foreign trade

Department of Industry, Trade and Commerce, Canada

Tasmania Is a Market Too

The Cedar Room Can Serve You

Women's Wear for South Africans

March 14/70

In This Issue

Taken at the Canadian Consulate General in New York? And these are top executives from U. S. airlines? What are they doing?

Yes, our cover picture really does show several Americans at an informal reception in the Cedar Room at the Canadian Consulate General on New York's Fifth Avenue. They are examining (and at least one is doing some undercover work) desks made by a Canadian firm, Plancraft Limited of Montreal. As part of the campaign to introduce its line in the U.S. market, Plancraft invited 48 top executives of 23 American airlines to the reception and product showing in the Cedar Room set up at the Consulate for that purpose.

The Cedar Room is one of a number of display rooms maintained at Trade Commissioner posts in the United States and other countries too. Our August 2, 1969, issue carried an article about the Showroom in Chicago and some time ago we featured the Birch Room in Los Angeles. On page 8, you will find a story about the Cedar Room, about some companies which have made good use of it, and about how your firm could benefit from exhibiting its products there.

It is an abrupt switch of subject when you turn to the back cover—a change from man at work to man at leisure. Our "business visit" series in this issue covers Malaysia where, author Doug Lindores tells us, there is a modern and lively night life in the capital, Kuala Lumpur. These Malaysian dancers are performing the Tari Kepas or Fan Dance in which gaily colored pandanus fans are beautifully employed in the exotic movements of this traditional dance. Spectacles such as this, Mr. Lindores tells us, will be one of the unexpected dividends of a visit to Malaysia. The important thing will be making contacts, selling products or arranging joint ventures. His sensible prescription for a fruitful business visit you will find on page 17.

In recent months, the Department of Industry, Trade and Commerce has carried on a campaign, focussed largely on New York, to promote certain types of women's wear in the U.S. market. It has proved highly successful and now men's wear is being added. The main thrust of our apparel promotion will always be in the American market but Canadian design and workmanship in women's and children's wear could also mean sales in South Africa. That's what a survey made by the Trade Commissioner's office in Johannesburg revealed. For the result, see the article on page 21.

What's ahead? March 28 will bring our once-a-year review of development and trade in South America and on April 11 we shall take a look at the record of Canada's foreign trade in 1969.

foreign trade

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The Hon. Jean-Luc Pepin, Minister

The Hon. Otto Lang,
Minister without Portfolio

J. H. Warren, Deputy Minister

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O. Mary Hill, Editor

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Tasmania Is a Market Too

A recent visit to this Australian island state by a Canadian Trade Commissioner resulted in a realistic assessment of trading opportunities there.

R. J. McGAVIN, Assistant Commercial Secretary, Melbourne

Tasmania, an Australian state separated from the mainland by Bass Strait, presents a number of opportunities for the sale of Canadian products. The most promising are electric power equipment, forest products and forestry machinery, mining equipment and machinery, educational equipment, and certain other consumer goods. In some instances, licensing arrangements with Australian companies may be the means of entering this market.

On my recent trip to Tasmania, I gathered information about the important economic sectors there and about the potential for Canadian products. Here are some of my findings.

Electric Power—Lakes at high altitudes and swift rivers flowing from the central highlands have been extensively harnessed for the production of hydroelectric power in Tasmania. This has encouraged the establishment of many large and important industries dependent upon an abundant and cheap power supply.

The Tasmanian Hydro-Electric Commission has been surveying the waterpower resources of the state for many years, and considers it certain that nearly three million kilowatts can be developed economically. Over 904,600 kilowatts of generating plant is now in commission and present construction will bring this figure to almost 1.6 million kilowatts by 1975. Considerable resources therefore remain for future exploitation.

The most recent development is the Gordon River project, stage one. A very large storage of water will be created by the construction of three dams, one on the Gordon River, one on the Serpentine, and one on the Upper Huon. A high dam on the Gordon above its junction with the Serpentine will form the Gordon storage, extending some 16 miles upstream—useful capacity, 9.6 million acre feet. Another lake will be formed by the construction of a dam on the Serpentine about two miles above its junction with the Gordon and by a dam on the Upper Huon near Scott's Peak. A short pressure tunnel will lead from the Gordon

The Port of Hobart provides excellent shelter for shipping, great depth of water and is free from navigational hazards.

storage to an underground station. A tail-race tunnel will discharge the spent water into the Gordon about one mile downstream from the dam. The estimates provide for an installed generator capacity of 240,000 kilowatts and the Gordon Station is planned to be in operation in 1975, with the civil engineering work to be completed by 1973.

Future power in Tasmania will be a combination of thermal power with the present all-hydro system because of the increased cost of building hydroelectric projects. There are no plans for nuclear power. The Hydro-Electric Commission has installed gas turbines with a total generating capacity of 40,000 kilowatts for emergency use only.

The main users of power are the large primary industries —Electrolytic Zinc Company, Associated Pulp & Paper Mills of Australia Ltd., Comalco Aluminium, the Savage River Mines, etc. About 98 per cent of Tasmanian homes are connected with the electrical supply network.

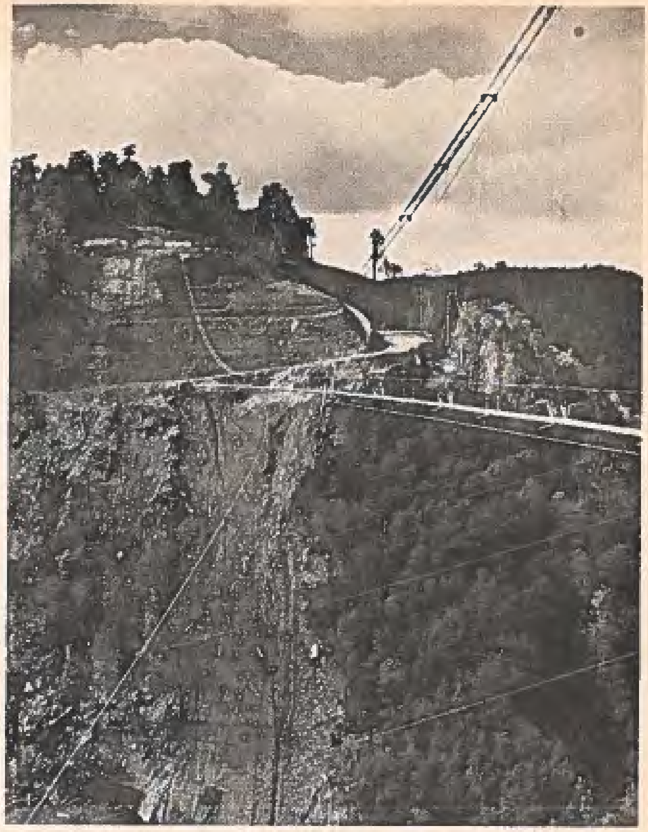
There seems to be considerable potential in Tasmania for Canadian hydroelectric and thermal equipment and Canadian technological skill.

Forest Products—Tasmania has two main types of indigenous forest: eucalyptus and myrtle. The importance of eucalyptus has been greatly increased by newly discovered techniques using hardwoods to produce paper and newsprint. Tasmania began making paper in 1938 and newsprint in 1941 and was the first Australian state to use hardwoods in this way commercially.

The total volume of mill logs worth cutting in Tasmanian virgin forests is estimated at 6,000 million super feet. A supplementary source of future timber lies in the plantations of softwoods being established by the commission and private industry. These now total over 40,000 acres.

Production of hardwood sawn timber since 1964 has remained fairly steady but softwood production has decreased.

Imports of timber from Canada in 1966-1967 totalled 123,000 super feet but in 1967-1968 decreased to 59,000 super feet. Our biggest competitors are the United States and New Zealand, with New Zealand enjoying the greatest proportional increase in sales.



A pipeline 53 miles long from the interior of Tasmania brings iron ore pellets from mine to coast. Total mining production increased in 1968 by A$20 million, and demand is steady for machinery to keep up with exploration.

There is a continuing market for Canadian equipment and expertise in the establishment and operation of sawmills and newsprint plants. In the past, Canada has been quite successful in selling forest products equipment to Tasmania. Currently more and more equipment is being made by Australian companies and this trend will continue. Canadian manufacturers who wish to retain their Tasmanian market would be well advised to enter into licensing arrangements with Australian companies so that the Australian content in equipment will keep the tariffs low.

Tasmania in Brief

Area: 26,383 square miles, about the size of New Brunswick.

Population: in 1968, 382,000.

Capital: Hobart.

Principal cities and towns: Hobart (population) 123,500; Launceston 61,900; Burnie and Devonport, 35,000. Ninety per cent of the population lives in these three urban areas.

Chief ports: Hobart, Bell Bay and Burnie.

Electric power: total installed capacity 904,600 kw., will rise to 1.6 million kw. by 1975; A.C.; frequency 50 cycles per second.

Forest resources: wooded area, 7.5 million acres, 2.7 million designated as state forest. Sawn timber production 1967-68, 3.9 million super feet of softwood and 171.7 milion of hardwood.

Mineral production: (value, Cdn. $) copper $21 million, zinc $14 million, iron ore pellets $11.5 million, silver $3.7 million, lead $3.1 million, silicon and silicon alloys $2 million, sulphur (as sulphuric acid) $1.6 million, gold $1.4 million.

Agricultural production: gross value of principal crops, 1967-68, $57 million. Oats 1 million bushels, barley 884,222, wheat 316,288; apples 7.9 million bushels, pears 511,000; potatoes 79,000 tons, green peas 54,000 tons.

Building approvals: (1967-68) Hobart metropolitan area, A$35 million, including houses, other new buildings, alterations and additions; urban Launceston A$7.7 million; other areas, A$31.7 million.

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Another concern of the Canadian forest products industry is the growing practice by Tasmanian firms of planting their own pine forests (pinus radiata). Currently, Associated Pulp & Paper Mills has 12,000 acres of pine forest planted and intends to plant from 500 to 1,000 acres per year. These forests will supply sawn timber within the next ten years. When this happens, the newsprint operations will be able to supply themselves with some long-fiber pulp that they currently buy from Canada, New Zealand and Scandinavia. Nevertheless, supplies of kraft pulp will always have to be imported.

With plans under way for a wood chip export plant at Bell Bay, a $24 million expansion program for a pulp and paper mill at Wesley Vale, establishment of a wood chip industry on the southeast coast of Tasmania, and the need for forest equipment to harvest softwoods, there is scope for Canadian-made machinery and expertise.

Mining—In 1968, mining production increased by A$20 million over 1967 and metallurgical production from imported ores declined by A$2.8 million. The major increase was in iron ore pellets from the Savage River iron ore deposits. Production of copper, gold, lead, silver and zinc decreased slightly. New mining developments for Tasmania include exploiting the beach sands of King Island for rutile and zircon concentrates; increase in production at the Savage River mine (2.22 million tons per year); a rise in copper and tin output at the Cleveland mines, and an increase in tin ore production at Renison. The Electrolytic Zinc Company will increase zinc, lead, copper and silver ore production at Rosebery and Mt. Lyell Mining Company will proceed with a major expansion scheme to increase copper production to 25,000 tons a year by 1973 by developing underground mines. Coal production is also rising.

Planned new projects include a sulphuric acid manufacturing plant at Burnie, a treatment plant for zinc residue at Risdon, and an additional cement mill by Goliath Portland Cement. Exploration goes on constantly for other ore deposits in Tasmania.

Mining machinery is in continual demand and is being mainly supplied by United States and British firms; Japanese and European equipment is also being used but on a smaller scale. The Australian-based machinery industry is developing rapidly and producing quite efficient machinery suited to local conditions. It enjoys considerable tariff protection.

Canadian firms which want to participate in the selling of mining equipment and machinery to Tasmania will have to use imaginative sales techniques and consider incorporating Australian content into the Canadian-made goods.

Consumer Goods—The consumer price index for Tasmania (1952–53 = 100) is the second highest in Australia, at 147.7, partly because of higher freight costs and the need to buy in smaller lots because of the small population.

