

foreign trade



Department of Industry, Trade and Commerce, Ottawa

August 2/69



Canada at the Paris Air Show

A Time for Something New

Fifteen years ago, on its fiftieth birthday, the Department's magazine, *Foreign Trade*, was completely redesigned and became a fortnightly rather than a weekly publication. Since then we have changed the cover from time to time, altered some of the layouts, dropped old features and added new ones. But this issue of August 2, 1969, represents the first entirely new design for *Foreign Trade* and its sister publication, *Commerce extérieur*, since 1954.

Why this year? Because the timing seemed appropriate. On March 28, 1969, Parliament passed the Government Organization Act 1969. Among the new Departments created by this Act was Industry, Trade and Commerce—the union of the former Departments of Industry and of Trade and Commerce. Hard logic dictated this integration. As the Minister, the Hon. Jean-Luc Pepin, explained in introducing this part of the Bill in Parliament, "The basic principle of the new Department's organization is that it must emphasize the essential relationship between industrial development and export promotion." It must help industry to produce competitively products that are in demand and to

find markets at home and abroad to absorb this increased production.

The Department has structured its work into four major programs: trade and industrial, tourism, grains, and world exhibitions. The objective of the trade and industrial program is to achieve efficient and sustained growth in the production of and trade in Canadian goods and services. Nine "industry sector" (or line) branches—Apparel and Textiles; Chemicals; Electrical and Electronics; Agriculture, Fisheries and Food Products; Machinery; Materials; Mechanical Transport; Wood Products and Aerospace. Marine and Rail—are set up to give effect to this over-all objective in association with the trade and industrial policy services of the Department. The Branches administer assistance and other programs and provide a wide range of services to Canadian companies, whether they export or not, and in so doing offer a combined approach to the related problems of industrial development and trade.

To project this new image, the Department has adopted a logogram which appears on our cover in the upper righthand corner. (It will also be used

on our letterhead and on all departmental publications.) Consisting of a maple leaf, recognized throughout the world as a symbol of Canada, enclosed within a stylized, double-pointed chevron that projects a sense of motion and direction, it reflects our modern approach to the fulfillment of the mandate of the integrated Department.

In employing the new design, we have kept in mind that *Foreign Trade* and *Commerce extérieur* must convey information clearly and quickly to the busy businessman. To accomplish this, the headings for each article provide immediate identification of the country or commodity that it covers and key sentences in the articles are picked out in bold face type. In keeping with the modern trend and to lend life and sparkle to our pages, we intend to use more photographs and to group them more effectively.

If we have succeeded in presenting in the redesign of *Foreign Trade* a more up-to-date, attractive and readable magazine, containing useful information which will help to give new impetus to our export trade, we shall be content.

Cover: Outside the Canadian Pavilion at the Paris Air Show, the Black Brant IV, made by Bristol Aerospace Limited, thrusts towards the sky. Used in a number of scientific studies, it can soar to an altitude of 1,000 kilometers with payloads of 22.7 to 227 kilograms. Next to it and pointing up is the CL-89 camera-bearing surveillance drone made by Canadair. It is launched by rocket and flown by a turbojet engine. The guidance is preselected and the drone returns by parachute.

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Mr. Pepin Tours the Pacific

On April 13, the Hon. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, departed from Vancouver for Japan. This flight marked the start of a journey to the Pacific Rim countries that took him in turn to Japan, Thailand, Malaysia, Singapore, Australia and New Zealand and brought him back to Vancouver on May 4. He was accompanied by officials of his Department; in some areas, by the Deputy Minister, J. H. Warren, and the Director of the Asia and Middle East Division, B. F. Armishaw, and in others, by the Senior Assistant Deputy Minister, Andrew G. Kniewasser, and the Director of the Commonwealth Division, R. B. Nickson. In each country visited, the team reviewed relations with Canada in a broad context of political economy, economics, aid and defence procurement. *Foreign Trade* presents below in interview form a summary of Mr. Pepin's tour—the first of this length and importance made by a Canadian Minister to the Pacific Rim countries.

Why did you choose to visit the Pacific Rim countries at this time? I had a number of reasons. One was that the Pacific has become increasingly important in the Canadian Government's current review of its foreign policies. It could even be said that my tour was a part of that review—a review concerned not only with diplomacy and defence but also and increasingly with trade, aid, investment, services, tourism, and all other aspects of business. I felt too that this was the time for Canada to demonstrate its interests as a Pacific

power. Important long-range decisions are now being made there which will affect profoundly the future of the area and the trading positions of other countries and of Canada specifically. We should help to influence those decisions.

Is Canadian policy towards the Pacific Rim countries changing? No. I emphasized on my return in a speech at Vancouver that my visit did not indicate a new policy but merely a conviction that we should be increasingly interested and involved in that area. Canada, and especially the West, has always maintained a healthy interest in Pacific affairs but today is realizing more directly that it is a Pacific power. I wanted to see for myself what is going on in the Pacific Rim countries and to find out just where we could fit into their expansion plans.

Did you confine your contacts to the official level? Definitely not; it was my intention from the beginning to meet people not only in government but representatives of the business and academic communities, Canadians engaged in foreign service in these countries, and other Canadians living and working there. I myself and the officials who accompanied me talked frankly with Prime Ministers, Ministers of Trade and Industry, of Finance, of Communications, of Development; with civil servants; with businessmen individually and in groups; with members of Chambers of Commerce and Chambers of Manufactures; with professors and economic



(Left) At the Canadian Processed Foods Show in Tokyo, the Hon. Jean-Luc Pepin (third from right) talks with two of the exhibitors, Mrs. Horry Bird of Bee Cee Honey and Frank Garland of Inter-Provincial Honey Soles. With him are (left) A. J. Stonton, Division Chief with the Agriculture Branch of the Department, J. A. Stiles, Canada's Minister (Commercial) in Japan, and J. H. Warren, Deputy Minister. (Right) Thailand's Minister of Economic Affairs, Bunchono Attahakor, congratulates Mr. Pepin on the official opening of the new Canadian trade office in Bangkok. With him are (left) Carl Rufelds, Commercial Secretary in Thailand, and Brian Armishaw, Director, Asia and Middle East Division of the Department. (For right) The Minister and Thailand's Deputy Prime Minister and Minister of Economic Development, Pote Sarasin, sign a memorandum of understanding on Canada's grant of additional aid for highway studies. On the left is J. C. Britton, Canada's Ambassador to Thailand.

planners; with members of the press and of the broadcasting industry. The pace was hectic and our range was wide.

Why did your Pacific Rim travels begin in Japan? The main reason was that the fifth meeting of the Canada-Japan Ministerial Committee was held in Tokyo on April 17 and 18. The Canadian delegation, headed by the Hon. Mitchell Sharp, the Minister for External Affairs, included the Ministers of Finance, Industry, Trade and Commerce, Fisheries, and Agriculture and the Canadian Ambassador to Japan. Apart from the meetings, Japan was an appropriate place to begin my tour because it is our third largest trading partner. In 1968 trade with Japan exceeded \$950 million, representing over 60 per cent of our total trade with the Pacific countries (excluding the United States and Latin America). Japan is also playing a vital role in the Pacific region as an importer of raw materials, a producer of manufactured goods, and a supplier of capital—the very role played in the world by Britain in the 19th century.

Did the Ministerial meetings deal with any specific problems in Canadian export trade with Japan? Yes. We expressed strong interest in diversifying Canadian exports to Japan, which are heavily concentrated at present in primary foodstuffs and industrial raw materials. While welcoming the Japanese Government's announcement of plans for the gradual elimination of import restrictions, I urged Japanese Ministers to take careful and early account of the Canadian interest in liberalization of particular products now under restriction. Canadian Ministers also expressed the hope for an early and extensive liberalization of foreign capital investment in Japan. We presented Japan with a list of Canadian products that we would like to see liberalized.

Was there time to visit the site of Expo 70 at Osaka? Yes, our Ministerial delegation visited Osaka and the site of the fair as guests of the Japanese Government. I believe that our participation at Osaka and the pavilions to be put up by Ontario, Quebec and British

Columbia will add new lustre to our image in the Pacific area. In putting up its pavilion, Canada is accumulating a collection of "firsts"—first contract signed, first country to start work on a pavilion, and so on. Our pavilion is nearly finished and we were conducted on a tour of it by Patrick Reid, Canada's Commissioner General at Expo 70. Work on the British Columbia building is well advanced and the Quebec and Ontario pavilions have been started.

Was Canada not involved in any other exhibits at the time of your visit? At the time we were in Tokyo, 29 Canadian companies were putting on, under the sponsorship of my Department, a solo display of Canadian processed foods. This show was open to the trade by invitation only and the general public was not admitted. I was able to visit the display, accompanied by the Minister of Agriculture. Most of the companies taking part were anxious to establish agencies in Japan as a first step towards finding a market there and most of them found suitable representation. After three days in Tokyo, the display moved on to Osaka for another three days.

Are there good trade opportunities in Thailand? Indeed there are. During my visit to Thailand, I had detailed discussions with appropriate Thai Ministers and officials regarding their needs and I am convinced that there are numerous opportunities for Canadian firms to do business there. While we were in Thailand, I signed the Canada-Thailand Trade Agreement which should benefit our trade with that country. In addition, I opened our new trade office in Bangkok which is geared to assist Canadian businessmen to seek out new business in that area.

Will Canada be able to contribute to Thailand's development needs? It will be able to contribute and is already doing so, particularly in the communications field, a major preoccupation in nearly all these countries. A Vancouver engineering firm, N. D. Lea & Associates, is carrying out a highway study that involves economic feasibility and soil testing—a study



1. During his stay in Malaysia, the Minister talked with two executives of Malayan Flour Mills, which buys hard wheat from Conada. With the Minister (second from right) are (left) R. B. Nickson, director of the Commonwealth Division of the Department, B. C. Own, Andrew G. Kniewasser, Senior Assistant Deputy Minister of the Department, and T. S. Ho.



2. Mr. Pepin tries his hand at tapping a rubber tree at an experimental station operated by the Malaysian Rubber Research Institute.



3. The Minister watches a first-year apprentice at work in the Training School at the Victoria plant of Mossey-Ferguson (Australia), Limited. With him is J. H. Morison, an M-F executive.



4. Mr. Pepin found time in Sydney to visit the South Pacific office of the Canadian Government Travel Bureau. (Left to right) Conado's High Commissioner to Australia, Arthur Menzies, Douglas Palmer, South Pacific Manager for the Travel Bureau, Harry Horne, Canada's Commercial Counsellor in Sydney, and Andrew G. Kniewasser.

financed by the Canadian International Development Agency. I signed a memo of understanding in Bangkok raising the CIDA contribution to this project to \$670,000. This is but one example of the fine work that Canadian engineers are doing in the Pacific region.

Will other development projects offer us opportunities? I think that they will. I held detailed discussions in Bangkok with the Foreign Minister, the Minister of Economics, and the Minister of Communications about the possibility of Canada obtaining the contract for engineering studies and for the construction of a second airport at Bangkok. The design and building of airports is a field in which Canada has acquired a widely recognized expertise.

Were there meetings outside the official ones in Bangkok? The schedule was too crowded for that, but I did find time to talk with the Trade Commissioner in Bangkok and with his colleagues from Manila and Hong Kong who flew to Thailand to confer with us. We discussed the possibilities and the problems in their territories and the ways in which Canadians could share in developing the region.

How would you assess Malaysia's current needs? In Kuala Lumpur, a city that impressed me greatly, I spent considerable time with members of the Government, including the Deputy Prime Minister, Tun Razak, the Minister of Commerce and Industry, the Minister



of Transport, and the Minister of Defence. I discovered that Malaysia has two major preoccupations: defence and development. It wants to increase its defence capability in view of the planned British withdrawal from the area by 1971 and it wants to press on with development not only of the urban but also of the rural areas. Many of our discussions centered around how Canadian resources could be employed to help the Malaysian economy in terms of defence, of development, and of export capability. Capital is apparently not the Malaysian problem; it needs expertise and knowhow more than money and it is deeply interested in what Canada can offer in the way of professional skills and management techniques.

How can Canada help with its defence problem? We would like to supply the Malaysian Air Force with CF-5 aircraft, a close support aircraft made by Canadair. We made an offer to the Malaysian Government on financing their purchase of this aircraft and on the training of pilots and maintenance staff. This, I might point out, is the first time that we have offered financing for the purchase of a purely military aircraft.

Can Canada share in the plans to increase export capability there? The Malaysians certainly hope that we can and plans are already afoot. Polymer Corporation, for example, is examining a joint venture to process natural rubber; negotiations with the Federal Land Development Authority have already reached an advanced stage. Polymer would also help in selling the products turned out; the Malaysians are particularly anxious to benefit from its international marketing organization and they hope that the new plant will make new products that will attract more overseas customers. Research along these lines is already under way, as I saw when I spent a short time at the Malaysian Rubber Research Institute.

Are other Canadian projects going forward there? I mentioned earlier that Malaysia is keen to develop agricultural resources as well as industry. One of the areas that it is studying is the Jengka Triangle. There a Canadian engineering consortium based in Vancouver, Cantrans Services (1965) Limited, has been carrying out for some time land-use and timber development studies. I saw this area for myself and talked with government officials at some length about their long-term plans for developing it, including a pulp and paper industry. The Malaysians would like to see a joint venture here between Canadian and Malaysian private interests, to assure continuity of participation by Canadian management. There is also a proposal for a fine paper mill in Malaysia in which a Canadian company would play a leading role, but much remains to be discussed and settled before this takes shape.

Is planning in Malaysia being done in a realistic way? I found the quality of the administration impressive, and this impression was strengthened when I paid an inter-

esting visit to the National Operations Room, the center for economic planning. Those directly engaged in this planning gathered to meet me and we had a good discussion. This deepened my feeling that in Malaysia it is not sufficient for us to provide feasibility studies alone—and this comment applies to practically all the countries that I visited. They want ongoing participation by Canadians, both by engineers and management men. And we want a substantial increase in trade, investment and business contacts generally with Malaysia. My discussions not only with government officials but also with the central bankers, a leading flour miller, and with other businessmen convinced me that all these are feasible.

What was your general impression of Singapore? Singapore seemed to me to have a dynamic economy and a dynamic government, determined to make this more than just a center of entrepot trade. Hotels are springing up everywhere, one indication of the emphasis placed on the tourist trade. Industries are offered extraordinary incentives to settle on the Jurong Industrial Estate, to which I paid a visit. McNamara Engineering of Toronto has helped to establish this estate by carrying out a study of land use and of harbor facilities. Many of the officials with whom I talked spoke of the great value of McNamara's work.

Are there other opportunities for using Canadian skills in Singapore? The Government of Singapore is certainly eager to make use of Canadian entrepreneurial skill, management abilities and professional competence. Some openings were brought to my attention. For example, the Minister of Finance asked me to look into the possibility of a Canadian firm settling there to turn out manufactured homes to ease the housing shortage. A Vancouver pulp and paper firm had a team in Singapore studying the possibility of operations there.

Did you have specific objectives in mind for your visit to Australia? I looked on this as an important part of my tour because Australia has become one of Canada's leading markets. I wanted to discuss trade relations between Canada and Australia, to provide a better basis for Canadian participation in the Australian economy, and to propose regular consultation between the two Governments at the Ministerial level. I went to Canberra, Sydney and Melbourne, made three major public speeches, gave a radio talk, and held three televised press conferences. Everywhere I went I got the same message: Australia is looking for partners to develop its natural resources and regards Canada as one of the most desirable. They want Canadians to be involved in the process.

How did the discussions on trade relations go? Trade relations between Canada and Australia are currently governed by a trade agreement signed in 1960. It is time that it was brought up-to-date to become a more efficient instrument for expanding mutual trade and

we proposed this revision to the Government in Canberra. In my meetings with the Deputy Prime Minister, the Minister of Trade and Industry, and the Minister of International Development, I proposed that the two governments should institute regular meetings along the lines of the Canada-Japan Ministerial Committee and issued an invitation for the Australians to meet with us in Canada next year. We also took up with the Australian Government some specific trade problems. One was the increase in the tariff on Canadian rapeseed from 27 to 40 Australian cents; I am glad to report that the previous tariff has now been restored. We also talked about the special arrangements made between Australia and New Zealand to encourage the import into Australia of New Zealand newsprint and wood pulp, and the possible injury to Canada's long-standing trade in these products.

What are the prospects for selling a CANDU reactor to the Australians? Australia has large supplies of natural uranium and for this reason the Canadian type of nuclear power reactor seems peculiarly suited to its needs—an opinion that the Atomic Energy Board there shares. I discussed with Ministers and others the chances of Australia's purchasing this reactor and I also paid a brief call on the Australian Atomic Energy Commission's research establishment at Lucas Heights, near Sydney. The Australians have a number of questions to settle before they will definitely be in the market for a reactor but this was the right time to discuss Canadian capabilities. We have offered to send out specialists to help the Australians in these investigations.

How does Australia see Canada sharing in the development of its resources? Mainly through joint ventures, particularly in the exploitation of natural resources. International Nickel and Cominco are at work there and the Aluminum Company of Canada is processing primary and secondary aluminum. It is also making good use of Canadian technical expertise. Nickel mined by Sherritt Gordon at its plant in Fort Saskatchewan, Alberta. Hammersley Iron, the biggest iron ore producer in Western Australia, is using under licence a process for pelletizing iron ore developed by the Steel Company of Canada. When I was in Melbourne I went to the Massey-Ferguson plant just outside that city and saw some of the agricultural machinery it has made especially to meet Australian conditions. And I could cite other examples of Canadian joint ventures and of Canadian direct investment in Australia.

