n.e.s.	25,843	Total, all products	2,167,927

Source: DBS

ment a million Vietnamese piastres). Samples and an f.o.b. and c. & f. price list are essential so that the agent can tell the Canadian firm if its product is competitive. Because there is no direct shipping line to Saigon and quantities are usually not known at this stage, a c. & f. price list is hard to establish but you should include at least an indication of the freight cost. If you need information on the protection of patents and trademarks in South Vietnam, you can obtain it from the Asia and Middle East Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

There are three taxes which may be applied to imported goods: customs duty which varies from 5 to 200 per cent; an austerity tax ranging from 5 to 210 per cent which may be charged on the c.i.f. value of non-essential imports or those which compete with domestic products, and an equalization tax which varies according to the

goods and ranges from 5 to 140 Vietnamese piastres per U.S. dollar. Some examples are flour 35 per cent duty, 30 per cent austerity tax and 50 piastres to the U.S. dollar equalization tax; powdered milk no duty or austerity tax and 20 piastres to the U.S. dollar equalization tax; auto spares 15 per cent duty, 15 per cent austerity tax and 30 piastres to the U.S. dollar equalization tax, and paper containing less than 60 per cent mechanical pulp 20 per cent duty, 10 per cent austerity tax and 30 piastres to the U.S. dollar equalization tax. A complete list is available from the Trade Commissioners in Hong Kong.

Licences for imports are issued by the Directorate General of Commerce and countersigned by the Directorate General of Exchange of the National Bank of Vietnam. A licence is valid for four months from the date of issue and an extension may be granted on application. An import licence entitles

the importer to purchase the necessary exchange from authorized banks. A letter of credit must be opened within 15 days of the licence being issued and the goods must be shipped before the import licence expires. All imports are made by letter of credit providing for payment on presentation of documents. Advance payments are only permitted for small amounts.

A Trade Commissioner from Hong Kong usually makes a business trip to Vietnam in November. If you would like him to make a special survey or to find an agent for your company's product, you should write to Hong Kong as soon as you possibly can.

The value of Canadian products and equipment sold to South Vietnam grows each year and with the increasing financing of imports by the Vietnamese Government it could grow even faster. A list of our exports in 1968 is given on the previous page.

How to Advertise in Yugoslavia

Have you a product to introduce and promote in Yugoslavia? Why not use the same type of promotion as you do in North America, merely translating it into the local languages.

Unlike other Eastern European states, where in most instances all imports are channelled through a small number of state-run foreign trade enterprises, Yugoslavia has almost 400 business enterprises vying with each other for the lucrative and expanding market. The growing use of advertising is an important factor in their methods of influencing consumer preferences. To serve this need, as in North America, there are many advertising agencies. Four of the largest are JUGOSLAVIJAPUBLIC, Knez Mihajlova 10, Belgrade; OZEHA, Trg. Republike 5, Zagreb; INTERPUBLIC, Vodovodna 7, Zagreb, and VJESNIK, Trg. Brtstva 6, Zagreb.

However, local regulations do not make the use of an agency mandatory for the advertiser but rather permit direct negotiation with the media. Canadian firms wishing to place ads can do this in three ways: first, directly through their domestic agency (some of the largest and best known North American firms have working agreements with their Yugoslav counterparts); second, by contacting a

Yugoslav ad agency, and third, by negotiating with the media.

Recently I had an opportunity to meet with the advertising director of the largest publishing network in the country, VJESNIK, Josip Sudar. Mr. Sudar, who is also Professor of Advertising in the Faculty of Economics at Zagreb University, described to me their technique for introducing a new brand of Yugoslav brandy. The procedure was familiar: selection of a name and package, promotion gimmicks, etc., and Mr. Sudar, who is also the author of a number of books on the subject, described these techniques in Vance Packard-Ogilvy terms.

The choice of media is large. Newspapers and magazines are one of the most appealing, with 33 dailies in the country with a combined circulation of 1.6 million and more than 900 periodicals with a total annual circulation of over 500 million. Magazines are slanted to specific reader interest and a Yugoslav version of a popular North American men's magazine has even emerged in the kiosks, with a three-section fold-out beauty!