Canadian companies selling household products, sporting goods and toys, giftware, novelties, heating equipment, educational equipment, luggage and travel accessories should explore the Tasmanian market. Most of the buying is done from Melbourne and Sydney but there is some direct purchasing from overseas. Tasmanian merchants dealing in consumer goods feel that they are often overlooked by mainland distributors of imported products. Accordingly, Canadian exporters of consumer goods to Tasmania should be assured that their representatives on the mainland canvass Tasmania adequately.

Investment—The potential for profitable investment in Tasmania is limited to ventures that can take advantage of cheap hydroelectric power, water resources, shipping facilities and/or exploit some local advantage. The best investment is therefore in primary industry. The net value of production has increased since 1964 by 25 per cent, with the most significant increases in mining, agriculture, forestry and fishing.

There is government money available in Tasmania and the interest rates are quite reasonable. Local investment is minimal and there are no large investment houses.

Transportation and overseas shipping facilities are good. Because of the transshipment in Melbourne of overseas cargo, the port facilities in Tasmania (handling equipment, etc.) are not the most sophisticated. Rail and road transportation throughout Tasmania is more than adequate.

Good resources, a reliable labor force and a temperate maritime climate all help to offer fair industrial investment potential, with steady growth. Canadian firms interested in further details about any of the opportunities described in this article should write to the Commercial Counsellor for Canada, Princes Gate East Tower, 151 Flinders Street, Melbourne 3000, Australia.

B. C. Plans '71 Fair

British Columbia is already shaping plans for its fifth International Trade Fair to be held in Vancouver from June 2 to 12, 1971. Called ImpoExpo 71, it is sponsored by the B.C. Department of Industrial Development, Trade and Commerce and will be a feature of the province's celebration of its centennial. The last fair, held in 1967, displayed $15 million worth of products from 50 countries. It attracted more than 10,000 buyers and 130,000 other visitors.

The name ImpoExpo 71 was chosen to reflect the fact that British Columbia buys from overseas and continental suppliers and exports to countries around the world.

To be held at the Pacific National Exhibition Park, the fair will cover almost 250,000 square feet of space, using five buildings in all. Rates for exhibitors are $2.50 per square foot for island space and $3.00 per square foot for perimeter space. Outdoor rates are 75 cents per square foot. To reserve space or to obtain additional information, write to the Executive Director, British Columbia International Trade Fair 1971, Suite 1100, 475 Howe Street, Vancouver 1, Canada.

Israel Builds More Hotels

To attract more tourists, Israel offers incentives for investors in hotels and for suppliers of equipment and furnishings.

GAETAN BRUNEAU, Assistant Commercial Secretary, Tel Aviv

Beaches like this one at Tel Aviv are one of the diversions that Israel offers the tourist. The Government is encouraging the tourist industry with an incentive policy of tax exemptions to encourage investment; some large hotel chains are already building.

Tourism is one of the vital Israeli industries today and makes an important contribution to the balance of payments. The number of tourists has risen by about 22 per cent a year on the average since 1957 and reached 432,000 in 1968. (See Table 1.) It is therefore not surprising that the Government of Israel gives a high priority to the further development of tourism.

Canadian investors may be able to take advantage of the opportunities that the development of tourism in Israel presents. And, with the help of these investors or independently, Canadian suppliers could find a worthwhile market in Israel for a broad range of products that the tourist industry requires. But first they must understand the market and its needs.

Israel already has 284 hotels that are recommended for tourists, with 13,700 rooms. Under construction are new hotels and extensions to existing ones representing an investment of $27 million and a further 2,400 rooms. In addition, planning is well advanced for 9,000 rooms to be added at a cost of $150 million. (Details are given in Table 2.)

To attract investors and provide stimulus for the building of hotels, the Ministry of Tourism has developed an incentive policy that is spelled out in the New Law for the Encouragement of Capital Investment. The Government examines proposals in the hotel sector, as in others, using three criteria: the future income in foreign currency from the project, the added value of income resulting from it, and the amount of foreign currency that will eventually be saved.

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TABLE 1

TOURISTS ARRIVING BY COUNTRIES 1966-1968

From	1966	Per cent	1967	Per cent	1968	Per cent
United States	95,813	29.2	90,673	31.1	153,558	35.5
Britain	38,419	11.7	34,372	11.8	46,243	10.6
France	39,448	12.0	32,296	11.0	36,610	8.4
Scandinavia	14,503	4.5	13,058	4.6	22,828	5.1
Germany	13,020	4.0	10,501	3.6	13,493	3.1
Canada	7,913	2.4	7,844	2.7	14,627	3.3
Netherlands	7,983	2.4	9,308	3.2	14,046	3.2
Switzerland	10,366	3.2	8,779	3.0	12,630	2.9
South Africa	5,735	1.7	6,846	2.3	9,186	2.1
Brazil	2,760	0.8	2,373	0.8	3,536	0.8
Argentina	3,937	1.2	4,450	1.5	5,824	1.3
Italy	10,952	3.3	8,104	2.8	9,391	2.1
Spain	1,923	0.5	2,122	0.7	2,115	0.4
	250,849	76.4	230,726	79.2	344,087	79.5
Other countries	77,228	23.6	60,442	20.8	88,220	20.5
Total	**328,077**	**100.0**	**291,168**	**100.0**	**432,307**	**100.0**

This humble Nazareth donkey with its Arab rider, like a scene from the past, still has an attraction for the tourist eye.

The main features of this incentive policy are:

1. The granting of long-term loans for up to two-thirds of the total investment at interest rates ranging from 6.5 to 9 per cent, depending on the area. These loans may be approved for up to 15 or 18 years. There is no maximum or minimum and further long-term loans may be approved for upgrading and innovations not covered in the initial investment.

2. Income tax concessions, as follows.

a. Right of an approved enterprise during each of the first five fiscal years to deduct accelerated depreciation equal to about 200 per cent of the regular depreciation.

b. Taxation of company income originating from an approved investment at 25 per cent and exemption from other taxes on it.

c. Exemption from capital gains tax.

d. Company profits tax on the ownership of an approved enterprise to be limited to not more than 25 per cent of the income and exemption granted from all other taxation.

e. Taxable income received from an approved investment by an individual to be taxed at the rate of not more than 25 per cent.

Of particular interest to potential Canadian suppliers of equipment, furnishings and supplies is the exemption from all indirect taxation (such as customs duty, purchase tax, stamp tax, and emergency levies) of all goods destined to be used in establishment of an approved enterprise. These exemptions are important because they are estimated at about 15 to 19 per cent of the total value of the investment in a new hotel. The only products not eligible for these exemptions are raw materials and vehicles.

The Ministry of Tourism also pays annually an incentive grant per tourist night ranging from 35 cents to one dollar, depending on the grade of the hotel.

TABLE 2

HOTELS UNDER CONSTRUCTION JUNE 1969

Planned grade and estimated completion date

Tel Aviv					
2	grade A	providing	285	rooms, completion	1970
3	" B	"	250	" "	1969
1	" C	"	65	" "	1969
Jerusalem					
2	grade A	providing	232	rooms, completion	1969
3	" A	"	438	" "	1970
1	" B	"	108	" "	1970
Tel Aviv district, including Natanya, Benei-Brak, Hertzliya					
2	grade A	providing	267	rooms, completion	1969
1	" A	"	132	" "	1970
1	" B	"	66	" "	1969
North district, including Tiberias, Safad					
2	grade B	providing	44	rooms, completion	1969
South district, including Arad, Eilat, Ashkelon, Ashdod, Ein Bokek					
2	grade A	providing	109	rooms, completion	1969
6	" B	"	337	" "	1969
1	" B	"	150	" "	1970

Most of the big hotel chains are already represented in Israel and others have announced their intention to build large hotels—some of them with more than a thousand rooms. The Hilton chain, which already has a hotel in Tel Aviv, plans to put one up in Jerusalem; the Sheraton group is extending its facilities in Tel Aviv and will also build a new hotel in Jerusalem. The Holiday Inn company expects to build a chain of hotels throughout Israel, and the Toronto-based Four Seasons Hotels recently opened a combined hotel and apartment tower in Netanya.

If you are interested in opportunities here and wish to obtain further details, write to the office of the Canadian Trade Commissioner in Tel Aviv.

International Loans Announced

One of Ceylon's major development projects, the Mahaweli Ganga scheme, will be launched with loans of $14.5 million from the World Bank and the International Development Association. The project will progressively irrigate some 900,000 acres and generate about 900 megawatts of hydroelectric power. The present loans will help finance two major water-diversion schemes to irrigate 127,000 acres and operate a 40-mw. power station. Included are feasibility studies covering the next stage of development to irrigate an additional 104,000 acres. The major civil works and the supply of equipment will be open to international competitive bidding.

Maintenance of Paraguay's 3,900 miles of roads will be stepped up and improved with a $6 million loan from the World Bank. The loan will finance the major capital expenditures of a four-year highway maintenance program, following an earlier project which provided urgently needed equipment and drew up a master maintenance plan. The loan will provide for consultants, improvement of maintenance methods, purchase of maintenance, shop and other equipment, the extension and improvement of workshops, and the training of local personnel. Roads are the main form of transport in Paraguay and hence the importance of this program.

Brazil will step up a program of industrial and agricultural development in the Northeast with a $25 million loan from the World Bank. The loan will cover imports of equipment for private industrial enterprises in the Northeast. By mid-1969 the Banco do Nordeste do Brasil, S.A., had loans and discounts outstanding of $246 million, of which 21 per cent was loans to private industry and 31 per cent to agriculture. Almost half of its industrial investment has been channelled into consumer goods industries, notably textiles. The remainder has been divided about equally between the intermediate and capital goods industries, especially metallurgy and chemicals.

The Cedar Room Can Serve You

At a showing put on by Treco Limited Industrial Center of St. Romuald, Quebec, D. S. Armstrong, Deputy Consul General (Commercial) in New York (right) poses with Miss Virginia Prystay of the Consulate General staff and Al Glassen of Comet Industries, Treco's New York representative. The company makes bedroom furniture in Spanish, Mediterranean and Colonial styles. The exhibit attracted buyers from about thirty stores in the New York area.

S. B. McDOWALL
Consul and Assistant Trade Commissioner, New York

New York, as every Canadian knows, is one of the biggest markets in the world. Its metropolitan area has a population three-quarters that of Canada. It has become the wholesale capital of the world and a large number of U.S. chain and department stores have their corporate head offices there. A Canadian company with a competitively priced product to offer should come down and offer it to New York buyers. No other city will provide as quickly constructive criticism about it and, hopefully, offers to purchase.

One way of displaying your product to the right group of buyers is to make use of the Cedar Room in the Canadian Consulate General on Fifth Avenue. Last year a number of Canadian companies exhibited there and 70 per cent of them have continued to sell in the New York market—and their sales are expanding. Kiddie Togs Ltd. of Montreal won an initial annual order of $100,000 for children's wear from Saks Fifth Avenue, and Empire Pants and Boys' Wear Ltd. of Toronto has doubled its sales by using the Cedar Room facilities and cultivating buyers and the press. Plancraft Limited of Montreal, as represented by its public relations firm, Bob Christie Associates, put on a reception and invited buyers from more than twenty airlines. The contacts it made resulted in orders for hundreds of desks for airline offices.

Some firms use the Cedar Room only once. Others, like Selwa Shaker of Empire Pants and Boys' Wear Ltd. in Toronto, use the Room several times before they select an agent or rent a display room at a hotel in the market area. Miss Shaker believes that she obtained a better initial response from buyers by using the Cedar Room than by going to a hotel. Sponsorship by the Consulate General lends prestige and the setting makes for friendlier and more personal relationships with buyers and merchandisers.

She first came to the Cedar Room in April 1968. Since then she has sold to twelve leading stores on Fifth Avenue and won reorders, and has twice been included in the *New York Times*, Sunday edition, special children's clothing feature. She was the first Canadian designer to receive a U.S. award for excellence of design. It's interesting to note that her success in New York and her acceptance by Fifth Avenue buyers have also helped to boost her Canadian sales.

A one-week showing in the 1,000-square-foot Cedar Room means hard work for both the Consulate staff and for the exhibitor. The first step is to get in touch with the Deputy Consul General (Commercial) in New York and reserve the space. This should be done *at least* three weeks in advance and preferably even earlier. This gives time to consult about the display, arrange publicity, issue invitations to buyers and others interested in these specific products, and follow up the printed invitations by personal contact, to ensure that a good number of people will attend the showing.