Did you have a chance to discuss Canada generally with interested Australians? Yes, excellent opportunities were provided. In Canberra I held a seminar with professors at the Australian National University; the topic was "Canada in the Pacific". For an hour we discussed the Canadian economy, the Canadian political scene (there is great interest in our Prime Minister!) and Canadian-Australian relations. In Canberra also I spoke

at a luncheon meeting of the National Press Club on the subject "The Growth of Canadian Interest in the Pacific". In Sydney I presided over another seminar, this time composed of businessmen, members of the New South Wales Chamber of Commerce and the Chamber of Manufactures. In both Sydney and Melbourne I spoke at luncheon meetings of the Rotary Clubs. In Melbourne a dinner meeting of leading businessmen was organized along seminar lines. In the specific field of investment, I met with officials of the Commonwealth Bank Corporation and discussed the country's banking system, its financial requirements, and its attitude towards foreign investment.

What questions did you raise with the New Zealand Government? I spent only a single working day in New Zealand, so discussions with the Government took most of my time. I met with the Deputy Prime Minister and the Minister of Industry and Commerce and then with the entire Cabinet. I introduced the idea that the trade agreement between the two countries concluded in 1931 be revised and I proposed, as I did in Australia, that the two Governments hold periodic consultations at the Ministerial level. The New Zealanders concurred in this proposal.

Are there specific problems in the trade between Canada and New Zealand? Yes, there are problems in the trade in both directions. New Zealand brought up our policy towards imports of dairy products and meat. I spoke about lifting import restrictions on Canadian apples, especially those from British Columbia, and the prospects for this action are good. New Zealand has already liberalized its import restrictions considerably. It is looking about for new sources of power and is studying nuclear power; I pointed out the advantages of the CANDU reactor and the New Zealand Ministers assured me that the decision on what type of power reactor to buy would be made solely on commercial and technical grounds.

Are there other controversial areas in relations between Canada and New Zealand? The major one is the recent termination by New Zealand of the air agreement under which Canadian Pacific Airlines had landing rights in New Zealand. I talked about this problem with the Minister of Transport and asked him and the other Ministers to review their decision to end this agreement. We are now formulating further points for discussion with the New Zealanders.

Now that you have completed your tour, what are your strongest impressions? My strongest impression is the tremendous potential for growth in these Pacific Rim countries—for growth as a market for all categories of goods, particularly manufactured goods, and for investment and services too. The feeling I encountered was that our exchanges should not be limited to trade and investment. Everywhere we went, more political consultations, more trade, more joint ventures and

1. At Parliament House in Canberra the Rt. Hon. John McEwen, Deputy Prime Minister and Minister for Trade and Industry, chats with Mr. Pepin.

2. The Minister speaks at a luncheon given by the National Press Club at the Canberra Hotel in Canberra.



provision of expertise, more educational and cultural exchanges were suggested. People in these countries are getting to know Canada much better. They feel that Canada has found solutions to the problems of an urban and industrialized society, solutions that they might study.

What are the most urgent development needs in the Pacific Rim countries? Looking at this question from the point of view of a Canadian, I would say that they first need assistance in the industrialization process. I saw what Malaysia and Singapore are doing to attract industry and encourage joint ventures and even in Australia and New Zealand the same needs are apparent. The second need, especially in the developing countries in the Pacific, is for infrastructure—particularly more power, new and improved airports, and better port facilities. Then there is the need for more hotels and motels for the tourist trade, that welcome source of dollars. Canada can offer experience and expertise in all these fields.

Is your Department taking specific steps to follow up opportunities there? Indeed it is. I have already mentioned that we have opened a new office of the Trade Commissioner Service in Bangkok. In 1969, we are participating in seven trade fairs in the Pacific, including an international engineering show at Melbourne, an international trade fair in Auckland, New Zealand, a Solo Food Show in Tokyo and Osaka, and an Elec-

tronics Show in Japan. We are using trade missions more effectively. We plan a consulting engineering and capital equipment mission to Australia, New Zealand and Fiji, and an electrical equipment mission to South-east Asia. We will be welcoming incoming missions too—a rapeseed mission from Japan, a wire and cable mission from Southeast Asia, and a logging and saw-mill equipment and services mission from Australia and New Zealand. All these should assist our trade.

What can the Canadian businessman do? I would say that there are three challenges to Canadian businessmen here. One is the expansion and diversification of our exports to that burgeoning market, Japan. The second is participation in the plans for economic growth and development of the developing countries of the Pacific. The third is the fostering of even closer trading relations with Australia and New Zealand. I would like to see businessmen in the eastern part of Canada as well as in the west get into this Pacific trade more aggressively and on a broader basis. I would like to see our outstanding engineering and management fraternity more deeply involved. The door is wide open to Canadians; it is up to them to walk in.

Asia 69

When the Second Asian International Trade Fair opens in Tehran on October 5, twenty-three Canadian companies will be there; so will, hopefully, three million visitors.

D. H. M. BRANION
Commercial Secretary, Tehran

Iran is in the final stages of preparation for the Second Asian International Trade Fair (Asia 69). This Fair, one of the largest in the world, will take place in Tehran from October 5 to 24. Organized by the Government of Iran in co-operation with the United Nations Economic Commission for Asia and the Far East, it will be even bigger than the first Asian Fair held in Bangkok in the fall of 1966. That one, organized by the Government of Thailand, attracted participation by 33 governments and more than 3,000 companies, and during its course orders totalling more than \$20 million were taken on the site. Close to 45 governments and 4,000 companies will be taking part in Asia 69, according to current indications.

Canada was the first country to announce its participation in the Tehran Fair and construction of the Canadian Pavilion is going on apace. Canadian companies have shown a good deal of interest in going to this fair and already 23 have booked space. (See the list on page 10.) They will be showing products as diverse as swimming pool heaters, portable coolers, off-road vehicles, educational equipment and a concentrated deodorizer in the 1,000 square meters of space that the pavilion provides. One section of it will depict various phases of Canadian life for the benefit of the Iranians and their foreign visitors.

Planning and preparing for the Fair has constituted a massive undertaking for the Government of Iran. The site, which covers 1.3 million square meters, had to be drained and levelled, access roads built, and power networks, telephone and water systems laid out and installed. It is estimated that the Iranian Government will spend as much as \$30 million on these preparations. It is confident, however, that it will easily recoup this initial investment, judging by the response to the Fair to date.

A number of related conferences and events have been planned to take place during the course of the Fair. One of these is the bilateral trade promotion talks that the ECAFE countries hold each year; Tehran is the chosen site for these in 1969. An industrial promotion conference is being organized by the United Nations Industrial Development Organization (UNIDO). Most of the developing countries, many of which will be represented at the Fair, have long-range plans for progress and need the skills, the know-how and the equipment that the developed areas of the world can provide. UNIDO hopes that at this conference it will be possible to match up the knowhow, financing capabilities and equipment obtainable in the developed countries with the project needs of the developing regions. Exhibitors will receive in advance of the opening of the Fair a list of projects that the developing countries plan to undertake within the next five years. Thanks to this list, they will be able to feature in their displays industrial equipment that could be used in these projects.

A marketing seminar is also being organized with the help of the United Nations Conference for Trade and Development. This will attempt to explain to manufacturers and merchants from the developing countries how to sell their products in the major markets of the world. Importers and representatives of Chambers of Commerce in the developed areas will be on hand to give advice about possibilities in their respective countries and how to capitalize on these.

It is not surprising, in view of Iran's dependence upon its oil resources, that there will also be a petrochemical seminar from October 12 to 17. It will bring together producers of petrochemicals, manufacturers of machinery needed for processing these chemicals, and potential small manufacturers of plastic products, such as consumer

goods, cosmetics, building materials, etc. Producers of petrochemicals will describe in a non-technical way recent developments in their industry and the practical applications of each.

The Fair will also provide a number of special facilities for the use of exhibitors and visitors. There will be an Asian Fair Cinema to seat 300 persons and equipped to show 35 and 16 mm. sound films in black and white or in color. It will be rented to exhibitors for one hour or multiples of one hour to show technical films to an invited audience or films of general interest to the public. Technical films only will be screened from ten in the morning until one in the afternoon, when the Fair is open to business visitors and the public is excluded. There is also a reception hall just outside the cinema.

Exhibitors will find that the Iranian Government is making it easy for them to bring in goods to display. Exhibits enter free of duty for six months and Customs men will examine them at the exhibitor's own stand. Goods on display may be sold up to a value of \$50 for each square meter of space rented, up to a maximum for each exhibitor of U.S. \$50,000. There will also be an international bazaar where national handicrafts and similar items may be sold to visitors.

If the Fair were devoted solely to Iran, there would still be adequate justification for undertaking this sizable venture. The country is now one year into its Fourth Five Year Plan, which has an investment target of U.S. \$11 billion. It is Iran's goal to achieve during the period of the Plan a minimum average growth of 8 per cent. The target for investment in industry alone is U.S. \$3 billion. An expansion of imports should accompany development as it proceeds; in 1967 imports totalled about \$1 billion and

1. Oil derricks dot much of the landscape in Iran, one of the biggest oil producers in the Middle East. The picture shows how cold and bleak the country can be in the winter.

2. The area surrounding the Caspian Sea is one of Iran's holiday spots, with good beaches, hotels and casinos. This is Ramsar, one of the resorts.

3. Many Canadians who will be going to the Asian Fair will stay at the Royal Tehran Hilton in Tehran, if they reserve rooms early enough.

4. The ruined city of Persepolis is one of the most interesting archaeological sites in Iran. Centuries ago it was the capital of the Persian Empire.



this figure is expected to double in the next five years.

The predicted number of visitors to the Asian International Trade Fair at Tehran is three million. These visitors, including the Canadian exhibitors, will have a unique opportunity to observe the rapid expansion of the Iranian economy and to follow up on the opportunities to supply goods and services that this expansion offers.

These Canadian Companies Will Participate

At the time of going to press, the following Canadian companies had taken space in the Canadian section of the Second Asian International Trade Fair.

Aero Tool Works Limited
Toronto, Ontario
Oil burners, water heaters and swimming pool heaters.

Edwards of Canada
Owen Sound, Ontario
Educational equipment for electrical training courses.

Timberjack Machines Limited
Woodstock, Ontario
Heavy-duty multi-application off-highway utility vehicle.

Canadian Marconi Company
Montreal, Quebec
Radio communications equipment.

Hoyles Niblock International Limited
Vancouver, B.C.
Consulting engineering project display.

Automotive Hardware Limited
Toronto, Ontario
Steel bolts, steel nuts and brass fittings.

Compagnie Pharmaco-Chimique
Montreal, Quebec
Nilodor, concentrated deodorizer.

Dustbane Enterprises Limited
Ottawa, Ontario
Industrial vacuum cleaners and floor polishers.

RCA Victor Co. Limited
Montreal, Quebec
Communication equipment, digital/video displays, satellite earth station display.

Trench Electric Limited
Don Mills, Ontario
Power line carrier, line trap and current-limiting reactor.

Dominion Foundries and Steel Limited
Hamilton, Ontario
Tinplate, galvanized, pre-coat (pre-painted steel).

Scintrex (Sharpe Instruments of Canada Ltd.)
Downsview, Ontario
Geophysical exploration equipment.

The Canadian Coleman Co. Ltd.
Toronto, Ontario
Portable coolers and insulated beverage jugs.

Atomic Energy of Canada Limited
Ottawa, Ontario
Cobalt 60 therapy unit.

Northern Electric Company Limited
Montreal, Quebec
Telecommunication equipment and wire and cable.

Canadian Westinghouse International Co.
Don Mills, Ontario
Gas and steam turbines and electronic tubes.

Acme Division
Polygon Services Limited
Toronto, Ontario
Dry-type distribution transformers.

The Steel Company of Canada Ltd.
Hamilton, Ontario
Galvanized steel tinplate, fasteners, etc.

MLW-Worthington Limited
Montreal, Quebec
Locomotive models and components, heat transfer and pumping equipment.

The Lufkin Rule Co. of Canada Ltd.
Barrie, Ontario
Steel rulers.

Sicard Incorporated
Ste. Therese, Quebec
Snowblowers and runway sweepers.

Bombardier Limited
Valcourt, Quebec
Muskeg tractor.

Beehoo Industries Limited
Streetsville, Ontario.
Amphicat off-road vehicle.

Knap & Vogt of Canada Limited
Rexdale, Ontario
Merchandisers (display units).

Sales to Sudan Up

Canada's exports to the Sudan, minimal in past years and limited to certain types of farm implements such as disc and harrow ploughs and parts and a few other small items, have recently been rising. In 1967 they totalled \$898,000 and in 1968 rose to \$2.1 million. Contributing largely to this increase were three twin-engine Otter aircraft, valued at \$1.2 million, sold to Sudan Airways. Sales of milk powder, white dried beans, plastic and synthetic rubber, steel sheet and strip, shoemaking machinery, tractor and implement tires, aircraft assemblies, equipment and parts, and dies and moulds for plastics machinery also contributed to the rise.

With an increasing acreage of land being cultivated and managed by government bodies such as the Sudan Gezira Board and by co-operatives under the Public Agricultural Co-operation Act, the Sudan should offer an expanding market for modern agricultural machinery, such as tractors and other equipment, earth-moving machinery for irrigation works, pumps and water-drilling rigs, and also for fertilizers, pesticides, and crop spraying services. The size of the government tenders for supplying plantations should interest Canadian exporters, provided they can offer competitive prices and favorable credit terms. Recently the Department of Industry, Trade and Commerce appointed an Honorary Commercial Agent for Canada in Khartoum who stands ready to assist Canadian companies in their sales efforts.

Australian Farming Recovers

The Australian Bureau of Agricultural Economics estimates that the gross value of rural output will be A\$3,563 million in 1968-69, compared with A\$3,055 million in 1967-68, an increase of over 16 per cent. The major components are wool A\$828 million, wheat A\$759 million, meat A\$736 million, milk A\$153 million, and sugar cane A\$147 million. The increase was only 3.3 per cent in 1967-68 compared with 13 per cent in 1966-67; the high figure for 1968-69 is largely due to recovery from drought. The value of rural exports is expected to go up by 4.4 per cent in 1968-69 to reach A\$1,916 million (wool A\$857 million, wheat A\$310 million, meat A\$267 million, sugar A\$113 million, and dairy products A\$191 million). After allowing for cost increases, farm income is not expected to be much above the 1966-67 level; on the other hand, the rapid recovery from the drought is expected to stimulate farm expenditure.

Your Business Visit to Iran

D. H. M. BRANION
Commercial Secretary, Tehran

Iran—or Persia as it was known for centuries in Europe—forms part of the Iranian plateau that also includes Afghanistan and West Pakistan. It covers an area of 628,000 square miles—as large a territory as Britain, France, Germany, Italy, Belgium, the Netherlands, and Denmark combined. Average altitude in the country is 3,000 feet above sea level and over half of it is covered with high mountains. There are two famous ranges: the Elburz, running across the northern part, and the Zagros, running northwest to south. The population of Iran is 28 million, most of whom are Moslems.

Before you decide to make a business visit to Iran, you should get in touch with the Director of the Asia and Middle East Division of the Department of Industry, Trade and Commerce in Ottawa. Describe to him the products or services that you would like to sell in Iran and he can provide you with up-to-date information on access to this market, on tariffs, and on other aspects of trade. You should also write to the Commercial Secretary, Canadian Embassy, P.O. Box 1610, Tehran, again describing your product, where you are selling it, and what type of customers you are seeking. This will help the Embassy in arranging appointments for you. If possible, the letter about your proposed trip should reach the Tehran office at least 15 days before your scheduled arrival, keeping in mind that airmail from Canada to Iran takes from seven to ten days.

The businessmen and government officials whom you will want to see while you are here have extremely full programs and without appointments made in advance you may have considerable difficulty in contacting the right people. Early warning of your visit also enables the trade officers to undertake an initial market survey for you and to determine who your competitors are and how they are

pricing their products.

All visitors to Iran require a valid passport and an Iranian visa. This rule applies to both tourists and businessmen. To obtain a visa, get in touch with the Iranian Embassy, 5 Crescent Road, Rockcliffe Park, Ottawa 2, Ontario. All travellers must also have smallpox vaccination and inoculation against cholera.

Accommodation in Tehran hotels is very tight and you should request a reservation in your letter to the Commercial Secretary.

The ideal time to visit Iran is between October and early June. The months of July, August and September are extremely hot, with temperatures up to 115 degrees, and also very dry. In October, however, the average temperature in Tehran is 64 degrees and in November 53 degrees.

Listed on page 13 are the principal holidays observed in Iran. Visitors should avoid coming during the No-Ruz period (the Iranian New Year) March 21 to 25, and during the month of Ramadan. As a Moslem country, Iran observes Friday as a non-working day and as a general rule, little can be accomplished on Thursday afternoons.

A number of airlines service Iran, which is a major refuelling point for flights going to or coming from the Orient. A direct flight from New York takes 17½ hours, from Rome 5½ hours, and from Beirut two hours.

The cost of a business trip to Iran can be cut down considerably by making it part of a longer European or Middle East itinerary. A one-way flight, economy class, from Montreal to Tehran is Cdn. \$524 by BOAC. It is also possible to fly Pan American from New York and the price economy class, one way, is U.S. \$543.