Radio and TV offer ready access to consumers and at present there are more than three million radios and one million TV sets in service here. Radio advertising

is spotted as in Canada, but TV commercials are concentrated in 10-minute spots in prime time. The country currently has one national TV network (with a second in the planning stage) and 50 radio stations. Typical commercial maximum rates for prime time are as follows: radio spots—up to 30 words U.S.\$24.00, up to 30 seconds \$40.00, and up to 60 seconds \$72.00. TV spots are: 20 seconds U.S.\$200.00, 30 seconds \$240.00, 45 seconds \$320.00, and 60 seconds \$400.00.

Other successful methods of promotion are movie theatre advertising (there are almost 2,000 theaters), bus displays, signboards, neon signs, and so on.

A recent promotion to introduce a new brand of beer even used the old gimmick of dropping leaflets from an aircraft, with lucky leaflets bringing a reward in kind!

If you are considering doing some advertising in Yugoslavia and would like to have a list of important publications there, with size, circulation, advertising rates, and technical requirements for advertisements, write to the Editor, "Foreign Trade", Department of Industry, Trade and Commerce, Ottawa.

ZEN BURIANYK
Commercial Secretary, Belgrade

Trade Lines

South African farmers are interested in beef cattle that develop rapidly and in dual-purpose breeds. Simmenthalers, Pinzgauers, Brown Swiss and South Devons are all attracting considerable attention. The Department of Agricultural Technical Services notes that the random crossing of breeds is still very common and that in the absence of performance records, the selection of beef cattle and breeding stock depends too much on age and general appearance. The livestock breeding societies are expected to promote higher standards and to help farmers improve the production of their animals—Johannesburg.

South African agriculture has almost trebled its output since 1939. The number of tractors has risen to 178,000 (two per farm on average) and the value of implements now equals \$855 million. The use of fertilizer has increased to 2.5 million tons a year but is still less than half the Department of Agricultural Technical Services' recommendation. Soil conservation is receiving special attention and over \$60 million has already been spent on dams, fences, watering-places for livestock and measures to prevent erosion—Johannesburg.

West Germany plans to rationalize its flour mills. The target is 100 tons a day for medium-sized mills and the plan is to achieve this by giving tax concessions to small mills that go into liquidation and easy credits to mills which want to modernize and expand. At present there are 4,400 small mills with a daily capacity of under five tons and 1,000 medium-sized ones with a total capacity of 14,000 tons but now working at about half rate. DM1.5 million has been budgetted for assistance to the industry—Bonn.

A container consortium made up of a Belgian, a British and a Canadian company is concentrating on container traffic from Canada and the U.S. to Britain and the Continent. The consortium, Dart Containerline Company Limited, has scheduled sailings from Halifax every ten days, bound for Southampton and Antwerp. Additional container ships have been chartered for this service—Brussels.

A Hungarian firm with twenty years' experience in domestic advertising has advised our Commercial Counsellor in Vienna that it has set up an export services department and will undertake advertising and publi-

city programs for interested Western firms. The Vienna office can supply further information—Vienna.

The market for stadium seats and auditorium chairs is growing rapidly in the United States. Every sizable city wants to have its own cultural center. New sports arenas are being furnished with comfortable chairs (often fully upholstered) instead of the hard wooden bleachers of old. When the new ballparks at Cincinnati and Pittsburgh open next year they will each have between 40,000 and 60,000 wood or plastic seats worth over \$1 million. College fieldhouses are being built at an amazing rate and for these upholstered chairs are preferred. The seating industry does not have set standards which leaves the way open for manufacturers with a better or a unique product—Detroit.

A Philadelphia hospital is experimenting with a highly automated and efficient electronic system. The three-year project is expected to provide the Lankenau Hospital and Honeywell Inc.'s Test Instruments Division with the ultimate in automation and computerization. It is hoped that it will lead to the development of prototype electronic equipment for use in hospitals throughout the U.S.—Philadelphia.

Texas pulp mills now account for over 8 per cent of pulp capacity in the U.S. This reflects the industry's shift towards the South and the West. From 1960 to 1967 per capita consumption reached 374 pounds, a 28 per cent increase in the seven-year period. Texas is looking for new sources of pulp and one central county has planted a substantial acreage of cottonwood trees, previously of little value—Dallas.

Demand for aluminum in West Germany showed a record increase of 29.4 per cent in 1968, according to the major German producer Vereinigte Aluminium-Werke A. G. Aluminum consumption amounted to 748,600 tons but production was only 257,400 tons, 1.8 per cent more than in 1967. A substantial rise in consumption is expected in 1969 but the increase in output will remain small—Duesseldorf.