The Consulate puts the Cedar Room at the exhibitor's disposal without charge, but he pays all the other expenses. These include the following.

1. Getting the products to be shown to and from the Cedar Room. They should be shipped from Canada by truck in bond, as temporary imports, and consigned to the firm in care of the Canadian Consulate General. "Inside delivery" should be specified to ensure that they will be delivered to the eighth floor at 680 Fifth Avenue. Canadian trucking firms that are well acquainted with the procedure include Maislin Brothers Transport, Kingsway, and Smith Transport.

2. Hiring of manual labor for unpacking and packing the goods, at $9.50 an hour.

3. Transportation and hotel costs for staff manning the display—usually the export or sales manager or someone else at the executive level. If the exhibit is public relations oriented, it should be the president and/or a p.r. executive.

4. If a reception is held in conjunction with the display, the costs for this are itemized in the accompanying box. All prices are, of course, likely to increase. (There is no insurance coverage provided by the Canadian Government on persons or property in the Cedar Room.) For such receptions, either at the beginning or end of a week's promotion, the Consulate develops, either on its own or with the help of the company exhibiting, an invitation list, issues engraved invitations, and follows these up by phone. Guests include buyers, merchandisers, agents, manufacturers' representatives and press, as the individual company decides.

The Cedar Room has facilities for showing films and slides. Adjustable shelves can be placed on the walls or hooks for hanging pictures or women's handbags.

One showing in the Cedar Room won't capture and retain the New York market for you, but it is a good start. Make the buyer know that you are in the market for keeps and ready to give the best possible service. Selwa Shaker, for example, kept on top of all her U.S. correspondence by answering it promptly or phoning and delivered high-quality goods within the time set and according to the buyer's specifications.

Selwa Shaker (left), designer for Jon-Jon of Empire Pants Ltd., Toronto, shows part of her 1970 spring line to Valerie Chilberg, a buyer for Best & Co. of Fifth Avenue.

We can help you enter the New York market for the first time. If you're good enough, you can always come back again.

If you're determined enough, write to: D. S. Armstrong, Deputy Consul General, Canadian Consulate General, Commercial Division, 680 Fifth Avenue, New York, N.Y. 10019. Phone No. (212) 586-2400.

Try it now!

Cedar Room Expenses

Cedar Room Show for One Week

Hotel room: $14 to $20.00 a day

Meals: $12.00 a day

Freight: Varies with display items

Please note: Storage room in the Consulate is *minimal.* All goods can only enter or leave the building via the service elevators between 8:00–8:45 and 9:30–11:30 a.m. and 1:30–4:30 p.m.

Rent, air conditioning from 9 a.m. to 5 p.m., coffee, and regional business calls supplied by Consulate.

Cedar Room Reception

Elevator service: $9.50 per hour (tip $1 to $5) after 6 p.m.

Air conditioning: $50.00 per hour after 6 p.m. (usually required for two hours in late spring, summer, and early fall).

Fans: $8.00 an hour, needed in late fall, winter, and early spring.

Bartender: $25.00 (one per 75 guests).

Maids: $20.00 (one per 75 guests).

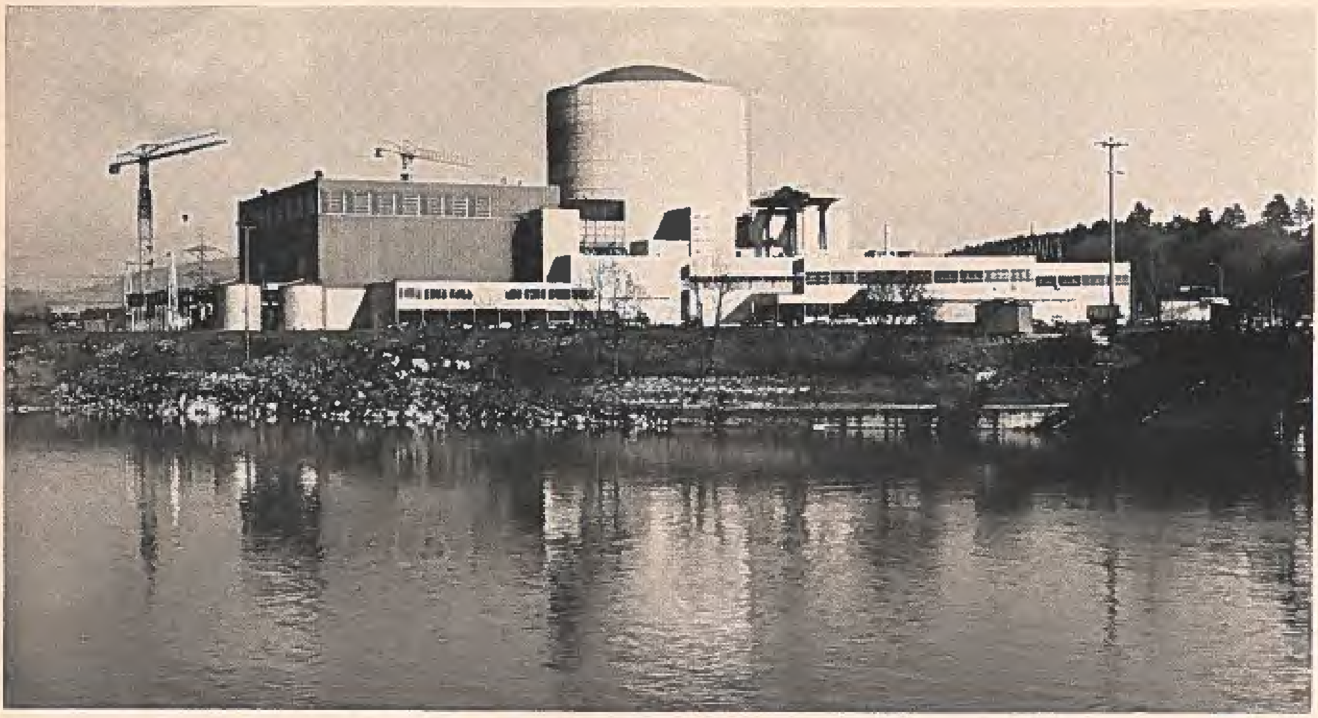
Catering: $3.50 to $5.00 per person (most receptions draw approximately 75 people).

Ice and setups: $25.00 per 75 guests.

Waxing and cleaning Cedar Room floor: $35.00 (when necessary).

Invitations, mailings, name tags, Canadian accessories are supplied by Consulate.

Swiss Adopt Atomic Power



Switzerland's first nuclear power station, on the River Aare in the northeastern part of the country, came into operation in September 1969 with a capacity of 350 mw. The plant uses 13 metric tons a year of enriched uranium.

The first nuclear reactor to produce electric power in Switzerland went into operation last September. Two more will be completed in 1971 and 1972.

MAX MEISTER, Commercial Officer, Berne

Switzerland has few raw materials, but it possesses one natural source of wealth: its lakes and rivers. This makes it one of the countries most richly endowed with hydraulic resources for its size. Most of the rivers rise in the Alps and are glacial in origin, which means that they have an abundant summer flow caused by the melting of the snow and the glaciers, followed by a long period of low flow in winter. Many reservoirs had to be built to make use in winter of part of the surplus water available in summer. Switzerland's total production of electricity is about 30 billion kwh. a year; 95 per cent of this is produced by some 380 hydroelectric plants and 5 per cent by thermal power stations. By 1972, production will reach 39 billion kwh., but only 79 per cent will then come from hydroelectric plants and 4 per cent from thermal plants. The remaining 17 per cent will be produced by the three nuclear stations.

It was a lucky coincidence that nuclear reactors were technically so far advanced that they became economically competitive with other sources of electric power at a time when Switzerland's water resources were almost fully utilized and when the cost of building dams and reservoirs for new hydroelectric plants in the less accessible mountain valleys became exorbitant. The cost of building a nuclear power station has been estimated at about Cdn. $82.5 million compared with approximately $120 million for a hydroelectric power station at water level and $180 million for one in the Alpine valleys where a dam and a reservoir are needed. Only heavy-oil thermal power plants are financially competitive, at $56 million, but for reasons of supply, national independence and air pollution, they have no future in Switzerland.

Under these circumstances **it is not surprising that the Swiss turned to nuclear energy to meet the rapidly rising demand for electricity**. By 1972 Switzerland will have the greatest per capita installed nuclear capacity of any country of continental Europe. Total nuclear production capacity will then reach seven billion kwh.

Nordwestschweizerische Kraftwerke AG (NOK) of Baden was the first Swiss power company to opt for nuclear energy. On August 1, 1965, a consortium formed by Westinghouse International Atomic Power Co. Ltd., Geneva, and Brown, Boveri & Co. Ltd., Baden, was awarded the contract to build a nuclear power plant, Beznau I, on the River Aare, in the northeastern part of the country. After a construction time of four years, the work was completed, and on September 3, 1969, the power station began feeding electric current into the NOK grid.

Beznau I has a pressurized light water reactor, Westinghouse system, with an installed capacity of 350 mw. The fuel is enriched uranium, 13 metric tons a year, representing the equivalent of 600,000 tons of fuel oil.

In October 1971 the second Swiss nuclear reactor station will be ready to produce electricity. It is being built at Mehleberg near Berne by Brown, Boveri & Co. Ltd. and General Electric Technical Services Co. Inc. for Bernische Kraftwerke AG (BKW), Berne. The boiling light water reactor, General Electric system, is somewhat smaller than Beznau I and has an installed capacity of 306 mw. Already under construction and scheduled to start production in 1972 is Beznau II, with the same characteristics as Beznau I. It also belongs to NOK. The general contractor for Beznau II is the consulting engineers Motor-Columbus AG of Baden.

For the more distant future, larger projects are already being studied. The consortium ENK (Énergie Nucléaire de Kaiseraugst), consisting of Aare-Tessin AG, Olten; Aluminium AG, Zurich; Electricité de France, Paris, and Motor-Columbus AG, Baden, is actively working on a project for a 750-mw. reactor station at Kaiseraugst near Basel. The reactor type has not yet been chosen, but it will probably be a boiling light water reactor of proven design, equipped to meet the stringent Swiss safety requirements.

Elektro-Watt AG, Zurich, and Rheinisch-Westfalische Elektrizitatswerke AG, Essen, Germany, are planning to erect a nuclear power plant at Leibstadt on the Rhine in northern Switzerland, with a light water reactor of 600 mw. The reactor type has not yet been chosen.

Bernische Kraftwerke AG (BKW) has already purchased land at Graben near Berne for its second nuclear power plant. Work on this project has not yet started but it is expected that BKW will select a reactor with an installed capacity of 600 or 700 mw.

A consortium of five utility companies has entrusted Motor-Columbus AG with a study for a nuclear power plant at Gosgen on the River Aare, east of Olten. Several reactor types, comprising light water reactors and advanced gas-cooled reactors, will be evaluated.

In the French-speaking part of Switzerland, a consortium headed by Énergie de l'Ouest-Suisse SA, Lausanne, has chosen Verbois on the Rhone near Geneva as the site of a nuclear power plant. Details have not yet been worked out.

Assuming that Swiss consumption of electricity will continue to increase at the present rate of 4.5 per cent a year, the generating facilities now completed, under construction or in the planning stage will be sufficient to meet demand for the next 20 years. Any surplus can be exported under agreements which already exist with surrounding countries. Later in this century, the local power companies of the cities of Zurich, Basel and Geneva may be interested in building their own atomic power plants.

In the 1950's the Swiss made attempts to achieve a national reactor concept. A prototype station with a 8.5 mw. heavy water reactor was built at Lucens, near Lausanne, by a consortium of Swiss companies. It appeared at that time that the commercial future lay in light water reactors and in May 1967 the Swiss firms decided to abandon further efforts to develop a heavy water reactor "made in Switzerland". The feeling was that despite the mobilization of first-rate scientific, design and production capacity, the country was simply not big enough to achieve success in the world market with its own reactor system. A technical mishap in the reactor in January 1969 dealt the death-blow to Lucens. The installation was closed after it had cost the shareholders and the Swiss Confederation some $32 million.

Nevertheless, it would be wrong to regard Lucens as a complete failure. The great amount of experience gathered by

Scheduled for completion in October 1971 is this second light water reactor at Mehleberg, near Berne. By 1972 Switzerland will have the highest per capita installed nuclear capacity in Europe, with an installed capacity of 306 mw.

research workers and engineers is now proving extremely useful to Swiss industry in its contributions to major power-station projects. Drawing on the expensive lesson learned in reactor engineering, Swiss firms are now concentrating on the design and fabrication of components. Of the total cost of Beznau I, for instance, only 30 per cent was spent abroad, mainly for the Westinghouse reactor.

The two largest Swiss industrial companies active in the nuclear field are Brown, Boveri/Maschinenfabrik Oerlikon, and Sulzer Bros/Escher Wyss. To co-ordinate the work of the two groups, they have formed a joint company, Brown, Boveri/Sulzer-Turbomaschinen AG in Zurich.

At an early stage Swiss consulting engineering firms showed great interest in nuclear energy and built up special departments to handle projects not only in Switzerland but in other parts of the world. The most important companies in this field are Motor-Columbus AG, Baden; Elektro-Watt AG, Zurich; Suiselectra, Basel; Bonnard & Gardel, Lausanne, and Société Générale pour l'Industrie, Geneva. The Canadian nuclear industry may find it advantageous to establish contacts with these Swiss firms with a view to co-operating on some projects in third countries.

Although for the time being Switzerland has chosen light water reactors as more suitable for its needs than the heavy water reactor built in Canada, its complete dependence on only one source of supply for the enriched uranium needed for these reactors is not completely satisfactory. **It is possible that for future plants other reactor types, including heavy water, might be considered.** This would alter the supply situation for uranium fuel and re-establish some competition in which Canada might take part.

That Switzerland is taking a keen interest in nuclear developments was clearly demonstrated at the Second International Nuclear Industries Fair which was held in Basel from October 6 to 11, 1969. The NUCLEX fairs—the first was held in September 1966 and the next is scheduled for October 1972—have become the most important meeting-place for the nuclear industries of the world. Nine Canadian companies participated successfully in the 1969 exhibition and the hope is that the turnout in 1972 will be even larger. Because the components industry is of growing importance in the construction of nuclear power stations, Canadian firms active in this field will find Nuclex '72 an ideal opportunity to establish interesting contacts and should consider exhibiting.

Japanese Agriculture Looks Ahead

The rice crop in Japan in 1969 is estimated to be the third largest on record, according to the Japanese Agriculture and Forestry Minister. Production of wheat, coarse grains and oilseeds, on the other hand, is lower. Wheat output is estimated at 726,700 metric tons, a decline of almost 26 per cent from the 1968 crop year, and barley, at 812,100 metric tons, is over 20 per cent down. Rapeseed production is expected to drop to about 40,000 metric tons. This large rice crop and the continuing declines in other field crops point up Japan's most difficult agricultural problem: over-production of rice while other crops suffer.

As the manufacturing industries in Japan have become stronger, agriculture has lagged behind because of low productivity and general inefficiency. The farmers are also suffering from the cost-of-living squeeze. Only 21 per cent of farm families can support themselves from the income from their farms alone; the rest must find ways of supplementing their income. The outflow of labor from agriculture to the manufacturing, construction and service industries has continued; in the last eight years the agricultural labor force has dropped more than 25 per cent. Of the junior and senior high school graduates, only 3.9 per cent stay on the farms. And since the average farm consists of about six acres, it is difficult to capitalize on the advantages of mechanization, as larger farms can do.

The Government has realized that Japan must raise agricultural output by expanding the acreage per farmer and using mechanization, if Japanese farmers are to catch up with the rest of the economy and if its agricultural products are to be able to compete internationally. The acreage reduction policy envisages a 10 per cent cut in rice paddies over a period of years, which would mean freeing 800,000 acres for other crops. The plan was to reduce rice paddies by 25,000 acres this year but the farmers refused to convert more than half. This is a direct result of the rice-support program under which the farmer sells his rice to the Government at the equivalent of U.S.$380 per ton. The support price was not increased this year, though it has been raised regularly up to now.

In the long term, the demand for high-protein and western-style foods will go on increasing, accentuated by the gradual liberalization of the Japanese import control system. Long-range planning aims at eventual self-sufficiency in vegetables, fruit, dairy products, and meat, but dependence on imported wheat, barley and oilseeds will increase. Prospects for these are detailed below:

Wheat—Making projections on the basis of the announced government policy that domestic wheat production will be reduced to 75 per cent of the present level by 1977, and considering that the demand should rise by 16 per cent to 5.79 million metric tons, prospects are bright for Canadian wheat exports. In fact, on the basis of our present market share, our exports in 1977 should reach about 1.66 million metric tons.

Barley—Here the long-range forecast shows a decline of 20 per cent in domestic production by 1977, coupled with a 16 to 20 per cent increase in demand. This would result in imports of 1.99 million metric tons from Canada in 1977.

Oilseeds—Requirements for oil and fats will increase 60 per cent by 1977. Because domestic production is on the decline and because rapeseed meal may prove acceptable as an animal feed, the outlook appears good for Canadian rapeseed.

Dairy and Meat Products—A tremendous effort is being made to increase domestic production. Even now Japan produces 84 per cent of its own meat requirements and this is expected to rise to 94 per cent by 1977. This planned expansion will dictate imports of quality dairy and beef cattle, swine and sheep. Though the degree of self-sufficiency is increasing, the demand itself is forecast to increase 250 per cent over the next ten years, and the net result should be greater sales of imported meat and dairy products.

F. M. GALBRAITH
Assistant Commercial Secretary, Tokyo

Keep in Step with the Times

In Venezuela, this means preparing for the day when direct sales may become impossible and licensing or joint ventures prove to be the only alternatives.

G. J. FONS, Commercial Officer, Caracas

There was a time when Venezuela imported practically everything. The oil boom was at its height and absorbed much of the labor force. Since then, systematic development of local industries, protected by import controls and duty increases, has changed the pattern. Throughout the sixties one large import commodity after another fell victim to import restrictions as local production became diversified and supplied consumer needs.

Because the oil industry now provides employment for less than 2 per cent of the population, Venezuelan government planners are endeavoring to expand and diversify industry to provide work for the ever-increasing labor force. **This industrialization process is not reversible and should be considered in any market development plan.**

Canadian manufacturers of industrial products with brands and quality well established in this market would do well to decide in advance what course of action to take if access to the market becomes restricted. They should not be unprepared if a government decree cuts off their sales abruptly. With direct commodity exports waning, technical knowhow and commercial goodwill become valuable and marketable items. Licensing arrangements and royalties can yield a worthwhile return. Still better are joint ventures in which the Canadian and Venezuelan partners both invest funds. The Canadian contributes his technical and industrial experience and the Venezuelan adds his intimate knowledge of local laws, markets, and so on.

But setting up a plant in Venezuela is not a decision to be taken lightly. Costs of production are rather high in many industries, effectively limiting sales (at least in the short run) to the domestic market. Skilled labor, especially for new industries, is often not on hand. Support industries do not exist in many instances and components have to be manufactured "in house" or imported. This often results in higher costs or delays or both. Finally the Venezuelan market is not large compared with that in Canada or other industrial countries. Careful market research is therefore a must before entering into an industrial venture.

For those who have done their homework well, however, the result can be a steady flow of benefits to the company itself, to the host country, and to Canada. The company can include among the benefits it will receive a permanent place in an expanding market, continued return on funds previously spent on market penetration, a continuing outlet for components, etc., from its Canadian parent plant (which will assist in achieving economies of scale), and last but by no means least, a flow of dividends, royalty payments and probably management fees.

More employment, savings in foreign exchange, development of technical and managerial skills, and greater use of domestic resources are among the benefits that the host country will enjoy.

Canada itself will also be a beneficiary because, though a drop in exports is perhaps inevitable in the short run, sales of component parts and raw materials over the longer term will, in most instances, surpass previous sales of the finished product by a considerable margin through an increase in both the market itself and in market share.

Examples of this change from direct to indirect sales could be chosen from nearly any industry. The following two will serve to illustrate some of the benefits mentioned above:

1. When the establishment of a milling industry in Venezuela cut off flour imports, Canadian flour sales vanished overnight. Initially the new mills bought very little Canadian wheat, with the exception of one mill which used a proportion of Canadian wheat in its grist and turned out a flour nobody could match. It was not too long before the other mills started using some Canadian wheat in their grist and our wheat sales soon reached figures far above the biggest flour sales ever achieved in Venezuela. Undoubtedly these results would have been possible earlier if one or several Canadian mills had established facilities in Venezuela to maintain their traditional market position.

2. Another example is a Canadian cable manufacturer whose products had an excellent reputation in Venezuela for high quality. In the early sixties several large international cable producers started negotiations for the construction of local plants and it was clear that the import of cables would no longer be possible. Fortunately, the Canadian firm immediately concluded a partnership agreement with a small local wire extruding and insulating plant. Equipped with second-

hand machinery and backed by limited investment supplied by the Canadian company, the new venture quickly established itself as a major factor in the cable market. This feat was due in no small part to the excellent reputation of the Canadian company and the eagerness of local buyers to continue using a product with which they were familiar. The success of this venture resulted from a careful assessment of the market, a willingness to weather the difficulties usually encountered during the initial stages, a cautious step-by-step growth of the company, and a well-organized marketing and manufacturing program.

To Canadians, the growth and change in the Canadian economy during the past few years and the rate of change at the present time are obvious and exciting facts. Understandably, the fact that similar changes are taking place daily in Venezuela is not quite as obvious. Many Canadian exporters may be inclined to consider their marketing arrangements in this country to be relatively permanent with, hopefully, a regular yearly growth in sales in keeping with rising income, population, etc. Nothing could be farther from the truth. The pattern of Venezuela's import trade is changing constantly, with consumer goods on the decline and capital goods on the rise—a direct result of the Venezuelan Government's drive to expand the local secondary manufacturing base as fast as possible.

It is vital, therefore, that Canadian firms with a large stake in the market plan ahead for the time when the development of local industry may restrict their sales.

Trade Fair Program 1970

The Department of Industry, Trade and Commerce is sponsoring exhibits at a number of trade fairs throughout the world in 1970. Changing conditions could, of course, mean adjustments in the program. Canadian manufacturers interested in exhibiting, under government auspices, in any of the following trade fairs should write to the Director, Trade Fairs and Missions Branch, Department of Industry, Trade and Commerce, Ottawa. Some of the 1971 fairs that the department plans to take part in are also listed.

Clothing
Solo Apparel Show, Ladies' Wear
New York, N.Y.
April 13-17 (1st phase), June 1-12 (2nd phase), November (1st phase), January 1971 (2nd phase)

Boston Shoe Fair, Boston, Massachusetts
September

Clothing Textiles Trade Fair (Interstoff), Frankfurt, Germany
November 17-20

Solo Apparel Show, Men's Outerwear, New York, N.Y.
February 1971

Education
European Educational Materials, (DIDACTA), Basel, Switzerland
May 28-June 1

American Association of School Administrators, Annual Convention, Atlantic City, New Jersey
February 20-24, 1971

Electronics
International Instruments, Electronics and Automation Exhibition (IEA), London, England
May 11-16

International Electronic Components (Electronica), Munich, Germany
November 5-11

Joint Computer Conference, Houston, Texas
November 17-19

Institute of Electrical and Electronic Engineers Conference (IEEE), New York, N.Y.
March 1971

Engineering
American Society for Tool and Manufacturing Engineers Exhibit (ASTME), Detroit Michigan
April 13-17

Furniture
International Furniture and Woodworking, Louisville, Kentucky
September 19-23

Gifts
Chicago Gift Show, Chicago, Illinois
January 1971

Homes, Builders' Materials
National Association of Home Builders, Houston, Texas
January 17-21, 1971

Hospital
American Hospital Association Convention and Exhibition, Houston, Texas
September 14-17

Industry
German Industries Fair, Hannover, Germany
April 25-May 3

International
Budapest International Fair, Budapest, Hungary
May 22-June 1

International Autumn Fair, Zagreb, Yugoslavia
September 10-20

Merchandising
Supermarket Institute Show (SMI), Houston, Texas
May 3-6

Office Equipment
National Office Products Association Convention and Exhibition, New York, N.Y.
October 29-November 1

Packaging
International Packaging (Macropack), Utrecht, Netherlands
April 22-29

Restaurant
National Restaurant Association Show (NRA), Chicago, Illinois
May 23-27

Sporting Equipment
National Sporting Goods Association (NSGA) Show, Chicago, Illinois
February 1971

Trade Information Offices
Milan International Trade Fair, Milan, Italy
April 14-25

Hannover Air Show, Hannover, Germany
April 24-May 3

Turin Air Show, Turin, Italy
June 5-14

Munich Container Fair, Munich, Germany
October 21-25

Electronic Products

Sales of electronic products by manufacturers in the Los Angeles and San Francisco areas reached about $5 billion in 1968. This woman does wiring for the Amptex Corporation a potential customer.

California looms large in the electronics field; firms there will buy from Canadian companies if deliveries are prompt, representatives alert, and service good.

RICHARD ROY, Vice Consul and Assistant Trade Commissioner, San Francisco

Last year sales of electronic products by U.S. companies reached an estimated $25 billion, compared with $23.6 billion in 1968. Of this, the Western states accounted for an estimated $6.65 billion compared with $6.22 billion in 1968. The share of the Los Angeles area was approximately $3.3 billion and of the San Francisco area $1.7 billion.

There are now more than 400 electronics manufacturers in the San Francisco Bay area alone, and new companies are emerging faster here than elsewhere. Canadian exports of electronic products to California last year exceeded $10 million, or less than 0.2 per cent of total California sales. The major competition comes from the Far East (Japan, Taiwan, Hong Kong) where labor costs are generally lower.

Several Canadian companies are doing very well at the moment in the California market, through manufacturers' representatives or sales offices. Spar Aerospace and Central Dynamics have sales offices in the Bay area, and Canadian Marconi has a wholly owned subsidiary through which it sells various communications equipment. The major industry requirements are divided between military, telecommunications, instrumentation, and miscellaneous equipment.

Military requirements consist of systems, black boxes (a system within a system) and components which account for nearly 15 per cent of the sales in the area. Production is now changing more from military to commercial work but requirements remain basically the same. The largest buyer of black boxes is Lockheed Missiles and Space Company. Sylvania Electric Products Inc. is also interested in obtaining Canadian quotations on their black boxes' requirements. The other firms whose requirements are mainly for components are the Dalmo Victor Company, Applied Technology, Kaiser Aerospace, Watkins Johnson, Electronics Corp., Philco-Ford Corp., Systron Donor, Lawrence Radiation Laboratory, Sanda and Moffatt Research Center (NASA).

It should be emphasized that with the Canadian/U.S. Defence Production Sharing Agreement, all parts imported for military contracts enter the U.S. duty-free.

The telecommunications field calls for production of over $300 million a year. The largest is Lenkurt Electric. Other important firms are Farinon Electric, Lynch Communications, Moore Associates, Watkins Johnson Company, Karr Electronics Corp., Pacific Plantronics Inc., Digital Telephone

If You Make These, Try California

General electronic components	Transformers
Communication equipment of all types	Instrumentation of all types: voltmeters, ammeters, digital recording devices, etc.
Electronic test equipment	Wiring devices and components
Oceanographic systems and instruments, underwater survey equipment	Automatic inspection machine
Computer and computer peripheral products	Magnet power supplies
Electro-mechanical products	Miniature incandescent lamps
	Switches

Systems, Noller Controls, Raytheon Marine and Koenel Electronics.

The instrumentation industry accounts for over $600 million a year and the largest firm is Hewlett-Packard, which claims to have a new product on the market every day. In Northern California the industry is heavily oriented towards research and development and many companies get more and more involved in the medical research field (people even claim that the Pill originated in the Bay area). Medical research firms include Hewlett-Packard, Varian Associates, Stanford Research Medical Center, and Smith Kline Instruments Inc. (Research into electronics made at universities got the industry itself started in California.) The other major firms include Fairchild Instrumentation, General Precision, Precision Instrument Company, Systron Donor, Ampex Corp., and International Video.

Miscellaneous equipment includes industrial and data processing equipment with firms like Zeltex Company Inc., Friden Inc., SCM Data Processing Systems, Control Data (research only), Fairchild Semiconductor, etc.

There are various ways of doing business here in the electronics field. You can either sell to final users or to OEM accounts (Original Equipment Manufacturer). Sales to the OEM are larger and are often obtained by subcontracting with one of the larger local manufacturers. One of the best ways to get a first-hand feel of the market is to advertise in a specialized trade paper or magazine and then visit the area and call on potential buyers. Our office will supply you with general information on the market and arrange for you to meet the key people in your field of interest.

On the basis of your initial investigation, you will be able to determine whether you should appoint a manufacturer's representative. This is normally the preferred course because a representative with the proper technical knowledge is in an ideal position to sell your product line. He calls regularly on prospective accounts and can give service—and this, most of all, is what the buyer rightfully expects. Our office is constantly in touch with key representatives throughout our territory which covers Northern California, Nevada (excluding Clark County), Wyoming, Utah, Colorado and Hawaii. If the potential sales volume is large, it might be worth considering opening a sales office as some Canadian companies have already done.

The Northern California Chapter of ERA (Electronics Representatives Association) operates a service through which it notifies all its members of the products you want to sell through a representative and puts you in touch with interested parties. This may prove helpful after you confirm that there is a market for your product in the area but when a suitable representative is difficult to locate.

To keep abreast of developments in the industry and of prime contracts awarded on which there are opportunities to bid for subcontract work, you should subscribe to one or more of the U.S. electronic publications which we would be pleased to recommend.

An excellent way to give your product the best exposure is to participate in a trade show. The largest and most important electronics show in the West is WESCON (Western Electronics Show and Convention) which includes the following product categories: solid state fabrication equipment, circuit packaging, production and processing equipment, components and micro electronics, communications science systems, microwave laser, computerized data processing, and instruments and instrumentation.

WESCON is held every year and alternates between Los Angeles and San Francisco. It was held in San Francisco in August 1969 and over 20 Canadian firms (eleven of which participated in a cost-sharing program with the Department of Industry, Trade and Commerce) participated out of a total of approximately 700 exhibitors. Attendance, mainly of specialized engineers, totalled over 50,000.

WESCON is not sales-oriented but mainly geared to giving broad exposure of electronic products to the engineers attending. It is also a very good place to meet and select potential representatives.

If you are interested in participating in a future show on a government cost-sharing plan please contact the Special Projects Division, Electrical and Electronics Branch, Department of Industry, Trade and Commerce, Ottawa. More information on WESCON itself can be obtained from the WESCON Show Manager, 3600 Wilshire Boulevard, Los Angeles, California.

There are other smaller specialized shows in various fields held at a different location every year (IEEE, Nuclear Symposium, Telecommunications Show, etc.). If you will tell us about your particular interest we will be pleased to keep you informed of shows in your field.

Listed on this page are some of the many products local manufacturers' representatives are looking for and have approached our office asking for Canadian sources of supply. It should be pointed out that representatives or buyers are often looking for Canadian products because of their good quality, reputation, and competitive prices. The big obstacle in our territory is delivery time. However, if Canadian firms can arrange prompt delivery they are almost sure to obtain business.

For more information on the electronics market, please write to the Consul and Trade Commissioner, Canadian Consulate General, One Maritime Plaza, Golden Gateway Center, San Francisco, California 94111.

Your Business Visit to Malaysia

It need not be long, it is sure to be interesting, it can be fitted into a tour of Southeast Asia—it could produce results.

DOUGLAS LINDORES, Acting Commercial Secretary, Kuala Lumpur

Malaysia consists of two distinct parts—West Malaysia, bordered on the north by Thailand and on the south by Singapore, and East Malaysia, consisting of North Borneo and Sarawak, separated by the British Protectorate of Brunei. West Malaysia, with its 8.5 million people occupying 50,915 square miles of land and with prosperous rubber, tin, timber and rice industries, has by far the greater economic importance. The East Malaysian states of Sarawak and Sabah total 77,638 square miles and have a combined population of only 1.5 million people.

The Malay Peninsula which constitutes West Malaysia consists of a series of mountain ranges aligned northwest to southeast. The main agricultural, mining and manufacturing centers lie to the west of the central spine that extends from the Thai border to Johore Bahru (across the causeway from Singapore). The area east of this central range is largely under-developed, although a booming forest industry is adding significantly to the traditionally agricultural economy. The east coast also has beautiful beaches. Hampered by a lack of good air connections, the Malaysians have great hopes for the future development of this region when tourists can reach it easily.

Businessmen visiting Southeast Asia should seriously consider putting Kuala Lumpur on their itinerary. Before making any firm decisions, however, contact the Commercial Division of the Canadian High Commission, P.O. Box 990, Kuala

The State of Penang is well worth a visit and is easily reached by air from Kuala Lumpur. The important port of George Town, though losing its duty-free status, still caters to more than 3,000 sea-going ships a year.

Malays make up roughly 45 per cent of the total population of Malaysia and the Chinese about 35 per cent. The Malays are Muslims and their beautiful mosques are scattered throughout the country. This serene-looking one is located in the capital, Kuala Lumpur.

The roadside stalls are also a colorful part of Malaysian life. This one specializes in shorts and shirts; vivid Hawaiian shirts are popular with Malaysians.

Lumpur, and ask about selling your products in this market. Malaysia is in the midst of an industrialization program which has until recently been based on a policy of import substitution. With local industry now producing day-to-day consumer products in volume, attention is turning to the encouragement of export-oriented industries, aided by high protective tariffs. If a product like yours is already being made in this country, you will probably be faced with tariff barriers. Moreover, manufactured goods from Japan, Taiwan, Singapore and the People's Republic of China are widely sold. In addition, trading ties with manufacturers in Britain, France, West Germany and Italy are still strong. Nevertheless, specialized Canadian products and services can, with a strong sales effort, find an outlet in this market. Joint ventures are also a particularly effective means of sharing in Malaysia's economic life.

Through close liaison with the Trade Commissioner's office in Kuala Lumpur you can make the best possible use of your time here. Businessmen who already have Singapore or Bangkok on their agenda can have fruitful discussions in Kuala Lumpur in two, or if time is really short, even one day. To do this, however, it is important to arrange your program in advance. Most businessmen here are normally available on short notice, but calls on government officials sometimes require advance warning. By briefing the Commercial Secretary's office on your itinerary and interests, a full program can be arranged before you arrive.

In choosing the time for your visit, you should keep in mind Malaysia's holidays. For example, most private businesses continue to function normally during Muslim Puasa fasting period, but the Government, which is composed largely of Muslim Malays, works a shorter day from 8:00 a.m. to 1:00 p.m. The Puasa period lasts for approximately four weeks in November and December. The major Malaysian holidays for 1970 are listed on page 20. The Chinese New Year is a period of great celebration and almost all businesses are closed.

A large number of major international airlines fly into Kuala Lumpur's ultra-modern international airport. Connections with Singapore, Bangkok and Hong Kong are particularly good. Canadian businessmen travelling directly to Kuala Lumpur normally fly via Canadian Pacific Airlines to Hong Kong, then transfer to Cathay Pacific or Malaysia Singapore Airlines for the onward flight to Kuala Lumpur.

A one-way economy class ticket from Vancouver to Kuala Lumpur costs Cdn.$587. Businessmen who often visit Hong Kong but seldom proceed further into Asia should seriously consider a circuit of this area, including perhaps Bangkok, Kuala Lumpur, Singapore and Djakarta. The return economy fare from Hong Kong to Kuala Lumpur is Cdn.$280.00.

There is no shortage of hotels in Kuala Lumpur. The Hotel Merlin and the Federal Hotel both offer first class accommodation at prices slightly lower than those in Canada. An air-conditioned single room with bath costs approximately Cdn.$12 per day, with a 20 per cent reduction to visitors booking through the Commercial Secretary's office. There is good European-style food at all major hotels, clubs and restaurants for approximately Cdn.$10 per day. Those wishing to sample the excellent local Malay, Chinese, and

Indian dishes can dine well at a much lower cost. Tipping is standard in taxis and restaurants at 10 per cent. Most businessmen tip porters at both airports and hotels M.$1.00.

Businessmen travelling on a valid Canadian passport are allowed to stay up to 14 days without a Malaysian visa. All travellers must also have a valid smallpox vaccination and inoculation against cholera. If you intend travelling outside of the Kuala Lumpur area we recommend that you take malaria pills.

Canadian businessmen travelling to Malaysia should carry travellers cheques in U.S. dollars; Canadian currency is normally quoted only at the major banks. The Malaysian dollar is stable at $2.82 to the Canadian dollar. Because Malaysia is in the sterling area, pounds sterling are an acceptable alternative to U.S. dollars.

Canadian summer clothing is suitable at all times in Malaysia. Although it rains frequently, hats and raincoats are unknown. Except for very formal calls, standard business dress is long or short-sleeved shirt with tie but without jacket. Kuala Lumpur is not a notable tourist or shopping center, but bring your camera to record something of life in this fascinating multi-racial community. The grace and beauty of its women more than make up for other scenic shortcomings.

Normal samples with no commercial value are allowed entry duty-free. Others can be brought in duty-free on the posting of a bond guaranteeing that they will be re-exported within a certain time. One of the local shipping and forwarding companies will handle all the necessary arrangements for a reasonable fee. If possible, try to come equipped with c.i.f. Port Swettenham prices for your products.

English is the working language. Literature designed for the North American market is usually sufficient and to date there are no strict labelling laws which might require package redesign. Business cards are a way of life and all visitors to Southeast Asia should bring large quantities with them.

Most visitors to Malaysia confine themselves to the capital city of Kuala Lumpur. Originally established as the center for a rich tin-mining area, it has a population of 650,000. Other cities that you might visit include Penang (761,194), Ipoh (125,761) and Johore Bahru (74,909). The latter is most easily reached from Singapore. The Malaysian airline is noted throughout Southeast Asia for its superb cabin service. The flying time from Hong Kong to Kuala Lumpur is about 3½ hours and from Singapore only 45 minutes.

It is possible to leave Singapore in the morning, do a day's business in Kuala Lumpur, and return to Singapore that evening. Alternatively, any businessman arriving in the

Not an uncommon sight in Kuala Lumpur, these girls seem to enjoy their street-repairing work. This city should be included in any business visit to Southeast Asia: Malaysia's industrialization program is in full swing.

Holidays in Kuala Lumpur 1970

January 1—New Year's Day
February 6 and 7—Chinese New Year
March 27—Good Friday
March 28—Easter Saturday
May 17—Birthday of the Prophet Mohammed
June 3—Birthday of H.M. The Yang di-Pertuan Agong
August 31—Malaysia Day
October 29—Wesak Day
November 29 and 30—Hari Raya Puasa
December 25—Christmas Day

evening from Hong Kong or Bangkok can spend one night in Kuala Lumpur and then proceed to Singapore the following night after a day of appointments in the city. The major air routes in Southeast Asia tend to be well serviced, so that there is normally little difficulty about bookings.

On arrival at Kuala Lumpur's International Airport you will find taxis waiting. They are an efficient and inexpensive method of transportation and are nearly all metered. Passengers should insist that the meter be used. When calling for a taxi by telephone, the meter will run from the time the taxi leaves its depot. The initial meter charge is M$0.40 (14 cents Cdn.) and increases by 10 cents Malayan each fifth of a mile. We do not suggest that businessmen hire cars during their visits. In addition to the practice of driving on the left-hand side of the street, the large number of scooters, bicycles, and pushcarts of all kinds can make steering a motor car through the narrow streets a somewhat harrowing experience.

With minor variations, both government and private businesses normally operate from 8:00 a.m. to 4:00 p.m. Lunch hours tend to be somewhat longer than those in Canada and it is therefore not wise to schedule too heavy an afternoon program. In a normal working day, provided a program has been planned in advance, it is quite possible to schedule four or maybe five appointments. The city does not cover a large area and the traffic problem is not severe. The office hours at the Trade Office of the Canadian High Commission are from 8:00 a.m. to 5:00 p.m.

Communications between Malaysia and Canada are generally good. Kuala Lumpur is on the SEACOM cable and telephone communications with Canada are excellent. A three-minute call to Toronto costs approximately Cdn. $15.00.

If you have business acquaintances in Malaysia, even if through correspondence only, you should arrange your trip to allow them time to entertain you at dinner. It is a standard and pleasant practice in Kuala Lumpur.

Sightseeing tours include visits to both a rubber estate and a tin mine, an excellent museum and a zoo. There is a modern and lively night-life and an abundance of excellent swimming pools to provide a relaxing weekend for those spending extra time in Kuala Lumpur. Despite the disturbances in May 1969, travellers need have no concern about their personal security and can walk virtually anywhere in the city's streets without fear. The Malaysians are a happy and handsome people, and one cannot help but be impressed by the smiling faces on the streets.

If time permits, a tourist visit to Penang is worthwhile. This beautiful island, located off the northwestern coast of Malaysia in the Straits of Malacca, contains a picturesque city with a rich history as a commercial and recreation center of Southeast Asia. The port is gradually losing its duty-free status, however, and the shopping is not quite the equal of Singapore or Hong Kong.

West Malaysia does provide interesting opportunities. You will find it worthwhile to check these out when you are touring Southeast Asia.

Hospital Associations Meet in Atlanta

The Southeastern Hospital Conference will hold its 33rd annual assembly in Atlanta, Georgia, May 5 to 8, 1970. The Conference is a federation of state hospital associations (Alabama, Florida, Georgia, Louisiana, Mississipi and Tennessee), and at its annual assembly hospital purchasing agents, administrators, company representatives and others involved in hospital services and health care meet to obtain and discuss the latest information on developments in their fields. Discussions cover a wide range of subjects and can vary from personnel relations to emergency service.

Other para-medical associations will also have their annual meetings during the assembly: dietitians, hospital auxiliaries, medical record librarians, nurse anaesthetists, hospital pharmacists and hospital housekeepers.

The State Hospital Associations of Carolina and Virginia have cancelled their annual meetings for 1970 and have been invited to participate in the assembly.

Concurrent with the assembly, 275 companies will demonstrate their products at an exhibition of hospital, medical and office equipment in the Atlanta Civic Center. Some space is still available and James Harris, Executive Director, says that the organizers of the Conference will be glad to have Canadian companies participate in the exhibition.

The second annual Hospital Executive Management meeting will also be held in Atlanta, May 5, 1970, at the Regency Hotel. The program will cover data processing, computers and related fields. Because many of these decision-making people are expected to visit the exhibits, the occasion presents an excellent opportunity for Canadian companies to promote their products in the southeastern United States.

Registrations for the Conference should be addressed to James C. Harris, Executive Director, Southeastern Hospital Conference, P.O. Box 18112, Montgomery, Alabama. Inquiries should be sent to the Consul and Trade Commissioner, Commercial Division, Canadian Consulate General, 2110 International Trade Mart, 2 Canal Street, New Orleans, Louisiana 70130.

Women's Wear for South Africans

A survey made recently by the Johannesburg office discovered possibilities for selling women's wear in that area and ultimately in other parts of South Africa.

GEORGE P. ORBAN, Assistant Trade Commissioner, Johannesburg

South Africa is a fashion-conscious country; there are chic boutiques all over Johannesburg and fashion shows are held regularly. A large amount of advertising space in newspapers is devoted to women's clothing and fashion stories often appear on the front pages of the two largest English-language dailies, the *Star* and the *Rand Daily Mail.* White women in Johannesburg customarily dress formally for evening functions and evening gowns are commonly worn at theatres, concerts, discotheque openings and the cinema.

The Africans themselves provide a rapidly growing market. They spend a disproportionate amount of their income on clothing, although they are not a market for semi-couture or couture fashions.

Foreign interest in the South African market for women's clothing is developing fast. Susan Small of the Courtauld Group in England left South Africa recently after a vigorous ready-to-wear promotion effort. Her visit was followed by that of a well-known Australian designer. Many South African buyers have recently participated in buying trips sponsored by the Australian Government. The Israeli Company for Affairs and Exhibitions staged an Israeli week from August 11 to 17, 1969, with four of the largest South African department stores co-operating in the venture.

South Africa has only two fashion seasons, summer and winter. Canadian spring and summer fashions are suitable for the South African spring and summer and our fall fashions seem appropriate for fall and winter wear here.

Sauth African imparters wha were shawn same pictures of designs by talented Canadians, such as Anne-Marie Perran (above) of Mantreal, felt that Canadians might make same headway in this market with effective pramotian.

Table 1 gives an indication of the size of the women's wear market. The figures are from the 1960 census and 10 per cent can safely be added to them. The Whites, Asiatics and Coloreds are largely centered in the urban areas, and some 3.5 million of the 5.4 million Africans have access to the urban market. (See page 22.)

Table 2 gives imports of different types of women's clothing into South Africa in 1968 and what Canada supplied. **The main suppliers were Britain, with nearly 20 per cent of the market, and the United States and Italy, each with 11 per cent.** Exports from the United States were 70 times those from Canada. For details on import sources see Table 3.

It is interesting to note that expenditure on clothing and on footwear has increased more rapidly than spending on other types of consumer products. In 1947, 9.6 per cent of consumer expenditures were on clothing and footwear; in 1968, the figure was 14 per cent and only food purchases were larger. The average annual growth of spending in this sector was 6.2 per cent, a higher rate than for any other category and for the economy as a whole. These purchases totalled Cdn. $350 million in 1947 and Cdn. $1,050 million in 1968.

In making a survey of the fashion market in South Africa recently, we interviewed 14 manufacturers, importers and retailers and attended three fashion shows to learn and benefit from the opinions of a cross-section of the trade. In carrying on our interviews, we first informed each person

TABLE 1

SOUTH AFRICA'S FEMALE POPULATION, 1960

Age Group	Whites	Coloreds	Asiatics	Africans
0–15	488,180	340,845	106,106	2,263,586
16–30	352,231	197,764	69,521	1,415,832
31–40	200,878	83,683	27,482	659,504
41–50	186,703	58,732	17,853	474,320
over 50	315,696	76,792	14,650	599,726
Total	**1,543,688**	**757,821**	235,612	**5,407,972**

TABLE 2

IMPORTS OF WOMEN'S CLOTHING INTO SOUTH AFRICA

	Total 1968 compared with 1967		From Canada
	Rands*	Per cent	Rands
Not knitted			
Dresses	2,780,890	up 10–25	1,500
Overcoats	430,557	up 10–25	
Other outer garments	622,902	up 10–25	5,200
Shawls, scarves	504,822		
Slips	195,893	down 10	
Vests	99,271	up 10–25	
Pyjamas, nightgowns	72,191		
Other undergarments	47,087		
Brassieres and suspender belts	534,295	down 10	4,400
Corsets, belts	173,450	up 10	3,500
Other foundation garments	41,950	up 10	
Other clothing accessories	288,179	up 10	
Leather wear	513,888	up 10–25	
Knitted			
Stockings	246,515	up 10	1,500
Vests (sweaters, etc.)	1,025,746	up 10	150
Pyjamas, nightgowns	152,667	up 10	
Other undergarments	682,631	up over 25	
Dresses (wool)	536,956	down 10	
Dresses (not wool)	1,196,904	up 10	
Other outer garments	6,716,275	up 10–25	11,500
Total	**16,862,069**		27,750

*One Rand = Cdn.$1.50

TABLE 3

PRINCIPAL SUPPLIERS OF WOMEN'S WEAR

Country	Value (rands)	Per cent of Total Exports
Britain	2,670,430	19.5
United States	1,521,419	11.1
Italy	1,503,365	11.0
Japan	808,479	5.9
Hong Kong	629,598	4.6
France	619,529	4.5
Switzerland	570,358	4.2
West Germany	305,745	2.2
Other sources (including Canada)	107,215	37.0
Total	**13,736,138**	**100.0**

TABLE 4

IMPORTS OF CHILDREN'S WEAR

	Total 1968 compared with 1967	
	Rands	Per cent
Not knitted		
Infants' outer garments	842,392	Up 0–10
Infants' undergarments	121,561	Up 25
Knitted		
Infants' vests	81,678	Up 10–25
Infants' outer garments	1,682,660	Up 25
Children's footwear (all varieties)	381,939	Up 25

of the Trade Commissioner's role as a liaison between Canadian exporters and foreign importers. We also explained that Canada has a large fashion industry that caters to four distinct seasons and to a market very similar to the American one in size and in quality of products offered. But because the domestic market is still relatively small, the sophisticated Canadian dress industry has to look to foreign markets and is therefore export conscious. We also presented each man or woman with a copy of the trade magazine *Elan* and pointed out that there are many talented French Canadian designers who, because of their Gallic temperament and North American environment, could offer something different from the traditional European and North American styles customarily seen in South Africa.

In general, our sales pitch and the presentation of *Elan* were greeted with interest and the universal response that South Africans had never even considered Canada as a source of women's wear. Several importers indicated, upon seeing *Elan*, that they would like to contact Canadian suppliers. All of them said that they would need to have catalogues, samples and c.i.f. prices before placing orders.

If U.S. exports to South Africa are any indication of the potential, Canadians may find a market here. Women's wear from the U.S is very well accepted and, as the statistics show, enjoys a large market. We are told by one buyer that the designs and sizes of U.S. ready-to-wear make it more suitable for South African women than corresponding British and Continental clothing. He remarked that if Canadian clothes are similar, and have the same quality of finish, they should meet with equivalent success here.

The women's wear market can be divided into four categories: couture, semi-couture, ready-to-wear, and ready-to-wear for African women.

Couture—Couture fashions are imported by department stores, boutiques and individual importers. Currently most of the top European designers sell their models here. Balmain, Ferand, Cardin, Pucci, Dior, and St. Laurent clothes are common in chic boutiques and in the exclusive shops of department stores at prices from $45 for a Pucci bathing suit to $375 or $450 for a Dior dress. Clothing in this category is usually purchased overseas by buyers or bought here upon showing by the designers. Balmain was here recently.

Semi-couture—This comprises imported clothing in the $60 to $195 price range. These clothes are less exclusive than couture and consist largely of well-made copies of models from well-known foreign designers, or designs commissioned by such well-known pattern makers as Vogue and McCalls. They are usually purchased in bulk overseas by department stores, or bought by agents on an open indent basis.

Medium and low-priced ready-to-wear—South Africa produces high quality ready-to-wear but Canada might compete by offering truly different styling at competitive prices, or by using specialty fabrics. South African women are keen about wash-and-wear fabrics in anything from nightgowns to pant suits. High quality wash-and-wear clothes find a ready market.

Several people with whom we talked indicated that there was a big demand for sportswear and that many items in *Elan* looked interesting.

Ready-to-wear for African women—The sales manager for African wear of a very large manufacturing company told us that the Africans, a low-income group, spend a much higher percentage of their income on clothes than Whites do. To illustrate his point, he said that his company's retail outlets offer instalment plans to the Africans whereby they have up to six months to pay for their clothing purchases. He brought out ready-to-wear sweaters and blouses retailing over $24 which sell in volume to the Africans. Sixteen Rand (Cdn.$24) represents two weeks' wages for many of these women. The Africans, he explained, wear a lot of knitwear which is not manufactured here and his company purchases it abroad.

An interesting example of the underlying difference between this and the European market is that African women will not wear sleeveless garments nor dresses above the knee. They like to wear what other women are wearing, and once they have bought something they like, they are loyal to the brand.

In our interviews about children's wear and textiles, two points came up several times.

Children's Wear—We were told that there is a sizable market for imported children's wear here because there are only two large houses in South Africa and they cannot meet the demand. This information seems to be borne out by the import statistics in Table 4.

Textiles—Three people told us that competitively priced, well-designed imported fabrics, especially manmade fibers for wash-and-wear, enjoy a large market here. The reason appears to be that, apart from cotton and a small amount of wool, South African mills produce knitted but not woven fabrics. There is therefore a large market for all types of imported woven fabrics.

In 1968 Canada exported $340,000 worth of woven fabrics to South Africa. Tariffs range from nil to 25 per cent and information on specific duties is available from the Johannesburg office. The British generally enjoy a 5 per cent preferential advantage over the MFN countries.

On completing our survey and studying the results, we arrived at the following conclusions:

1. Imports of women's and children's wear are increasing rapidly. Women's wear accounted for approximately $28 million in imports in 1968, up substantially from 1967. Imported clothing can constitute from 15 per cent of a store's line (as in many department stores) to 100 per cent in some boutiques. Government import restrictions, once stringently applied, are being relaxed.

2. The possibilities of this market should not be underestimated. The standard of living of the white people is as high if not higher than ours and they want quality as good as ours. The market among Africans is expanding and will continue to expand with the rise in their standard of living.

The Canadian Trade Commission in Johannesburg will be pleased to assist Canadian exporters who want to sell in this country. It is essential that, as a first step, you send us drawings, samples and price information.

Another Anne-Marie Perron creation. Montreal designs, with their Gallic flare, should attract the fashion-conscious South African women because they are different. There is also a good demand for semi-couture and medium and low-priced ready-to-wear.

Jamaica

Pharmaceuticals

Canadians can supply both finished pharmaceuticals and raw materials for them, despite some import restrictions. Among the growth areas are antibiotics and bacteriological products.

DONALD H. LEAVITT
Assistant Commercial Secretary, Kingston

Canadian manufacturers and exporters of medicinal and pharmaceutical products should not overlook the growing market in Jamaica. In 1968, Jamaica purchased about Cdn.$4.6 million worth of these products, an increase of 16 per cent over 1967, compared with only Cdn.$2.3 million in 1960. Although part of this increase is the result of higher prices, it does reflect economic growth and the greater concern for health care that comes with better education and higher living standards.

The Jamaican Government purchases about 70 per cent of the total drugs imported. Most of this purchasing is done by the Department of Supply but some is still done through the Crown Agents in London. Public health is the responsibility of the Minister of Health and for administrative purposes the island is divided geographically into nine hospital regions. The hospitals and health centers in each are controlled by a Regional Management Board, a semi-autonomous body responsible to the Minister. There are 22 hospitals, including the University Hospital of the West Indies, 90 health centers and 65 dispensaries. There are also six specialist hospitals providing treatment for mental illnesses, Hansen's disease and tuberculosis, and a maternity and a children's hospital. In the 1967/68 budget Cnd.$16.9 million was allocated to health services.

Seven types of medicinal and pharmaceutical products are generally imported into Jamaica:

1. Vitamins and vitamin preparations
2. Bacteriological products, sera, vaccines
3. Penicillin
4. Streptomycin and other antibiotics
5. Quinine sulphate, quinine hydrochlor and quinine dihydrochlor and all alkaloids or salts of cinchona bark
6. Dioxy-Diamando-Arseno-Benzol ("606" Salvarsan); atabrine mepacine, plasmoquine, pamaquin, paludrin, aralan, diphosphate and other treatments for malaria
7. Other med'cinal and pharmaceutical products not included in the above categories. Opium, alkaloids, cocaine and caffein are also imported.

The greatest growth areas are the antibiotics, bacteriological products, and other medicinal and pharmaceutical products.

The rates of duty on the products above are as follows:

	per cent Preferential	General
Vitamins and vitamin preparations	24½	36½
Bacteriological products, sera, vaccines	Free	Free
Penicillin, streptomycin, tyrocidine and other antibiotics	Free	Free
Quinine sulphate, quinine hydroclar, etc.	Free	Free
Other medicinal and pharmaceutical products, n.e.s.	12½	18½

The Drugs and Poisons Control Board exercises control over formulations and the therapeutic claims made by manufacturers. Each drug or pharmaceutical product which is to be sold has to be registered by the Board and its formula or composition must be shown on the label.

Jamaica produces a fairly wide range of pharmaceuticals and branded preparations. These are placed on import control and imports of them are usually prohibited. Such well-known products as Bayer Aspirin, Andrew's Liver Salts, Phillips Milk of Magnesia and Fletcher's Castoria are now produced here.

It should be mentioned that Jamaica is itself an exporter of medicinal and pharmaceutical products. Exports have now reached J$352,000 compared with J$78,000 in 1964. The bulk is exported to CARIFTA members but since 1967 sales have been made to the U.S., largely consisting of drugs contracted for by Jamaican affiliates. There is every reason to believe that these exports will increase with the growth of CARIFTA and with higher living standards.

Imports of drugs and pharmaceuticals in 1968 were valued at J$3.4 million compared with J$2.8 million in 1966 and J$2.4 million in 1964. Over the past five years, Canada's share of total imports averaged about 12.5 per cent; Britain accounted for about 50 per cent. The other major suppliers are the United States and Germany. The category "bacteriological products, sera and vaccines" accounts for 29.6 per cent of Canada's share, followed by the streptomycin group which accounts for 19.2 per cent.

Over the past two years there has been a gradual decline in the quantity of vitamins imported. Canada's share has also declined from 18.6 per cent in 1964 to 6.8 per cent in 1968.

There are at least five drug manufacturing companies operating either as contract manufacturers or producing under licence. Canadian veterinary pharmaceuticals are, for example, manufactured under licence. Other Canadian companies, imports of whose products are restricted or who wish to reach the CARIFTA market, might consider this alternative.

These manufacturers, of course, import most of the raw materials they need. In some instances the parent or affiliated company supplies these but others are purchased on the basis of price and quality. The accompanying table shows the major raw materials that these companies use.

Most overseas producers of drugs and pharmaceuticals who export to this country are represented by agents under an exclusive agreement. **These agents handle sales both to the Government and the trade.** Most agents use representatives or detail men who are paid by the overseas firms and usually trained by them but who are under the control and supervision of the local distributors. In addition, the local firms employ salesmen who are responsible for followup work. The exporter is also responsible for advertising his products in Jamaica. Commissions range from 5 to 20 per cent, depending on the product. Credit terms range from 60 to 90 days.

MAJOR RAW MATERIALS USED BY THE DRUG TRADE IN JAMAICA

Item	Average Consumption
Asagran (Aspirin B.P.) granules	14,000 kilos
"B" Complex	3,000 gallons
Magnesium hydroxide 20 per cent	5,500 kilos
Magnesium hydroxide 32 per cent	6,500 kilos
Magnesium sulphate	14,600 kilos
Sodium bicarbonate	32,000 kilos
Tartaric acid	30,000 kilos
Panagram	2,100 kilos
Anurine hydrochloride	20,000 grams
Ferric phyrophosphate B.P.C. 1949	100,000 grams
Lactose B.P. (200 mesh)	10,000 grams
Sodium benzoate B.P.	100,000 grams
Maize (or tableting) B.P.	5,000 grams
Vanillin 44	5,000 grams
Riboflavin B.P. (Vit. B2)	5,000 grams
Phyridoxine hydrochloride (Vit. B4)	1,000 grams
Nicotinamide B.P.	250,000 grams

The Kingston office will be pleased to assist you in making a preliminary market survey and suggesting the best channel of distribution. Our first step will be to determine whether import licences will be granted for the product. Most distributors prefer to purchase on a c.i.f. basis but a few ask for quotations c. and f. or f.o.b. Local distributors are accustomed to placing orders in Canadian dollars. Remember, your first step is to write to us at P.O. Box 1500, Kingston 10, Jamaica. We'll take it from there.

Lumber

In the Jamaican market, Western Canadian lumber exporters face growing problems. New opportunities are developing for Eastern suppliers; active promotion is needed.

J. P. LEFEBVRE
Assistant Commercial Secretary, Kingston

The lumber market in Jamaica is characterized by a small number of big importers and by government rulings. These rulings regulate by means of licences the quantity of lumber imported and indirectly control the price at which it is wholesaled and retailed. The main supplying countries are Nicaragua and Honduras, which have been taking over markets that traditionally used U.S. southern yellow pine; U.S. pine has slowly priced itself out. Local production of lumber is insufficient for commercial demand, but there are hopes that in some 25 years recently planted pines will be farmed commercially.

Two Jamaican firms are responsible for approximately 90 per cent of all lumber imports. Besides these two giants, there are three medium-sized firms importing some 6 per cent of the country's requirements. The remaining 4 per cent is handled by six small lumber firms scattered around the island, and by some 32 wood furniture manufacturers.

Jamaica consumes over 40 million feet of lumber per year, valued at nearly Cdn.$8 million. The bulk of it consists mainly of pitch pine, plus some mahogany and cedar. Typical f.o.b. shipping prices for this type of lumber vary from U.S.$110 to U.S. $116 per thousand feet, 12 inches wide, for dressed lumber and from U.S.$100 to U.S.$106 for undressed lumber of the same dimension. To this cost a fee of $6.00 for strapping is added and a freight cost averaging U.S.$24.00 per thousand feet.

The low freight cost from Central America is made possible by the main lumber importers owning or chartering small boats that ply to and from eastern and western Central

America, taking five or six days for the round trip. They carry up to 500,000 feet of lumber. One medium-sized company owns its own docking facilities and another was planning to do so by the end of 1969. The others have special concessions on privately owned docks: they pay a nominal fee to transfer their lumber from the chartered boat to trucks and then to the lumber yard.

Most of the lumber imported into Jamaica is treated locally either at the "osmose" plant, owned by a medium-sized importer, or by "wolmanizing" at a plant operating under licence from a foreign firm and owned by the two larger and two smaller importers.

The standard sizes for lumber in Jamaica are given in Table 1, and all these different sizes are specified and used by the industry. Even the pitch pine (the substitute for southern yellow pine) is required in lengths of 18 to 20 feet.

Since devaluation in November 1967, the price of lumber has been indirectly controlled in Jamaica. Dealers are not supposed to take a higher markup in terms of pounds, shillings and pence than they did before devaluation. The 14 per cent devaluation is only added to whatever the retail or wholesale price was on the same product in 1967. This leads to a diminishing rate of return (in percentage terms) which is absorbed entirely by the importer. **As a consequence of this policy, lumber importers are interested in obtaining species which were not imported previously into Jamaica**. For instance, they have been canvassing Latin American countries to find a variety of lumber which would suit Jamaican tastes and allow the importer the same margin of profit as he obtains on other building materials.

Further to this indirect price control, imports are regulated by licensing. Licences are granted quite freely to the established lumber merchant on the basis that Jamaica cannot supply any marketable quantity of commercial lumber at the present time. However, it appears difficult for new importers to establish themselves in the trade because the Government believes that at the present time existing outlets allow full coverage of the market.

The tariffs on lumber are (per 1,000 super feet): on sawn, planed, grooved, tongued (non-conifer and conifer), preferential 10s. 6d., general 18s. 6d.; on rough, preferential 6s. 9d., general 14s. 9d. Imports of treated lumber are prohibited in order to protect the two local treating plants.

Sales of lumber from all countries to Jamaica went up from $6.3 million in 1965 to $6.5 million in 1967, a net increase of approximately 3.2 per cent. Canadian lumber exports to Jamaica in the period climbed from $170,000 to $332,000, a net increase of over 49 per cent. Excluding the shingles and shakes (which are not included in total Jamaican imports) from these figures, we have a considerable increase from $48,000 to $98,000, or 104 per cent. The obvious conclusion is that the Canadian share of the Jamaican lumber market is increasing at a rate about 33 times faster than the increase in local demand. However,

TABLE 1

STANDARD SIZES FOR LUMBER

Thickness	Length	Width
1 inch	10–20 feet	Up to 12 inches
2	12–24	12
3	12–24	6
4	12–24	4

TABLE 2

CANADIAN SALES OF LUMBER TO JAMAICA

	1963		1964		1965		1966		1967		1968	
	$	MBF	$	MBF	$	MBF	$	MBF	$	MBF	$	MBF
Douglas fir (33138)	1,606	8	309	3	523	5	—	—	18,893	73	24,000	192
White pine (33151)	24,340	237	42,165	365	47,226	448	48,479	485	60,744	488	96,000	755
Lumber, hemlock	500	5	—	—	—	—	—	—	—	—	9,000	108
Lumber, pine (red pine)	5,898	49	—	—	—	—	—	—	11,762	74	4,000	30
Lumber, spruce	5,700	70	—	—	—	—	—	—	2,397	32	—	—
Lumber, birch	—	—	—	—	—	—	—	—	1,828	5	5,000	17
Western red cedar	—	—	—	—	—	—	—	—	2,058	17	17,000	117
White fir	—	—	—	—	—	—	—	—	—	—	1,000	4
	$	RF SQ.	$	RF SQ.	$	RF SQ.	$	RF SQ.	$	RF SQ.	$	RF SQ.
Shingles, western red cedar	132,844	11,272	187,071	15,250	121,209	8,639	232,431	14,721	233,836	15,040	462,000	23,480
Shakes	1,120	100	1,590	100	—	—	10,478	507	—	—	1,000	50

our share of the market is still only 2.5 per cent because of our incapacity to break into the pitch pine market by supplying Canadian pine to specifications or substituting some of our softwood species.

Although still very popular, Douglas fir and western red cedar are facing more and more problems in Jamaica because of the competitive freight rates and prices for Nicaraguan and Honduran lumber. "K" Line, the shipping company traditionally used to freight lumber from Vancouver to Kingston, Jamaica, ended its regular operation and now stops in Vancouver only for a cargo of 300 tons or more. The alternative is North Pacific Steamship Company which plies to and from Kingston and Vancouver every five weeks. However, the rate would be approximately Cdn.$60 per thousand board feet compared with U.S.$24 for the same freight from Central America. There is, therefore, a price disadvantage of Cdn.$34 on freight alone.

Furthermore, the price of Honduran cedar is approximately three-fifths the quoted f.o.b. Vancouver price. The wharfage fees would be Cdn.$7.15 per thousand board feet, dressed and undressed, compared with a special rate ranging from nominal to a maximum of Cdn.$7.15 for lumber imported on chartered boats from Central America and loaded immediately on trucks. It is apparent that the special duty preference for Canadian lumber over the Central American lumber of Cdn.$0.65 to Cdn.$1.05 per thousand board feet would not have much significance.

On the credit side, we note a strong and insatiable demand for red cedar shingles. Since 1965, the quantity exported to Jamaica has gone up by nearly 300 per cent. The actual price is irrelevant because even with the prices soaring from Cdn.$18 to Cdn.$37.50 per bundle within eighteen months, exports have not declined. All the buyer asks is a steady supply.

Eastern lumber is not as widely known in Jamaica as western lumber because of a somewhat less sophisticated pattern of promotion and marketing. Exports to Jamaica include a substantial quantity of white pine. (the most important single species in all exports of Canadian lumber) for the door and window industry. Sales of white pine have almost doubled in the last three years because of the government-imposed barriers on imported doors and windows that compelled Jamaica to manufacture its own. This particular market is now threatened because of the increasing popularity of bagasse boards and other particle boards of all types and specifications, manufactured locally. The furniture industry has been using small quantities of birch, spruce and hemlock, but here again there is increasingly stiff competition from different boards. Like western lumber exports, eastern lumber has been affected by high f.o.b. prices, high freight rates and high wharfage fees. Besides these factors, there are prejudices against eastern lumber—for example, that spruce is untreatable and that spruce shingles cannot be used for roofing.

However, there is a new and developing interest in eastern lumber and shingles which would be worth exploring. In this regard, last year one of the big lumber dealers decided, against the opinions of his colleagues in the industry, to launch on a trial basis a development of over 100 houses using eastern white cedar shingles for roofing. This decision was prompted by two factors: the high price of red cedar shingles, and the fact that he felt he could overcome the consumer's objection to the color of pine by dying the shingles. It will be interesting to watch the impact of this experiment.

One explanation for this new interest in eastern lumber could be that it provides a way to circumvent the price control regulation applied after devaluation and explained earlier in this article. Most eastern lumber species were unknown then and the implication is that they can now be imported without being subject to indirect price control. Therefore, the lumber importers are interested in new species. Such a change in the market would enable them to adjust their selling price for eastern lumber so that they could obtain the same rate of return as on other building materials. At present they must accept a fixed price, which implies a diminishing rate of return.

Eastern lumber could be made more competitive in Jamaica by the vertical integration of a Canadian lumber company with an important local distributor. The short distance between eastern Canadian ports and Jamaica would allow cheaper freight on chartered boats. The importer would benefit from this because of the discount in wharfage fees and, sharing a profit in the Canadian operations, would not require such a high markup on the lumber sold in Jamaica. This is a possibility worth investigating and we are sure local importers would be interested.

In addition to these incentives, Canadian lumber can also be promoted in Jamaica by a concerted effort to familiarize the market with the different uses of lumber. There is heavy competition not only from the Central American lumber exporters but also from manufacturers of concrete block walls, tiled floors, flat concrete floors, etc. There is wide scope for market education. One approach would be a low-cost housing scheme with mortgage financing, modelled on the currently popular developments which use a maximum of lumber. Such an attempt would undoubtedly win government and community support.

Australia Will Convert to Metric

Australia will convert to the metric system of weights and measures, the Prime Minister, Mr. John Gorton, announced recently. The Government's decision follows detailed consideration of recommendations made by a Senate Select Committee in a report released in May 1968. The Government's aim is to complete the changeover during a period of ten years, although it is expected that conversion will be completed sooner than this in some sectors. Public reaction to the decision has been favorable.

A Metric Conversion Board, representing a wide range of interests, will plan, guide and facilitate the changeover. The Board will be responsible to the Government through the Minister for Education and Science and will be expected to make recommendations after full consultation with those concerned.

Mr. Gorton expressed the Government's belief that the lasting benefits that will result from this decision will greatly outweigh the transitional difficulties involved. He added that the decision to convert is in line with decisions that have already been taken in several other countries.

Sabah's Forestry Policy

Major new opportunities for the sale of Canadian equipment and services may arise in Sabah in the near future as the result of a new forest policy recently introduced by the Government.

D. P. LINDORES, Acting Commercial Secretary, Kuala Lumpur

Late in 1969 it became known that the Sabah Government had indicated to the major foreign concessionaires in that East Malaysian state that their licences would not be renewed following the expiry of their current agreements.

The four major companies affected are Kennedy Bay Timber Co. (a Weyerhauser subsidiary), Sabah Timber Co., North Borneo Timber, and the Wallace Bay Timber Co. (The latter two are subsidiaries of the Bombay-Burmah Trading Co.) All of these firms are now operating on the assumption that they will cease operations in Sabah at the end of their current licences. This date will range from as early as 1980 for Kennedy Bay Co. to 1985 for Wallace Bay Timber Co.

As a result of the new policy, **large amounts of land which had been tied up by the concessions to these foreign companies will now be available for distribution to other timber operators.** As an example of the procedure which has been followed, company A, prior to the new policy, had 2,000 square miles of land under its licence. Since the over-all harvesting policy has been based traditionally on an 80-year cycle, company A had been allowed rights to cut over approximately 20 square miles per year. Since its operations will cease in 1980, the company has been awarded a 20-square-mile annual cutting area for ten years for a total of 200 square miles, with an additional 20 per cent reserve should certain areas prove unworkable. Despite the reserve, the total must not exceed 20 square miles per year. The remaining 760 square miles of its timber concessions have been repossessed by the state government and will presumably be reallocated.

One question that arises immediately is the implications for the sustained-yield concept of the possible redistribution of this land in the near future. There are indications that as part of Sabah's general development policy, the state government may abandon the sustained-yield concept over an 80-year cycle. This could mean a reduction of the cycle to say 40 or 50 years—a complete abandonment of the principle of sustained yield. The latter course would involve a decision to abandon the forest industry as a long-term factor in the economic life of Sabah and to replace it with agricultural crops such as rubber, cocoa, palm oil and coconuts. In either case **it appears highly likely that log production in Sabah will increase significantly over the next decade,** with a corresponding increase in sales of logging equipment and perhaps technical services.

There is considerable difference of opinion over the motivations behind the introduction of this most recent government policy. Although few official government statements have been made, the action appears to be based on three major arguments. The first is that foreign companies have

Withdrawal of forest concessions to foreign firms is not expected to affect present Canadian sales of logging equipment. