foreign trade

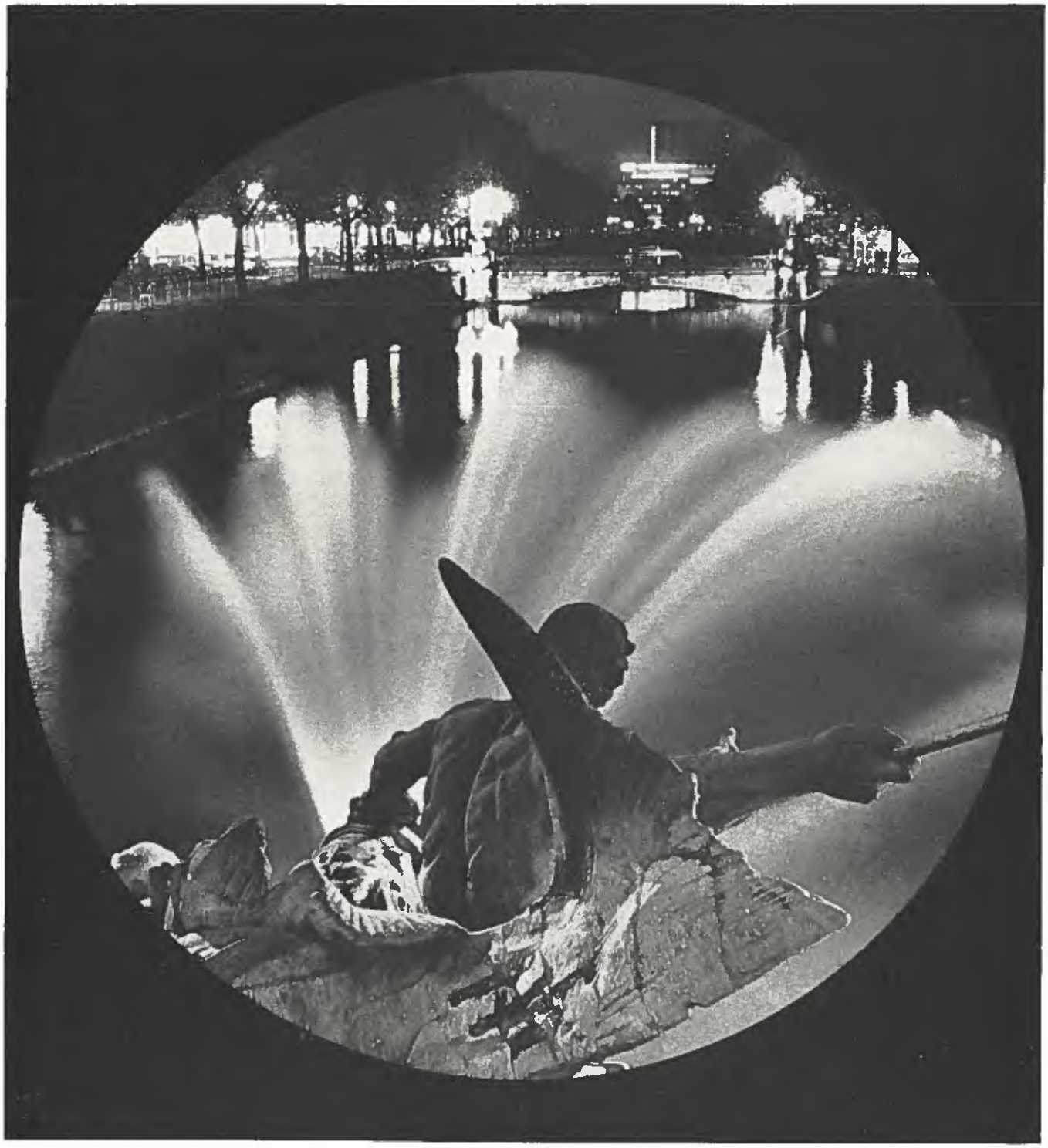
Germany: the Boom Continues

How to Sell in Germany

What to Sell in Germany

Department of Industry, Trade and Commerce, Canada

February 28/70



In This Issue

Last spring one of our colleagues in the Department made a trip to West Germany. He returned with a vivid impression of booming industry, affluent customers looking for new and different products to buy, stores bulging with goods and with enticing window displays, and sidewalk cafés filled with people with the relaxed air of prosperity. Canadians, he felt, were not fully aware of the widespread opportunities for doing business in Germany and he suggested that we promote that awareness. The result: this special issue on the market in Germany.

The cover, we believe, strikes the right note—that of a modern country in step with the times. It is a view taken in the evening along the Koenigstrasse, in the heart of the business district of Duesseldorf, which is itself the commercial heart of the steel-producing Ruhr Valley. The outlook for the German steel industry and for a number of other metals industries, including aluminum, is discussed at length in the article on page 8—an important one, because minerals and metals lead Canadian sales to Germany at the present.

The back cover has a double significance. First, it emphasizes the importance of the German machinery industry. Second, it was taken in the outdoor exhibit area of the Hannover Fair, which brings buyers and visitors in their thousands to that city each spring. Participation in trade fairs is one of the proven marketing tools in Germany, as many Canadian companies know. Page 23 carries an article on the trade fair as a "dynamic and growing trade medium", as the author, our Commercial Counsellor in Bonn, puts it. He attaches to his article a detailed list of the German fairs, broken down by commodity groupings.

The various commodity articles were realistically planned to cover what, in our Trade Commissioners' judgment, are the most promising opportunities, in the agricultural, fisheries and industrial fields. And there's a shorter piece on a very special sales opportunity—that provided through CLFEX, which sells to members of the Canadian armed forces and their families stationed in Germany.

Our March 14 number will carry articles that range geographically across the world. One will describe the Cedar Room in the Canadian Consulate General in New York and how exhibits there have aided several firms to break into the complex U.S. market. And following our earlier feature on the market in Los Angeles, we have a report from San Francisco on the California electronics industry.

foreign trade

Established in 1904. Published fortnightly by the Department of Industry, Trade and Commerce.

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", Tower B, Place de Ville, 112 Kent Street, Ottawa, Canada.

O. Mary Hill, Editor

Vol. 133 No. 5 **February 28/70**

The German Market

Articles

Departments

Subscription

$5.00 a year in Canada, $7.00 abroad. Single copies 25 cents each. Please forward all orders, with cheque or money order made out to the Receiver General of Canada, to the Queen's Printer, Ottawa, Canada.

Germany: the boom continues

Demand for industrial raw materials, specialty manufactures, even consumer luxuries has pushed our sales to $277 million in the calendar year 1969. Exchanges of technology, joint ventures should offer further potential.

R. R. PARLOUR
Commercial Counsellor, Bonn

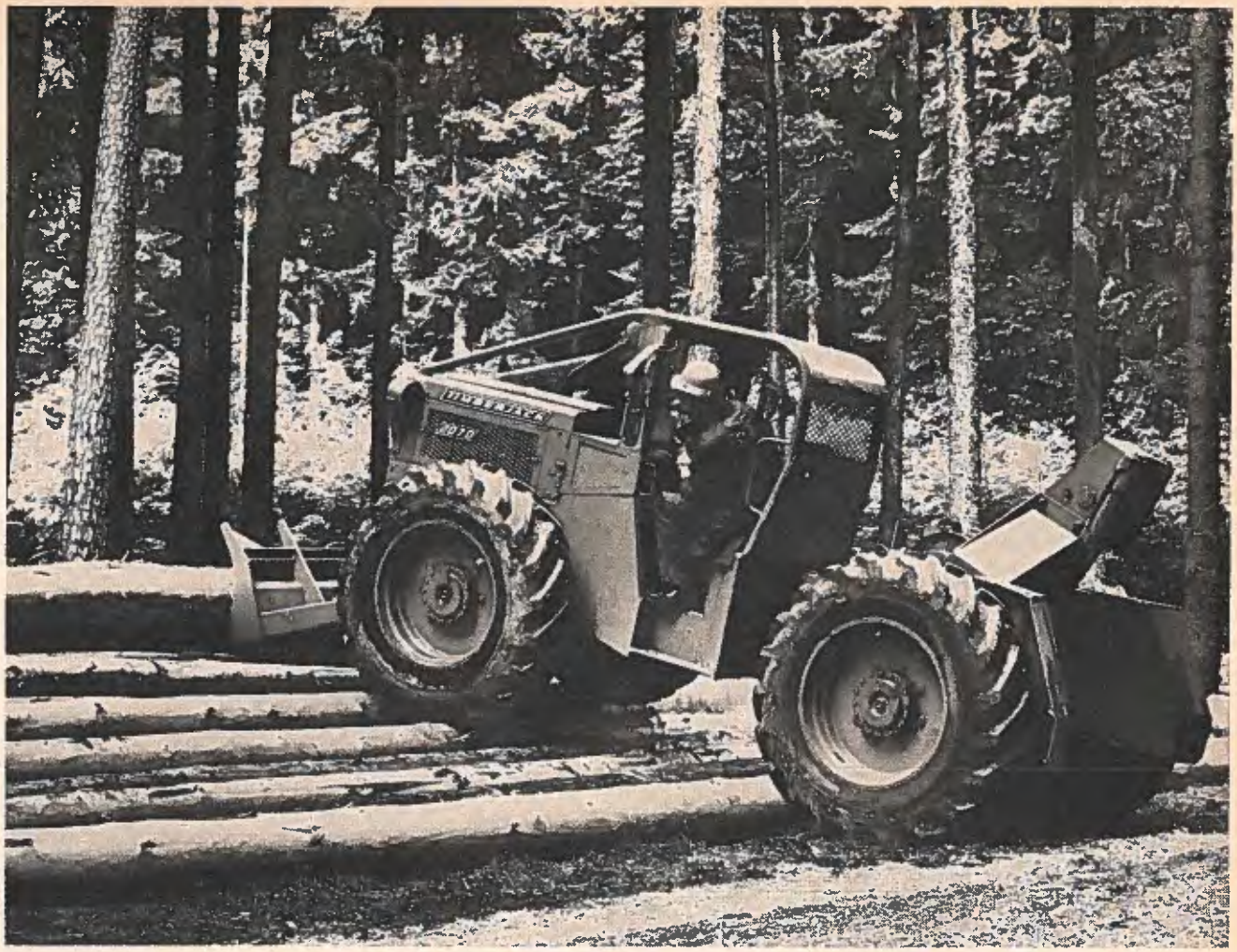
The closing months of 1969 brought some basic changes in Germany's economic situation. The boom continued unabated, but a round of strikes and wage increases towards the end of the summer seemed to foreshadow the end of a long period of remarkable price stability. A new government came into power in October, took a fresh look at the country's fiscal and economic policies, and approved an upward revaluation of the Deutsche Mark to a rate of 3.66 to the United States dollar. This was expected to temper the boom and had the effect of making German exports 9.3 per cent dearer and imports 8.5 per cent cheaper. At the same time, the special 4 per cent tax relief on imports and 4 per cent tax surcharge on exports, which had been in operation for a year, were rescinded. One thing that remains unchanged is the large favorable balance of trade—**both imports and exports are up from a year ago and the large export surplus continues.**

In December the Government's economic advisers predicted that during the coming year the high levels of production and employment would continue. They noted that two-thirds of German exports go to Western European countries where the demand for German goods is expected to hold up during 1970. Following recent price developments, the revaluation of the Deutsche Mark and adjustments in the border taxes, they estimated that on balance the average price of German exports has risen about 3.5 per cent. It is expected that in future export prices will move up at about the same rate as those of Germany's foreign competitors. An export increase of 8 per cent is foreseen for 1970. Imports, on the other hand, are expected to increase by about 13 per cent during the year, as higher domestic prices in Germany make foreign goods more competitive. On balance, therefore, the country's export surplus may be reduced somewhat.

Given this outlook, the Government hopes to steer a course between the alternative dangers of excessive price and wage increases which may be a threat during the first half of 1970 and a recession which could threaten in the second half.

The Government's aim of "stabilization without stagnation" will be pursued through a financial policy that promotes a gradual diversion of the output of industry from foreign markets to the home market. It also plans more consultation and co-operation between industry, labor and agriculture, better co-ordination of the economic policies of federal, state and local governments, and closer co-operation with Germany's five Common Market partners and with the international monetary system. Two proposals now under government study may be of special interest to Canadian business. One is to increase federal spending on science and technology in such areas as information data processing and development of computer languages, and to devote more attention to research priorities. The second is to develop more assured sources of supply of imported raw materials for German industry through special incentives to German firms to invest in raw material production abroad.

Germany's purchases from Canada during the first nine months of 1969 totalled about Cdn.$257 million, up 20 per cent from the same period of 1968 (official German statistics), and may reach over $300 million for the full year. As in the pre-



In buying manufactured goods abroad, the Germans look for advanced design and for special technical capability. A good example is this Canadian machine seen hard at work piling logs in a German forest. It was made in a Woodstock, Ontario, plant.

vious year, the major commodities were resource-based exports, led by minerals—copper scrap, aluminum ingot, iron ore, copper, radioactive ore, crude non-metallic minerals, asbestos, brass, molybdenum ore, nickel, lead and zinc; forest products—wood pulp, lumber, plywood, newsprint, veneer and liner board; and agricultural products—wheat and durum, flaxseed, furs and cattle hides.

But Canadian exports of more highly manufactured goods continued to increase and broaden in range. For the first six months of 1969, sales of fur garments were up 50 per cent to a level of over $2 million. Synthetic rubber rose to $1.8 million and exports of navigation instruments totalled $1.4 million. Exports passing the half-million-dollar mark included biological products, carpets, sound amplifiers, aircraft parts and computer punch cards. Other significant exports of manufactured goods included measuring and testing equipment, electric lamps and tubes, rayon fabrics, chain saw parts, photographic equipment, vending machines, aircraft engines and parts, auto parts, machine tools, iron castings, and alcohol.

What does the future hold for Canadian-German trade? Canadian resource-based raw materials and semi-manufactured goods, especially minerals and forest products, should find ever-growing markets in Germany. Also, German capital can be expected to play an increasing role in the development of Canadian resource industries in order to build up assured sources of supply for uranium, oil and gas, iron and other ores, pulp and paper. Our agricultural exports must expect continuing difficulties arising out of the Common Market's agricultural policies and the surpluses of agricultural products in Europe. But even in this field, selected agricultural products such as cattle hides, flaxseed, and food specialties may expect a growing market.

In manufactured goods, the German market is growing steadily in tune with population and incomes. Demand for consumer goods is particularly strong, although in the past Canadian exporters have not made much headway in this area except for special items, such as fur garments and textile specialties. German interest in handicrafts, porcelain, ceramics, costume jewellery and cosmetic items is strong, and new ideas are welcomed in furniture and floor coverings, boats, trailers, camping equipment and sporting goods.

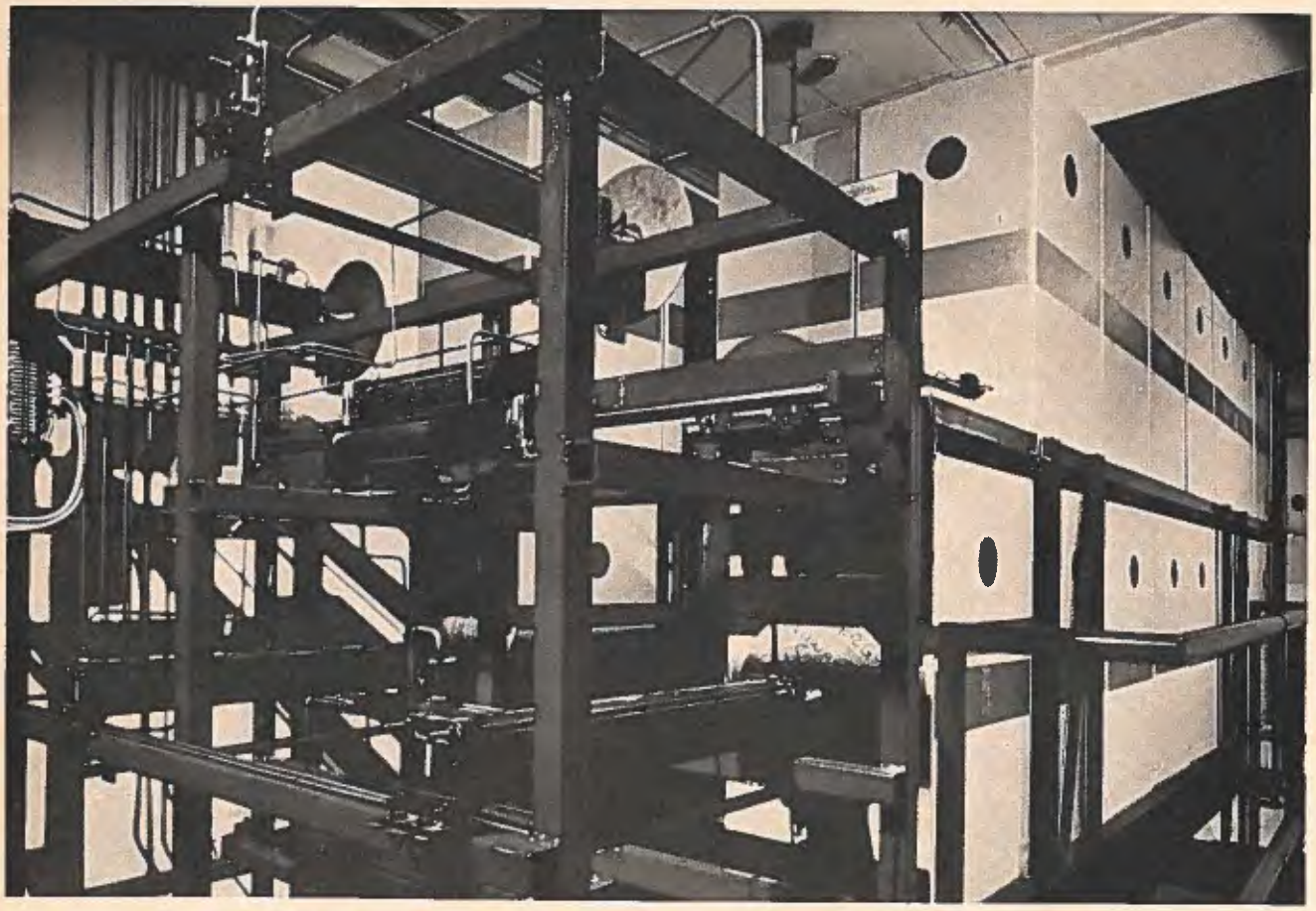
Sales potential in capital goods is even greater and more diverse. Air freight handling equipment will be required to meet the estimated annual air freight growth of 30 per cent. Telemetry equipment is needed for the ærospace industry and

for biophysical, industrial, scientific and military applications. Geophysical, oceanographic and meteorological equipment is required by various government-owned institutions. There is a market for small process computers for industry, power plants, pipelines and climate control, industrial and commercial refrigeration equipment and components, gas and oil burner controls, miniature electric motors and outboard motors. Electronic components and picture tubes may be imported to meet a surging demand for color television sets. Hotel and catering equipment will be in strong demand to furnish the chains of new hotels and motels being planned for Germany by several consortia of airlines, oil companies and international hotel management firms.

The key to success in exporting manufactured goods to Germany is "specialty". For many standard manufactured goods, the Canadian product is about equivalent in quality to the German one and the delivered price is higher, so that German agents or distributors are just not interested. But products which are unique or of advanced design and technology can almost always arouse buyer interest. The Canadian exporter must expect some initial hurdles and delays arising out of differences of language, measurement, standards, designs, etc., and often initial orders are smaller than would be customary in North America. But many Canadian manufacturers have become successfully established in the market and can expect their sales to go up as the German market expands into one of the largest in the world.

Commodity trade, though important, is only one aspect of Canadian-German economic relations. In recent years **Germany has been an important source of capital, which has flowed as portfolio investment into Canadian bonds, shares, and mutual funds,** and as direct investment into real estate and scores of Canadian branch plants. This flow is expected to continue, although in recent weeks the German banking system has imposed voluntary control on capital moving abroad.

Another field of potential importance is the exchange of industrial licences and technology. German industry has much to offer in new products and manufacturing techniques, and many Canadian firms are showing an interest in obtaining this knowhow through licensing arrangements. Moreover, in several fields there may be opportunities for special working arrangements between Canadian and German firms through pooling of technology and manufacturing facilities for joint development and production of new products. This procedure can lead to the obvious benefits of reduced development costs and improved technology. And with an assured market in both countries, there could be longer production runs.



Another example of sales made because of technology allied with design is this radiation sterilization plant built by Atomic Energy of Canada Limited, Commercial Products, for a German customer. Taken inside the radiation room, the picture shows the mechanism that moves boxes of surgical goods around a Cobalt 60 source, so that each box receives the proper radiation dose.

German consumers have money to spend but they are determined to get value in return—as these bargain-hunters prove.

marketing in germany

Distribution channels, trade associations, promotion, pricing, payment terms, standards—these are all covered in this briefing from the Hamburg office.

J. H. LANG
Vice Consul and Assistant Trade Commissioner, Hamburg

Canada is one of the very few countries outside the EEC which has managed to maintain its share of the German import market in the face of increased inter-EEC trade. The recent revaluation of the Deutsche Mark will probably result in greater imports from all countries and Canadian exporters should be among those to benefit. Canadian firms wishing to get a piece of the Cdn.$28 billion Germany spends annually on purchases from abroad may find the following guide to distribution channels and the organization of business useful. There are a number of import channels.

1. Independent Importers—There are many importers who maintain large stocks for resale to wholesalers, or for sale direct to the retail trade, manufacturers or bulk consumers such as farmers' co-operatives, hospitals, etc. Most German wholesalers import to some extent, an activity which is intensifying with the further development of the EEC.

Official and other efforts to measure the economic significance of these activities have resulted in an estimate that approximately 70 per cent of Germany's total imports move through import houses and importer/wholesalers. Most of these belong to one of the 95 trade associations represented by the Bundesverband des Deutschen Gross-und Aussenhandels e.V. (Central Federation of German Wholesalers and Foreign Traders) in Bonn.

2. Direct Sales to Large Retail Units—German department stores (Waren-und Kaufhauser) have steadily increased their share of total retail sales in Germany. The big four have sales ranging from about Cdn.$500 million to Cdn. $850 million each. They have purchasing agents around the world and almost invariably buy directly from producers. The commercial section of the Canadian Embassy in Bonn has prepared a *Short Guide to German Department*

Right: Visitors to Germany are invariably impressed by the stores that cater to a society with money and luxurious tastes. An elegantly dressed customer considers merchandise that the owner of a jewellery store offers for her critical inspection.

Left: A hurricane some time ago devastated a state forest near Nurnberg and called for extensive cleaning-up operations. Canadian-made chain saws helped do the job; here a group of workers is being instructed in how to use the saws efficiently before they start out.

Stores containing information on each and tips about how to approach them. It is yours for the asking.

There are about 3,000 firms in the mail order (Versandhauser) business in Germany, of which 400 account for almost all of the retail turnover. Together, their sales represent 5 per cent of total retail sales in Germany. The commercial section of the Canadian Embassy in Bonn has made up a *Short Guide to German Mail Order Houses* along the same lines as that for department stores.

In certain branches of trade, notably foods and textiles, independent wholesalers and retailers have pooled their purchasing power to form co-operative buying units (Genossenschaften). Canadian exporters would be wise to consider these groups as a market, but bearing in mind that most transactions with them are very large, with prices cut to the bone.

Early in 1964 there were 239 consumer co-operatives operating about 8,000 stores in Germany. These have been undergoing a period of consolidation and concentration into larger and more efficient units. Consolidated purchasing for these co-operatives is done by the Grosseinkaufsgesellschaft Deutscher Konsumsgenossenschaften m.b.H. (GEG) in Hamburg, which also operates a mail-order business for consumer durables.

There are also retail chains (Filialunternehmen) which mainly sell foodstuffs. In recent years, however, a growing number of voluntary chains have appeared in non-food sectors, such as textiles, furnishings, appliances, stationery.

Many large manufacturers have import departments which buy semi-finished materials directly for further processing, or bulk supplies for the company's internal use. Industrial machinery is almost always purchased directly by the user. This usually entails meetings between the technical staffs of buyer and seller.

Good agents are in great demand, although there is a recent trend towards well-established trading companies undertaking agency business and Canadian companies should have no real difficulty in finding a suitable representative in the German market. Agents in various sectors of industry may be reached through their associations which publish monthly bulletins for all members. It is possible to appoint either a general agent, responsible for setting up a network of subagents throughout Germany, or to appoint several agents to cover the different marketing areas of the country.

The main marketing centers in Germany are closely identified with the rich population centers. For historical and geographical reasons, these population centers can be grouped into marketing areas which correspond closely to the main German political subdivisions (Lander). These are: Northern Germany, Hamburg; Rhine-Ruhr, Duesseldorf/Cologne/Essen; Rhine-Main, Frankfurt; Southwest Germany, Stuttgart; Bavaria, Munich; and West Berlin.

Business organizations play a significant role in the German economy and can be helpful to Canadian firms wishing to explore the German market. There are two types of major importance: Chambers of Commerce and trade associations. There are 81 Chambers of Commerce (Handelskammer) in Germany, each with its own territory. Membership is compulsory for all firms and private businessmen included in the commercial register. Thus each Chamber is completely representative of all branches of industry in its area, with the exception of agricultural and craft industries. Each Chamber is organized in specialized departments which can supply information on their industry sector and the firms they represent. These departments often publish inquiries, at no charge, in the Chamber's monthly bulletin. Paid advertisements are also accepted with rates depending upon circulation.

Trade associations representing almost every conceivable branch of industry (for example, "Fachverband fur Knochenleim Industrie e.V."—Trade Association for the Bone Glue Industry) are also prepared to circularize inquiries from abroad to their members and to give information on their particular field.

Canadian firms should be prepared to share promotion costs with their German agents and representatives, especially when launching a new product in the market. A well-developed network of promotion services and vehicles exists to facilitate the introduction and distribution of goods.

German advertising is extremely versatile and resembles that in North America in many respects. There are many agencies with Canadian affiliates which can offer a complete advertising service. These agencies receive their fees in the form of a commission from the media, not the client. Of the various advertising media, newspapers and magazines rank first, followed by direct mail. A trade directory published annually for the entire advertising industry, *Leitfaden fur Presse und Werbung*, covers each of the media in depth and lists rates.

There are a number of marketing research organizations in Germany and they are considered among the most advanced in Europe.

The German trade fair is an extremely valuable sales tool and provides an excellent place not only for displaying goods and finding representatives, but also for examining the latest products and innovations in the product field. (See article on page 23.)

German buyers prefer c.i.f. quotations based on delivery to a German or other Continental port. For consumer goods it is customary to quote landed prices, including German import duties. For investment goods and raw materials, it is generally sufficient to quote c.i.f. or f.o.b. prices. Canadian firms should be prepared, however, to quote prices on any basis which the German buyer prefers. The terms of the offer should be clear and detailed. German firms may ask for a pro-forma invoice showing how the actual invoice would look.

Payment terms vary widely depending partly on the commodities involved and may fluctuate slightly with changing market conditions. For sales on open account, 30- to 90-day credits are usually extended. Terms for expensive machinery built to customer's specifications might be one-third at the time of ordering, one-third upon delivery, and the remainder according to an agreed payments schedule. EEC suppliers frequently extend terms calling for net payment in 90 days and open credit. If the credit standing of the purchaser is good, it is not usual as a matter of routine to demand payment by letter of credit. Discounting for prompt payment is a common practice in Germany; the usual schedule permits the buyer a 2 per cent discount for settlement within ten days. Orders received should be acknowledged promptly and delivery schedules strictly observed. Shipments should conform to the contract and to any samples that the German importer may have seen.

German is naturally the preferred language but most large firms are able to correspond in English and French. The importance of using German in promotional literature which reaches the public cannot be over-emphasized.

There are over 11,000 industrial standards (DIN) already set down by the Deutsche Normenausschuss (DNA). These standards are published and may be purchased for a nominal charge. Although the DIN standards are not compulsory, products adhering to them are generally preferred by German businessmen. A Canadian manufacturer of plastic spoons might find that his spoons are acceptable but the non-DIN box in which they are packed is too wide for the DIN standard rack on the ice-cream vendor's cart. Other organizations are empowered to grant approvals for heating, electrical, and water installations, all of which must be tested and declared safe before being offered for sale on the German market. A recent bill will put more teeth into safety requirements for mechanical equipment, electrical appliances and toys.

The metric system of weights and measures is used. German businessmen will insist on converting miles per hour, pounds per square inch, inches of water per acre, and the like into units with which they are familiar. This can be time-consuming for both parties.

metals and minerals

As big suppliers to the German market, Canadian producers of metals and minerals will be interested in this survey of current conditions and prospects in the important German metal-using industries.

A. E. GRANT
Consul and Trade Commissioner, Duesseldorf

The largest aluminum rolling mill in Europe is at Norf, near Duesseldorf; the picture above shows part of the cold mill, with an annual capacity of 70,000 m. tons. Alcan Aluminium Limited has a 50 per cent participation.

The boom conditions throughout German industry during 1969 were particularly apparent in the metals and minerals sector. Production of most metals surged ahead during the year and demand for imported materials continued at a high level. Although imports of Canadian metals and minerals increased significantly during the first nine months of 1969, reduced deliveries of nickel during the second half will somewhat temper the large gains of the early part of the year.

The situation facing some of the more important sectors of the metals and minerals industry is outlined below.

With order books filled to capacity, Germany's steel producers are looking back with satisfaction at a record production year. Despite cautious optimism voiced at the beginning, steel production during 1969 kept pace with that of the preceding year. Current estimates indicate that the final figures are likely to exceed the 40.5 million tons produced in 1968 by at least 4.5 million. Figures for the month of October 1969 show that 4.08 million tons were produced, a 3.6 per cent increase over the previous record established in March.

What appears at first glance to be a rather promising future for steel producers is clouded by a number of important factors that could ultimately affect the competitive position of German steel in the years to come. Although production figures are up, costs have also risen. Moreover, the recent revaluation of the mark will somewhat lessen the attractiveness of German steel in export markets, once demand has fallen off. Modernization and expansion programs under way in other countries, particularly in Japan, are also causing German industrialists to give some thought to modernizing their own production facilities.

World demand for steel will continue to increase in the coming years but this rise will be subject to fluctuations in demand normal in the steel industry. Consequently, steel producers are aiming at modernization programs which will allow them not only to take advantage of increased demand but also to adjust to periods of idleness without going into the red.

According to reports from the German coal industry, it is going to be a long cold winter for a large number of German households. The high degree of activity in the German steel industry during the past year has completely depleted the 25-million-ton stockpile of coal which was available only 18 months ago, and current estimates show a mild shortage for this winter.

To offset this shortage, Germany is turning to all available sources with surplus capacity for export, and is in fact importing coal from as far away as India. Because of the rather tight supply situation around the globe, imports are not expected to alleviate the shortage entirely and many householders will suffer in consequence.

Although natural gas and oil could be substituted for coal for domestic heating, producers of these have been prevented by taxation from undercutting the coal market

because of the surpluses of last year. Conversion from coal- to oil-burning furnaces on the domestic front would be a long and slow process because of the amount of new equipment needed and the resulting higher operating costs. A quicker solution would be for the steel producers to make the conversion, thus releasing more coal for domestic use. At the moment, such a solution would be uneconomic because the industry would be forced to pay the oil tax and their production costs would rise considerably.

There seems little doubt, however, that the oil and natural gas industries will begin to penetrate the market on a greater scale over the next few years. The advent and buildup of atomic power will also contribute to a lessening of traditional German dependence on coal.

Before the Second World War, German production of aluminum accounted for 25 per cent of the world total. Since then the country's position as a leading producer has steadily declined to a point where, in 1968, it accounted for barely 4 per cent of world production.

Because of the high degree of industrialization and the ever increasing demand for aluminum and aluminum products, Germany has been forced to rely on imports to satisfy consumer demands. Estimates of actual imports for 1968 are roughly 300,000 tons more primary aluminum than its own smelters produced during the same year.

In the twenty years that followed the war, not much was done to cut down this dependence upon imports. The main reason was the high cost of energy involved in manufacturing the metal; it accounts for approximately one-third of total production costs. Transportation costs associated with bringing the raw material to the smelter were never a deterrent factor.

German energy producers have now recognized the desirability of having large consumers of energy like aluminum smelters located in their territory and are offering as an incentive cheaper rates for current. The development of atomic power stations as an economic source of energy is also expected to encourage the expansion of smelter facilities in Germany.

Three new aluminum smelters are expected to begin production in 1970 or early 1971 and two more are scheduled to come into operation over the next five years. The combined capacity of these smelters will add 291,000 tons a year to German production. This, when added to that scheduled to come into production in other European countries over the next three or four years, will add 1.33 million tons to total European capacity.

Since this added capacity will exceed projected demand for aluminum in Germany, competition is expected to become keen and some form of restraint may be needed to prevent over-production. Aluminum producers are confident, however, that the excess capacity will stimulate consumption and hope to tackle the problem by increasing their sales efforts and finding new applications for the metal. They are also encouraged by the fact that per capita consumption of aluminum has risen from 3.9 pounds in 1950 to 25.9 in 1968.

By far the most rapid advance in the use of aluminum over the past decade has been in the building trade, where consumption of the metal has more than trebled. Future prospects for expansion in this area appear limitless. Increasing numbers of aluminum structural elements are being readily accepted by German architects and builders and use of the metal as an outer covering for office buildings has been firmly established since the fifties. Much remains to be done to encourage use of the metal in home construction, where prospects for aluminum doors and windows look bright.

The German transportation industry continues to be the largest consumer of aluminum. It is widely employed in the manufacture of refrigerated trucks and tankers and in the passenger car industry. Prospects are good for greater use of aluminum in the heavy transport industry, particularly in the manufacture of railway cars, streetcars and subway cars. The advent of containerization will also contribute to greater demand for the metal in this sector. The wider application of aluminum in the packaging, precision instrument, optical, and electrical industries promises well; the worldwide shortage of copper and the resulting price rise has meant a wider use of aluminum as a substitute metal.

With six nuclear energy installations already in operation, another six under construction and four in the planning stages, Germany will continue to be an important market for enriched uranium. Estimates of German energy requirements between 1970 and 1980 show that a total of 50,000 megawatts of additional power will have to be developed to satisfy the growing demand for electricity. Of this, 50 per cent is expected to be covered by nuclear power plants. From then on, the use of nuclear energy will increase steadily until the year 2000 when it will account for some 85 per cent of the total German output.

With only limited resources of uranium, Germany will be forced to rely on imports to satisfy its requirements. It is estimated that the accumulated requirements of German nuclear power plants between now and 1980 will run from 35,000 to 50,000 tons.

The recent labor strikes which brought Canadian nickel production to a standstill left Germany facing an acute shortage of the metal in all sectors of industry. To offset the deficiency, German nickel importers have been searching far and wide for alternative sources and have been buying up almost anything containing even the minutest quantity of the metal.

Now that export controls have been introduced in Canada, **the nickel shortage in Germany is expected to continue for some time** and most nickel users have had no alternative but to cut back production severely. Sources close to the industry predict that many of these firms will have to curtail production entirely unless supplies from Canada are stepped up.

The recent announcements of the discovery of large nickel deposits in Australia have provided a glimmer of hope. Although the supply situation will remain tight over the next few years, **the outlook over the longer term indicates that Canadian nickel producers will have to face increasing competition in the German market.**

Fur coats like this one, made of Canadian muskrat trimmed with red fox and smartly styled, sell well to the Germans.

agricultural products

Grains, oilseeds, furs and hides, some grocery products can be sold on German market. Trend to supermarkets and self-service stores is strong.

C. D. CALDWELL, Assistant Commercial Secretary (Agriculture), Bonn

Germany, the fourth largest importer of agricultural products in the world, is only about 78 per cent self-sufficient in these products. Yet this does not mean the market is an easy one: it is extremely competitive, quality and price conscious, somewhat conservative, and protected by the Common Agricultural Policy of the EEC. As in any market, there are opportunities, ranging from basic raw products like grain and livestock to the most sophisticated of processed foods. Each must be looked at separately and within each group there are some products for which there are little or no sales prospects. Included in this latter group are dairy products (except perhaps special cheeses), beef cattle, many canned fruits and vegetables, non-certified seed, most fresh fruit and vegetables, and fresh meat.

Wheat—This has traditionally been Canada's largest single agricultural export to Germany; in 1969 it comprised about three-quarters of our total $40 million worth of agricultural sales. The market for hard spring bread wheat in Germany unfortunately is declining. As bread consumption per capita decreases and the admixture of high-protein wheat becomes less crucial because of improved milling techniques, and as the locally grown varieties improve in quality, the demand for quality wheat such as Canadian Manitoba's decreases.

Durum wheat—Canadian sales of this have also decreased in past years although total German imports have not. The question here is whether or not German pasta manufacturers can continue to compete with cheaper imports from Italy. If they can, which seems likely, Germany will remain a large market for durums.

Other grains—Marketing of these does not hold great promise because we find it difficult to compete with cheaper feed grains from the U.S. and other countries. Yet the feed grain market is growing rapidly because of increased livestock production and could in future become significant for Canadian producers.

Increased promotional effort could result in some improvement in Canadian sales of wheat and other grains.

Oilseeds—Germany is a very large market for Canadian flaxseed and our sales of rapeseed are encouraging. American soybeans dominate the market for temperate-zone oilseeds but because rapeseed is also a German domestic crop, we have some advantage because many German crushers are already geared to handle it. Canadian technology in breeding and use of rapeseed oil and meal is advanced and we thus have something to offer. Effective sales promotion requires a technical approach and a continuous and concerted effort.

Sunflower and mustard seed also offer possibilities and we have been quite successful to date in selling them, although sales tend to be sporadic. There is even some potential in sunflower seed with hulls on for sale in roasted and salted form.

Meat—Sales to Germany from Canada are severely affected by German health regulations. No fresh meat cuts are allowed in and thus the market is restricted to edible offals and processed cooked meat. Beef liver, kidneys, hearts, etc., are used in the sausage and pet food industries, both of which look to Canada for some of their needs. Specialty cooked meats are also popular in Germany although competition is stiff and Canadian manufacturers have not done too well in the past.

Livestock—Dairy cattle are covered in the article on page 14. There are also possibilities for some special swine breeds from Canada, particularly for experimental purposes. Hybrid swine breeding is still very new in Germany and Canadian producers have a considerable technological advantage. There are opportunities for imports and cross-licensing of particular hybrid breeds. The German Swine Breeders Association is currently conducting a large program of hybrid swine research using, among others, some Canadian breeds. If the results favor a Canadian breed, export opportunities will develop. The research program has just begun but some results should become available within the next two years.

Furs—These present one of the most promising opportunities. Sales have increased substantially in recent years, particularly those of fur garments. Canadian sales have kept pace with the increased size of the market but our percentage share of it has remained essentially unchanged. Encouraging German buyers of fur pelts to visit Canadian fur auctions is difficult because of the large number of relatively small auctions in Canada compared with bigger ones in the U.S. and Scandinavia. These small auctions do not offer the range European buyers need. If these small auctions could be changed into fewer but larger ones, Canada would probably do better. As for fur garments the Frankfurt Fur Fair, held every spring in Frankfurt, presents the best opportunity for Canadian manufacturers to sell. Several Canadian firms come to this fair regularly but we believe there are others who could take advantage of this lucrative market. Our offices can put you in touch with people who will provide full details on how to get started. The Frankfurt Fur Fair is truly international and attracts buyers from all over the world but particularly Europe. It is an ideal example of "one-stop selling".

Hides—The strong leather industry in Germany makes this an important market for Canada. German buyers demand very high quality in their wild hides and this has been a problem for Canadian suppliers. Canadian cattle hides, on the other hand, find a ready market here and with more effort we feel Canadian producers could increase their sales.

Grocery items—These present difficult sales problems because of the complexity of the market and the EEC Common Agricultural Policy. Nevertheless they are important because of the wide variety of products falling within this broad classification. Generally speaking, specialty products (or at least products not widely known in Europe) offer the best prospects. A number of canned fruits are restricted quantitatively (for example, canned cherries) and although our prospects of maintaining sales are quite favorable, the possibility of expanding them is limited. Other products (such as wax beans) have been selling well for several years but increased competition within the Community makes future prospects uncertain. For products such as honey, pickles, relishes, canned corn, green beans, special fruit juices, sauces, mixes, food colorings, confectionery and other special food preparations there is a growing market.

The German retail food business is changing rapidly and moving towards the North American supermarket and one-stop shopping concept. Retailers and wholesalers are still considerably more conservative than in Canada and for this reason tend to operate on a considerably larger margin (15 to 30 per cent), especially for new products. For the same reason, German retailers are reluctant to take on new products without first making rigorous trials. This results in small initial orders and a slower market break-through which can be discouraging to Canadian exporters interested in early volume sales.

There are still many small self-service shops and specialty shops which do not and cannot keep large stocks. They nevertheless depend on and demand regular supplies and this requires a good agent who can keep stocks. By the same token, smaller stores and lack of freezing space in homes result in small freezer space in stores and a limited range of frozen foods. This sector is growing rapidly but it still takes a particularly attractive offer to convince a store-owner to put a new product in his scarce frozen-food space. The sale of non-food items in retail food outlets is also expanding in Germany but here again, this is taking time and the average space allotted to these goods is still relatively small. In fact, they represent only about 2.8 per cent of total sales in self-service outlets.

There are many agents in Germany who have regular contact with decision-makers in the big food chains and who are becoming increasingly interested in trying new products. These agents will do an excellent job for a firm prepared to give them the right amount of backing to promote a product that shows potential. Our offices in Germany can put you in touch with these agents or directly in touch with the food retail chains, depending on which seems to be the best way to market your products.

fisheries products

Canadians are selling salmon in various forms, eels, lobster, some freshwater and ocean fish in this competitive market.

At a plant in Bremerhaven, herring fillets are being processed. Germany imports 125,000 metric tons a year. Canadians are beginning to supply.

D. S. ARMOUR
Consul and Trade Commissioner, Hamburg

Germany's population of 60 million has one of the highest rates of fish consumption on the continent. In 1968 the German fisheries catch reached 577,000 tons yet it could not meet the demand and 321,000 tons had to be imported. Two very strong fisheries groups have emerged in Germany within the last two years. One is owned by the German Co-op; the second one has been formed by Nordsee, Deutsche Hochseefischerei, a Unilever subsidiary. The Hanseatische Hochseefischerei, which belongs to Oetker, also forms part of the second group.

The Co-op group is fully integrated. It catches, freezes, cans or sells fresh a large part of its output through its own group of 12,000 retail outlets. Nordsee, which is also fully integrated, owns about 300 retail fish shops and 30 seafood restaurants. A third group, Fisch Union GMBH, is strictly a processing organization. It includes 31 canners and smokers and has the largest capacity in this segment of the industry. There are also several other smaller but important fish canneries known for their high quality products.

Fish imports into Germany can be divided into three main categories: herring, a lower grade, non-specialty bulk fish product; specialty fisheries products such as salmon, halibut, eels, lobster, shrimp, crab, haddock, etc., and fishmeal.

Herring—Germany requires 250,000 metric tons of herring a year, fresh, frozen, whole, or in butterfly fillet form. Domestic production accounts for about half of this amount, and whole herring, fresh or frozen, make up about half also, as the demand for smoked herring is falling off. Major sources of supply are Denmark, Norway, Iceland, Holland, Sweden and Britain.

Herring stocks in waters adjacent to Scandinavia and Iceland are decreasing. This situation has forced the German fishing fleet to go farther afield. Fishing has been most successful off Newfoundland and south as far as Boston. Georges Bank has been a particularly rich ground for German fishermen. But because the vessels must go longer distances, costs are inevitably rising. It is estimated that the cost of production of herring fished at Georges Bank is 6 per cent higher than for North Sea fishing. This increase in costs has opened the door to Canadian herring for human consumption in Europe.

German imports from Canada of salmon, eel, halibut and lobster, etc., increased in 1968 and some Canadian firms look back on the performance with satisfaction and with the assurance of repeat orders. The trade believes that German consumption of luxury fish will increase further and this opinion is confirmed by our experience and observation of trends.

Salmon—Ready-smoked salmon has an ever-growing market in Germany and Canada has a good chance of increasing its share in spite of competition from within the EEC. Retail packages (sliced), and smoked sides are purchased on the basis of price and quality. Demand for frozen and mild cured salmon for smoking, both Atlantic and Pacific, is also good.

Canned salmon is still a luxury product in Germany, despite the steadily rising standard of living. Local canned herring and imported canned tuna are considered more economical. A 200-gram can of tuna retails for 41 cents Canadian but a 240-gram can of Pink Fancy salmon costs 75 cents. However, small though the canned salmon busi-

ness is, it does offer opportunities. Canada today accounts for about half of the sales. The Japanese share of the market is decreasing, possibly because of poor packs and because other markets promise a higher volume.

Fish Roe—There has been some Canadian success in selling salmon roe in Germany in 140-pound barrels and sometimes in half-barrels. The problem is that roes from different species of salmon often have different qualities. Consistency is desirable but not always possible.

Canada has also exported lumpfish roe; the demand in Germany for this is quite good. Germany imports roe of various kinds from Iceland, Norway, Denmark, the United States, the People's Republic of China, and Canada. Additional suppliers are always sought after, and our sales could be increased.

Eels—West Germany is one of the largest markets for eels in Europe. Silver eels with pointed heads are preferred and if not shipped alive, should be frozen shortly after catching. Glazing is desirable but without too much water because this means excessive weight and consequently high freight costs. All eels must be undamaged.

The most popular weights for silver-bellied, pointed-headed eels are one to two and two to three pounds. The preferred form of packing is heavy-duty fibreboard cartons containing 55 pounds. Cartons with 100 pounds are more likely to be damaged and are harder to handle.

Yellow-flesh eels with round heads are not in general demand and command lower prices. Prices for yellow eels gutted, one to two pounds, are Cdn.$1.16 a kilo. Silver eels, one to three pounds, fetch Cdn.$1.60 to $1.75 a kilo c.i.f. Hamburg.

Crabmeat—Alaska King crabmeat was once very popular but priced itself out of the market. Japanese crabmeat, boiled frozen, is well received because of its high leg-meat to body-meat content (60 to 40 per cent), but the quality is not as good.

Crabmeat is imported frozen and supplied in one-pound and five-pound blocks, packed in polyethylene bags. Canned crabmeat is imported in cases containing 48 eight-ounce tins, (6½ ounces drained weight). Twelve- and sixteen-ounce cans are also on the market. Labels are required showing commodity, country of origin, gross and net weight, producer and year of production.

Alaska King crab sells for about Cdn.$2.00 a pound c.i.f. Hamburg; Chatka and Japanese King crab in tins retails for approximately Cdn.$1.45 to $1.65 a tin. There are several interested importers and agents.

Shrimp—This is very popular but local fishermen provide most of the requirements. The German fleet landed 4,681 metric tons worth Cdn.$2.5 million in 1967, but 571 metric tons were imported (426 metric tons in 1968).

More than two-thirds of the shrimp imports come from the People's Republic of China. Other suppliers are Denmark, the Netherlands, Pakistan, South Korea and Thailand. Although Canada has yet to sell shrimps to Germany, there is a market and it is entirely a question of price. Local importers say that the Canadian product is too expensive. If our prices can be brought down, there are excellent opportunities for large sales. The U.S. sold 18 metric tons in 1968.

Freshwater Fish—Few freshwater fish are imported from Canada. A few lots of pike have been sold but the Polish product is cheaper. There is a growing tendency in Germany to serve trout at home instead of only in restaurants. Prospects are good for trout, gutted, in polyethylene bags with weights of 170 to 220 grams. Prospects would be better if packaging were done under a local German firm's label. On the other hand, it appears that our Atlantic coast fishery, catching herring, pollock, ocean perch and cod, must continue to be alert until prices on this market rise to an acceptable level.

Fish Meal—Next to Britain, West Germany is the largest importer of fish meal in Europe (about 300,000 tons a year). Local production meets only a fraction of the demand (about 75,000 tons a year). Peru, the world's largest producer, is Germany's principal supplier (about 220,000 tons a year).

Imports are subject to licence; licences are normally granted to feedstuffs importers on application. Prices are based on quality; the ideal is 65 per cent protein, 10 per cent fat, 10 per cent moisture, 4 per cent sand and salt. Sales possibilities over the next ten years appear favorable, particularly when the possible reduction in domestic production is taken into account. The problem always faced by domestic producers is the wide price fluctuations. Prices have been negotiated recently for between U.S.$210 and U.S.$226 a metric ton for delivery November/December 1969, c.i.f. Hamburg, Bremen and Rotterdam. Because the volume of catches in the near future is in doubt, we cannot be certain how prices will move over the next year.

Obviously, Canada's logical market for fishmeal at the moment is the United States, where prices are much higher than in Europe. However, a close watch should be kept on future price swings that may make Canada more competitive in Germany.

Marketing—The German market is highly competitive and quality, service, and reliability play an important role. Business is done by individual contracts. There are no published data on prices for fish products and the ones given in this article we have obtained from time to time over the last several months. These prices fluctuate considerably and exporters should check with us or their agents the price for a specific product at any given time.

Canada's fish exports to Germany should increase in future years as German production costs rise. Another factor in our favor would be the stabilizing or possible lowering of freight rates resulting from the use of empty backhaul containers. A close and continuous watch must be kept on Canadian producer costs in relation to German consumer prices. For further information on marketing fish—the latest prices, import duties, potential importers or agents—write to us at the Hamburg office.

dairy cattle

D. H. CLEMONS
Consul and Trade Commissioner
Hamburg

Members of the nine-man Holstein-Friesian Dairy Cattle Mission from Germany which came to Canada last fall study a bull at the Western Ontario Breeders insemination station. Some mission members bought semen in Canada.

In 1881 Dutch immigrants imported the first black and white cattle into Canada. These animals came from the home of the breed, Friesland, an area which embraces the north of Holland and the northeast tip of Germany. Several other imports followed, the last in 1905.

In 1969 a demonstration class of half-Canadian three-year-old females was included in the regional cattle show in East Friesland, Germany. These heifers were selected by the Director of Breeding for the East Friesland Black and White Herdbook, in order to show the improvements which could be made in local animals by crossing with Canadian sires.

The intervening years had seen an ever-widening gap between the characteristics of the cattle in the two countries. Selective breeding programs in each had aimed at different ideals and had moved at different speeds. **It now appears that the Canadian type of black and white cow, the Holstein-Friesian, is producing more profitably than the European type in many countries of the world.** In contrast to the dual-purpose European animal, the Holstein-Friesian is a specialized cow, bred chiefly for milk production and thus well suited to the increasingly specialized agricultural economies. The surprising observation being made currently in Germany, however, is that the Canadian type has lost very little of its original capacity to produce beef or veal as well.

Like both theoretical and practical agriculturalists the world over, Germans are very interested in the work of their colleagues in other countries. A large number of German agricultural scientists have studied in the United States and while there have become familiar with Canadian developments. Impressed with the quality of North American Holsteins and with their performance in a private comparison experiment in Munich, a number of these agriculturalists persuaded the Federal Ministry of Agriculture and the Federal Association of Black and White Breeders to undertake experiments to establish the possible value of using North American blood lines in Germany. To this end, **Canadian and American bulls and semen were imported in 1964 and 1965 for use in three comparison experiments,** under the guidance of the relevant departments of the Universities of Bonn, Kiel, and Gottingen. In addition, certain farmers and firms were allowed to import both bulls and female calves for their own use. Of this last group, the animal feeds manufacturer Wilhelm Schoumann was the most significant.

The results obtained at the various locations are similar enough that they need not all be quoted at length in this article. Briefly, they are as follows:

Veal Yield—The German-North American bull calves gained weight 4 per cent faster than the pure German bull calves, up to the normal veal slaughter weight of 170 kilos. They required 1 per cent less feed protein per kilo to do so. The height of the crossbreds was one inch greater than that of the German bull calves but other body measurements were similar for the two groups.

The subjective vealing evaluation of the German carcasses was 2 per cent better than that of the crossbreds. Contrary to German expectations, the percentage of gross carcass weight accounted for by bone was not higher in the crossbreds than in the German animals.

Beef Yield—At the normal beef slaughtering weight of 450 kilos, crossbred steers were about 1½ inches taller, 1 inch longer and almost 1 inch broader at the rump than the German animals, if somewhat rangier. The crossbred animals gained weight 1 per cent faster up to the slaughtering weight of 450 kilos, when fed at the same daily rate as the German animals. The subjective evaluation of the carcasses at 450 kilos was 3 per cent more favorable to the German

steers. The slaughtering yield of the crossbred steers was, however, only 0.4 per cent under that of the German.

One test group of crossbred steers and pure German steers was fattened to 550 kilos and sold on the hoof. The crossbreds yielded 6 pfennig (1.6 cents) or 1.5 per cent less per kilogram in price. Other sales made after slaughter yielded a smaller but unrecorded differential.

Milk Yield—In a comparison of milk and butter production between pure North American Holstein-Friesian heifers and pure German Black and White heifers on the first lactation, the following results were obtained in 305 days:

	Black and White	Holstein-Friesian
Milk	4,381 kilos	6,028 kilos
Butterfat	162 kilos	216 kilos
Butterfat	3.70 per cent	3.59 per cent

In this comparison the animals were fed controlled amounts individually. Another comparison conducted on a field-grazing basis produced similar results.

Feed Requirements—Although feed requirements could not be calculated in the grazing comparison, the controlled feed comparison produced the following results in the first 100 days:

Feed consumption/kilo of 4 per cent Corrected Milk (after deduction for maintenance)

	grams	
	Black and White	Holstein-Friesian
Digestible raw protein	72	60
Starch units	261	226

A number of points of comparison have not yet been covered and results will only be available in a few years' time. Yet the pattern is already clear: the North American female produces 20-30 per cent more milk than its German cousin; crossbred bull calves yield only slightly less return as veal or beef than their German half-brothers.

To date, sales of Canadian live animals have consisted solely of those used in the above experiments. Much of the crossbreeding was done with imported semen rather than live animals. Nevertheless, the impact of even these very early results of the experiment has been substantial. Significant quantities of semen are being imported by the various breeding stations for their use or for private farmers. Enthusiastic reports of the results obtained are being given at local breeders' meetings. Several breeding stations have expressed definite interest in buying bulls from Canada.

The major problem remains the fact that under German health regulations, animals vaccinated against brucellosis, or from herds which have been vaccinated within the last three years, may not enter the Federal Republic. Most Canadian breeders, on the other hand, still carry out vaccination as a matter of insurance. Although in most areas the disease can be considered eradicated, these breeders still recall the day when a herd could be wiped out almost overnight.

Another limitation is the fact that only a few of the 14 herdbooks in Germany have permitted the registration of animals of partly North American parentage, although others are considering it. There is also talk of a segregated registry. Breeders are understandably not enthusiastic about buying under these uncertain conditions.

Not wishing to prejudice the export image of their own breeders, the German Association of Herdbooks has decided that for the present at least no animals which have Dutch or North American blood may be shown at the major German agricultural exhibition. The local associations, such as that in East Friesland, are free to do as they wish. Fortunately, the local shows have a stronger impact on the breeders themselves than the national shows do.

Germany—in fact the EEC—has both a milk surplus and a huge butter surplus. Consumption per person of these commodities has stagnated. Demand for meat, on the other hand, is rising. These facts must be coupled with the need for rationalization of German farms to adjust to the total EEC market. The smaller farms must be eliminated or grouped while the large ones retain a reasonable economic footing.

There is no need for more milk or butter, but more productive cows in smaller numbers could aid in the rationalization. Unfortunately fewer cows produce less beef and extensive raising of purely beef breeds in Germany does not appear to make economic sense because of high land costs. It is therefore interesting that regulations on the import of beef have recently been slackened and further easing is expected. Should these trends continue, **the time may have come for a drift from dual-purpose cows to more specialized dairy cows of the North American type.**

The resistance to complete adoption of the Canadian-type Holstein-Friesian as opposed to the present German dual-purpose breed is still present among many German breeders and this will not break down overnight. It is difficult to argue categorically for or against either breed, given the physical farm structure prevalent in Germany. Certainly producers catering strictly to the fluid milk trade have moved strongly towards adoption of the high milk-producing Canadian-type animal. The smaller cream-milk producer, however, still relies on his dairy herd to produce not only milk but also beef. He is slow to agree that the Canadian-type animal is also a high beef producer and the breeder organizations are not all completely convinced either. They advocate a crossbreeding program using the German breed as a base with the introduction of special Canadian animals which, although higher milk producers than the average German cow, still maintain a definite German-type conformation. Thus in at least one herdbook in Germany Canadian cattle have been given entry on only a limited basis; cows usually have unlimited entry but bulls have to be checked and cleared by the Association. Other herdbooks in Germany allow virtually non-restricted entry while still others are still resisting registration of any kind.

Aside from a substantial flow of information between Canada and Germany, aided in no small measure by the Canadian offices in Bonn and Hamburg, there is a growing movement of visitors in both directions. Several German

officials and breeders have visited Canada to see for themselves and several others are planning trips. To aid the German Government in its appreciation of Canadian conditions, health regulations and procedures and, of course, the Canadian Holstein-Friesian herd, the Department of Industry, Trade and Commerce also brought a mission, consisting of veterinary and breeding officials, to Canada last September. For a report see the brief article below. **The future for sales of Canadian semen in Germany seems promising, because no health problems interfere.** Cost and health limitations make large-scale import of purebred Canadian stock appear difficult. Nevertheless, progress to date has been unexpectedly rapid and every effort is being made to crack this ultimate market.

Dairy Cattle Mission Comes to Canada

C. D. CALDWELL
Assistant Commercial Secretary (Agriculture), Bonn

R. B. ROESSING
Commercial Officer (Agriculture), Bonn

A nine-man Cattle Mission from Germany, sponsored by the Department of Industry, Trade and Commerce, spent two weeks in Canada last fall. The members of this mission, who are listed below, were chosen with two basic ideas in mind: first, the influence that the German health of animals regulations have on our exports, and second, the possible effect that the introduction of Canadian Holstein-Friesians would have on the German Black and White breed. All of the members were persons outstanding in their particular fields.

The mission was designed to show them what we had to offer and to impress them favorably, so that they would go back to Germany with a clearer understanding of what we are trying to achieve. We therefore set up a program that would show these German visitors as many aspects as possible of the Holstein-Friesian breeding and health programs being carried out here. With the co-operation of the Canadian Holstein-Friesian Association and the Health of Animals Branch of the Canada Department of Agriculture, a two-week tour was arranged which covered these aspects in as much detail as possible.

The members chiefly interested in actual livestock and livestock breeding spent most of their time in southwestern Ontario, visiting breeders, artificial insemination units, and breeding research installations at universities. The two veterinarians, after first seeing a few of these places, left the main mission and were flown to Ottawa. There they had discussions with Canada Department of Agriculture officials on some of the basic health questions troubling them. They thrashed out problems arising over the possible import of Canadian cattle into Germany and examined laboratory aod research facilities both in Ottawa and at the maximum quarantine station at Grosse Isle in the St. Lawrence River. The entire group was reunited in Ottawa at the end of the second week for discussions on health and disease questions of specific interest to the breeders. Their hosts in Ottawa were senior officials of the Departments of Agriculture and Industry, Trade and Commerce, who were charged with the task of clarifying any final questions.

Aside from actual sales made during the mission, it is not yet possible to judge its full effect, because members are in the process of reporting their findings to the various German official committees, breed societies, and breeding organizations to which they belong. It seems certain even at this early stage that the mission will have an impact on the dairy cattle industry in Germany that could benefit Canada. The health questions have not been settled to the point where breeders have complete freedom to import livestock, although a relaxation of the regulations is quite possible. The problem about imports of semen, however, seems to have been cleared up and some of the breeders and artificial insemination experts on the mission purchased semen while they were here. They were obviously impressed with what they saw and the longer-term benefits to Canada could be substantial.

Although we have made real progress in our attempts to introduce Canadian Holstein-Friesian cattle into Germany, there are still obstacles we must clear before German breeders fully accept the merits of using Holstein-Friesian seedstock on a broader basis. The mission helped in overcoming a few of these obstacles and with the knowledge that its members gained by seeing the Canadian cattle industry for themselves, our progress in clearing away these obstacles should be quickened. With continued Canadian effort, we expect that Germany will emerge as a substantial market for top-quality Canadian Holstein-Friesians. The members of the Mission were:

Dr. H. Apking
Health of Animals Branch
State Ministry of Food, Agriculture and Forestry
Hannover, Lower Saxony

Dr. A. Geissler
Division Head
Veterinary Imports and Exports
Federal Ministry of Food, Agriculture and Forestry
Bonn

Heinrich Beinsen
Chairman, Central Insemination Unit
Hannover

Dr. G. Rath
Director, Central Insemination Unit
Hannover

Karl Grosse-Ostendarp
Chairman, Cattle Insemination Station
Melle-Osnabruck

Dr. G. Wilke
Director, Cattle Insemination Station
Melle-Osnabruck

Dr. W. Selders
Manager
Rhineland Assoc. of German Black & White and Manager, Central Insemination Association
Krefeld, Rhineland

Dr. D. Skalweit
Director, Association of Black & White Breeders
Luebeck

R. B. Roessing
Commercial Officer (Agriculture)
Canadian Embassy
Bonn

K. Huband
Trade Missions Branch
Department of Industry, Trade and Commerce
Ottawa

K. L. McFarlane
Livestock, Meat and Dairy Products Div.
Department of Industry, Trade and Commerce
Ottawa

selling to clfex

C. D. CALDWELL
Assistant Commercial Secretary (Agriculture), Bonn

CLFEX, short for Canadian Land Forces Europe Exchange System, has been organized by the Canadian armed forces in recent months to take over operation of the group of stores serving Canadian servicemen in the area of Lahr in southern Germany. Selling consumer goods like foodstuffs, wearing apparel and housewares, these retail outlets are doing a $7 million to $10 million business per year, and offer almost a captive market.

If prices and quality are right, this could be an opportunity for Canadian producers to take advantage of some of the easiest export business anywhere. The exporter does not have to worry about calculating c.i.f. prices. Shipments to the Lahr Exchange are usually consolidated at the port of Montreal for onward transmission. Nor does he have to worry about duty charges or other restrictive trade regulations, which may limit sales on the German domestic market. Products for sale to the Canadian forces through CLFEX come into Germany duty-free under special agreement and purchase is restricted to servicemen and their families. Another point is that the goods are being sold to Canadians who may already know and prefer the Canadian product. It is important to point out, however, that the supplier will not be competing only with other Canadian products because the CLFEX buying authorities are free to buy from any source. Price is most important in view of competition from British, U.S., German and other sources. Canada's share of the total sales is less than 15 per cent but we have a favored position and could increase that share substantially.

Canadian manufacturers should not expect to get rich through the business they do with CLFEX because volumes, depending on products, are sometimes small. Nevertheless, it could prove a profitable venture for manufacturers willing to take the initiative and follow through. We suggest the following five-point program which, with minimal effort, should determine whether or not the Canadian firm can supply competitively to CLFEX in Germany:

1. Determine the exact f.o.b. Montreal price.

2. Package together a representative group of samples or, if the product is a large or bulky one, suitable descriptive brochures will do in the initial stage. Samples of any product will eventually be required so be prepared to send these.

3. If the samples are of significant value, determine what special discount can be offered on them because it is impossible for the CLFEX authorities in Germany to return unused, unsaleable or unsatisfactory samples.

4. Determine the best discount that can be offered for prompt payment and calculate any other special discounts which the firm will be willing to offer.

5. Put the foregoing information and other relevant details in a letter, enclose sales literature, and send it to the following address: Commanding Officer, First Wing, Canadian Armed Forces, CFPO 5000, 763 Lahr-Schw. West Germany. Mark it for the attention of H. Bettle, Retail Merchandising Manager. Mr. Bettle will handle it from this point on and will let the firm know his decision or advise of any additional information which he requires. It is as simple as that! Why doesn't your firm give it a try?

The following list shows what products are likely to be of interest.

Canadian specialty foodstuffs
Pet foods
Toasters
Food mixers
Irons
Electric carving knives
Electric kettles
Hair dryers
Waffle grills
Sandwich grills
Tea (not tea bags)
Jelly powders
Marmalades
Corn oil
Corn syrup
Cornstarch
Apple juice
Other fruit juices
Canned fruit
Canned vegetables
Canned meat
Household flour
Cake mixes
Rolled oats
Pie fillings
Tomato juice
Tomato sauce
Peanut butter
Cheddar cheese
Ham
Poultry, fresh, frozen, canned
Fresh turnips
Fresh apples
Cordon Bleu products
Household salts and spices
Clam chowder, canned
Finnan haddie
Sardines
Kippers
Salmon roe
Shrimp
Lobster
Hockey equipment
Snowboots
Winter clothing of all kinds
Shoes
Men's shirts
Home radio, phonograph and TV equipment

One other suggestion: if a sample is worth sending, like a a letter, it's worth sending airmail. Unless the sample is very large and bulky, send it by air under separate cover with a copy of the letter inside.

This is Frankfurt am Main by night—a busy, bustling city where, if you fly Air Canada, you will probably begin your Germany itinerary. It has excellent hotels.

your business visit to germany

Good advice on what to expect and how to make the most of your working and leisure hours in this prosperous country.

REJEAN FRENETTE
Assistant Commercial Secretary, Bonn

The Federal Republic of Germany has become the most industrialized and wealthiest country in Europe and enjoys a standard of living that is steadily approaching the Canadian. A business trip to Germany alone is well worthwhile and this country definitely should be included in a tour of Western Europe.

Getting Ready—Unless you have time, there is no need to make the rounds of the libraries before embarking on a trip to Germany. There is, however, one book we recommend, *These Strange German Ways*, (published by Atlantik-Brucke, Hamburg, 1967, about $2.00). This 108-page book will make interesting reading during the flight over and will put you wise to customs that may strike you as strange. To obtain descriptive literature on Germany, places of interest, its people and its industry, contact one of the German Government offices in Canada which are well equipped to help you.

Try to notify us of your visit a few weeks in advance. If you do, we can suggest an itinerary, reserve a hotel room in your name, and contact businessmen you may wish to see. If you send us a few samples with a price list, we can get expert opinion on the prospects for your product.

In planning your trip, get away from thinking of Germany as about the size of metropolitan Montreal or Toronto. Many Canadian businessman seem to think that way, judging by the fact that they organize an itinerary to cover the country in two days. True, Germany isn't big, but it has 60 million people. Strictly speaking, it has no single dominating trade and industrial center. Rather, it has eleven altogether almost evenly distributed throughout the country and with more than half a million people living in each. Consumer buying power reaches its greatest concentration in the north but recent studies show that cities like Stuttgart in the south also have an affluent population.

Calculating the Cost—Here are some pointers that will help in preparing your travel budget. You will probably come by air. Return fares, economy class, via Air Canada are roughly as follows: Montreal-Frankfurt $516, Toronto-Frankfurt $566, and Vancouver-Frankfurt $780. The 21-day excursion rates, return, are $370 from Montreal, $420 from Toronto, and $634 from Vancouver.

Rooms cost from $5 a day in a small hotel to $20 in a large international-class type. Breakfast is generally included. Usually, it is easy to get a room in every city, but when trade fairs are in progress the situation becomes difficult—not to say impossible. Get in touch with us before you leave Canada and we will make reservations for you.

German meals are generally appetizing. Lunch will cost about $3.00 and an evening meal a little more, but these are minimum prices. With your meal we recommend a good white wine served chilled, a local specialty. Service is always included in the price of the meal, but it is customary to leave a little extra for the waiter as a token of appreciation.

Air travel within Germany costs a little more than in Canada. The exception is a flight to Berlin, for which prices are very attractive. For travel between such cities as Cologne, Bonn, Duesseldorf, Frankfurt, Hamburg, Hannover, and Munich, the fares range between Cdn.$15 to $45 return. Going by rail, a one-way second class ticket ranges from Cdn.$1 to $19. (Further details about rail travel are given later in the article.)

Getting There—Few businessmen can afford the time to make the Atlantic crossing by sea, and you will probably come by air. Air Canada offers a dozen flights each week from different points in Canada to Frankfurt, including one that leaves Toronto and Montreal every evening at suppertime and arrives in Germany early next norning. Lufthansa makes about ten flights a week. You can also reach Germany easily from other European capitals. If you take a direct flight from Canada we advise (unless yours is a particularly sturdy constitution) that you have a few hours' sleep before starting work.

Where to Stay—We recommend the following hotels in the major German cities.

Bonn—Konigshof, Hotel am Tulpenfeld, Steigenberger Hotel.

Duesseldorf—Breidenbacher Hof, Intercontinental, Hilton.

Hamburg—Atlantik, Vier Jahreszeiten, Hotel Ambassador.

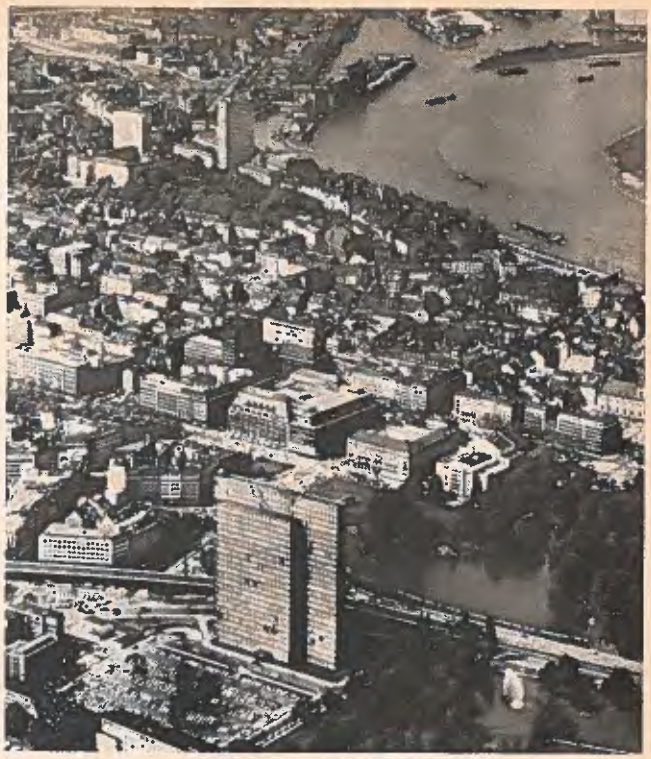
Heidelberg—Brenner, Eden, Atlantic-Schlosshotel.

Nurnberg—Deutscher Hof, Grandhotel, Kaiserhof.

Berlin—Berlin Hilton, Bristol Hotel Kempinski, Hotel Ambassador Berlin.

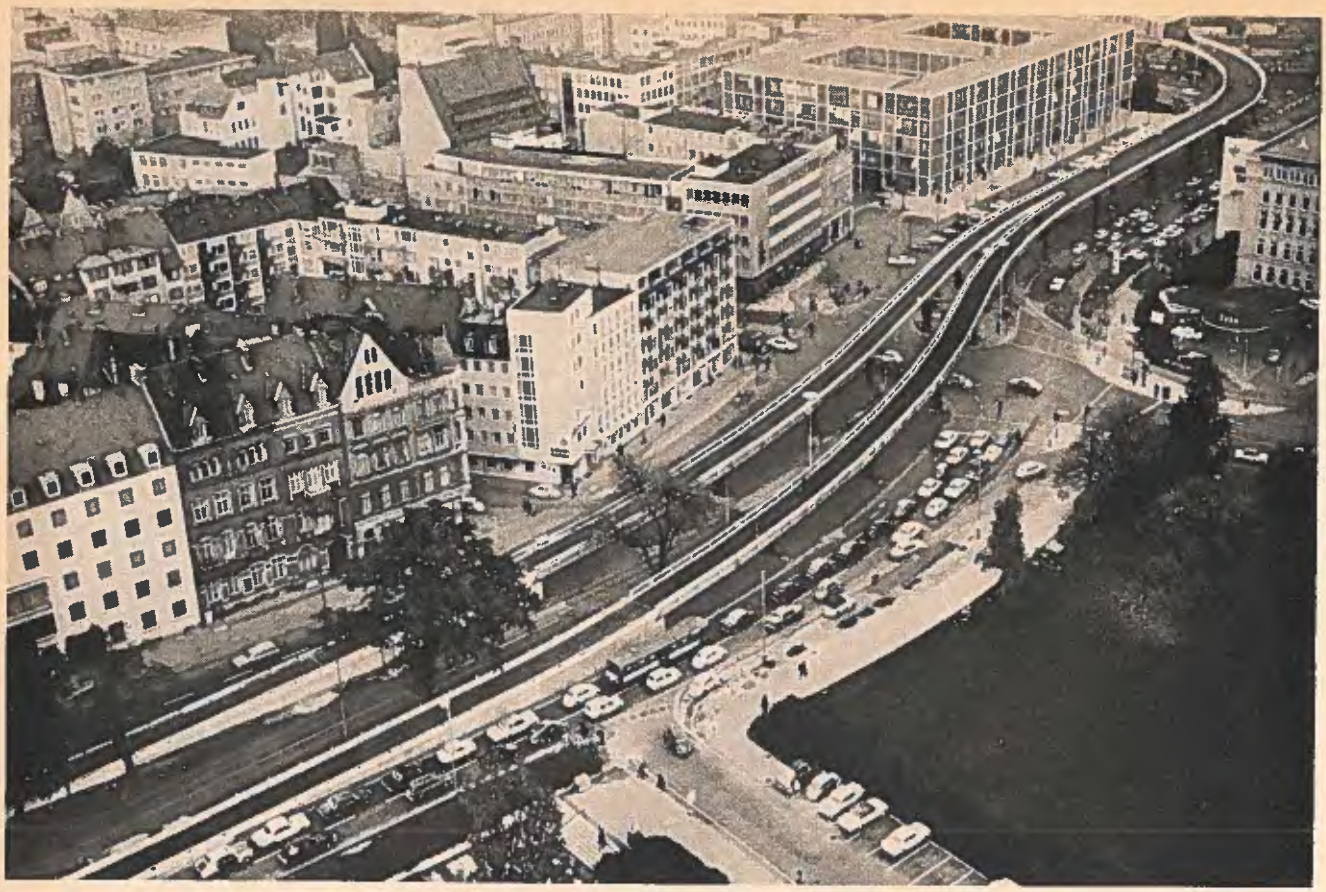
Cologne—Excelsior Hotel Ernst, Dom Hotel, Mondial.

Frankfurt—Frankfurter Hof, Intercontinental, Parkhotel.



Duesseldorf, on the Rhine, is the administrative heart of the steel-producing Ruhr Valley. Some of the high-rises house the offices of large steel fabricating companies.

For relaxation, you can step aboard a boat like this one, and sail down the Rhine. In the background is Bacharach.



In November 1968, Europe's longest and most modern bridge was opened to traffic. It stretches over the Aegidienplatz, which is the most important center of traffic in the city of Hannover, known to millions for its international spring fair.

Hannover—Hannover Intercontinental, Kastens Hotel, Hotel Korner.

Munich—Bayerischer Hof, Vier Jahreszeiten, Regina-Palast Hotel.

Stuttgart—Am Schlossgarten, Graf Zeppelin, Furstenhof.

There is an old local saying to the effect that every country has its own customs. In German hotels you can leave your shoes outside your door and be sure that they will be shined. On the other hand, you will be disappointed to find no soap in your room, so bring your own.

What to Bring—A Canadian citizen entering Germany must have a valid passport but does not need any medical certificate unless he is arriving from a so-called "infected" country. A visa is not required for a stay of less than three months. All personal effects are admitted duty-free. If you bring a few samples or demonstration models, you will be asked to pay duty but you get your money back when you leave. If you want to bring in items of greater value, or make it easier for yourself, contact a customs broker who will make all the arrangements.

Travellers may take in or out of Germany any amount of money in German currency. Travellers' cheques are most useful in marks or U.S. dollars. If you wish to use the services of a Canadian bank, you will find branches of four banks in three cities: Bank of Montreal, Konigsallee 6, 4 Duesseldorf; Royal Bank of Canada, Zurich-Haus (Building), Am Opernhaus, 6 Frankfurt; Canadian Imperial Bank of Commerce, Bockenheimer Landstrasse, 6 Frankfurt; Bank of Nova Scotia, Prinzregentenstrasse 16, 8 Munich.

Recognized credit cards are accepted in all large cities. You will find a good supply of calling cards useful.

Although the weather is much milder than in Canada, German skies are not always sunny—to put it mildly! You'll be glad to have a good overcoat in winter and a raincoat during the fall or spring. It is good form to wear a dark suit with a white shirt—German businessmen haven't adopted bright colors yet.

Getting About—The most practical method of getting about is still by rail and German trains are numerous, swift, punctual and comfortable. It is possible to travel by train throughout Germany in any direction and reach even the tiniest Bavarian villages. The stations in the large cities offer all the services a traveller can expect, including comfortable and surprisingly quiet hotels.

The Trans-European-Express or TEE is the speediest and most comfortable train. A businessman can work on the

train, make outside telephone calls, and even have the services of a secretary while he travels. The second category of trains, the D-Zug, is also very good but we advise you to travel first class on this line; the extra cost is small. Seats can be reserved and this is advisable during the festivals or in the holiday season. There are other categories of trains but they are not as good. The price of a first class ticket is generally 1½ times that of a second class. Do not forget to mention the class when buying your ticket, except when you are travelling by TEE which is first class throughout.

Flying is practical for trips between centers that are farther apart and Lufthansa provides an excellent service.

You can rent an automobile at the airport (some of the companies have familiar names) but unless you are familiar with the country and sure of yourself in fast traffic, it is better not to drive. In the large cities where the traffic is heavy and parking spaces few and far between you are more apt to waste time than save it. Taxis are plentiful in the cities and close to the stations and airports; prices and tips are comparable to those in Canada.

Business Calls—Business hours are similar to those in Canada but in some areas of Germany, such as Bavaria and Baden-Wurtemburg, you should not be surprised if someone suggests an appointment before eight o'clock in the morning. As a matter of fact, many offices open at seven a.m. But German businessmen are familiar with our habit of rising later and will not expect you before nine. Saturdays, and Sundays, of course, are not working days.

Ten official holidays are observed throughout the country: New Year's Day (January 1), Good Friday and Easter Monday, Labor Day (May 1), Ascension Day, Whitsuntide, German Unity Day (June 17), Day of Penitence (in November) and Christmastide (December 25 and 26). In addition, Epiphany (January 6) is celebrated in Baden-Wurtemburg and Bavaria, Corpus Christi is celebrated everywhere except in the north, and All Saints' Day in the same areas, except for Hesse. The Catholic villages in Bavaria observe Ascension Day on August 15. In many areas of Germany, carnival time (which ends with the beginning of Lent) is the occasion of much merrymaking and is more suited to entertainment than to business.

Guten Tag, Herr Doktor! (Good afternoon, Doctor!) The greeting is accompanied by a handshake. Every detail of behavior is important; politeness demands it. Always use Mr. (Herr), or Dr. (Herr Doktor) when appropriate. Never address people by their Christian names because this is still unacceptable in industry and business. Another important point is punctuality—late arrival for an appointment is generally construed most unfavorably.

Although a good many German businessmen can converse in English or French, German is the language of the country and the foreigner who can speak it, even with the aid of an interpreter, receives a better welcome. You can retain the services of a professional interpreter through a special agency, and although the cost is frequently high it can be a sound investment. During trade fairs, it costs roughly 100 marks a day for a young lady to remain on duty at your exhibit. When she translates during interviews, her fees amount to some 250 DM for an eight-hour day, plus travelling costs and general expenses. Our office will be happy to help you engage an interpreter.

To West Berlin—A metropolis with a 2.5 million population and the largest industrial center between Paris and Moscow, West Berlin will not fail to surprise and fascinate you. It is called the "electricity city" not only because of its millions of lights and neon signs which turn night into day but mainly because it supplies the rest of Germany with electric bulbs, air-conditioners and appliances of every description. Because it is an island in an area controlled by the Soviet Union, we recommend you go there by air,

After a long Sunday hike in the mountains of Upper Bavaria, Germans like to gather at a café like this to relax over coffee and cakes amid the spectacular mountain scenery. This modern-looking café, the Lautersee, is near Mittenwald. Apparently not all the customers come on foot; many drive rather than walk.

thus avoiding the need to obtain a visa—a requirement for travelling by road or rail through East Germany.

Amongst its numerous industries, West Berlin holds a top position in the manufacture of machine tools and precision instruments such as binoculars, telescopes and surgical instruments. Visitors are normally impressed by the modern architecture of the many lofty buildings that have risen on large tracts of land destroyed by the war. Berlin also has the second largest inland harbor in the country and more bridges than Venice. Night life? It has everything.

East Germany—If you go to West Berlin, you will probably want to visit the Eastern sector of the city. The only documentation you will need is your Canadian passport; no visa is required for one-day visits. The Canadian Government cannot assist you to obtain a visa but at your request we can tell you where to apply. Visits of more than one day to East Berlin and across East Germany are subject to strict control by the local authorities. The Canadian Government does not recognize the East German Government and therefore it cannot offer any protection to or come to the aid of Canadian nationals who find themselves in difficulties there. Every Canadian citizen must remember that he is entering this territory on his own responsibility and at his own risk.

Leisure Time—Are you a mountain or seaside enthusiast, a theatre or ballet devotee? Or would you rather tour magnificent castles, or take a pleasant cruise on the Rhine? Whatever your preferences you will be able to satisfy them here. Germany is devoted to opera. Hundreds of modern ones are presented each year, but the favorites are still the masters—such as Wagner, Mozart and Puccini. Every year a world-renowned opera festival is held in Bayreuth, Lower Bavaria, where the operas of Wagner are performed. There are many concerts devoted to the music of Beethoven, Bach and Brahms. In 1970 virtuosos from the four corners of the world will perform the compositions of Beethoven in Bonn, his birthplace.

From Easter until the end of summer, you can enjoy cruises on the magnificent Rhine with its vine-covered banks, medaeval castles and quaint villages, aboard a ship of the famous white fleet. Whether you have a day, five days or only an hour to spare, you will be able to fit a cruise into your itinerary.

In the fall, wine festivals are organized in the villages after the grape harvest and at the end of September the Oktoberfest or beer festival attracts thousands of visitors to Munich. February is Carnival time.

These are only a few of the attractions that can make your free time as pleasant as we hope your business will be successful. The officers of the three Canadian trade offices in Bonn, Hamburg and Duesseldorf await you and will be happy to welcome you. Why not write to us?

Munich has a relaxed and gay atmosphere and an active night life. Students like to foregather at one of the many coffee houses.

come to a german fair

There's one for practically every industry and product and the benefits are far-ranging.

R. R. PARLOUR
Commercial Counsellor, Bonn

Trade fairs are big in Germany. The 70 major fairs held here every year attract nearly 6.5 million visitors and 57,000 exhibitors, a third of whom are from abroad. Fairs play a key role in the domestic and foreign trade of this booming economy and Canadian exporters should not miss the opportunities they offer.

Most large German cities have a permanent exhibition facility and an efficient fair management offering a program of trade fairs around the calendar. Most of the larger ones are designated as "international" which means that foreign firms may exhibit and that foreign exhibitors and visitors receive special assistance. In years gone by, Germany was world renowned for its huge horizontal fairs in which merchandise of all types was sold. Since the war some horizontal fairs, such as the mammoth Hannover Fair with its 5,000 exhibitors and 600,000 business visitors, have continued to thrive, but the emphasis has changed to vertical fairs where only a few categories of products are shown. This system of vertical fairs is now highly developed. In fact, one can find separate fairs for a wide variety of products, ranging from barbers' supplies and lingerie to machine tools and chemical engineering.

Whether horizontal or vertical, the modern German trade fair is a dynamic and growing trade medium, with buyers, sellers and trade officials from many countries on hand and doing business. Attendance by the general public is usually restricted and the exhibits tend to be strongly product-oriented, with few institutional displays. Many senior German company officials attend either to help man their company stands or to get an over-all view of the industry. In addition, many middle management and lower echelon engineers and craftsmen attend to bring themselves up-to-date on new products and new ideas in their particular fields. Some German fairs are held spring and fall, some annually, and some every second, third, or even fourth year. They last from two to ten days, but most fairs are from three to six days, including weekends. The important international fairs are co-ordinated to avoid duplication and to meet the seasonal buying patterns of each trade. Thus the big horizontal consumer goods fairs at Frankfurt and Cologne, the Nurnberg Toy Fair, and the Offenbach Leather Goods Fair are held in succession so that buyers may make the rounds on one business trip.

German manufacturers regularly use the German trade fairs to introduce new product lines and seasonal styles and it is estimated that 50 per cent of their domestic orders and 80 per cent of their export orders are booked at these fairs. British and American exhibitors are also much in evidence. For 1969 a rough count shows 800 British firms exhibiting in German fairs either singly or, more often, in one of the 60 group exhibits sponsored by British trade associations and the Board of Trade. The number of Canadian exhibitors does not reach 10 per cent of this.

Canadian participation in a German trade fair may take one of a number of forms. Some Canadian exhibitors first come to a fair as part of a collective Canadian exhibit organized by the Department of Industry, Trade and Commerce. These Canadian firms are brought into the picture through liaison with the appropriate commodity officer in Ottawa. With a group exhibit, most of the administrative burden is carried by the Department and costs are shared. Other Canadian exhibitors come to German trade fairs as part of collective exhibits sponsored by one or the other Canadian provincial governments. The Provinces of Ontario and Quebec have been particularly active. Here again, the Canadian exhibitor organizes his participation in co-operation with appropriate officials of the provincial government.

Individual exhibits are also a possibility, especially when the Canadian firm already has a German agent who can help set up and man the stand. In other instances, such as the Frankfurt Fur Fair, individual Canadian exporters have come to know the German market and their customers through direct sales over a period of years and they return to the fair each year on their own initiative. Another technique is to have several Canadian exporters or their German agents work together to set up a collective stand, sharing the costs of stand rental and manning. This pattern has been used successfully at German food fairs. Also worth exploring is the possibility of collective stands organized by Canadian manufacturing or trade associations, as the British do.

Why should a Canadian businessman come to a trade fair in Germany? The immediate answer is that, as an exhibitor or merely through a visit, you may find an agent or a distributor for Germany, meet your potential German customers, get their reactions to and comments about your product, and possibly make sales. But there are other benefits too. You can learn at a fair what your German and third-country competitors are offering in style, price, or innovations, find new products that you might manufacture in Canada, or find a foreign company to manufacture your product in Germany under licence. Most important, you will get a feel of the European market. Sometimes it is possible to attend a symposium or technical film showing at the same time.

Because trade fairs attract a number of visitors from countries outside Germany, they may offer an opportunity to talk with agents and buyers from the other EEC countries or from the EFTA group. You might also have the chance

to make contact with a U.S., British, or other foreign buyer interested in your product. And, to minimize the expense, a trade fair visit can be combined with a business trip.

The Department of Industry, Trade and Commerce in Ottowa, as well as the Canadian Trade Commissioners in Bonn, Duesseldorf and Hamburg, can supply details about German fairs. **Many of the fair authorities have representatives in Canada as,** for example:

Hannover Fair: Kuehne & Nagel (Canada) Ltd., 485 McGill Street, Montreal 9, P.Q.

Cologne Fair: Fredar Investment Corporation, 5465 Queen Mary Road, Suite 480, Montreal 29, P.Q.

Duesseldorf Fair: Gerd H. Schnier, 250 Browndale Crescent, Richmond Hill, Ontario.

Frankfurt Fair: Lufthansa German Airlines, 55 Yonge Street, Toronto 1, Ontario.
Lufthansa German Airlines, 1250 Peel Street, Montreal, Quebec.

Stuttgart Fair: R. F. Haussmann, A.A.C.I., 130 Willowdale Avenue, Suite 3, Toronto-Willowdale, Ontario.

Nurnberg Fair: Defoy & Kegault Ltd., 26 Notre-Dame West, Montreal 1, P.Q.

Munich Fair: Gerald G. Kallman, 30 Journal Sq. Jersey City, N.J. (North American rep.).

A small individual exhibit witb a moderate quantity of display goods brought from Canada calls for a basic budget of about $2,000, including about $566 to bring one person by air Toronto-Frankfurt and return, $300 for air freighting samples, $300 for ten days' hotel expenses, $400 for hire of stand, $50 for rental of furniture, $250 for hire of an interpreter and $50 for services of a customs broker. Participation in a collective exhibit would cut this cost to $1,500 or less through sharing of expenses.

Most German fairs cover a carefully delineated range of goods. **Make sure that you select the right fair for your products, otberwise you may be refused space or** if you are accepted, your exhibit may be unproductive.

Space should be reserved as early as possible in order to obtain a good location. Usually as one fair ends reservations are accepted for the following year. Some popular locations are booked years in advance, with priority going to previous exhibitors. For collective exhibits the sponsoring authority will, of course, arrange for a block of space and divide this among individual exhibitors.

The minimum size of exhibit is usually 15 to 20 square meters, although large exhibits may range up to several hundred square meters. The price of space varies generally from DM 45 to DM 90 per square meter, depending on the fair and the location of the stand. There may also be charges for rental of basic furniture, telephone, guards, cleaning services, etc., if these are required.

This observation tower is one of the landmarks on the fair grounds at Hannover, where the big International Trade Fair is held each spring. It attracts 5,000 exhibitors and as many as 600,000 business visitors.

Hotel accommodation in Germany becomes difficult or even impossible to find during the period of a major trade fair. **Canadians intending to visit a fair should arrange as far in advance as possible to obtain a hotel room** either through a travel agency, through the fair management, or by writing to the appropriate Canadian Trade Commissioner. Sometimes it is necessary to take a room in a nearby city and commute by rail. German trains are fast and frequent. For collective exhibits, rooms are usually reserved en bloc.

At many fairs, the exhibitor is offered a ready-made standard booth so that a minimum of stand construction or outfitting will be necessary. However, if a more elaborate and attractive layout is required, it may be necessary to employ a local decorator and the fair management can recommend approved firms. **Allow at least a month for a local firm to set up your stand.** With collective exhibits, the design and construction of the stands are usually done by the sponsoring authority.

When the time comes to ship your display, the fair management or the Canadian Trade Commissioner will be happy to recommend reliable customs brokers who are available

at each fair to supervise the import and re-export of exhibit materials. With collective stands, all samples may be combined into one shipment.

It is a cardinal principle that a stand at a trade fair must be manned at all times by a person able to discuss the technical points of the product, as well as prices, delivery, agency terms, etc. A German interpreter must be on the stand or on immediate call at all times and the fair management can recommend skilled interpreters who will work by the day. The usual charge is about $25 per day, although sometimes university students will work for less. Your sales literature, or at least a summary of the salient points, should be in German.

On the stand you should follow the German custom of offering any promising inquirer a place to sit and discuss your product and should have available a cigar or cigarette, and perhaps some fruit juice or other refreshment. It is not customary to distribute samples or other giveaways except to very special clients.

Some fairs of interest to Canada are listed below. One of these may provide your entree to the German market.

German Trade Fairs

Horizontal Fairs

Frankfurt International Fair
Frankfurt
spring and fall; Feb. 22-26, 1970
general consumer goods

International Saar Fair
Saarbrucken
annual; April 11-19, 1970
general consumer goods

Hannover Fair
Hannover
annual; April 25-May 3, 1970
general industrial goods

International Bodensee Fair
Friedrichshafen
annual; May 1-10, 1970
general

German Industries Fair
Berlin
annual; Sept. 18-27, 1970
general industrial goods

Food and Agriculture

International Green Week
Berlin
annual; Jan. 30-Feb. 8, 1970
food and agriculture

International Trade for Gastronomy, Bakeries, Confectioners "INTERNORGA"
Hamburg
annual; March 5-11, 1970
baking and confectionery specialties and machinery

International Exhibition of Foodstuffs "LEFA"
Hamburg
annual; Aug. 27-Sept. 2, 1970
food specialties

International Exhibition of Groceries and High-Class Provisions "IKOFA"
Munich
every two years; Sept. 19-27, 1970
food specialties

International Exhibition of Fine Foods and Provisions "ANUGA"
Cologne
every two years; Sept. or Oct. 1971
all foods

Clothing, Leather, Textiles

International Exhibition of the Ladies' Hat Industry "IFADA"
Cologne
winter and summer; Jan. 4-7, 1970
millinery

International Leather Goods Fair
Offenbach
spring and fall; Feb. 21-26, 1970
leather goods

International Berlin Fashion Week
Berlin
4 times per year; March 2-12, 1970
women's and children's outerwear

International Fashion Trade Fair "IGEDO"
Duesseldorf
4 times per year; March 15-18, 1970
women's fashions

Fashion Week Munich
Munich
spring and fall; April 5-8, 1970
women's fashions

International Fur Trade Fair
Frankfurt
annual; April 15-19, 1970
furs and fur garments

International Fair for the Child
Cologne
spring and fall; April 17-19, 1970
children's clothing and equipment

International Clothing Fair "INTERCHIC"
Berlin
spring and fall; April 19-23, 1970
women's and children's outerwear

European Footwear Sample Display "GDS"
Duesseldorf
spring and fall; April 26-30, 1970
footwear

Trade Fair for Clothing Textiles "INTERSTOFF"
Frankfurt
spring and fall; May 11-14, 1970
textiles

International Men's Fashion Week
Cologne
annual; Aug. 28-30, 1970
men's clothing

International Fair of Lingerie, Underwear and Swimwear
Cologne
annual; Sept. 1970
lingerie, swimwear

Boats and Sporting Goods

German Boat Show—International, Hamburg
Hamburg
annual; Jan. 23-Feb. 1, 1970
boats

International Boat Show and Watersport Exhibition
Berlin
annual; March 14-22, 1970
boats and recreation and tourist equipment

International Boat Show "INTERBOOT"
Friedrichshafen
annual; Sept. 26-Oct. 4, 1970
boats

Duesseldorf Boat Show "BOOT"
Duesseldorf
probably annual; fall 1970
boats

—Continued on page 26

International Sports Equipment Fair "ISPO"
Munich
annual; March 8-19, 1970
winter sports equipment

German Camping Exhibition and International Boat Show
Essen
annual; April, 4-12, 1970
camping equipment, boats

International Caravan Exhibition
Essen
annual; Sept. 26-Oct. 4, 1970
caravans and trailers

International Trade Fair of Sport Goods, Camping Goods, Garden Furniture "SPOGA"
Cologne
annual; Oct. 25-27, 1970
sporting and camping goods, garden furniture

Hotel, Restaurant, Hospital and Store Equipment

Hotel and Catering Trade Fair "HOGA"
site varies
annual; Wiesbaden, Feb. 13-18, 1970
hotel and catering equipment

International Fair for Modern Shopfitting and Display "EUROSHOP"
Duesseldorf
every two years; Feb. 21-25, 1970
store display equipment

International Hospital Exhibition "INTERHOSPITAL"
site varies
every two years; Stuttgart, April, 1971
hospital equipment

International Hotel and Restaurant Trade Exhibition "INTERGASTRA"
Stuttgart
every three years; April 16-23, 1972
hotel and restaurant equipment

Exhibition for Hospital Equipment and Supplies "FAB"
site varies
annual; Hamburg, June 9-12, 1970
hospital equipment and supplies

German Restaurant and Food Exhibition
Berlin
annual; Nov. 13-22, 1970
food and restaurant equipment

Hotel Catering and Cooking Exhibition "IKA"
Frankfurt
every four years; 1972
hotel and restaurant equipment

Forestry and Construction Industries

International Building Trades Exhibition "CONSTRUCTA"
Hannover
every four years; Jan. 24-Feb. 1, 1970
building materials and techniques

International Trade Exhibition of Building Materials, Structural Elements and Interior Finishing "BAU"
Munich
every four years; Feb. 5-13, 1972
building materials

German Building Exhibition "DEUBAU"
Essen
every two years; Feb. 6-14, 1971
building trades

International Construction Machinery Fair "BAUMA"
Munich
every two years; March, 1971
construction machinery

International Exhibition for Heating and Plumbing Equipment
Frankfurt
every two years; March 31-April 4, 1971
heating and plumbing equipment

International Oil and Gas Heating Trade Fair "INTHERM"
Stuttgart
annual; April 8-12, 1970
oil and gas heating equipment

International Exhibition of Technology of Forestry and Forest Industries
Munich
every four years; June 6-14, 1970
forestry and lumbering equipment

International Congress and Exhibition for Instrumentation and Automation "INTERKAMA"
Duesseldorf
every three years; Oct. 14-21, 1971
measuring instruments and automation

International Trade Exhibition of Sewage Engineering
Munich
every three years; Oct. 1972
sewage engineering

Clean Air Exhibition
Duesseldorf
every four years; 1974
air purification equipment

Other Commodities

West German Office Equipment Show
Duesseldorf
annual; Oct. 13-16, 1970
office equipment

Frankfurt Office Equipment Trade Fair
Frankfurt
every two years; Oct. 20-23, 1970
office equipment

Exhibition and Congress of Chemical Engineering "ACHEMA"
Frankfurt
every three years; June 17-24, 1970
chemical engineering and equipment

International Druggists and Chemists Trade Exhibition "INDROFA"
site varies
every two years; Frankfurt, Sept. 18-22, 1970
pharmaceuticals

Frankfurt Book Fair
Frankfurt
annual; Sept. 24-29, 1970
books

German Aviation Show
Hannover
annual; April 24-May 3, 1970
aircraft

International Machine Tool Exhibition "IHA"
Hannover
irregular; Sept. 6-15, 1970
machine tools

International Furniture Fair
Cologne
every two years; Jan. 20-25, 1970
furniture

International Household Goods and Hardware Fair
Cologne
spring and fall; Feb. 15-18, 1970
housewares and hardware

International Bicycle and Motorcycle Exhibition "IFMA"
Cologne
every two years; Sept. 26-29, 1970
bicycles and motorcycles

World Fair of Photography "PHOTOKINA
Cologne
annual; Oct. 3-11, 1970
photographic equipment

International Light Industries and Handicrafts Fair "IHM"
Munich
annual; March 14-22, 1970
handicrafts

International Trade Fair for Production in the Electronic Industry "ELECTRONICA"
Munich
every two years; Nov. 5-11, 1970
electronic components and production equipment

International Toy Fair
Nurnberg
annual; Feb. 14-20, 1970
toys

International Trade Exhibition for Barbers' and Hairdressers' Supplies and Cosmetics
site varies
annual; Stuttgart, Sept. 13-15, 1970
barbers' supplies, cosmetics

International Fair for Plastics Industry "KUNSTSTOFFE"
Duesseldorf
every four years; Sept. 16-23, 1971
plastics industry

International Fair for Packaging Machinery, Packaging Materials and Confectionery Machinery "INTERPACK"
Duesseldorf
every three years; 1972
packaging machinery and materials, confectionery machinery

International Fair of Woodworking and Furniture Accessories "INTERZUM"
Cologne
every two years; June 1971
woodworking and furniture accessories

Container Fair "CONTAINERIZATION"
Munich
every four years; Oct 21-25, 1970
container industry

International Container and Combined Traffic Fair
Hamburg
every four years; 1972
container industry

International Shutters and Blinds Trade Fair "R71"
Stuttgart
every two years; June 10-13, 1971

International Automotive Show
Frankfurt
every two years; Sept. 16-26, 1971
automobiles, parts and accessories

International Fair for Printing and Paper
Duesseldorf
every five years; May 1972
printing trade

National German Radio Exhibition and International Hi-Fi Exhibition*
site varies
annual; Duesseldorf, Aug. 21-30, 1970
radio, TV and hi-fi equipment

*Will become international in 1971.

Trade Commissioners on Tour

In Territory

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

Afghanistan

H. W. Guy, Assistant Commercial Secretary in Islamabad, Pakistan, will visit Kabul March 23–27.

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.

Chile

J. D. Leach, Assistant Commercial Secretary in Santiago, will visit Concepcion March 23-27.

Cyprus

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

El Salvador

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

Guyana

D. Hobson-Garcia, Commercial Officer, in Port-of-Spain, Trinidad, will visit Guyana March 16-20.

Pakistan

Officers at the Islamabad office will make the following visits:

Lahore—J. E. G. Gibson, Commercial Secretary, March 2-4.

Dacca—H. W. Guy, Assistant Commercial Secretary, March 9-13.

People's Republic of China

Trade Commissioners in Hong Kong regularly attend the Commodities Fair in Kwangchow in the spring, April/May, and in the fall, October/November. Canadian businessmen who would like the Trade Commissioners to assess prospects for them for sales or purchases should send full particulars of their offers or requirements to the Hong Kong office.

Southern Africa

G. P. Orban, Assistant Trade Commissioner in Johannesburg, South Africa, will visit Luanda, Angola; Beira and Lourenco Marques, Mozambique; Tananarive, Malagasy, and Mauritius, March 2-April 2.

Taiwan

D. S. Baker, Consul and Trade Commissioner in Manila, Philippines, will visit Taiwan February 22-March 8.

Trinidad

J. A. Ahow, Commercial Officer, in Port-of-Spain, will visit South Trinidad March 25.

Trade Lines

The South African fishing industry spent some Cdn. $15 to $22.5 million on new trawlers in 1969 to increase its catch, mainly outside territorial waters. The inshore industry is also buying new steel trawlers to replace its wooden ones. Some of these will go into operation with one of the South African-owned factory ships now operating off the west coast of Morocco. Quota restrictions have been imposed on factory ships off the South African and South West African coasts—Cape Town.

Bauxite ore deposits of over 80 million tons have been discovered in Kibi, Ghana, and an additional reserve of some 130 to 140 million tons may be proved. The Geological Surveys Department in Ghana has recommended that the Kibi deposits be given priority in exploitation—Accra.

South Africa is now exporting its egg surplus to overseas markets in frozen liquid form from four plants. The product goes mainly to Japan—Cape Town.

Soutb Africa is planning a chinchilla farm near Port Elizabeth, Cape Province, said to be the largest in the world. To make an impact on the international market, South Africa needs to produce 250,000 chinchilla pelts a year, compared with the present 40,000 from Southern Africa. The farm, which has already cost over Cdn.$150,000, is expected to accommodate some 10,000 chinchillas—Cape Town.

Czechoslovakia is now producing its own mercury at Rudnany in East Slovakia, where a mill went into operation last spring. It will provide about half of Czechoslovakia's annual requirements—Prague.

Billiton Mining of Tbe Hague plans to build an electrolytic zinc refinery at Budel in the province of Noord-Brabant, the Netherlands. The refinery represents an investment of some Cdn.$22.5 to $24 million. The existing zinc plant owned by Kempensche, a Dutch firm in The Hague, will be taken over by Billiton on March 1, 1970. Initial annual capacity of the new refinery will be 60,000 tons; this will be increased to 100,000—The Hague.

Several Norwegian firms bave set up a new aluminum boat company, A/S Fjell Aluminum Yachts. The Norwegian firms, which include A/S Ardal & Sunndal Verk and A/S Raufoss Ammunisjonsfabrikker, have made a long-term sales agreement with Striker Aluminum Yachts Inc. of Florida. At present production includes boats between 25 and 130 feet long and it is probable that larger boats will follow later—Oslo.

The West Australian operations of Hamersley Holdings Ltd. will he expanded in the next three years to make it the world's largest iron ore producer. The expansion will cost about A$150 million, of which A$45 million will be raised within the country—Melbourne.

A 15-kilometer underground urban transit system is now under study in Bogota, Colombia. U.S. and Colombian consultants are examining the city's transportation problems and the possible construction of a subway—Bogota.

Nisshin Seiko of Tokyo, Japan, plans to form a joint venture with Pacemaker of the U.S. to produce fiberglass commercial and pleasure craft between 14 and 48 feet long. The new company will install equipment to produce 1,200 boats in its Tokuyama factory. The contract calls for exclusive domestic production and the right to export to Southeast Asia, India, Ceylon, the Philippines and Australia under initial royalties. This move reflects a growing interest in pleasure boating in Japan—Tokyo.

Thailand's new industrial estate at Bang Chan is attracting many industrialists. The estate, the first in the Bangkok area, can accommodate some 200 factories. The Ministry of Industry, with Japanese experts, is making a detailed feasibility study of two other possible sites in the Bangkok area. One estate will concentrate on medium and heavy industry and the other on all types of industry. The Ministry will also advise private firms interested in developing independent estates—Bangkok.

A Norwegian firm plans to test three mobile fish-freezing plants in Finnmark in the near future. Construction of the first freezing tunnel and plant is now under way. These mobile units are expected to be cheaper than building local stationary plants because they will be able to concentrate on special first-class products which will be collected by boats with refrigeration facilities. The project will be financed by the Fisheries Research Institute—Oslo.

An Israeli firm has developed an electronic instrument to produce master tape programs or computer cards for jacquard knitting machines. The instrument, made by Technologia Mada'it of Rehovot, Israel, eliminates the technician. The designer simply draws the pattern with a special pencil and feeds it into the instrument where an electronic eye passes the data on to a computer. The computer automatically punches the cards or programs the magnetic tape—Tel Aviv.

A Portuguese firm will manufacture a semi-portable typewriter under an agreement between Maquinas de Escrever SARL (MESSA) and Litton Industries of California. The typewriters will be made at MESSA's factory near Lisbon. Litton Industries will guarantee sales abroad. Production will start early in 1970 and the Portuguese firm is expected to increase exports to more than U.S.$2 million a year—Lisbon.

Spain produced 307,962 radios and 676,976 television sets in 1968, according to the Spanish Ministry of Commerce. This is a significant increase over the 1961 figures of 220,781 and 64,461. One in every four Spaniards now has a radio and one in ten a TV set. Exports of television sets totalled U.S.$480,000 in 1968—Madrid.

Norway has issued new regulations for radio equipment on its ships, covering the installation of VHF emergency radio direction finders before March 1, 1970. In addition, VHF communication sets will be required and ships above a certain size will have to carry portable radio transmitter-receivers—Oslo.

Iscar Ltd., Israel's largest manufacturer of tungsten carbide tool tips, is expanding its production to include metal powder at a cost of about $300,000. Adamas, a U.S. firm, will act as consultant—Tel Aviv.

An 18-man mission returned to Britain from South Africa recently with long-term engineering orders of some $16.5 million over the next two to three years. Most of the orders placed were in the electronics field. The mission, which visited several South African industrial centers, was said to be one of the most successful organized by the British Engineering Industries Association—Johannesburg.

Czechoslovakia will export 30 million pairs of shoes to the Soviet Union in 1970. Because the Czechs are not self-sufficient in hides, additional imports will probably be required—Prague.

South Africa is exporting plough discs to some 20 countries including the U.S., Socialist countries, and Western Europe. The United States, which is one of South Africa's competitors in the agricultural disc field, is also its biggest customer—Cape Town.

Edgars Stores of South Africa recently opened four clothing and footwear supermarkets which will cater exclusively to the African and Colored markets. Called Jet Stores, the outlets in Krugersdorp, Virginia, Claremont and Salt River are the first of eleven to be built this year, and by 1973 it is expected the chain will number 127 stores. Edgars is a subsidiary of United Purchasing, South Africa's largest family-owned clothing manufacturer, and caters mainly to the African market. Establishment of Jet Stores is a further attempt to take advantage of the increasing African purchasing power—Johannesburg.

Canron Ltd., of Montreal has acquired a controlling interest in Matisa Materiel Industriel S.A., of Switzerland. Matisa manufactures railway track maintenance machinery and equipment and has an annual production of about Cdn.$16 million, of which 98 per cent is exported. The acquisition of Matisa places Canron among the world's leading suppliers of railway track maintenance equipment—Berne.

Thailand's telephone organization is to step up installation of telephones this year, hopefully to 80,000, to take care of a reported five-year backlog. The country has two telephone systems in operation, one Swedish, the other Japanese. The telephone organization, to avoid problems with equipment of varied origin, will probably buy from Swedish and Japanese manufacturers—Bangkok.

Venezuelan authorities are currently discussing two major roadbuilding projects. One will be a central speedway of almost 1,000 miles to link existing systems and Maracaibo in the northwest with Ciudad Bolivar in the east. Photogeological techniques are to be used to avoid building the highway through unstable areas. The other project, connecting Caracas with the coast, the airport at Maiquetia and the port at La Guaira, will be an alternative route to the existing speedway, which landslides frequently put out of service—Caracas.

Fifty Israeli enterprises were engaged in research and development projects in 1969, double the number of 1966. Nearly $4.7 million was invested in research by companies in the fields of electricity, electronics, chemistry and food products. Civilian research undertaken in Israel equals 1 per cent of the GNP and is subsidized up to 50 per cent by the Israeli Government. A number of projects, originally in the research stage, have now been translated into successful commercial ventures—Tel Aviv.

The National Swimming Pool Institute in the U.S. estimates that 80,000 pools will be added this year to the million now in use. Pool prices are said to be lowest in Florida and southern California—Philadelphia.

Moscow is now testing a ten-passenger bus with an electric motor. Power comes from a small gasoline motor from a midget car. This operates a generator which provides current both to the electric motor and to storage batteries which can give an extra boost on hills. It is reported that the bus emits 94 per cent less exhaust gases than a conventionally powered bus of its size—Moscow.

Argentina's first satellite ground station, with 300 circuit capacity, was recently put into service. A second antenna is now being proposed to enable simultaneous contact with two COMSAT satellites. The Argentine portion of the Inter-American telecommunications network is already in operation, the microwave link with Bolivia is being expanded, and contracts have been awarded for construction of connections with Chile and with the Paraguayan and Brazilian borders—Buenos Aires.

A 1969/74 national Argentine program, already in full swing, calls for the installation of 810,000 telephone lines, 4,000 telex lines and 7,925 microwave circuits—Buenos Aires.

The Chicago Board of Trade began trading in new plywood futures contracts December 1, 1969. Contracts for plywood futures already are being traded on the New York Mercantile Exchange. The Chicago Board's contracts specify delivery with shipping certificate. Delivery will be made by mills which are certified "regular for delivery." The Chicago Board plywood contract will use ½-inch, five-ply standard exterior sheathing as its contract item. Contracts will be for 36 units (69,120 square feet)—Chicago.

The German Federal Railways is modernizing rolling stock to attract new customers and to handle increasing container and piggyback traffic. Container traffic during the first six months of 1969 was 200 per cent above the full year 1968. Piggyback transport of heavy trucks and road-train units in the first six months of 1969 was more than double the same period in 1968. The Railway's fleet of boxcars is being overhauled and 28 per cent of the special-purpose cars ordered have been delivered—Bonn.

The Esso organization in Europe plans to have 70 hotels in operation by 1975; 17 or 18 of them will be in Germany. The first Esso motor hotel in Europe was built in Sweden in 1963 and 37 are now in operation—Bonn.

One of Singapore's important overseas investments, a $50 million logging operation in the Kalimantan forests of Indonesia, will begin operations early this year. Intraco Limited, a Singapore Government agency acting for the industry, has proposed that operating capital be provided equally by government and the industry. At least six Singapore companies have secured logging rights in Indonesia on a joint-venture basis—Singapore.

Trade and Tariff Regulations

The Danish Ministry of Commerce has announced that import licences are no longer needed for the following: canned or frozen spinach, roasted coffee or coffee substitutes with coffee content, vermouth, other wines made from fresh grapes. This was effective December 22, 1969.

Ireland will grant licences for the import of raw apples grown elsewhere than in Britain from February 17 to July 7, 1970, under the Apples (Regulation of Import) Order, 1951. Import licences are not required for apples grown in Britain, and they will enter duty-free during the period mentioned above. Other apples imported during this period are liable to duty at the rate of one penny per pound. Applications for licences should be addressed to the Secretary, Department of Agriculture and Fisheries (Section 4), Dublin 2, Ireland.

From August 1 to February 28, a quota of 3,000 tons of apples from Britain will be allowed import under tbe Free Trade Area agreement, at a duty of one penny per pound.

Our Trade Commissioner in Beirut has advised that the Lebanese Parliament has approved a new customs tax on imported cars from 170 Lebanese piastres per kilo to a rate of 32 per cent ad valorem. This new customs tax will be effective from date of publication in the official Gazette which is expected within the next two weeks.

The Italian airport tax levied on imports and exports of merchandise arriving at and leaving from all Italian airports has been increased to 15 Italian lire from 5 lire for each kilo or fraction thereof of gross weight. The minimum charge per shipment is lire 100. The increased tax became effective on November 1, 1969.

show of the month

The 14 companies in the Canadian exhibit at the American Vocational Association Convention at Boston, December 6 to 9, 1969, came in for a great deal of attention from the 6,870 people attending the convention. Two of the exhibitors in their displays illustrated the diversity of products shown and the astuteness of Canadian manufacturers. One product, a sandwich grill, toasted bread with a wide choice of fillers and in quantities to satisfy the most demanding schooltime hunger. The other, a laser beam, is capable of operating outdoors with flashlight batteries as its only power source.

The 14 exhibitors—two from Manitoba, nine from Ontario, and three from Quebec—displayed a range of teaching equipment relevant to the production departments and machine shops of modern industry. Some of the teaching aids which brought the workaday world to the classroom included laboratory furniture and equipment, hydraulic tracing controls, modular electronic systems and components, mechanical engineering and woodworking machinery.

The exhibit, Canada's second at the AVA convention, was sponsored by the Department of Industry, Trade and Commerce. In a post-show review, company and government officials said that the twin objectives set for the show had been reached: product exposure and the selection of distributors and/or manufacturers' representatives. Representatives of national, state and regional educational agencies and associations visited the Canadian exhibit. In fact, attendance figures for the final three days reached 10,978.

One of the many visitors to the Richardson Equipment Co., Ltd. display listens as Stanley Ward (right) of the Scarborough-based company, elaborates on the principles of a mobile hydraulic/pneumatic trainer. The unit, designed specifically for student instruction, permits two student teams to work at the same time. The versatile Richardson units can be used to teach hydraulics, pneumatics, fluidics, and even electrics.

A woman delegate to the convention inquires of J. W. Scott of C E TA Limited of Fort Erie how this applied electronics teaching kit can best be used in the classroom. She discovered, as did the many visitors to the CETA display, that these teaching aids are highly relevant to electronics outside the classroom because of CETA's close liaison with industry.

J. Mario (left) of Mimik Limited of Galt, demonstrates a lathe-mounted Model 7000 tracer to two teachers. This tracer, and the many other specialized hydraulic tracer controls, provide students with experience relevant to outside industry.

The Ocean Freight Market

Industrial Traffic Services Division

Dry-cargo charter freight rates showed a tendency to rise in the fourth quarter of 1969. Average charter rates in most Canadian trades were higher than those recorded in the previous quarter and were also higher than those in the same quarter a year ago.

In the Pacific sector of the market, the rate for grain shipments to Japan remained steady at $8.50 per ton throughout the fourth quarter. A number of consecutive voyages were arranged for the movement of heavy grain to the People's Republic of China from the Pacific Coast at rates varying from 63s.0d. per ton to 68s.6d. per ton. In the coal trade from Hampton Roads to Japan a considerable number of consecutive voyages were booked, involving cargo tonnages ranging from 25,000 tons to 55,000 tons and rates fluctuating between $5.30 per ton and $6.75 per ton. The normal seasonal activity in chartering occurred in the grain trade from Saint John and Halifax to Britain and the Continent.

On the basis of fixtures reported for Northern Range discharge, chartering activity in the Caribbean sector of the tanker market was fairly moderate but steady during the fourth quarter. Activity in the Persian Gulf sector of the market, however, was conducted on a limited scale. The tanker rate for black oil from the Caribbean to United States North Atlantic ports was Worldscale 95 at the beginning of the quarter, but rose gradually to a peak level of Worldscale 200 towards the end of the quarter.

A new worldwide tanker rate basis called Worldscale was introduced in September and a number of fixtures were concluded on the new terms. Worldscale replaces both the International Tanker Nominal Freight Scale (Intascale) and the American Tanker Rate Schedule (ATRS). It is set up to follow generally the principles adopted in other scale computations, but it includes a number of changes. The most important is that rate levels are expressed in terms of a positive index with the flat rates expressed as Worldscale 100, rather than in terms of the particular schedule in use plus a premium or minus a discount. For example, Intascale plus 20 per cent and minus 20 per cent would become Worldscale 120 and 80 respectively under the new system.

Charter Rates—Fourth Quarter 1969

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in column B calculated at £=$2.58 and U.S.$=$1.08. For comparison the rates a year ago are shown in column C with the Canadian dollar equivalent in Column D calculated at £=$2.56 and U.S.$ = $1.07. The rate schedule does not necessarily represent all charter movements to or from Canadian ports since details of certain fixtures are not published.

	Fourth Quarter 1969		Fourth Quarter 1968	
	A	B	C	D
	£ or U.S.$	Cdn.$	£ or U.S.$	Cdn.$
Time Charters				
The classes of motor ships indicated have been selected as representative for the purpose of illustrating time charter rates. Average rates per deadweight ton per month for the fourth quarter of the year were as follows:				
General Trading (approximately 4 to 12 months)				
11,000-15,000 dwt. 13-16 knots	3.96	4.27	3.85	4.12
15,000-20,000 dwt. 13-16 knots	3.91	4.22	3.60*	3.85
20,000-30,000 dwt. 13-16 knots	3.08	3.32	2.63	2.81
30,000-40,000 dwt. 13-16 knots	2.33	2.51	2.65	2.84
Trip Charters				
Average rates for the fourth quarter of the year were as follows:				
Heavy Grain (per long ton)				
St. Lawrence to Britain	51s.3d.	6.67	44s.0d.	5.72
St. Lawrence to Belgium/Holland	4.12	4.44	3.01	3.23
St. Lawrence to Japan	10.00	10.79	10.78	11.57
St. Lawrence to Israel	9.50*	10.25	.....	.....
St. Lawrence to West Germany	4.38	4.72	.....	.....

*One fixture only reported.

	Fourth Quarter 1969		Fourth Quarter 1968	
	A	B	C	D
	£ or U.S.$	Cdn. $	£ or U.S.$	Cdn.$
St. Lawrence to Northern France	6.25	6.74	.....	.....
St. Lawrence to Southern France	6.75	7.28	.....	.....
St. Lawrence to Pakistan	16.08	17.34	.....	.....
St. Lawrence to Poland	6.05	6.53	.....	.....
Saint John/Halifax to Britain	5.40	5.82	47s.6d.	6.11
Saint John/Halifax to Belgium/Holland	3.58	3.86	3.18	3.41
Saint John/Halifax to Adriatic	8.77*	9.46	.....	.....
Saint John/Halifax to Taiwan	12.25*	13.21	.....	.....
Great Lakes to Britain	73s.9d.	9.58	71s.0d.	9.23
Completing St. Lawrence	46s.6d.	6.04	40s.1d.	5.21
Great Lakes to Belgium/Holland	7.13	7.69	6.72	7.21
Completing St. Lawrence	4.75	5.12	3.39	3.64
Great Lakes to Algeria	10.50*	11.33	10.70	11.48
Completing St. Lawrence	7.50*	8.09	6.50*	6.98
Great Lakes to Venezuela	12.00*	12.94	.....	.....
Completing St. Lawrence	3.00*	3.24	.....	.....
Great Lakes to Denmark	10.00*	10.79	7.16	7.66
British Columbia/North Pacific to Japan	8.50	9.17	7.55	8.10
British Columbia/North Pacific to Philippines	8.70*	9.38	8.81	9.45
British Columbia/North Pacific to South Korea	8.73	9.42	7.33	7.87
British Columbia/North Pacific to People's Republic of China	66s.2d.	8.60	59s.0d.	7.67
British Columbia/North Pacific to Peru	7.00*	7.55	.....	.....
British Columbia/North Pacific to Belgium/Holland	6.50*	7.01	4.93	5.29
British Columbia/North Pacific to Britain	7.57	8.17	7.20	7.73
British Columbia/North Pacific to East Coast of India	106s.0d.	13.78	.....	.....
British Columbia/North Pacific to West Coast of India	108s.6d.	14.10	.....	.....
Coal (per long ton)				
Hampton Roads to Japan	6.62	7.14	6.24	6.70
British Columbia to Japan	4.35*	4.69	.....	.....
Oilseeds (per long ton)				
British Columbia to Japan	7.83	8.45	6.76	7.25
Scrap Iron and Steel (per long ton)				
U.S. North Atlantic to Japan	10.95	11.81	10.85	11.64
Great Lakes to Turkey	14.46*	15.60	.....	.....
Great Lakes to Japan	14.75	15.91	12.50*	13.41
Great Lakes to South Korea	16.50*	17.80	.....	.....
Great Lakes to Spain	12.93	13.95	10.62	11.40
Sulphur (per long ton)				
British Columbia to Italy	9.25*	9.98	.....	.....
British Columbia to Belgium/Holland	6.00*	6.47	.....	.....
British Columbia to Taiwan	8.75*	9.44	.....	.....
British Columbia to New Zealsnd	56s.2d.	7.30	.....	.....
Fertilizers (per long ton)				
British Columbia/North Pacific to India	12.65*	13.21	.....	.....
Iron Ore (per long ton)				
St. Lawrence to Japan	6.25*	6.74	.....	.....
St. Lawrence to Belgium/Holland	2.57	2.77	.....	.....
Petroleum Coke (per long ton)				
Great Lakes to Romania	10.50*	11.33	.....	.....
Oil Black (per long ton)				
Venezuela to Portland, Maine	2.98	3.21	2.45	2.62
Persian Gulf to Portland, Maine	9.53	10.29	8.23	8.83
Venezuela to East Coast of Canada	3.00	3.24	3.06	3.28

*One fixture only reported.

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 .93. **To convert column two, *divide* by .93.**

Country and Currency	Value of foreign currency unit in Canadian dollars at February 16	Canadian dollar in foreign currency units
Algeria Dinar	.1935	5.16
Argentina* Peso (free)	.3070	3.25
Australia Dollar	1.201	.8326
Austria Schilling	.0415	24.03
Bahamas Dollar	1.073	.93
Belgium and Luxembourg Franc	.0216	46.72
Bermuda Pound	2.572	.39
Bolivia Peso	.0906	11.06
Brazil Cruzeiro (official free)	.2442	4.09
Britain Pound	2.582	.38
British Honduras Dollar	.5366	1.86
Burma Kyat	.2255	4.43
Ceylon Rupee	.1804	5.54
Chile Escudo (bank rate)	.1025	9.75
(free)	.0884	11.31
China, Republic of New Taiwan Dollar (official)	.027	37.04
Colombia Peso (fixed)	.059	16.80
Congo (Kinshasa) Zaire	2.154	.4651
Costa Rica Colon	.1620	6.17
Cuba[1] Peso	.....	.....
Czechoslovakia Koruna	.1491	6.70
Denmark Krone	.1431	6.98
Dominican Republic Peso	1.073	.93
Ecuador Sucre (official)	.0596	16.72
(free)	.0536	18.65
El Salvador Colon	.4295	2.32
Fiji Pound	1.232	.81
Finland Markka	.2557	3.91
France, Monaco, etc.[2] Franc	.1935	5.16
Franco-African Republics[3] Franc	.0039	256.4
French Pacific[4] Franc	.0107	93.44
Germany D Mark	.2910	3.43
Ghana New Cedi	1.051	.95
Greece Drachma	.0359	27.93
Guatemala Quetzal	1.073	.93
Guyana Dollar	.5395	1.85
Haiti Gourde	.2148	4.65
Honduras Lempira	.5369	1.86
Hong Kong Dollar	.1772	5.64
Hungary Forint (official)	.0921	10.85
Iceland Krona (official)	.0122	81.96
India Rupee	.1425	7.01
Indonesia[5] Rupiah	.....	.....

*Peso recently revalued

Country and Currency	Value of foreign currency unit in Canadian dollars at February 16	Canadian dollar in foreign currency units
Iran Rial	.0142	70.42
Iraq Dinar	3.006	.33
Ireland Pound	2.582	.38
Israel Pound	.3068	3.26
Italy Lira	.0017	588.23
Jamaica Dollar	1.286	.77
Japan Yen	.0030	333.33
Kenya Shilling	.1526	6.55
Lebanon Pound (free)	.3329	3.00
Malaysia Dollar	.3508	2.85
Mexico Peso	.0859	11.64
Morocco Dirham	.2218	4.50
Netherlands Florin	.2949	3.39
Netherlands Antilles Florin	.5690	1.75
New Zealand Dollar	1.204	.82
Nicaragua Cordoba	.1534	6.51
Nigeria Pound	3.005	.33
Norway Krone	.1502	6.65
Pakistan Rupee	.2255	4.43
Panama Balboa	1.073	.93
Paraguay Guarani (free)	.0086	116.28
Peru Sol (free)	.0248	40.65
Philippines Peso (free)	.2741	3.64
Poland Zloty (fixed basic rate)	.2700	3.71
Portugal & Colonies[6] Escudo	.0375	26.66
Saudi Arabia Riyal	.2066	4.84
Sierra Leone Leone	1.502	.66
Singapore Dollar	.3506	2.85
South Africa Rand	1.502	.66
Spain & Dependencies Peseta	.0155	64.93
Sweden Krona	.2075	4.81
Switzerland Franc	.2497	4.00
Syria Pound (free)	.2819	3.55
Thailand Baht (free)	.0523	19.15
Trinidad & Tobago[7] Dollar	.5367	1.86
Tunisia Dinar	2.044	.48
Turkey Lira	.1192	8.38
United Arab Republic Pound (official)	2.468	.40
United States Dollar	1.073	.93
Uruguay Peso (free)	.0043	232.56
Venezuela Bolivar (official free)	.2389	4.18
Yugoslavia Dinar (official)	.0858	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. Peirre and Miquelon.

4. New Caledonia, New Hebrides, French Polynesia.

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

6. Approximately same rate for Portuguese territories in Africa.

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

Marketing Data Sheet

Hungary

Area
35,918 square miles.

Climate
Average temperature in Budapest is 53°F (11.7°C). Centigrade scale is used. Rainfall in 1968 totalled 19.6 inches.

Population
10.2 million (1968)—4.9 million males and 5.3 million females. Some 16.4 per cent of the population is aged 60 and over, 25 per cent between 40 and 59, 36.4 per cent between 15 and 39, and 22.2 per cent 14 and under.

Households
3.1 million households, 3.1 inhabitants per flat.

Income
Average monthly wage of blue and white collar workers combined in the state industries in 1968 was 1,942 forints*. Average monthly wage of blue collar workers alone in the state industries, 1968, 1,869 forints.

Banking
Total savings deposits, December 1968, 29.2 billion forints.

Retail Sales
Total retail sales, 1968, 111.6 billion forints. Per capita retail sales, 1968, 10,912 billion forints.

Motor Vehicles
163,636 passenger vehicles were registered in 1968.

Telephones
35 per thousand persons (1968).

*One Cdn. dollar equals 10.83 forints at official rate of exchange.

Radio and Television
246 radios and 35 television sets per thousand persons, 1968. The number of TV sets now in use is 1.4 million. Radio and television broadcasting facilities (625 lines per picture) are publicly owned.

Water Supply
Safe to drink.

Electric Power
50-cycle, 110, 220 and 380 volts, single and three phase. Domestic cost is 1 forint per kwh. There are some 2.7 million domestic consumers. Total production, 1968, 11.8 billion kwh.

Coal
Anthracite, soft coal and lignite available. Production 1968—soft coal (brown coal) 19.9 million tons, anthracite (black coal) 4.2 million tons, lignite 3.1 million tons.

Gas
Manufactured and natural gas available. Natural gas production 1967, 2.0 billion cubic meters. The length of the distribution system is 2,805 km. There are 1.5 million consumers. Consumption almost doubled between 1960 and 1967.

Petroleum
Production 1968—fuel oil 2.0 million tons, mineral oil 1.8 million, gas oil 1.4 million, gasoline 729,000 tons.

Weights and Measures
Metric system.

Screw Thread
Metric system.

Standards
Official approval is mandatory for gas, electrical and other fuel appliances.

What's different about the house that is taking shape in the picture? Its walls are made of hollow-core blocks of polystyrene foam into which the operator is pouring concrete. They won't need any further insulation and any type of standard cladding can be used to finish the interior and exterior walls.

These plastic foam blocks are the brainchild of Werner Gregory, who got the idea by looking at a soft-drink cooler. His company, Foam-Form Canada Limited, of Oakville, Ontario, now turns out the 4-foot, 2.5-pound blocks. They are designed to fit together easily; have core holes for the concrete and grooves for reinforcing rods.

This new building technique was displayed last month at the National Association of Home Builders' Convention in Houston, Texas, as part of the Canadian exhibit and attracted great interest. Foam-Form now holds patents covering 22 countries and is actively engaged in export.

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

CANADA
POSTAGE PAID
PORT PAYÉ