Three foreign firms—one British, one German, and one Swiss—have filed applications with the Greek Government for approval to set up branch plants to produce electric meters. Each of the proposed plants calls for

an investment estimated at between \$1.5 million and \$2.5 million, with annual production ranging between 150,000 and 250,000 units. The Greek Public Power Corporation, the exclusive government agency responsible for the production, transmission and distribution of electricity, is the sole buyer of electric meters—Athens.

French automobile production increased in the first four months of 1969 compared with the same period in 1968. For the first time Peugeot moved into second place over Citroen, manufacturing 155,121 vehicles compared with 141,864 in the same period of 1968. Renault, France's leading producer, manufactured 319,509 vehicles, up from 285,368 in the same period of 1968. Citroen manufactured 151,115 vehicles (1969) and 148,595 (1968) and Simca, in fourth place, manufactured 139,642 (1969) and 138,811 (1968)—Paris.

The New Providence Island Development in the Bahamas is expected to result in a town with 25,000 living units by the year 2000. E. P. Taylor's 5,000-acre development is using some Canadian industrial equipment, farm machinery and Holstein cattle. Canadian town planners and other professionals are engaged on the project. Paint manufacturers, furniture assembly plants, a fiberglass boat plant, fishing and canning

operations, a flour mill, feed and pet food plants, and other basic industries are expected to be set up in the area—Kingston.

Italy's timber production, at 6 million cubic meters a year, fills only 30 per cent of its requirements. Logs, planks, semi-finished wood, plywood and pulpwood amounting to 15 million cubic meters are imported every year at a cost of approximately 300 billion lire. More than half the wood material for the furniture, framing and construction industries is imported as planks—Rome.

Ciments Lafarge has acquired a 16 per cent interest in Canada Cement Company Limited from Denison Mines Limited. Lafarge Canada Limited, a subsidiary of the leading French cement manufacturing company, was recently created as a result of the merger of two subsidiaries, Lafarge Cement of North America, Vancouver, and Ciments Lafarge Québec Ltée, Montreal—Paris.

Venezuela has purchased 23 corn-drying plants from U.S. manufacturers at a cost of U.S.\$1.2 million for installation in five provinces. These plants are meant to relieve the country's deficit of corn, estimated at 60,000 metric tons—Caracas.

Trade and Tariff Regulations

The Central Bank of Chile abolished prior deposits on imports for a wide variety of goods in the list of permitted imports, including:

Cheeses
Ethyl alcohol
Elastic fabric of synthetic fibers
Asbestos cement piping
Ferromanganese
Silicomanganese
Rollers for painting
Cheque writing machines
Textile machinery
Lawn mowers and spare parts thereof
Washing machines
Transistors
Linoleum for floors
Offset type printing duplicating machines

Motor launches
Slide projectors and accessories therefor
Projector screens
Fishing lines and other articles for sports

Further details of specific commodities are available from the Latin American Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

South Africa has reduced the customs duty on fork lift trucks from 17 per cent (General) and 10 per cent (Preferential) to 7 per cent (General) and free (Preferential), with retroactive effect from May 2, 1969.

Specific provision for butyl acetates has been made in the South African Customs tariff, effective August 15, 1969, and the customs duty thereon has been increased from 10 per cent to 20 per cent.

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, Calgary, 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

Australia

Leon B. Stryker, Commercial Officer in Melbourne:

Toronto and Ontario: October 1-8
Winnipeg: October 9-13
Regina: October 14
Edmonton: October 15-16
Calgary: October 17
Vancouver: October 20-24

Italy

W. H. Skouse, Commercial Officer in Milan:

Vancouver: Sept. 30-Oct. 1
Edmonton: October 2-3
Calgary: October 5-7
Winnipeg: October 8
Toronto: October 9-15
Montreal: October 16-18

Peru

Dr. L. G. Poma, Commercial Officer in Lima:

Vancouver: October 2-3

Trinidad

K. G. Ramsay, Commercial Counsellor in Port-of-Spain:

Maritimes: September 30-October 3

United Arab Republic

M. Karkegi, Commercial Officer in Cairo:

Toronto and Ontario: September 29-October 7
Winnipeg: October 9-10
Vancouver: October 14-17

Temporary Duty in Ottawa

Trade Commissioners on temporary duty in Ottawa may be contacted through the Trade Commissioner Service, phone 995-8022 (area code 613).