The principal hotels used by Canadian

businessmen visiting Tehran are the Royal Tehran Hilton, the International, and the Park. Prices vary somewhat between these hotels but a room averages out to about Cdn. \$17.00 a day. Meal costs will vary between \$10.00 and \$15.00 a day. Most hotels include a service charge in the bill, but tips are also expected.

A Canadian businessman travelling to Iran will probably wish to provide himself with U.S. travellers cheques or U.S. currency because the Canadian dollar is not known in Iran and there is no official exchange rate for it.

If you are visiting Tehran during the months of November to March, bring Canadian winter-type clothing and during the rest of the year Canadian summer-type clothing. In the fall and spring it is useful to have a sweater because occasionally the temperature in the evening is slightly chilly. A camera is a must and there are beautiful buildings and scenery to be photographed, but be careful about taking pictures of people and of certain religious shrines. The voltage in Iran is 220/50 cycle but because of the heavy demand on power facilities, voltage has a tendency to fluctuate a good deal. You may wish to bring a small dictating machine because temporary office services are not easily found. Bring a good supply of business cards as it is customary to exchange cards at an initial meeting. Make sure you have c.i.f. price lists (port of Khorramshahr or Djulfa) and literature describing your products. (This can be in French or in English; French is used a good deal in Iran.) If you are planning to bring samples with you, check beforehand with the Commercial Section of the Embassy to see what the Customs position will be about these.

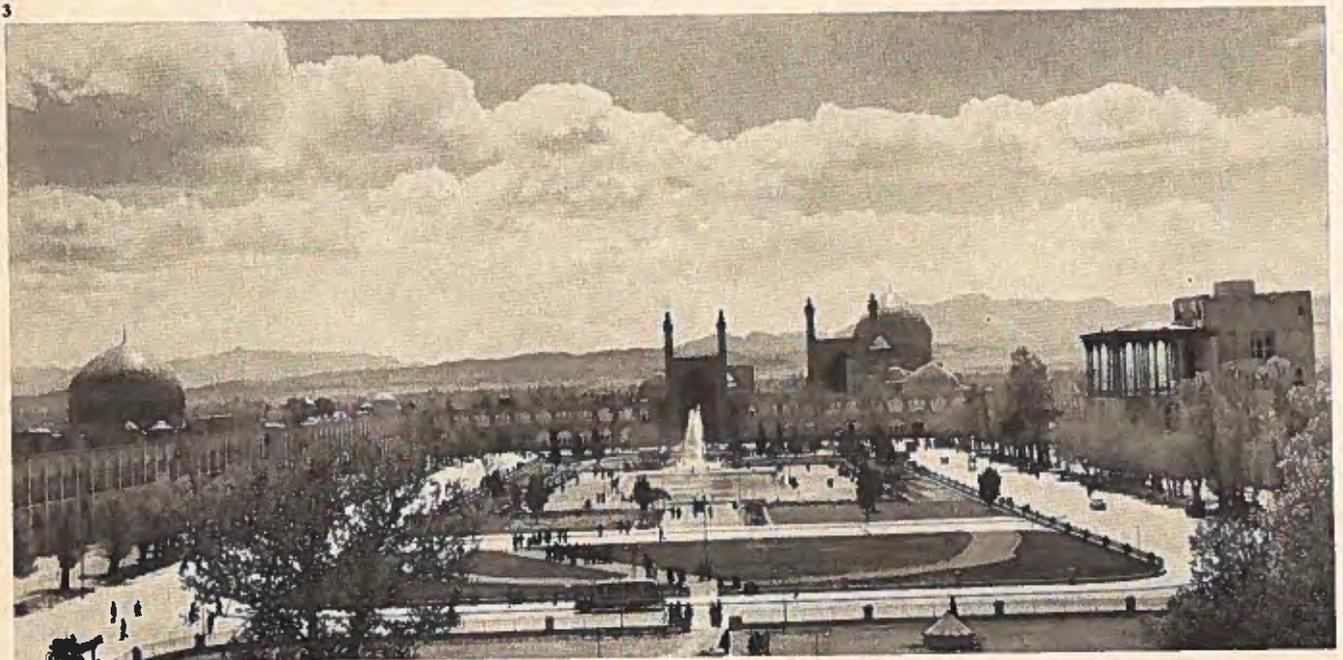
The place to which all businessmen must come, the most important city in Iran, is Tehran. In addition to being the administrative seat of the country,

1. This woman operating a tractor represents the new Iran, rapidly modernizing and pushing ahead in agriculture as in other fields.

2. Kurdish women with their baskets of rice gather at the fountain of Tok-i-Buston, near Kermanshah. The Kurds are a nomadic Moslem people.

3. This is a view of Isfahan, with its beautiful mosques and fountains. Western visitors to the country should not miss seeing this city.

4. This too is modern Iran. A housewife does her shopping at a consumer co-operative supermarket established by the employees of the National Iranian Oil Company.



it is also the center of its political, economic and cultural life. It is a relatively new city, when one considers that at the beginning of the twentieth century the population was 200,000 and at the present time stands at 2.7 million. Other important cities in Iran are Isfahan (621,000), Meshed (528,000), Shiraz (411,000), and Abadan (283,000).

After arriving at Mehrabad International Airport in Tehran you would be well advised to rent one of the fixed-price taxis to take you to your hotel. These taxis are paid for in advance at the airport. In addition, the taxi-driver will expect a tip. Travellers with weak hearts should be warned that all Iranian taxi-drivers consider each trip a suicidal mission. After one has lived in Tehran for a month or two, one becomes accustomed to the traffic pattern or perhaps the lack of a pattern, but it is doubtful whether on a short business trip you will adjust quickly to the traffic.

Two options are available for travel from the hotel to business calls. One is to rent a taxi from the hotel (this applies in particular to the Hilton which has these taxis available and also because the Hilton is in the north of the city), or to rent a chauffeur-driven car from a number of companies throughout the city. The price for a chauffeur-driven car works out to about Cdn. \$10.00 per day. Business and government offices are normally open from 8:00 a.m. until 1:00 or 2:00 p.m. and then again from 5:00 p.m. to 7:00 p.m. As a general rule, most business is done in the early period. The office hours at the Canadian Embassy June to September are from 7.30 a.m. to 2 p.m. and October to June, 8 a.m. to 5 p.m.

Don't try to fit in more than three appointments between 8 a.m. and 1 p.m. because Tehran sprawls over a large area and appointments could be as much as ten miles apart. It is quite

usual and acceptable to invite your business contacts to have lunch with you and to discuss business as the meal progresses.

Telex facilities between Iran and Canada are good but telephone communications are not too satisfactory. Therefore should you need advice from your head office quickly you will probably wish to use either the telex or cable facilities, although during certain periods even they are slow since at the moment there are very few circuits to Europe for onward relay to Canada. This situation is expected to improve later this year when Iran's earth satellite station goes into operation.

There are many places in Iran that a visitor should not miss; perhaps the most outstanding and rewarding is Isfahan. It has a number of magnificent mosques and palaces and good hotel accommodation is easy to find there. Moving farther south, you should visit Shiraz, the home of the many famous poets of Persia. Nearby is the ancient city of Persepolis, the capital of the Persian Empire, which has in recent years become the center for an International Arts Festival. If you are looking for rest and relaxation, you should visit the Caspian area and enjoy its wonderful beaches and its casinos. In Tehran itself don't forget to see the Crown Jewels, the richest collection in the world (of particular interest to Canadians because it was recently catalogued by the Royal Ontario Museum) and the Golestan Palace. The adventurous may want to take a trip by donkey up into the Elburz mountains.

From the point of view of both business and pleasure, Iran is a country that you should not miss. Make it a part of your next itinerary.

Holidays in Iran, 1969

January 14

Rehlat Hazrat Emam Djafar Sadegh

January 30

Milad Hazrat Emam Reza

February 27

Ide Ghorban

March 7

Ide Ghadir Khom

March 21-25

New Year No-Ruz holidays

March 29

Ashura

April 2

Thirteenth Day of No-Ruz

May 15

Rehlat Hazrat Rasul and Shahadat, Hazrat Emam Hassan

August 5

Constitution Day

October 10

Mabass

October 26

Shah's Birthday

October 27

Milad Hazrat Ghaem

December 2

Shahadat Hazrat Amir

December 11

Ide Fetr

Export Spreads the Risk

To the management of E. D. Smith and Sons Limited, exporting is a good way to increase turnover and add to profit. It can protect a firm against fluctuations in the domestic market. But first there are problems to solve and sometimes difficult decisions to take.

M. A. JOHNSTON
Assistant Editor, "Foreign Trade"

E. D. Smith and Sons Limited of Winona, Ontario, is one of the few sizable family firms left in the Canadian food industry. For many years a zest for hard work inherited from Loyalist ancestors and the Smiths' natural bent for fruit farming were sufficient to ensure its prosperity. But as the struggle for shelf space in the supermarkets intensified in the 1960's it became clear that even a good product needed aggressive promotion. The company therefore decided to replace its brokerage arrangements in Canada with its own marketing and sales team. It also remodelled its management structure, encouraged participation in decision-making, and improved communications.

E. D. Smith and Sons manufactures a wide range of jams, jellies and marmalades, fruit pie fillings, diet products, tomato products, and sauces. Most of the output is sold under the E. D. Smith label but substantial quantities, particularly of tomato ketchup, are packed for private-label customers. In addition, the firm has made under licence HP Sauce and Lea and Perrins' Worcestershire Sauce for the Canadian market since 1942 when U-boats cut off supplies from Britain.

Originally local fruits were the basis of production at Winona but their significance has diminished over the years. Today, frozen strawberries come from Mexico, blueberries from the Maritimes, citrus fruits from Spain and California, tomato paste from Portugal, and spices from the Far East. Damsons, peaches, cherries, and tomatoes for ketchup are now the only important ingredients grown in the Niagara district.

Exporting is certainly not new to E. D. Smith and Sons, which has sold overseas for several decades and was one of the pioneers of the fruit-pie filling business in Britain. Sales of the

E. D. Smith brand in Britain soared over a year but when local manufacturers brought out cheaper pie fillings, the bottom fell out of the import market. All that remains today is a small trade in Ireland.

For many years the firm's products have enjoyed substantial sales in the West Indies under the E. D. Smith and other export labels. For this market, the firm sells to export brokers on a delivered Canadian port basis; the brokers arrange documentation and distribution in the Antilles. (This method of getting into export markets is described in "Organizing for Export" in *How to Win World Markets*, published by the Department.)

We asked Alastair Smith, the company's executive vice-president, to tell *Foreign Trade* readers about the company's latest export venture. "About two years ago," he said, "we happened to join an Ontario Government Trade Mission to New York. This focussed our attention on opportunities in the U.S. The grocery products market there is enormous, but unfortunately for us the prospects of selling more jam are limited. There are too many manufacturers in the field already. We decided that to increase our business we had to offer a product which was unique. It was also important to concentrate on a particular sector of the retail trade. Otherwise we would soon lose control and be at the mercy of every shift in the market.

"Launching a new product in the U.S. is quite a challenge for a firm of our size. We knew before we started that it would mean much hard work and cost a lot of money. Two things, however, prompted us to go ahead. One was the need to reduce our dependence on consumer lines in the domestic market. The other was that we had just acquired a marketing expert and wanted to give him scope.

"We make sauces for HP and its subsidiary, Lea and Perrins, and there has always been a very friendly relationship between the companies. HP did the original test-marketing for our fruit-pie fillings in Britain and it was the HP people in the United States who helped us with our new venture. They let us use the Lea and Perrins' facilities at the National Food Brokers' Show to test the trade's reaction to our various products. That was in December 1967. We followed up with samples and gradually it became clear that our lemon and orange spreads stood the best chance of acceptance. Lemon and orange are very popular flavors and the kind of spread we make was virtually unknown in the U.S. So there was our unique product.

"Throughout 1968 we planned our marketing strategy. We ruled out specialty food channels because we believed the markups would double the price of the product by the time it reached the shelf. We then thought about selling direct to the big department stores; that would mean lower prices and higher profits for the store, but store buyers are tough people to deal with and their business can vanish overnight. We finally decided to go for the supermarkets and work through food brokers. These food brokers will be paid a commission and will offer the same delivered price in all areas. A warehouse stock in Buffalo, New York, will take care of the service aspect and enable us to give our customers immediate delivery. Stock will be stored out of bond—no embarrassing holdups while a vital consignment clears Customs.

"Because our lemon and orange spreads will not be in direct competition with other products and are unlikely to be used as loss-leaders, we were able to suggest retail prices and recommend suitable profit levels. This has been of great practical advantage

in creating advertising and preparing a sales pitch for supermarket buyers.

"While all this was going on, we had discussions with the U.S. Food and Drug Administration. Because our product was new to the market we had to make sure that the additives met the U.S. requirements. We were able to show that the same additives were used in other products being manufactured in the United States and our suppliers provided us with research and quality control information. We made our last presentation to FDA in December 1968 and no objections were received. The staff of the Canadian Embassy in Washington worked in conjunction with the Department of Industry, Trade and Commerce in Ottawa and gave us a tremendous amount of help.

"Then there was the question of Customs classification for duty. We needed expert advice on that too. The Office of Area Relations of the Department of Industry, Trade and Commerce in Ottawa can assist exporters in obtaining a firm ruling which saves a lot of trouble. In our case, we decided to use one customs broker for the time being and to ship through one point only.

"We had to consider all the normal marketing factors as well as the things which are peculiar to export. For instance, the labels had to be appealing and still comply with U.S. Food and Drug regulations. We had to make up our minds whether to sell one or several sizes. We eventually settled for one size which we believed would be right for the occasional treat and would attract the impulse buyer. The difference of a couple of cents, you know, can alter your market completely; the impulse buyer snaps up something priced at 39 cents but might not look at the same thing at 41 cents.



This batch of lemon and orange spreads is being inspected as it comes from the cooler in the plant of E. D. Smith and Sons Limited of Winona, Ontario. These spreads sell well in the U.S.; the jars carry special U.S. labels.

"Advertising was crucial to the success of our sales effort. It was also the biggest gamble. We decided to aim at the housewife through women's magazines, taking half-pages in *Woman's Day* and *Family Circle* in split runs which covered the markets which our brokers thought most promising. By February 1969, selling to stores was in full swing and we had committed ourselves for a series of advertisements. In May we exhibited at the Supermarket Institute Show in Atlantic City. The Department of Industry, Trade and Commerce organized the Canadian participation. We feel that this exposure at the largest show of its kind alongside other Canadian companies will do us a lot of good but it will take a month or two to evaluate

the results properly and make changes in our sales technique if we feel that any are needed.

"The important thing is that we have got started and have tackled all our problems in a determined way. We are confident that if we give our U.S. business the same sort of attention and priorities that we give domestic sales, we can build up a very substantial export market.

"E. D. Smith and Sons Limited has always set great store by independence. We sincerely believe that exporting will spread our business risks and help us to preserve this independence. The extra volume will provide more employment and keep overheads down."

Canada at the Paris Air Show

The Canadian aerospace industry exports 60 per cent of its \$800 million output. The range of its capabilities and the excellence of its products were demonstrated to the world at the Salon International de l'Aeronautique this year.

F. M. WANKLYN

Assistant Commercial Secretary, Paris

This year's largest Canadian participation ever at the Paris Air Show, May 29 to June 8, involved twenty-seven companies and two government agencies. All exhibitors were grouped together for the first time under one roof in a separate Canadian Pavilion. The 10,000 square feet it provided gave the maximum emphasis to Canada and to each Canadian exhibitor. In the opinion of both exhibitors and visitors, the over-all design and the interior layout of the Canadian Pavilion were excellent and compared favorably with what the other national pavilions had to offer.

The triple-unit Canadian Chalet run by the Air Industries Association of Canada made it possible for exhibitors to entertain their important contacts over lunch each day throughout the Show. Transportation for exhibitors and government personnel between downtown and Le Bourget has always been a problem in the past but this time the Quebec Delegation in Paris generously laid on a regular bus service.

Altogether, some 1.4 million people and 3,300 journalists visited the Show. Most exhibitors felt that the one day restricted to trade visitors was not sufficient, but even so, each of them reported a good number of valuable contacts.

Exhibitors manned their own stands and in addition, officials of the Air Industries Association of Canada, the Department of Industry, Trade and Commerce and

the Canadian Government Exhibition Commission in Ottawa, International Defence Programs Branch representatives based in Europe, and Trade Commissioners from Paris, Oslo, Berne and Brussels were there to receive visitors to the Canadian exhibit.

The Canadian companies at the Show represented the whole spectrum of the Canadian aerospace industry, with its \$800-million-a-year production. Exhibits featured Canadian designed, developed and manufactured products in many fields: Doppler navigation equipment, flight simulators, small turbine engines, aerial surveying, airport snow removal and firefighting equipment, shipboard helicopter operations, and STOL and V/STOL aircraft. Prospective buyers were introduced to a wide range of Canadian communication and transportation equipment; components and accessories; controls; electrical, mechanical and electro-mechanical devices, and ground support and allied equipment. Canadian achievements in space, particularly in the satellite and missile field, were displayed and the Airports for Export Committee's capability in the design and construction of airports on a total systems basis was well demonstrated.

The Canadian participation was supported by a vigorous publicity program which began last February when 13 leading European aviation journalists were brought to Canada by the Department of Industry, Trade and Commerce to see Canada's aerospace industry for them-



Acres International Limited is Canada's largest consulting organization and an important participant in the Airports for Export Program. Looking at a model of an airport are D. B. Mundy, Assistant Deputy Minister (External Services), Department of Industry, Trade and Commerce (left) and Acres executives (left to right) Air Commodore R. B. Whiting, John A. M. Wilson and Keith Hillyer.



The glabe at the right contains a model of one of the new generation of V/STOL aircraft. Canada is known throughout the world for the excellence of its light aircraft. There are no less than 1,700 de Havilland Beavers in use today in 65 countries. More than 200 twenty-seat Twin Otters have been delivered to customers and they are coming off the production line at the rate of ten a month. The familiar shape of ISIS I which went aloft last January can be seen on the left of the picture.



The Apollo 8 astronauts, David Scott, Jim McDivitt and Bob Schweikart, visited the Conodion pavilion and inspected some of the components which helped to make their mission safe and successful. Here they are with C. O. R. Rousseau, Minister-Counsellor (Commercial) in Paris (second from left) looking at a model of the LM. Heroux Limited of Montreal, which made the legs, was the only non-U.S. company to participate in the manufacture of the lunar module.



Soviet cosmonauts were intrigued by the simplicity of design and operation of the STEM (Storable Tubular Extendible Member) made by Spar Aerospace Products Limited. The two cosmonauts in the picture are V. A. Chatalov (right) and A. S. Elisseev (second from right). The Canadian pavilion attracted a great deal of attention which was partly because of the extensive coverage in the news media before and during the Show.

selves. The extensive coverage in the European press which resulted aroused great interest in Canada's exhibit even before the Show opened. Many people made a special point of seeing the Canadian Pavilion because of these press reports. The Hon. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, and the Hon. D. C. Jamieson, Minister of Transport, visited the Show and discussed how things were going with the senior officers of the Canadian aerospace companies there. Among the many other Canadian visitors were General J. V. Allard, Chief of Staff of the Canadian Armed Forces, and Mayor Jean Drapeau of Montreal. H.R.H. Prince Philip, the U.S. astronauts and the Soviet cosmonauts all showed great interest in the Canadian Pavilion. Irvin Air Chute Limited's zero-zero parachute was demonstrated five times and CAE Industries Ltd.'s Keenscope, which receives and reproduces weather pictures from satellites, attracted visitors.

How did the Canadian companies profit from their participation? We asked them this question on the last

day of the Show. Some reported that the most important benefit was contacting potential customers, and others that it was finding suitable agents for their products. A few mentioned receiving proposals on licensing and joint ventures in third countries. Many confirmed that the Show offered a valuable way of introducing new products and reinforcing customer relations. All benefitted from the exposure to new ideas and new developments in the aerospace industry in Europe and elsewhere.

The next Paris Air Show will be held in 1971 at Le Bourget and Canada's export-conscious aerospace industry (which sells abroad more than 60 per cent of its output) will once again be strongly represented. Successful participation demands many months of preparation. If your company is thinking of going into the Show in 1971 for the first time, you should start the ball rolling by writing to the Aerospace, Marine and Rail Branch of the Department of Industry, Trade and Commerce. Its officers can help you.

Participants in the 1969 Paris Air Show

Acres International Limited
Niagara Falls, Ontario

Abex Industries of Canada, Ltd.
Aerospace Division
Montreal, Quebec

Aviation Electric Limited
Montreal, Quebec

Bristol Aerospace (1968) Ltd.
Winnipeg, Manitoba

CAE Industries Ltd.
Montreal, Quebec

Canadair Limited
Montreal, Quebec

Canadian Marconi Company
Montreal, Quebec

Canadian Westinghouse Company Limited
Hamilton, Ontario

Computing Devices of Canada Limited
Ottawa, Ontario

Dominion Aluminum Fabricating Limited
Toronto, Ontario

Fairey Canada Limited
Dartmouth, Nova Scotia

Field Aviation Company Limited
Malton, Ontario

Garrett Manufacturing Limited
Rexdale, Ontario

Genaire (1961) Limited
St. Catharines, Ontario

Heroux Limited
Longueuil, Quebec

Irvin Air Chute, Limited
Fort Erie, Ontario

Leigh Instruments Limited
Carleton Place, Ontario

Litton Systems (Canada) Limited
Rexdale, Ontario

Philips Electronics Industries Ltd.
Toronto, Ontario

Piasecki Canada Ltd.
Picton, Ontario

RCA Limited
Montreal, Quebec

Sicard Inc.
St. Therese, Quebec

SICMA Canada Ltd.
St-Jerome, Quebec

Spar Aerospace Products Limited
Toronto, Ontario

The de Havilland Aircraft of Canada,
Limited
Downsview, Ontario

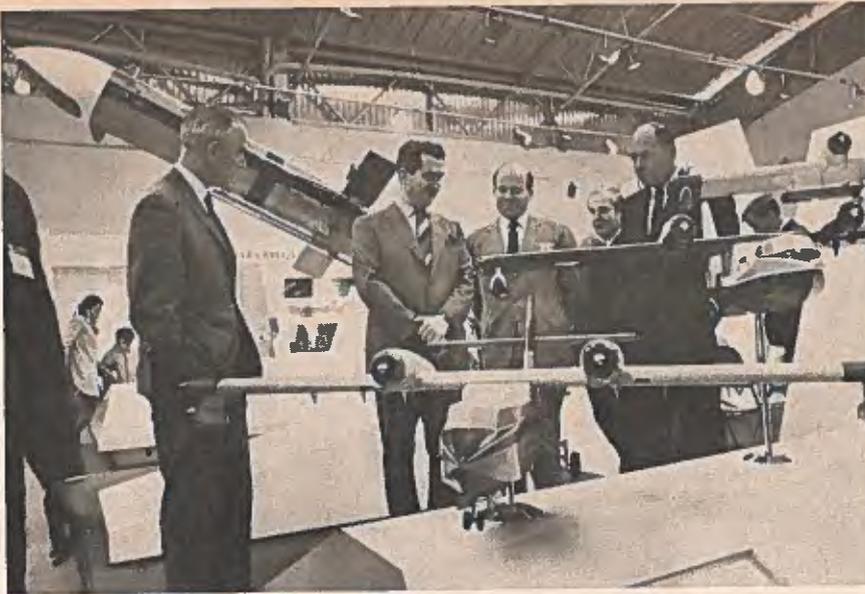
Uniroyal Limited
Kitchener, Ontario

United Aircraft of Canada Limited
Longueuil, Quebec

Government Agencies:

Communications Research Centre
Department of Communications
Shirley Bay, Ontario

Defence Research Board
Ottawa, Ontario



The Minister of Industry, Trade and Commerce, Hon. Jean-Luc Pepin, (second from left) looks pleased. Sa daes Jahn Winterberg from Canadair's Landa office (second from right). Visitors to the Paris Air Show were particularly interested in these models of CL-215 water-bombers. Soon after the Show, one went into action near Bordeaux. David A. Galden, President of the Air Industries Association of Canada, is at the right of the group and the manager of the Canadian exhibits, Gordon Stringer, at the left.



The strange objects in the foreground are parts of landing gear manufactured by Abex Industries of Canada Limited. Almost 10,000 landing gears have been delivered and the company is now building them for the Boeing 737, the McDonnell Douglas DC-10, and a wide variety of military and civilian aircraft and helicopters. Other Abex products include hydraulic components for swing-wing aircraft. The picture gives some idea of the size of the Canadian pavilion.



Changeable weather of the Paris Air Show brought the crowds to see the latest information on the Keenscope of the CAE Industries Limited stand. The Keenscope is an advanced electronic device which produces weather photographs from orbiting and stationary satellites, automatically switching from one to the other as they rise or disappear over the horizon. In this picture Colin Keen (right), the inventor, explains the technicalities to General J. V. Allford, Canada's Chief of Defence Staff. Between them is François Boudin, CAE's International Sales Manager.

Tourists

The thousands of tourists flocking to Jamaica and the Bahamas mean a booming market for hotels, transport facilities, food and other consumer products, ready to be exploited.

DONALD H. LEAVITT

Assistant Commercial Secretary, Kingston

G. H. MACFARLANE

Commercial Officer, Kingston

The rapid growth of the tourist trade—the world rate is close to 12 per cent a year—is generating in turn an enormous demand for lodging, eating and recreation facilities. In an effort to obtain a share of this expanding market, the Department of Industry, Trade and Commerce is attempting to mobilize and organize Canadian business and industry. One of the hopeful areas for developing sales, in the Department's view, is Jamaica and the Bahamas. The Caribbean is of special interest to Canada because of our historic trading relations. Canadian banks dominate the banking sector and several Canadian insurance companies are active there. Air Canada too has an important interest in the tourist trade because of its regular service to many of the islands. In addition, there are at least thirty Canadian companies that already own or operate tourist resorts in the Caribbean area.

Tourism is already a major factor in Jamaican economic growth; currently it contributes some \$18 million a year, or one-fifth of the country's foreign exchange earnings, and is thus second only to the bauxite industry in foreign earnings. The tourist industry is also one of the island's fastest growing sectors in terms of employment.

As the table on page 21 shows, from 1963 to 1966 tourist arrivals increased by about 230 per cent, with the greatest rise in 1965 when air fares were substantially reduced. The average annual increase between 1960 and 1967 was 23 per cent. The causes of slower growth in 1967 have not been adequately explored but the competition of Expo 67 in Montreal is widely believed to be one of them. Another reason for the apparent slow growth during the past two years is the fact that hotel building has not kept pace with demand. In January 1968 the Minister of Trade and Industry, the Hon. Robert C. Lightbourne, announced new measures designed to

facilitate hotel development. In making the announcement, Mr. Lightbourne said: "This Government needs continued expansion of the island's tourist industry as a matter of highest priority. Government is firmly committed to the vigorous encouragement of tourism within the framework of planned and orderly development. We are therefore taking all steps necessary to encourage expansion of tourist accommodation to keep pace with the tourist industry. We are determined that the delays in handling proposals for new projects be reduced to the absolute minimum and to that end we have made arrangements for the processing of all projects so as to remove a great deal of the work which currently the investor himself is required to undertake."

Under the new procedures, the Jamaica Tourist Board examines all hotel proposals in the light of architectural design, accommodation requirements, suitability of location, and proposed rates to be charged. It attempts to ensure that, based on market requirements and development plans being charted, all new projects will fit into plans for the industry's future. If the Board approves a project, it passes it to the Ministry for final approval and it will then be put in the hands of the Jamaica Industrial Development Corporation to be processed through central and local government bodies and the statutory boards to see that it is carried through to completion. In the light of this pronouncement, the Hotels Incentives Act was enacted (1968) to strengthen further the opportunities for investment in the tourist industry in the country. The law was confined to hotels or extensions to existing hotels with at least ten bedrooms for paying guests. Under this law, the Minister may declare any hotel enterprise to be an Approved Hotel Enterprise. He will not make an order under this law unless he is satisfied that the venture is likely to

be a successful one because of the manner in which it is being or is proposed to be operated, the availability of adequate finances for its operation and maintenance, and the good economic effects of its operation, including the effect on the tourist trade.

Under the Act, material and equipment for use in the new hotel are allowed to be imported duty-free. However, this does not necessarily apply to goods on "specific licence" unless it can be proved that the locally produced article is unsuitable or not available when required. Further information on this aspect can be obtained from the Commonwealth Division, Office of Area Relations of the Department. In each of five of the first eight years after the year in which the licence was granted, the proprietor of the hotel is allowed to offset against his income 20 per cent of the capital expenditure on the hotel. Annual allowances may also be taken but these must cease when the entire expenditure has been offset. Allowances which have been offset may be distributed to shareholders or debenture holders free of income tax and surtax if this is done within three years after the year in which the amounts were set off.

The total of long-stay visitors to Jamaica, (three nights minimum) rose by an average of 23 per cent in the seven years between 1960 and 1967. The market is dominated by North Americans, with 75 per cent of visitors coming from the United States and 10 per cent from Canada. Practically all long-stay visitors arrive by air, 35 per cent at the Kingston airport and 65 per cent at the Montego Bay airport. In many ways, there are two distinct tourist markets: visitors to Kingston and visitors to the North Coast. At any given time, approximately 25 per cent of all long-stay visitors to the island remain in Kingston; the remainder are distributed among the various North Shore re-

sorts located around Montego Bay and Ocho Rios. Occupancy rates of the leading hotels both in Kingston and on the North Coast have fluctuated between 75 per cent and 90 per cent in the last three years. For the island's hotel industry as a whole, occupancy rates have been around 70 per cent and the same figure applies to Kingston. The representative tourist belongs to the upper income group and is over 35 years of age. In 1967, there were 213,655 long-stay visitors, 109,208 male and 104,447 female. In 1966, there were 210,630 visitors, 107,485 male and 103,145 female. The average stay was between nine and ten days in the last five years.

During the past decade, visitors' accommodation in terms of the number of beds has been rising steadily, going from 4,200 beds in 1957 to almost 8,911 in 1967, or approximately double. However, there are only 23 hotels with 100 beds each and they account for 60 per cent of the hotel bed capacity. Kingston has four hotels with 100 beds each, Montego Bay has eleven, and Ocho Rios has eight. There are some 88 hotels in Jamaica; 43 are owned by Jamaicans, 36 by foreign interests and nine have joint ownership (Jamaica/Canada, Jamaica/United States) or a combination of all three.

As mentioned, during the last five years hotel building in Jamaica has not been keeping pace with the increasing demand for hotel accommodation. As a result, the proposed expansion program is fairly wide in scope, covering the most important tourist areas as well as Kingston, both for new hotels and expansions to existing ones. This expansion program is planned with an awareness of the need to capitalize on this growing industry and to structure the expansion so that tourism is spread over all areas that can support it.

This office and the Department have developed considerable information on new hotel projects in Jamaica and are happy to make this available to interested persons. There appears to be an increasing willingness on the part of international bodies such as the International Finance Corporation to consider hotel and tourist developments as legitimate investments contributing to the long-term growth of a country. When international financing



This is Lucaya Villas, a prefabricated complex typical of many that are going up in the Bahamas. The rapid pace of hotel and motel building in the Caribbean opens up opportunities to Canadians who can supply furnishings, equipment, services.

is involved, Canadian architects, contractors and hotel furniture and equipment manufacturers are often given an opportunity to compete. A case in point is the new BOAC Pegasus Hotel to be built in Kingston.

The growth of tourism will place demands on the existing infrastructure and transportation facilities, especially airports, and this in turn will generate additional opportunities.

Tourists must be fed and many products that are restricted at the consumer level may be imported freely when destined for the hotel trade. The potential is indicated by the fact that member hotels of the Jamaica Hotel and Tourist Association spent some £1.35 million in 1967 on local foodstuffs and locally manufactured food products. The expenditure for ground provisions, vegetables, meats and poultry increased in 1967 to £752,261 from £738,331 in 1966. With the construction of 1,000 additional rooms in the next 12 to 18 months, these market opportunities will increase.

Tourism in Jamaica shows every sign of continuing its growth. The Director of Tourism recently estimated that in 1968 it would contribute a record £31 million to the Jamaican economy. This does not include money spent on transportation to Jamaica or money

spent while there. The new cruise liner, the *Starward*, which is to operate weekly between Miami, Port Antonio, Montego Bay and Kingston, will bring an additional 25,000 tourists and the operators of this vessel are already building another to replace it in 1970

CONFIRMED HOTEL STARTS, BAHAMAS

	New Hotel	Addition	Total Rooms
Out Island Inn, George Town, Exuma	(opened)		54
Ocean Spray Hotel, Nassau	32		32
Freeport Inn, Freeport		50	170
Nassau Beach Hotel, Nassau		40	440
Green Turtle Cay Club, Abaco		10	15
Arnold Palmer Inn, Tarpum Bay, Eleuthera	100		100
Island Inn, Windermere Island (off Eleuthera)	(opened)		20
Small Hope Bay Lodge, Andros		4	20
			851

and transport 40,000 tourists to the island annually. The present hotel accommodation needs to be at least doubled by 1972 or 1973 to meet the expected increase. Potential Canadian hotel investors will receive a warm welcome from Tourist Board and government officials.

In the Bahamas, the raw materials to be exploited are sun, sea, climate and location. Hotels are to these islands what factories are to other countries.

The principal business and the chief source of revenue is tourism. It is also the largest employer. The success of tourism has resulted from the excellent climate, the abundance of tourist facilities, close proximity to the United States, and last but certainly not least, a substantial and well-managed promotion program. The Bahamas lie in the warm water of the Gulf Stream; average winter temperatures are about 70 degrees Fahrenheit, and the maximum summer temperatures 80 to 90 degrees with very slight rain during May to October. Furthermore, the country operates under a system of indirect taxation consisting chiefly of duties on imports and has maintained a satisfactory financial condition without introducing income tax.

As anyone in the travel business will confirm, there is no foolproof method of determining how much individual tourists spend on their vacations. In the absence of a full-scale exit study, it is estimated that the tourist who arrives by air and stays one week spends at least \$200. His daily expenditure averages \$30 to \$35 for hotel room, food and drinks, shopping, taxicabs, possible side trips to the Out Islands, entertainment and tips. Tourists arriving by sea fall into several categories and their average expenditure varies accordingly. There are the stopovers who may be compared with arrivals by air, the private or chartered yachtsmen, the cruise passengers remaining in port from 12 to 48 hours, and the cruise passengers remaining in port for 48 hours or more. It is estimated that stopovers spend \$200 each, yachtsmen \$100 each, 12- to 48-hour cruise passengers \$30 each, and 48-hour or over cruise passengers \$45.

In 1967, some 649,388 visitors arrived by air, and spent an estimated \$219,877,600; 265,885 visitors arrived by sea and of these 11,173 were stopovers, 18,300 were cruising yachtsmen,

104,984 remained in port over 48 hours, and 131,428 were cruise passengers remaining less than 48 hours. The visitors by sea spent \$12,731,720. This makes the combined total spending \$142,609,320. In 1957, the Bahamas had 2,374 hotel rooms, in 1962, 3,433, and in 1967, 8,100. Planning or actual construction of new hotels or additions to existing hotels began in 1967, as the table shows. (Some of these have already been opened.)

The number of visitors during the last ten years, 1958 through 1967, increased from 196,658 to 915,273, or 365 per cent, and in 1968 exceeded the one million mark. Approximately 10 per cent, or 100,000 in 1968, came from Canada. This figure is expected to at least double by 1975.

During 1967, the number of visitors outnumbered the local population by six to one and this has naturally resulted in a tremendous strain on transport, public utilities, and services of all types.

The present Nassau airport was reconstructed in 1957, on the basis of an anticipated yearly increase in air arrivals of 10 per cent and this new facility was already inadequate when it was completed to meet the demands of the coming decade. Between 1957 and 1967, arrivals increased by 172.8 per cent. As a consequence, in 1967 an expansion program costing Bah. \$432,000 was approved for the improvement of arrival facilities by September 1968. An extension to the departure facilities, estimated to cost Bah. \$800,000, was approved later. Many persons are of the opinion that these can only be regarded as stopgap measures and that full-scale redevelopment of the airport will soon become necessary. Work continued throughout 1967 on the dredging of Nassau Harbor to a depth of 36 feet and 24 feet to permit larger passenger and cargo ships to berth at Prince George Wharf in the Nassau City Center. The project, budgeted at approximately \$20 million and scheduled for completion in 1970, includes the construction of a two-level terminal for arrivals and departures and a turning basin with a diameter of 1,500 feet.

Impressive as the tourist figures are, plans for further tourist development for the Out Islands, as well as on New Providence and Grand Bahama Islands, are being actively implemented and it seems safe to say that the saturation

point is still a long way off. Continuing growth in the tourist industry in turn creates expanding opportunities in the Bahamas for Canadian exporters of just about every type of consumer product. Although the population is only about 170,000, for many products it must be considered as including the tourists, or one million. In the nine years from 1956 to 1965, exports to the Bahamas increased over three and a half times. In 1966 alone, Canadian exports to the Bahamas increased in value by more than 14 per cent over 1965.

At the present time, the Department has information on tourist projects under way in the Caribbean or about to get under way totalling \$800 million.

For many reasons Canadians should help the Caribbean develop its tourist trade and achieve increased foreign exchange earnings, greater employment, more business and industry, and more training and education. For Canadians it can mean more foreign exchange earnings, more trade, more employment and more experience in tourist resort developments abroad which will enable our firms to go farther afield. For these reasons, a special section has been established in the Department to specialize in this field. For further information write to the Tourist, Hospital and Education Division, Department of Industry, Trade and Commerce, Tower B, Place de Ville, Ottawa.

International Loan Announced

Oil palms and coconuts in the Ivory Coast will be developed with the assistance of three World Bank loans totalling \$17.1 million. Both production on estates and by individual farmers (outgrowers) will be raised as the result of an extensive planting program involving 39,500 acres for oil palms and 16,000 acres for coconuts. It is expected that the loans will enable 4,000 families to shift from subsistence farming to commercial agriculture and 2,000 people will be permanently employed on the estates or at the oil mill. The project is part of a larger program aimed at 148,000 acres of oil palms and eight processing mills by 1974. The largest part of the \$54 million invested to date has come from the Fonds Européen de Développement.

United States

Here is a simple explanation of the laws and regulations covering Canadian products imported into the U.S. and suggestions on obtaining help with Customs problems.

S. J. FOWLER
Commercial Officer, Washington, D.C.

We cannot emphasize too strongly that before quoting duty-paid delivered prices to customers in the United States, Canadian exporters should obtain a firm tariff classification from the U.S. Customs authorities. It is unwise to depend upon a small trial or test shipment because such shipments may on occasion slip by, especially if they are cleared under the informal entry procedures which apply to shipments valued at less than \$250. The customs treatment of these shipments is not a legally binding precedent. To obtain a binding United States tariff classification, exporters should provide the Director of the United States Division, Office of Area Relations, Department of Industry, Trade and Commerce, with the following information:

1. A complete description of the goods, accompanied by samples, illustrated literature, diagrams, etc., when the goods cannot be described in writing. Needed also is information on the method of manufacture or fabrication, plus specifications and analyses.
2. Quantities and costs of the component materials, with percentages when possible.
3. The commercial designation of the product in the United States and the chief use of it there.

This information will assist the U.S. Division in assessing the inquiry and, when necessary, in requesting the Commercial Division of the Canadian Embassy in Washington to make a formal submission to the U.S. Bureau of Customs. When answers to any part of the listed information are obvious, no comment is necessary, but the exporter should realize that the omission of any essential descriptive information may result in undue delay in obtaining a decision. Send samples whenever this is practicable but even then, include a written description

because samples do not always tell the complete story.

On average, it takes about two months to obtain a binding tariff classification from the Bureau of Customs. This time can be shortened, however, in the case of straightforward classifications. The time lapse is invariably much longer than two months when chemical or other analyses of a product are required in the Customs laboratory. The Embassy follows up on outstanding requests for tariff classifications to obviate undue delays and ultimately forwards Bureau decisions and any helpful explanations direct to the inquiring exporter.

All goods imported into the United States are subject to duty unless specifically exempted. Duties are classified as ad valorem, specific, or compound. The ad valorem rate of duty is a percentage applied to the dutiable value of imported goods. Specific duty is a specified amount per unit, such as 10 cents per pound. Compound duty combines both the specific and ad valorem upon a single article, such as five cents per pound, plus 10 per cent ad valorem. Canadian products are subject to the rates of duty shown in Column I of the *Tariff Schedules of the United States*.

There is no way in which duties can be prepaid in Canada before goods are exported to the U.S. Normally, the liability for payment of duty becomes fixed at the time an entry is filed with the U.S. Collector of Customs and the obligation for payment is upon the person or firm in whose name the entry is filed. Though it is possible for a Canadian exporter to make customs entries personally and pay the duties, thereby offering his goods for sale in the U.S. on a duty-paid delivered basis, it is more normal to engage a licensed U.S. customs-house broker to act as agent on his behalf in transacting business with

U.S. Customs. In addition to licensed customhouse brokers, Railroad Express and other transportation companies will, in certain cases, transact customs business for the account of the exporter. These brokers or carriers charge a fee for their services.

Customs employees themselves are prohibited from filing entries for the importer but they will advise and give information about customs and related requirements.

The seller's invoice must be filed with the entry of each shipment of merchandise. Generally a special customs invoice is also required for merchandise subject to duty if the purchase price exceeds \$500. The special customs invoice (Form 5515) may be obtained free of charge from U.S. Consular Officers or U.S. Customs ports of entry or purchased from commercial stationers. It is a prescribed form listing the name of the shipper, name of consignee, selling price of the merchandise, etc. As of this writing, consideration is being given to dispensing with the special customs invoice and substituting the commercial invoice, provided it reflects the additional data required for customs purposes. This proposed amendment to customs procedures has been "imminent" for some time and we can assure readers that the revised procedures will be given wide publicity when they are ultimately approved.

A bill of lading certified by the carrier bringing goods to a port of entry, or a carrier's certificate naming the consignee for customs purposes, is required as evidence of the right of the consignee to make entry.

Every article of foreign origin entering the United States must be legibly marked with the English name of the country of origin, unless an exception from marking is provided for, such as articles too small to be marked or

when the container is adequately marked. The country of origin does not change unless there is a substantial transformation in the article or unless a new or different article is produced from or with the use of such article in another country. The purpose of marking is to inform the "ultimate purchaser" (consumer) in the United States of the country in which the imported article was made.

Decisions about marking requirements are for the most part straightforward and can usually be obtained promptly from the Bureau of Customs. Full particulars of those cases where there is doubt about the need for marking should be referred to the Commercial Division of the Embassy, with samples when it appears that written information is not sufficient to permit full and proper consideration.

The United States has two value laws: the new law (Section 402 of the Tariff Act of 1930) and the old law (Section 402A of the Tariff Act of 1930). Most goods exported to the United States are valued for duty on the basis of the "export value" under the new law. The export value, simply stated, is the price for export to the U.S. at which you offer or will sell to all purchasers at wholesale in the United States in the ordinary course of trade. The export value becomes the value

for duty on all your sales to the U.S., regardless of the actual transaction prices and class of customer.

Though purchasers normally insist on a delivered price, Canadian exporters whose goods are valued on the basis of their export value under the new law are urged to offer ex-factory prices to U.S. customers as well as delivered prices. Where the purchaser is given the option of buying at both ex-factory and delivered U.S. prices and there is sufficient evidence to satisfy the Customs Officers that such sales or offers at ex-factory prices are bona fide, they may appraise all shipments at an export value based on ex-factory prices, although on the date of export the actual sales were made on a delivered basis. By having ex-factory prices accepted as a basis for valuation of all shipments, exporters may avoid paying duty on the freight element of the delivered price.

Goods on a list known as the "final list" are covered by the old law and they are generally valued for duty on the basis of their "foreign value". The foreign value, simply, is normally the highest price at which the goods are freely sold at other than retail in the exporter's domestic market.

There are alternative methods of valuation under both the new and old

laws where the export value or foreign value respectively cannot be determined. The United States value-for-duty laws are outlined in the pamphlet *Customs Information for Canadian Exporters to the United States* which may be obtained free from the United States Division, Office of Area Relations, Ottawa. Exporters may also obtain specific details on the valuation of their goods by contacting the U.S. Division, Office of Area Relations.

If the importer disagrees with the classification and rate of duty assigned by Customs, he may ask for reconsideration of his entry by filing a written protest with the Customs Officer within 60 days. If disagreement continues, the matter is sent to the U.S. Customs Court for adjudication. Unfortunately, the tremendous backlog of cases facing the Customs Court has caused delays of two years and more. If the importer disagrees with the findings of Customs as to value of his goods, he must file an appeal for reappraisal within 30 days of the "Notice of Appraisal".

U.S. anti-dumping duties are not assessed simply because there are sales to the U.S. at prices below the exporter's domestic prices. It must be also demonstrated that these sales are causing injury to the industry in the U.S. or are preventing an industry from being



(Left) A U.S. Customs officer counsels a maker of fiberglass boats about his classification for duty. (Right) The prebuilt housing seen on this drilling platform in Cook Inlet, Alaska, was made by a Calgary firm ATCO industries.



established. When determining whether or not there have been sales at dumped prices, allowances will be made for differences in the circumstances of sale. These allowances cover such things as differences in advertising costs, quantities and selling expenses. Where there are relatively few sales in the exporter's domestic market, sales to third countries generally will be used as a basis of comparison. Further details on the U.S. Anti-Dumping Act and regulations may be obtained from the Director, U.S. Division, Office of Area Relations.

Countervailing duty, in simplest terms, is an additional duty equal to the net amount of the bounty or grant paid on any articles or merchandise exported to the U.S. from a foreign country. The law applies whether the payment or bestowal is made by the foreign country or by any political subdivision thereof, or by any group, legal entity, or individual. Additional explanation is again available on request.

The Canadian Query (or CQ) Program, as it is popularly known, is a U.S. Customs advisory service specially established to assist Canadian exporters and prospective exporters in procedures and requirements for the entry of goods into the United States. Responsibility for conduct of the program is vested in the District Directors for Customs located at Ogdensburg and Buffalo, New York; Detroit, Michigan; Pembina, North Dakota; and Seattle, Washington, with each District Director providing coverage of those areas of Canada nearest to his office.

Though the service is advisory, each District Director is widely versed in customs and other regulatory matters and can secure official information or decisions for Canadian exporters. The services under the CQ Program are especially helpful in obtaining tariff classifications and rates of duty, valuation, invoicing, quotas, restricted imports, marking to indicate country of origin, and similar regulations. Before seeking assistance under the CQ Program, exporters would be well advised to contact the U.S. Division of OAR for guidance and counselling.

Though a licence is not required under Customs Law or Regulations for the import of merchandise into the United States, there are none the less many cases when Customs Officers are called upon to enforce laws and regulations of other government agencies. For example, a licence or permit is necessary for imports of animals, milk and cream, firearms and ammunition, gold in various forms, certain drugs, liquor, meat and meat products, trademarked articles and vegetables. Certain other merchandise must be examined to determine fitness for use and freedom from contamination, or it may be subject to quantity quotas. Other matters which U.S. Customs Officers check on are conformance of imports to the Wool and Fur Products Labeling Acts, the Food, Drug and Cosmetic Act, and other pertinent legislation and regulations.

The Kennedy Round of tariff negotiations was concluded June 30, 1967. This was the sixth round of tariff negotiations conducted under the auspices of the GATT. Each of the member countries of GATT that agreed to make certain tariff cuts as part of the Kennedy Round has now put into effect at least 40 per cent of the total of each agreed reduction. For the most part, reductions agreed to by the U.S. Government are being carried out in five progressive annual stages each effective January 1; three stages now remain—January 1, 1970, 1971, and 1972. Information on the remaining Kennedy Round concessions may be obtained from the Director of the United States Division, Office of Area Relations.

The U.S. tariff status of an article is not affected by the fact that it was previously imported and cleared through U.S. Customs and whether or not duty was paid upon such previous import. This is to say that an article is subject to customs entry and, where applicable, payment of duty each time it is imported. This is unlike Canadian Customs Law where an article of foreign origin, once entered and duty paid, remains "Canadian" for Customs purposes provided it does not remain

outside of Canada for over five continuous years.

There is, however, provision in the U.S. tariff for concessions on certain items of significance to Canadian industry. The most important of these are first, "articles exported from the U.S. for repairs or alterations" wherein, upon meeting certain conditions, duty is assessed only upon the value of the repairs or alterations; second, "articles assembled abroad in whole or in part of fabricated components, the product of the United States, which were exported in condition ready for assembly without further fabrication, which have not lost their physical identity in such articles by change in form, shape, or otherwise, and which have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to assembly such as cleaning, lubricating and painting," and third, "articles of metal except precious metal which are processed abroad and are then returned to the United States for further processing". In these circumstances, the cost or value of such products of the United States is deducted from the value for duty.

Those Canadian exporters having a large volume of shipments to the United States should know that a wide range of publications is available to assist their export activities from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. As a sampling, these include the *Tariff Schedules of the U.S.A. (T.S.U.S.)*, *Special and Administrative Provisions of the Tariff Act*, and *Customs Regulations of the United States*.

Any interested Canadian company can also get copies of pertinent laws and regulations either from the U.S. Division of the Department or the Regional Offices of the Department throughout Canada. The staff of the U.S. Division will be happy to assist Canadian exporters in matters concerning legislation, regulations or trade policy.



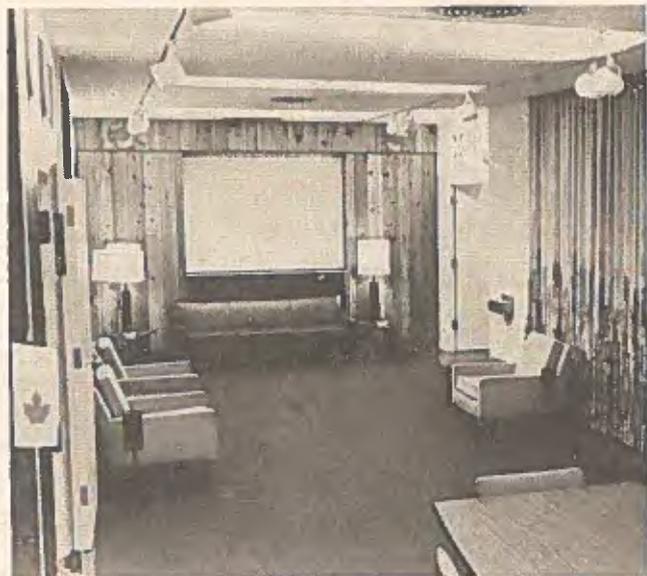
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1. This is the entrance to the Commercial Division of the Canadian Consulate General in Chicago; the Mople Leaf Room forms part of it.

2. The Maple Leaf Room is not designed for displays only; it also makes a good setting for conferences.

3. Sometimes it houses a fashion show; these buyers are viewing fur garments made by a Winnipeg company.

4. R. D. Sirrs, Consul and Senior Trade Commissioner in Chicago, gets a telephone call about a display.

5. If you want to show films of a conference or display, there is a built-in screen and audio equipment.

Showing Chicago

Potential buyers and agents in the Windy City can take a leisurely look at Canadian products in the attractive Maple Leaf Room at the Canadian Consulate there.

R. D. SIRRS

Consul and Senior Trade Commissioner, Chicago

Trying to break into a huge market like Chicago, where retail sales alone reach \$15 billion a year, can pose real problems for a Canadian company. How can its salesman get in touch with Chicago buyers and show them the product, when suppliers from all over the world wait on their doorstep?

The Canadian Consulate at Chicago has helped to answer this question for a number of Canadian firms. Some of them were seeking to sell luggage, some men's outerwear, and others hand-blown glassware, educational equipment, women's clothing, and office furniture. They had one thing in common: each of them, with the help of the Canadian Trade Commissioner and his staff in Chicago, exhibited their products for a maximum of one week in the Maple Leaf Room. Invited buyers, manufacturers' representatives, and distributors came, inspected and discussed the products displayed. Result: connections made with department stores, appointment of distributors or representatives, some sales.

What is the Maple Leaf Room? It is a 618-square-foot room, 9½ feet high, in the Canadian Consulate in Chicago on the twentieth floor of the Continental Center Building. Intended for receptions and displays, it has all the facilities in addition to display space: a built-in screen and audio equipment for projecting films, a blackboard (for

conferences or meetings), conference table, a bar, and a kitchenette equipped with a stove, refrigerator, and ice-making machine. There's a reception area and cloakroom, and an office where the Canadian business visitor can hold private conferences. All these facilities are offered to the Canadian company free of charge. The company pays transportation charges for the products it wants to display, and also pays for drinks, catering service and any publicity.

The Maple Leaf Room offers more than merely space. More important still, because of the support that the Trade Commissioner and his staff can give, it offers an entree into the Chicago market that Canadians find hard to achieve without this support. Each officer within the Commercial Division of the Consulate has his own field of specialization and his know-how and contacts help enormously. If your product falls within his field, he helps to draw up an invitation list for your display—a list that covers buyers, representatives and distributors in that field. An engraved invitation or one on letterhead from the Canadian Consulate brings these people to you—to see what you have to offer in a pleasant and relaxed atmosphere.

Naturally, displays at the Maple Leaf Room are a co-operative effort and you are expected to pull your weight.

That means making local calls both before and during the show, though here the Trade Commissioner can give guidance and make appointments for you. You will also be expected to follow up on the opportunities that the display uncovers for you.

Interested in putting on a show in the Maple Leaf Room? Think you have a suitable product? Then write to me, Consul and Senior Trade Commissioner, Chicago, at least a month (and preferably longer) before you want to stage this show. Send me full details about your product, duty-paid delivered prices if possible, sales literature, information on where you are selling it, what type of sales representation you want, and so on. We can then make a preliminary survey of the market and arrange for a showing.

In the past year, the Maple Leaf Room has been the scene of a fashion show staged in conjunction with the local representative of several makers of high-quality women's apparel in Montreal, a three-day display of men's outerwear made in Winnipeg, an exhibit of uniquely designed Canadian lighting products, an exhibit of hand-blown glassware from Quebec, and many others.

The Maple Leaf Room and the Consulate have helped all these people. Why not you?

Copper

Placer Development Limited of Vancouver is opening up a Cdn.\$40 million mine in the Philippines. A large amount will be spent on Canadian equipment and machinery.

R. A. FAIRWEATHER

Vice Consul and Assistant Trade Commissioner, Manila

Although it had to start again almost from scratch at the end of World War II, the Philippine mining industry now presents a promising picture. In the last 20 years mining has regained its status as one of the mainstays of the country's economy. But it continues to cry out for more investment, domestic and foreign, so that it may progress still further. Canadian companies are answering this need.

A hundred miles southeast of Manila in the Sibuyan Sea is the tiny island province of Marinduque. The inhabitants for generations earned their living by growing rice and coconuts or fishing in the clear waters off the coast. Until recently, their leisurely life was disturbed only at Easter when hundreds of tourists flock to the island to watch the famous Moriones Festival. For an entire week the people of Marinduque dress in the costumes of biblical times and re-enact the Easter story.

A new chapter in the island's history began in 1956. In that year Placer Development, a Vancouver company, learned that there might be substantial copper reserves on the slopes of Mt. Tapian in the center of the island. Technical representatives were dispatched there and their findings were favorable. Diamond drilling and mapping were started to determine the precise extent of the reserves.

Marinduque is an out-of-the-way place and the job of getting machinery to the site was formidable. The ore body itself could only be reached by a foot trail and so all the diamond drilling equipment had to be carried in by porters.

The surface drilling was sufficiently promising to warrant further exploration. The political and financial stability of the Philippines and the competent local labor force encouraged Placer executives to extend the scope

of the program. At this point, Placer invited the Nippon Mining Company of Japan to assist in additional exploration because it would later be a customer for the concentrate. Nippon began extensive tunnelling in 1960 followed by underground drilling. When this was completed, Placer extended the drilling pattern on its own, both at the surface and underground. The result was that an ore body was proved which was of sufficient size and grade to make large-scale production attractive.

Early in 1968 Marcopper Mining Corporation, a Philippine company in which Placer Development Limited of Vancouver had a 40 per cent share, announced that it would invest \$40 million worth of machinery, technical services, supplies and working capital in the development of Marinduque's substantial copper reserves. Financing was arranged and guaranteed by Placer Development Limited with Marcopper



Private investment abroad can open the way for the export of specialized Canadian products. This was certainly the case with the Marinduque copper mine where a large part of the Cdn.\$40 million spent on machinery and engineering went to Canadian firms. In the picture (left) Canadian consultants discuss structural steelwork with R. A. Fairweather who wrote the article. Esco Limited built the giant shovel bucket (right) which dwarfs John Racich of Placer Development Limited.

Mining Corporation offering its title on all mining claims and leases as security.

Life on the island changed abruptly. The company started to build a dock to handle incoming equipment and eventually export the concentrates to Japan. Swan Wooster Engineering Co. of Vancouver supervised the design. Warehouses were built, fuel storage tanks erected, and a small community laid out.

To link the dock and the mine site, 18 kms. of gravel road were constructed to replace the foot trail. The plant area has now been cleared and steel and concrete structures are going up. Electric shovels are stripping away the overburden at the mine ready for open-pit operation to begin. A concrete dam has been built across the narrow gorge of the Bol River to provide fresh water and an earth dam nearby will impound the tailing and mill water for reuse.

The mine has greatly changed life on Marinduque island. It has already spurred the establishment of ancillary private enterprises, community development, educational and medical facilities, and provided the island with a deepwater port.

At present, 2,000 out of the 140,000 inhabitants are directly employed at the mine. When construction is completed and the mine goes into production later in 1969, the permanent labor

force will be approximately 800 men. The Marcopper annual payroll is expected to exceed \$1 million. Taxes will help the province and the export of copper concentrate to Japan will bring the Philippines much-needed foreign exchange.

A venture such as the Marinduque copper mine also benefits Canada. The crushing, concentrating and power facilities were designed by two Vancouver firms, Wright Engineers Limited and M. A. Thomas Limited, under the supervision of Placer's engineering staff. Equipment was purchased in the Philippines whenever possible but even so over \$2 million worth was bought in Canada. Demag Industrial Equipment Limited manufactured the overhead cranes. The rod and ball mills will be supplied by Canadian Allis Chalmers Ltd. The huge shovel buckets were fabricated by Esco Limited in its Port Coquitlam, British Columbia, factory. The anchor bolts were purchased from Lister Bolt and Chain of Vancouver. Much of the structural steel and many of the small tools were also bought in Canada.

Production should begin at the end of this year. Milling capacity is expected to be five million short tons annually with dry concentrate output of about 140,000 short tons. At the planned rate of production, proven and indicated reserves are sufficient for a minimum of 20 years.

Louisiana's Oil Industry Booms

In Louisiana, King Cotton and King Sugar have been joined by King Oil. In fact, Louisiana now ranks as the second oil-producing state in the United States with its wells yielding \$3.7 billion worth of crude oil and natural gas in 1967. The 80-mile stretch along the Mississippi from New Orleans to Baton Rouge is lined with refineries and chemical and petrochemical plants. The investment in plant and equipment is estimated at over \$2 billion and the signs read like a Who's Who of the petroleum and chemical industries: Humble, Allied Chemical, Kaiser Aluminum, Union Carbide, Hooker Chemical, Shell, Gulf, Wyandotte, Union Oil, Texaco, Rubicon, Monochem, U.S. Rubber, Morton Chemical.

The Humble Oil refinery at Baton Rouge, which started on a 240-acre site in 1909, is today said to be the most versatile in the world. It now covers over 2,000 acres, employs 4,000 people and, when its current expansion program is completed, will be able to handle well over 400,000 barrels of oil a day. Most of the chemical strip has been developed since World War II: 12 plants were added last year alone and the pace is accelerating. So far these plants are mainly producing basic chemicals—acids, phosphates, caustic soda, chlorine, acetate, alumina—to be shipped outside the state.

Lafayette, a city of 62,000 some 180 miles west of New Orleans in Cajun country, where many descendants of the Acadians still speak French, is a focal point of the oil industry. Petroleum, engineering and exploration companies have their offices in a specially-planned section of the city known as the Oil Center. Lafayette and Odessa, Texas, alternate as hosts to the Louisiana Gulf Coast Oil Exhibition and this year it is Lafayette's turn. The Show takes place from October 15 to 18 in the Blackham Coliseum (particulars are available from Mrs. Rose Martin, P.O. Box 51392, Lafayette, Louisiana 70501—telephone area code 318 235-2506). Two hundred companies will be exhibiting and Canadian manufacturers who are looking for opportunities to sell to the Louisiana and Texas markets should certainly consider attending or participating. The Trade Commissioners in New Orleans are ready to help those who want further information.

W. J. MILLYARD
Consul and Trade Commissioner
New Orleans



Educational Equipment

Relocatable buildings, furnishings, books, language teaching aids, vocational training equipment—all are needed in New England's school-expansion program. Proximity, cultural affinity, similar sales techniques make this a natural market for Canadians.

J. N. R. FERLAND

Vice Consul and Assistant Trade Commissioner, Boston

The New England market for educational equipment and for textbooks and teaching aids is growing fast. This year construction will begin on 130 schools in the area, representing about 10 per cent of the estimated U.S. spending in the educational sector. By 1973, as one example, every school in Massachusetts will be compelled to have kindergarten facilities. This means another market that has to be serviced almost immediately. This educational market is one that Canadian manufacturers should consider seriously not only because of the opportunities presented but also because of its proximity to Canada, its concentration in the greater Boston area, and its affinity with Canadian tastes and way of life. Moreover, this compact market can be easily covered by manufacturers' representatives and major distributors.

The gap between the demand for new facilities and the funds needed has not yet been filled. This gap became apparent in the early 60's and has resulted in the creation and popularity of the relocatable school. It is not only the acute need for schools that has sparked this development but also the advances in techniques of manufacturing. It is now possible to have schools that are portable, mobile, divisible, and demountable. Among the major opportunities are furnishings for classrooms, cafeterias, gymnasiums, and libraries. Administrators are now convinced of the advantages of movable walls in classrooms and school boards are more and more in favor of relocatable buildings. The New England market for books and language teaching aids is also relatively important; so is the demand for vocational training equipment.

The method of entering this education market depends upon the product to be offered. If it is scientific in nature, the usual way to market it is through

specialized national sales organizations. Trade associations commonly offer information and services and participation in their conventions and exhibitions should be given top priority.

For the firm handling furnishings and equipment for schools, there are three types of representatives. The first is contract sales firms that cover the five New England States and cater to the whole institutional market. Then come the manufacturers' representatives (who also cover the institutional market) and the school supply houses which carry all lines of furniture and accessories. Salesmen for these supply houses visit schools only and occasionally buy products from the contract sales firm, which in this instance acts as a wholesaler. The school supply houses usually compile and mail out catalogues to complement the work of their salesmen. Accessories are sold by manufacturers' representatives who call on dealers and distributors. The more specialized furnishings needed for kitchen or gymnasium are handled by the school supply houses and by distributors in specialized fields.

In selling relocatable schools or equipment and materials for them, the Canadian manufacturer faces some problems in this market. There is major competition from local manufacturers (such as Hodgson Homes, Assembled Structures) which also make residential and vacation prefabricated homes. Manufacturers from Connecticut, Pennsylvania and New York have also succeeded in selling in New England through their representatives. In some instances, the local regulations may be stringent and may make selling in the area difficult. Plans must bear the seal of a state-registered architect.

Canadian manufacturers should have a unit on display in New England and

a few units stocked. This will undoubtedly make the negotiations with potential representatives expensive because of the investment involved. The Canadian may alleviate the problem by making a unilateral investment or by establishing a United States office. A good representative will usually undertake to arrange for installation contracting. However, where it becomes highly technical, the Canadian firm may have to send a team to supervise the erection. These are the problems of many manufacturers of prefabricated structures and some Canadian firms have established a United States subsidiary in order to overcome the obstacles.

Ninety per cent of the relocatables being used in New England are leased for three years. Few of them are bought or leased with an option to purchase. The major reason is the expected availability of funds to build new schools in the near future. The market for used relocatable buildings, however, is still minimal because only a few industrialists, merchants, businessmen and educators have been exposed to the advantages and low cost of these structures.

The annual convention of the American Association of School Administrators has proved to be an excellent vehicle for introducing to the trade Canadian buildings, services and products used in schools.

Textbooks and teaching aids constitute another market in the U.S. In 1967, Americans spent \$705 million on textbooks and another \$905 million on reference books, children's books and paperbacks. More and more federal money goes into books and teaching materials and this makes the institutional market the most important. Eighty per cent of the sales of general children's books are made to schools and libraries.

According to the American Textbook Publishers Association, elementary schools spend \$7.26 per student on textbooks and complementary materials and high schools spend \$11.74. This survey, made in 1967, shows that educators are far from reaching the guidelines issued in 1967 by the National Education Association (NEA). Its recommendation was that educators spend per year \$14 for each elementary school pupil already enrolled, \$42 for each new elementary school pupil, \$21 for each secondary school pupil already enrolled, and \$63 for each new one.

The avenues for marketing books depend on the type. Some books must be marketed through national wholesale distributors in order to be sold extensively in New England. Some others can be sold locally. **Here are some guidelines for selling books.**

1. If you wish to sell textbooks and technical materials, consider a manufacturers' representative. There are only a few representatives in the publishing field but they are ordinarily active and equipped to cover quite large territories. Most of the representatives selling in New England have headquarters in Massachusetts or New York. The representative offers by far the best method of marketing technical books and textbooks. Thousands of book samples and catalogues are mailed to professors each year and are not even opened. For example, how can a publisher expect a professor of government to know about the 4,000 books published in this field in 1968? But your representative can discuss new books with a professor and perhaps convince him that he should use some of them.

2. For foreign language courses, general reading material is distributed by some book wholesalers. Again, the ones covering the New England market are in Boston and New York. Introducing foreign language textbooks is somewhat difficult because agents may not possess the knowledge of the language required to sell the book. If a representative who possesses these qualifications can be found, the publisher will be in an ideal position. In addition, foreign books (general or technical) may reach the market through national catalogue agencies. The agencies covering New England

are located chiefly in New York and Pennsylvania.

3. Catalogue distributors and book wholesalers participate in the major book and education fairs, but your firm may wish to exhibit individually. If so, and if you make or publish language teaching material, do not miss the fair sponsored by the Modern Language Association. For French books, inquire about the convention of the American Association of Teachers of French. Consider also the convention of the American Booksellers Association, the American Library Association, the American Association of School Administrators and the American Vocational Association.

4. Advertise your books if they are somewhat technical and support your representative by advertising. A Parisian wholesaler has been selling in volume for two years without representation just by filling mail orders that resulted from advertising. This wholesaler, whom we met during his first participation in the convention of the American Association of Teachers of French, realizes, however, that this is not the ideal way of selling books and is now seeking representation in the United States. His experience demonstrates that advertising in modern language magazines may bring good support for sales.

The U.S. market for audio-visual equipment is also a large one; McGraw Hill estimates it at \$115 million a year. In this field, competition from U.S., British and French companies is even stiffer than it is in textbooks. The American manufacturers in particular exercise a good deal of control and enjoy a lot of brand recognition. The strongest demand, according to Arthur D. Little, Inc., of Cambridge, Massachusetts, a large research firm, is for language laboratories, followed by all types of projectors. The same study showed that 70 per cent of this market is controlled by three to five major suppliers. The chief supplier of tape recorders is Revere-Wollensak (3M), with 65 per cent of the market. Bell and Howell dominates in the field of movie projectors (45 per cent of the market) and Charles Beseler and 3M in the field of overhead projectors (45 and 30 per cent respectively). Much of this equipment is used in teaching language courses; one secondary student out of four in the

U.S. studies a foreign language and the most popular are Spanish, French, German, Russian and Italian. There are more than 19,000 secondary schools in the U.S. offering language courses to some four million students.

A relatively important segment of this market for language-teaching equipment and textbooks is the population, native-born or foreign-born, with a French or French-Canadian background. This element is strongest in New England. The student population in the New England States accounts for 5 per cent of the U.S. total but contributes 15 per cent of all enrollments in French courses. One student out of ten in the U.S. as a whole studies French; three out of ten do in New England. In Vermont, French is virtually the only foreign language taught in primary and secondary schools.

Fall River, Massachusetts, is the home of 45,000 French-speaking Americans and Hartford is the home of another 25,000. More than 750,000 French-speaking citizens live in the Northeast United States, yet for publishers it is not a stable nor a growing market. When volume is important it is evident that the Franco-American group must be considered as secondary or complementary to the education market as a whole.

For the first time in 1968, the Canadian Government participated in the convention of the American Association of French Teachers in Boston. The Canadian participation was said to be impressive and hopefully opened the way to a stronger interest in Canadian teaching materials. Of course, in the teaching of French in the United States, France is the major influence but American teachers are more and more aware of the "French fact" in Canada and of the knowledge and capabilities made available by Canadian Governments and universities. There are more French radio stations than ever and some states are establishing cultural and commercial exchange commissions for increased relations between the French communities on both sides of the border. Such a commission now operates in Massachusetts and bills for the establishment of commissions are now being filed in New Hampshire, New York and Louisiana. Public school libraries in New England are devoting \$2.2 million to the purchase of books,

periodicals, and related materials, 75 per cent of which is for books only.

Libraries and vocational schools constitute an additional market for books and other equipment. The income of New England public libraries is over \$30 million a year, not including federal grants-in-aid. Massachusetts public libraries alone have an income of \$23.7 million. In addition, there is federal aid of almost \$2 million and state aid of \$1.25 million. Each year the Boston public library system buys some \$30,000 worth of books from Canada. It plans to build seven new branches and the architects, most of them specialists in the building and interior planning of libraries, were selected over a year ago. There is therefore an excellent potential market for library furniture and books. Six Boston book wholesalers cover the library market and a large number of contract sales firms supply furnishings for these libraries.

The American Library Association (ALA) is a major influence in this field and offers a significant marketing aid, its conference and exhibition. Future conferences will take place in Detroit in 1970 and Dallas in 1971, following this year's conference in Atlantic City.

The market created by vocational and technical school programs is also important. Some 325 schools in New England offer vocational programs and a quarter of these institutions are strictly vocational, technical, secondary and post-secondary schools. Fifty-seven are located in Massachusetts. The most popular program is home economics, followed by the technical and industrial programs which enroll over 45,000 students, particularly automotive training, building construction, electrical occupations and machine tool operations. Industrial wholesalers and distributors cover this field generally of necessity and some of them have trained salesmen who specialize in this field and have developed "package selling" to the vocational schools.

The Canadian Department of Industry, Trade and Commerce participated last year in the American Vocational Association Convention and will participate again this year in Boston from December 8 to 12.

Products directed to the educational market are usually dutiable, although there are provisions that exempt from duty some of them, such as books. If you have questions about the tariff applicable to your commodity, contact the United States Division, Office of Area Relations, Department of Industry, Trade and Commerce. The Division will obtain on your behalf a

binding ruling from the United States Customs.

If you are interested in the New England education market, we urge you to undertake a trip to Boston after consultation with the Canadian Trade Commissioner. He will help you by recommending contacts and making appointments for your visit.

Educational Associations

American Library Association
50 E. Huron Street
Chicago, Illinois 60611

36,000 members; holds an annual conference and exhibition. Interested in furniture, furnishings, publications.

American Association of School Administrators
1201 Sixteenth Street N.W.
Washington, D.C.

18,000 members; holds exhibition at annual convention; Dept. of Industry, Trade and Commerce has exhibited. Buildings, furniture, furnishings, equipment.

American Booksellers Association
175 Fifth Avenue
New York, N.Y. 10010

Trade association; 2,900 members. Publications and books.

National School & Supply Equipment Association
79 W. Monroe Street
Chicago, Illinois 60603

425 members—distributors, dealers, representatives. Equipment and supplies.

Language Associations

Modern Language Association of America
62 Fifth Avenue
New York, N.Y. 10011

30,000 members

National Federation of Modern Language Teachers' Associations, Inc.
University of Wisconsin—Milwaukee
Milwaukee, Wisconsin 53201

20 associations

American Association of Teachers of French
Eastern Michigan Universities
Ypsilanti, Michigan 48197

12,000 members

Wholesale School, Art and Stationery Supplies Association
1514 Elmwood Avenue
Evanston, Illinois 60201

Trade association; interested in various types of supplies.

American Vocational Association Inc.
1510 H. Street N.W.
Washington, D.C. 20005

1969 convention, Dec. 8-12 in Boston; Dept. will exhibit. Machinery and equipment.

National Association of Educational Buyers
1461 Franklin Avenue
Garden City, N.Y. 11530

1,400 members; general school equipment.

National Education Association of the United States
1201 16th Street N.W.
Washington, D.C. 20036

1.1 million members; major affiliate is the AASA (above).

Educational Salesmen's Association of New England
c/o Madeline W. Cobb
72 Bow Road
Newton Center
Massachusetts

Furnishings, supplies, books, etc.

American Association of Teachers of Spanish and Portuguese
Wichita State University
Wichita, Kansas 67208

14,000 members

American Association of Teachers of German

7,000 members

American Association of Teachers of Italian

1,400 members

American Teachers of Slavic and Eastern European Languages

2,000 members

Trade Lines

Romania will hold its first International Trade Fair in Bucharest in October 1970. Bucharest has in the past had numerous exhibits from individual countries and companies. The recent increase in trade with the West has prompted this international fair. In 1970 it will specialize in metal-cutting machine tools, electrical engineering and electronic products, and machinery and equipment for light industry. Future fairs, however, will be general in character—Vienna.

Brazil is restricting the number of foreign technical and engineering consultants to encourage employment of its own nationals. Decree 64345 of April 10, 1969, does exempt, however, foreign scientists and technicians employed on a short-term basis for specific projects. Brazil's Central Bank will only register contracts between the Federal Government and foreign companies when they relate to technical services if a Federal Minister declares that they conform to the decree—Sao Paulo.

Esso's new fertilizer plant at Europort was officially opened in May. Ammonia capacity is 456,000 tons a year and 350,000 tons of nitrolime will be made. About 75 per cent of production will be exported. Chemicals now rank third among the Netherlands' industries—The Hague.

Japan is buying more logs and sawn timber from New Zealand. The business will reach NZ\$24 million a year as the result of recent contracts which include a five-year contract worth NZ\$54 million which one company got. New Zealand will supply 500 million board feet of logs and 58 million board feet of sawn timber a year from April 1969 under the contracts—Wellington.

In Switzerland, only 20,000 out of over a million TV licences are for color sets, according to the returns for April 1969. At the same time there are 1.76 million radio licences in force in the country—Berne.

The Iraqis are developing their nuclear knowhow and will start producing isotopes next year. They are now turning their attention to local sources of uranium which may exist in the northern part of the country and the desert areas. An allocation of 100,000 dinars (Cdn.\$300,000) for a geological survey is being talked about—Beirut.

Soviet shoppers like the self-service idea because it saves them so much time. Experiments have shown that shopping time can be pared by between two-thirds and

three-quarters and sales per square meter increased by up to 100 per cent. Less than one store in ten in the U.S.S.R. uses self-service today and the authorities are planning to change over many of the old-style shops. The Italians have been actively exploring the market for their supermarket equipment there—Moscow.

Switzerland sold three million pairs of shoes abroad in 1968. This was an 18 per cent increase over 1967, mainly accounted for by buoyant sales of leather shoes. High quality products were particularly in demand—Berne.

Venezuela is stepping up the search for oil along the continental platform. The Gulf of Venezuela will be explored and the northern and eastern shores down to the Orinoco delta. Service contracts will be used now that the Government has decided to depart from the unconditional granting of oil concessions—Caracas.

Lima's water needs up to the year 2001 are being studied by British consultants. The contract is worth U.S. \$225,000 and the money was provided by the British and Peruvian Governments under a technical assistance program—Lima.

Tourist expenditures in Puerto Rico have quadrupled since 1960 and more hotels are urgently needed. Three hotels with a total of 3,000 rooms, a 2,000-room hotel, and a convention hall which would accommodate 6,000 people are being considered at the moment—San Juan.

It is estimated that Switzerland imports about \$2 million worth of boats a year. There is also a substantial local industry which not only builds for domestic customers but exports to Germany, the Netherlands and Austria. The last Geneva Motor Show included 22 boatbuilders among the exhibitors—Berne.

By 1972 Switzerland's nuclear power capacity will be seven billion kwh., the largest per capita installed nuclear capacity in continental Europe. This is the result of several Swiss nuclear power developments now under way. An experimental gas-cooled heavy water reactor at Lucens, designed by Sulzer Bros. Ltd. of Winterthur, is now operating with an output of 8.5 mw. Switzerland's first pressurized water reactor producing commercial electric power, built by Westinghouse, will be operating in late 1969 at Beznau with an output of 350 mw. A similar Westinghouse reactor with the same capacity will be installed in a second plant at Beznau, and will start operating in late 1972. A pressurized

water reactor at Muhleberg near Berne, built by General Electric, will be ready in 1971 and will have an output of 306 mw. Two additional light water reactors are planned for Kaiseraugst and Leibstadt, each with an output of 500 mw; the supplier has not yet been determined—Berne.

A 653-mile, asphalt-paved highway linking Asuncion, the capital of Paraguay, with the Brazilian port of Paranagua, a free port for Paraguay, was recently opened to traffic. Some 577 miles of this new road cross the State of Parana west to east from Foz do Iguacu via Cascavel, Guarapuava, Ponta Grossa, and Curitiba to Paranagua. The road has 24 major bridges including the "Friendship Bridge" over the Parana River on the Brazilian-Paraguayan frontier. It will serve Paraguay's foreign trade and will also provide improved road transportation for West Parana's lumber and farm production—Sao Paulo.

The gross return from tourism in Fiji rose in 1968 to \$18 million from \$11 million in the previous year. To keep pace with this, 300 additional hotel rooms will be needed every year, an annual investment of \$2.4 million in buildings alone. There are plans for the development of two major resorts—Wellington.

The new airport being built about twelve miles from Damascus began in April to take large cargo aircraft that were too big for the old airport. During June and July 850 dairy cows will be flown in from Denmark for the Syrian Government's livestock breeding station. The airport will be formally opened in the second half of 1969—Beirut.

Motores Rolls-Royce S/A of Sao Bernardo do Campo, Brazil, plans to expand its factory to manufacture stationary and maritime diesel engines and motors for tractors, excavators and scrapers. The expansion calls for an investment of some Cdn.\$10 million—Sao Paulo.

Preparations are now under way for a \$12 million tar-sealed road between Fiji's capital, Suva, and the international airport at Nadi. The new road will have a 24-foot carriageway and 60 bridges and will be designed for speeds of up to 60 m.p.h. Messrs. Rendel, Palmer and Tritton, British consulting engineers, are designing the road. They have received approval from the World Bank for works of this nature where World Bank financing is likely to be sought. It is hoped that international tenders will be called at the end of 1970 and that construction will begin in 1971—Wellington.

Buhler Bros. Ltd., a Swiss firm, will build two mechanical grain-unloading gantries at the port of Kobe in Japan. Each gantry will handle 500 tons an hour of grain or soybeans from vessels of up to 500,000 tons. The facility will be ready in the fall of 1969. Buhler Bros. has also received a contract for pneumatic unloading equipment and a grain silo at Kaohsiung in Taiwan—Berne.

Investors from Venezuela and Trinidad will together invest in a winery, a footwear factory, a paper cup factory and a plastics plant in Trinidad. The Venezuelan-Trinidadian Economic Commission are to discuss tariffs and other matters at a later meeting in Port-of-Spain—Caracas.

International Loans Announced

Road maintenance in Afghanistan is now a more pressing problem than building new highways. The International Development Association (IDA) will provide a \$5 million credit to finance imports of road maintenance and workshop equipment, tools, spare parts, and materials such as steel and bitumen. The United Nations Development Program (UNDP) will give a \$1.7 million grant towards the cost of technical assistance and has appointed the World Bank as its executing agency. The entire project will cost \$10.8 million, the other \$4.1 million being provided by the Government of Pakistan.

Better seeds for Indian farms will be a big factor in boosting crop yields. The World Bank is making its first loan for seed production of \$13 million which will be used by the Tarai Development Corporation to develop 46,000 acres in Uttar

Pradesh. Tubewells, underground irrigation and more farm machinery are needed to help the participating farmers achieve the five-year objective of enough certified seeds to plant seven million acres a year. High-yielding dwarf wheat varieties, new hybrids of maize, sorghum and pearl millet, and high-yielding rice varieties will be grown in the project. It will cost \$22.4 million in total and has had the encouragement and technical assistance of the Uttar Pradesh Agricultural University.

Indonesia has a highway maintenance problem. The upkeep of roads has been neglected for years, drainage systems have fallen into disrepair with consequent damage to the pavement, and there is a shortage of managerial expertise to reorganize the maintenance system. The International Development Association is giving Indonesia a credit of \$28 million to finance

imported materials and pay for technical assistance; the Government will finance the other \$28.7 million of the total cost of the current project.

Paraguay relies heavily on beef exports to provide the foreign exchange it needs. The World Bank and its affiliate, the International Development Association (IDA), will lend \$8.6 million for the third stage of the country's livestock development program. A special Livestock Project Division is being set up within the Paraguayan National Development Bank to handle loans to farmers for fencing, the provision of water supply, pasture improvement, buildings, disease control and the purchase of breeding stock. Contractors will receive loans to import heavy machinery for clearing land and constructing water supply facilities.

Trade Commissioners on Tour

In Canada

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

In Ottawa—
Department of Industry, Trade and Commerce

In St. John's, Halifax, Montreal, Winnipeg, Regina, Calgary, Edmonton, Vancouver—
Regional Office, Department of Industry, Trade and Commerce

In Toronto—
Canadian Manufacturers Association

In Windsor, Ontario—
Greater Windsor Industrial Commission

In Fredericton, New Brunswick—
Department of Industry

In all other centers—
Board of Trade or Chamber of Commerce

Hong Kong
F. M. Loh, Commercial Officer in Hong Kong:
Toronto: August 4-20
Winnipeg: August 21-22
Kelowna: August 25
Vancouver: August 26-29

Thailand
C. E. Rufelds, Commercial Secretary and Consul in Bangkok:
Vancouver: August 13-16

Temporary Duty in Ottawa

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

S. V. Allen
Consul General
Chicago
September 8-12

P. W. Aubin
Assistant Commercial Secretary
Beirut, Lebanon
August 18-29

G. E. Blackstock
Commercial Secretary
Berne, Switzerland
August 25-September 5

D. H. Clemons
Consul
Hamburg, Germany
September 15-21

P. J. Gosselin
Assistant Commercial Secretary
Nairobi, Kenya
August 25-29

R. E. Gravel
Commercial Counsellor
Santiago, Chile
August 18-24

C. K. Marchant
Vice Consul and Assistant Trade Commissioner
New York, N.Y.
August 11-29

W. A. McKenzie
Assistant Commercial Secretary
Melbourne, Australia
August 4-8

G. D. Valentine
Commercial Secretary
Bogota, Colombia
August 11-15

In Territory

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

Barbados, Leeward Islands
J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit Barbados, Dominica, St. Kitts, Montserrat and Antigua August 21-29.

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.

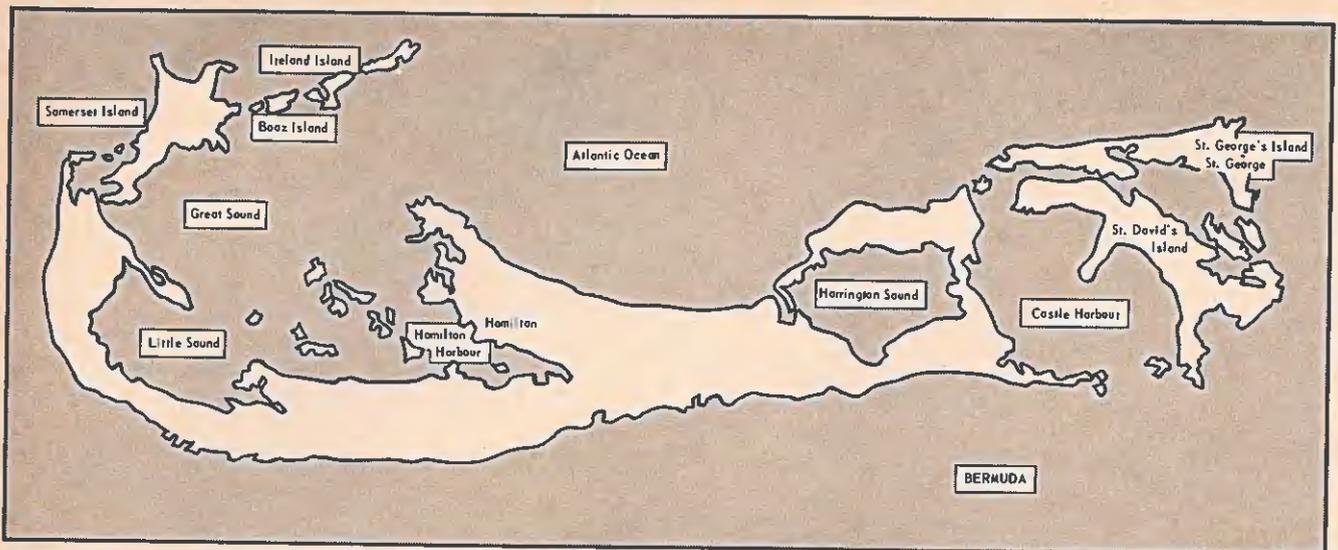
Cyprus
An officer from the Tel Aviv, Israel, office will visit Cyprus every month for at least three days, usually in the second half of the month.

Guyana
D. J. McJanet, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Guyana August 13-15.

Netherlands Antilles
J. H. Bailey, Commercial Counsellor in Caracas, Venezuela, will visit Curacao and Aruba August 20-22.

Trinidad
D. Hobson-Garcia, Commercial Officer in Port-of-Spain will visit North Trinidad August 19.

Markets in Brief



Bermuda

Area
22.5 square miles.

Location
580 miles due east of North Carolina, U.S.

Population
Resident population of 50,000 (1968). In addition there are some 8,500 U.S. service personnel and families, and a yearly influx of 300,000 tourists (1968).

Climate
Not tropical: delightful climate with the following mean temperatures: October to March 66°F, April to June 70°F, July to September 79°F. Rainfall averages 56 inches a year.

Topography
Comprises ten major islands which form a continuous chain linked by roads, bridges and causeways.

Language
English, also a little Portuguese.

Currency
Bermudian Government notes in denominations of one and five pounds and five and ten shillings. British metal coinage is used and the Bermudian pound sterling is at par with the British pound. Canadian and U.S. currencies are freely accepted. The Bermudian Government plans to introduce decimal currency in February 1970 using a dollar unit and coins of its own design in one, five, ten, 25 and 50 cent units. The coins will be of the same weight and size as those of the U.S.

Weights and measures
Imperial standard.

Capital and chief port
Hamilton.

Marketing centers
Hamilton (population) 3,500, St. George 1,800.

Business hours
9 a.m. to 5 p.m. Monday through Saturday; early closing (12 noon) Thursday.

Economy
Tourism is the major industry, accounting for 90 per cent of Bermuda's economic activity.

Income
Per capita annual income, one of the highest in the world, is over Cdn.\$2,250.

Total Bermudian imports
1967—Cdn.\$74 million.

Chief suppliers
(Per cent) United States 48, Britain 21, Canada 10.

Value of imports from Canada
1968—Cdn.\$7.1 million; 1967—Cdn.\$7.4 million.

Chief imports from Canada
(Cdn.\$'000) 1968—wheat flour n.e.s. 288; sausage, fresh or cured 235; insulated wire and cable 225; beef, fresh or frozen, boneless 222; soups, except infant soups 202; vitamins and preparations 200.

Value of Canadian purchases
1968—Cdn.\$472,620; 1967—Cdn.\$325,740.

Chief Canadian purchases
(Cdn.\$'000) 1968—essential oils n.e.s. 74, nitrogen function compounds n.e.s. 23.

Hotel market

Manufacturers of institutional furnishings should establish direct contact with the hotel proprietors in Bermuda as their purchases are often made without preference for products represented locally.

Construction trades

Manufacturers of building materials should make their products known to the major Bermudian construction companies and architects as new construction is a continuing feature in Bermuda.

Motor vehicles

Passenger vehicles 7,500, trucks 1,500, motorcycles 15,000.

Radio and television

Radio sets 22,000, television sets 12,000.

Marketing

Bermuda has several well established importer-distributor companies which market a wide range of products. Large retail buyers can often offer sales coverage for the whole colony.

Import duty

Payable on most goods. To qualify for the Commonwealth preference rate, goods must have at least a 25 per cent Commonwealth content and the manufacturing process must have been completed in the Commonwealth.

For detailed information on this market write to

Commonwealth Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa, or Canadian Consulate General, Commercial Division, 680 Fifth Avenue, New York City, New York 10019.

Pakistan

Area

365,503 square miles.

Population

93.7 million (1961 census), 126 million (1968 estimate): West Pakistan 58 million, East Pakistan 68 million.

Climate

Tropical for most of the year. Average temperature: Karachi—mean high 94.4°F, mean low 57.4°F; Dacca—mean high 102°F, mean low 51°F. Humidity varies on an average from some 90 per cent in the warmer months to 60 per cent in December and January. Rainfall in West Pakistan averages 5 inches a year while it is over 100 inches in East Pakistan. A visit is usually best made between November and March.

Language

Two main languages: Urdu, spoken widely in West Pakistan, and Bengali, in East Pakistan. Virtually all business correspondence is carried on in English.

Currency

Rupee; one rupee equals Cdn.\$0.2260 (June 1969).

Foreign exchange and import controls

Import licences required for all items except government imports, and those basic materials appearing on the Free List.

Weights and measures

Imperial standard.

Capital

Islamabad, West Pakistan (altitude between 1,650 and 2,000 feet).

Chief ports

On Arabian Sea—Karachi, West Pakistan; on Bay of Bengal—Chittagong and Chalna Anchorage, East Pakistan.

Marketing centers

Karachi, (approximate population) 3.0 million, Lahore 1.8 million, Dacca 950,000, Chittagong 500,000.

Economy

Mainly dependent on agricultural produce—jute, raw cotton, raw wool, hides and skins, tea and rice.

Total Pakistani imports

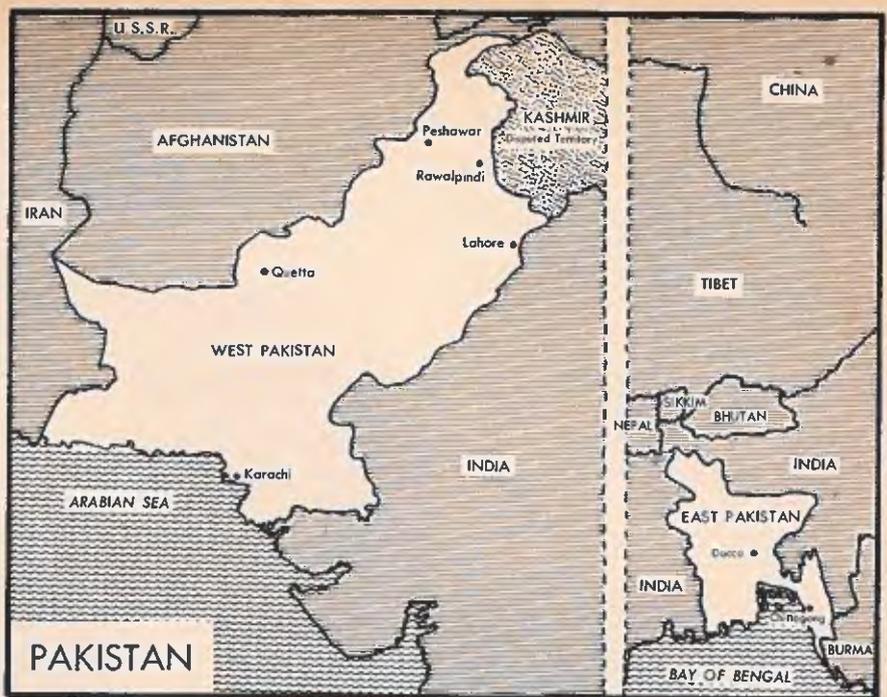
1967-68—U.S.\$975.7 million; 1966-67—U.S.\$1,109 million. (Pakistan fiscal year is from July 1 to June 30.)

Chief imports

(Per cent) 1967-68—capital goods 45.2, industrial raw materials 31.9, consumer goods 22.8.

Chief suppliers

(Per cent) 1967-68—United States 33,



West Germany 9, Japan 8.7, EEC countries 17.2, Eastern Europe 6.7.

Value of imports from Canada

1968—Cdn.\$29.7 million; 1967—Cdn.\$33.2 million.

Chief imports from Canada

(Cdn.\$ million) 1968—wheat 5; engines, turbines, generators and parts 4; copper bars 3; power boilers, equipment and parts 1.5; sulphur 1.2; aluminum ingots 1.2; transformers and parts 1; switch-gear and protection equipment and parts .868; urea fertilizers .848; wood pulp .707; asbestos fibers .595.

Total Pakistani exports

1967-68—U.S.\$704.9 million; 1966-67—U.S.\$613.2 million.

Chief exports

(Per cent) 1967-68—raw jute 27.1, jute manufactures 20.0, raw cotton 14, cotton yarn 6.7, cotton fabrics 6.5, rice 3.8.

Chief markets

(U.S.\$ million) 1967-68—EEC countries 101.5, Britain 83.4, United States 58.2, Eastern Europe 54.3, Japan 53.1, Hong Kong 43.7, West Germany 25.6, People's Republic of China 22.5.

Value of Canadian purchases

1968—Cdn.\$4.8 million; 1967—Cdn.\$4.4 million.

Chief Canadian purchases

(Cdn.\$ million) 1968—jute manufactures 2.0; cotton fabrics 1.4, sports goods .120; raw cotton, cotton linters and cotton waste .148.

Prices

Quote in U.S. dollars or pounds sterling.

For government purchases, when asked for prices quote in Pakistani rupees.

Usual credit terms

Sight to 180 days, depending upon various factors.

Samples

Bona fide samples of c.i.f. value below \$50 permitted if provided free of charge and not more often than once a year to a registered importer.

Visas

Visa is not required.

Inoculations

Smallpox and cholera. Yellow fever (if arriving from any African country except Egypt). TABT (recommended but not mandatory).

Trade arrangements

Pakistan, a member of GATT, exchanges most-favored-nation treatment with Canada.

Documentation, customs tariffs, marking and labelling

Consult the Commonwealth Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

Correspondence

Airmail only; letters 25 cents per half ounce.

For detailed information on this market write to

Commonwealth Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa, or Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 1042, Hotel Shahrazad, Islamabad, Pakistan.

Foreign Exchange Rates

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

Relations, Department of Industry, Trade and Commerce, Ottawa.

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

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

For conversion of column one to the U.S. dollar equivalent, *multiply by .92.*

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

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at July 21	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at July 21	Canadian dollar in foreign currency units
Algeria Dinar	.2173	4.62	Denmark Krone	.1435	6.98
Argentina Peso (free)	.0031	322.58	Dominican Republic Peso	1.081	.93
Australia Dollar	1.205	.8340	Ecuador Sucre (official) (free)	.0600 .0538	16.72 18.65
Austria Schilling	.0418	24.03	El Salvador Colon	.4323	2.32
Bahamas Dollar	1.059	.94	Fiji Pound	1.239	.80
Belgium and Luxembourg Franc	.0215	46.72	Finland Markka	.2573	3.90
Bermuda Pound	2.567	.38	France, Monaco, etc. ² Franc	.2173	4.62
Bolivia Peso	.0908	11.06	Franco-African Republics ³ Franc	.0043	232.5
Brazil Cruzeiro (official free)	.2644	3.77	French Pacific ⁴ Franc	.0119	84.03
Britain Pound	2.583	.39	Germany D Mark	.2703	3.72
British Honduras Dollar	.6457	1.56	Ghana New Cedi	1.059	.94
Burma Kyat	.2269	4.42	Greece Drachma	.0360	27.93
Ceylon Rupee	.1815	5.53	Guatemala Quetzal	1.081	.93
Chile Escudo (bank rate) (free)	.1168 .1045	8.45 9.42	Guyana Dollar	.5403	1.85
China, Republic of New Taiwan Dollar (official)	.027	37.04	Haiti Gourde	.2161	4.64
Colombia Peso (fixed)	.062	15.87	Honduras Lempira	.5403	1.85
Congo (Kinshasa) Zaire	2.154	.4651	Hong Kong Dollar	.1783	5.62
Costa Rica Colon	.1631	6.15	Hungary Forint (official)	.0921	10.85
Cuba ¹ Peso	Iceland Krona (official)	.0122	81.96
Czechoslovakia Koruna	.1501	6.68	India Rupee	.1432	7.00
			Indonesia ⁵ Rupiah

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at July 21	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at July 21	Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	Peru Sol (free)	.0248	40.65
Iraq Dinar	3.026	.33	Philippines Peso (free)	.2760	3.63
Ireland Pound	2.583	.38	Poland Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.3087	3.25	Portugal & Colonies ⁶ Escudo	.0376	26.66
Italy Lira	.0017	588.23	Saudi Arabia Riyal	.2066	4.84
Jamaica Pound	2.583	.38	Sierra Leone Leone	1.509	.66
Japan Yen	.0030	333.33	Singapore Dollar	.3530	2.85
Kenya Shilling	.1526	6.55	South Africa Rand	1.509	.66
Lebanon Pound (free)	.3350	2.99	Spain & Dependencies Peseta	.0154	64.93
Malaysia Dollar	.3530	2.85	Sweden Krona	.2090	4.79
Mexico Peso	.0864	11.60	Switzerland Franc	.2509	4.01
Morocco Dirham	.2169	4.69	Syria Pound (free)	.2819	3.55
Netherlands Florin	.2968	3.37	Thailand Baht (free)	.0524	19.15
Netherlands Antilles Florin	.5730	1.75	Trinidad & Tobago ⁷ Dollar	.5392	1.85
New Zealand Dollar	1.209	.82	Tunisia Dinar	2.059	.48
Nicaragua Cordoba	.1544	6.50	Turkey Lira	.1201	8.35
Nigeria Pound	2.998	.33	United Arab Republic Pound (official)	2.485	.40
Norway Krone	.1512	6.63	United States Dollar	1.080	.92
Pakistan Rupee	.2269	4.42	Uruguay Peso (free)	.0043	232.56
Panama Balboa	1.081	.92	Venezuela Bolivar (official free)	.2407	4.17
Paraguay Guarani (free)	.0086	116.28	Yugoslavia Dinar (official)	.0864	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 Mauritania, Niger, Senegal, Upper Volta, Camerouns, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.

4. New Caledonia, New Hebrides. French Polynesia.

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

6. Approximately same rate for Portuguese territories in Africa.

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

Japan-Canada

J. A. STILES

Minister (Commercial), Tokyo

During a recent business tour across Canada I had the opportunity of seeing for myself the growing impact of our trade with Japan on many parts of the country. At Roberts Bank, just south of Vancouver, I had a glimpse of the future, as work on the new port being built there is rushed to completion. Expected to be ready early in 1970, this port will soon be processing two recent multi-million-ton coal contracts with Japan, the coal coming from mines in the Crow's Nest Pass area of British Columbia and from Coleman, Alberta. Additional new large-scale coal and copper concentrate purchases by Japan are expected to move through existing and projected facilities in Burrard Inlet, making it certain that the volume of dry cargo moving through the port of Vancouver will double and possibly treble within five years.

The opening of the new Alberta Resources Railway last May 28th, at which I was present, links Grande Prairie in northwestern Alberta with the main transcontinental line of the CNR and has made possible a new two-million-tons-a-year contract with Japan for coal from Alberta's Smoky River region. This same trade will bring the building of a modern new town at nearby Grande Cache which is soon to have a population of 4,000. The railway also opens up prospects of additional business in forest and agricultural products in the Alberta northwest and should prove a boon to the Peace River country.

In Saskatchewan I found in my talks with the provincial government that producers there now count Japan as an important potash customer as well as a traditional purchaser of grains and oilseeds. New Japanese arrangements in Manitoba to purchase copper concentrates add an important item to that province's shipments to Japan. Shortly before I left Tokyo on this trip to Canada I was present at the signing of a contract between the Japanese and a leading copper concentrate producer in Manitoba. In Ontario

and Quebec, I talked with exporters who are selling to Japan not only minerals but also forest products, specialized machinery, and other manufactured goods. The latter are steadily increasing in our shipments to Japan.

Earlier this year, the first contract for pelletized iron ore from the Quebec / Labrador region to Japan's steel mills was concluded, opening up the possibility of an important addition to current exports of non-ferrous metals from Eastern Canada. In April, Canadian producers of processed foods held Solo Shows at Tokyo and Osaka. Just ten days ago I heard from Tokyo that trial shipments of Canadian frozen vegetables are now going to Japan.

Chief cause of this quickening in the pace of our exports to Japan (1965—\$316 million; 1968—\$607 million) has, of course, been the rising demand from Japan's rapidly expanding industries. But a growing mutual confidence between Canada and Japan has also played an important role, as more and more long-term purchase contracts continue to be signed. Canadian companies and utilities have also shown themselves willing to consider buying a growing list of Japanese capital equipment, and Canadian consumers appear to find Japanese television sets, radios, automobiles and other goods increasingly attractive. Last year our purchases from Japan amounted to \$360 million, an increase of more than \$100 million over the figure two years ago.

Improved transportation and communication facilities have played an extremely important role in the growth of our trade with Japan and it is fair to assume that additional improvements in these will lead to further expansion. New developments in pipeline technology may possibly have important implications for our trade with Japan in the next decade. So will the rapidly developing use of containers; this could also mean a broadening of the list of products that we now ship to this market. For example,

refrigerated containers could make possible the shipment of some fresh chilled products such as meat—and the Japanese demand for this is rising.

Even without additional transportation improvements, it is possible to forecast on the basis of new business already contracted for or close to being concluded that within the next four to five years Canadian exports to the Japanese market will approximate one billion dollars and our purchases from Japan seem likely to reach an annual total of half a billion dollars by that time.

In the field of capital investment Japanese firms continue to show keen interest in becoming established in Canada, particularly in the resource development area. Outstanding examples recently have been in wood pulp and lumber in British Columbia, and in copper and coal in British Columbia and Alberta. To date Japanese investment has been concentrated mainly in western Canada but it seems likely that this interest will be extended whenever possible to other areas of Canada in the future.

Basic to improving still further our trade with Japan is the need for citizens of each country to get to know each other better through more frequent visits. Great differences in business practices and national customs make it particularly important to establish personal contacts with our trading partners if we are to achieve the best possible understanding. Next year Canadians will have an ideal opportunity to accomplish this objective and to combine business with pleasure by coming to Japan at the time of Expo 70. Numerous trade groups from Canada have already announced their intention of doing so. There will also be opportunities of joining specific trade missions organized by provincial and municipal authorities. All of these visits will make an important contribution to still closer business relations between Japan and Canada.

See, It's Simple!



Kimihiko Nakada proves his skill with a chain saw as his instructor, Milton Downes, appraises his technique and his colleague, Kazutoshi Tsutsumi, looks on. Getting the cut right is important, because soon the two will be showing Japanese who buy this Sabre product how to use it.

Sabre Saw Chain (1963) Ltd., of Burlington, Ontario, recently approved the setting-up of an assembly plant in Tokyo by its Japanese dis-

tributor, Yamahisa Trading Co. Parts made in the Burlington factory will move to Tokyo and the plant there will produce a complete range of chain styles in cut lengths and reels. Yamahisa men like the two above are being trained in Canada.

Sabre sells its product in 42 different countries and exports, including those to the U.S., make up close to 90 per cent of its sales.

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