D. S. Armstrong
Commercial Counsellor
Stockholm, Sweden
September 29-October 3

D. H. Clemons
Consul
Hamburg, Germany
October 20-21

C. R. Gallow
Senior Trade Commissioner
Hong Kong
September 28-October 11

In Territory

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

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.

Afghanistan

J. E. G. Gibson, Commercial Secretary in Islamabad, Pakistan, will visit Kabul October 12-17.

Barbados

J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit Barbados October 15-17.

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.

Guyana

K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Guyana October 20-25.

Pakistan

H. W. Guy, Assistant Commercial Secretary in Islamabad, will visit Karachi September 29-October 4 and Lahore October 28-31.

Surinam, French Guiana

K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Surinam and French Guiana October 20-25.

If You Wrote to Vienna in August . . .

. . . and have not received a reply yet, would you send a copy of your letter to the Canadian trade office there. Some of its mail was lost because of a fire that has also forced the Commercial Counsellor to move temporarily to offices at Maria Hilferstrasse 20, Vienna 7. Telephone numbers at this address are 93-65-96, 93-71-26, 93-35-58. The mail address for the trade office is the same: P.O. Box 190, 1013 Vienna; telex and cable addresses are unchanged.

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 September 12	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at September 12	Canadian dollar in foreign currency units
Algeria Dinar	.1946	5.13	Denmark Krone	.1434	6.98
Argentina Peso (free)	.0030	333.33	Dominican Republic Peso	1.078	.93
Australia Dollar	1.200	.8340	Ecuador Sucre (official) (free)	.0599 .0536	16.72 18.65
Austria Schilling	.0417	24.03	El Salvador Colon	.4313	2.31
Bahamas Dollar	1.058	.94	Fiji Pound	1.232	.81
Belgium and Luxembourg Franc	.0214	46.72	Finland Markka	.2567	3.89
Bermuda Pound	2.572	.39	France, Monaco, etc. ² Franc	.1944	5.14
Bolivia Peso	.0906	11.06	Franco-African Republics ³ Franc	.0039	256.4
Brazil Cruzeiro (official free)	.2606	3.83	French Pacific ⁴ Franc	.0107	93.44
Britain Pound	2.572	.39	Germany D Mark	.2715	3.72
British Honduras Dollar	.5391	1.85	Ghana New Cedi	1.056	.94
Burma Kyat	.2264	4.42	Greece Drachma	.0359	27.93
Ceylon Rupee	.1811	5.52	Guatemala Quetzal	1.078	.92
Chile Escudo (bank rate) (free)	.1120 .1044	8.92 9.54	Guyana Dollar	.5395	1.85
China, Republic of New Taiwan Dollar (official)	.027	37.04	Haiti Gourde	.2156	4.63
Colombia Peso (fixed)	.062	15.87	Honduras Lempira	.5391	1.85
Congo (Kinshasa) Zaire	2.154	.4651	Hong Kong Dollar	.1779	5.62
Costa Rica Colon	.1627	6.14	Hungary Forint (official)	.0921	10.85
Cuba ¹ Peso	.....	.....	Iceland Krona (official)	.0122	81.96
Czechoslovakia Koruna	.1497	6.68	India Rupee	.1421	7.03
			Indonesia ⁵ Rupiah	.....	.....

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at September 12	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at September 12	Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	Peru Sol (free)	.0248	40.65
Iraq Dinar	3.021	.33	Philippines Peso (free)	.2756	3.63
Ireland Pound	2.572	.38	Poland Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.3083	3.25	Portugal & Colonies⁶ Escudo	.0375	26.66
Italy Lira	.0017	588.23	Saudi Arabia Riyal	.2066	4.84
Jamaica Dollar	1.286	.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	1.502	.66
Lebanon Pound (free)	.3345	2.99	Spain & Dependancies Peseta	.0155	64.93
Malaysia Dollar	.3525	2.85	Sweden Krona	.2083	4.80
Mexico Peso	.0863	11.60	Switzerland Franc	.2507	4.01
Morocco Dirham	.2164	4.69	Syria Pound (free)	.2819	3.55
Netherlands Florin	.2980	3.35	Thailand Baht (free)	.0523	19.15
Netherlands Antilles Florin	.5722	1.75	Trinidad & Tobago⁷ Dollar	.5392	1.85
New Zealand Dollar	1.204	.82	Tunisia Dinar	2.055	.48
Nicaragua Cordoba	.1542	6.50	Turkey Lira	.1199	8.35
Nigeria Pound	3.017	.33	United Arab Republic Pound (official)	2.482	.40
Norway Krone	.1508	6.63	United States Dollar	1.078	.92
Pakistan Rupee	.2266	4.42	Uruguay Peso (free)	.0043	232.56
Panama Balboa	1.079	.92	Venezuela Bolivar (official free)	.2405	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.

Businessman's Bookshelf

Great Britain and Europe of the Six: the Failure of Negotiations

Of the many significant events of the 1960's, few have been more important or more interesting than the attempts by Britain to join the European Economic Community. Twice, in 1961-63 and in 1967, the British Government applied for membership in the EEC and twice France prevented British entry. The events surrounding the two British applications and their rejection were fully reported as they occurred but only a review of the relationship between Britain and the Community can put them in their proper perspective. It is sometimes necessary to go back even farther to the days when the EEC was being formed.

Great Britain and Europe of the Six begins with Britain's hostility to a supranational Europe in the 1950's, traces the change in Britain's attitude which culminated in the applications for membership in the Community, and reviews the various alternatives to British entry which emerged after the failure of the second application in December 1967. Professor Torrelli outlines the reasons behind the French rejection of the British proposals and points to Britain's ambivalent attitude towards full commitment to Europe, especially at the time of the first application.

One of the most interesting sections of the book is the analysis of the effects which British accession might have on the future development of the EEC. Although enlargement of the Community may increase its economic and thus its political power, admitting countries with different economic conditions and political objectives might also compromise unity. As Professor Torrelli states: "The problem is paradoxical. Only enlargement will permit the Community to compete effectively with the other blocs; but this very enlargement may promote centrifugal forces and make it impossible to create the European political power which is necessary to achieve and utilize the enlarged Community unity."

The last part of the book deals with possible solutions to the present situation. Although the effects of President de Gaulle's resignation on the course of events is not discussed (the book went to press before it happened), Professor Torrelli appears to consider the problems too fundamental for the General's departure to

cause any major change in attitudes. After rejecting such alternatives as the British abandoning their application or an Atlantic Free Trade Area being formed, Professor Torrelli concludes that the only solution consistent with both British and European interests is some form of arrangement between them. He therefore suggests that "association with a view to adhesion . . . could be the non-glorious but realistic solution".

The book is bilingual and although the translation into English is very good it is sometimes useful to have the French text to refer to.

By Maurice Torrelli; published in 1969 by Centre des Études et de Documentation Européenne, École des Hautes Études Commerciales, 535 avenue Viger, Montreal 132; 148 pages, \$3.00.

Middle East Economic Digest

MEED is a weekly report on political and economic events in the Middle East and North Africa. A list of tenders is one of the regular features of special interest to Canadian businessmen. One month's issues can be obtained free by writing to the publishers.

Published by Middle East Economic Digest, 84-86 Chancery Lane, London W.C.2, England.

Buvoha Trade Letter

This is an annual English-language publication of magazine size listing Netherlands firms seeking new connections in the import or export fields. It therefore provides names of possible agents for Canadian products and firms who might be interested in manufacturing under licence for the European market. The Commercial Intelligence Office (Buvoha) was founded in 1903 by the Netherlands Society for Industry and Trade. It also publishes *Buvoha Mededlingen*, a fortnightly list of trade inquiries and offers distributed free to Dutch companies. Foreign firms wishing to use Buvoha services must supply a bank reference and two trade references.

Published by Commercial Intelligence Office, Department "Buvoha Trade Letter", 16 Oudebrugsteeg, Amsterdam C., Holland.



Working to improve Guatemalan highways more quickly is this Canadian-made road grader sold recently to the Roads Administration there. Made by the Dominion Road Machinery Co. Ltd. of Goderich, Ontario, this sale to the Government came after more than two years of consistent effort. A number of people involved in this transaction were on hand when the grader arrived. They are (left to right) Carlos Oivre and Karl Schlaffke, of the local company that

represents Dominion Road Machinery and (second from right) Richard Schiele, its general manager; O. Ramirez of the Roads Administration (third from left), S. G. Tregaskes, Canada's Commercial Counsellor in Guatemala City, and Alex Almasi, (right), a sales representative from Dominion Road in Goderich. A similar machine was sold to a private company in Guatemala about a year ago.

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The Queen's Printer, Ottawa, Canada

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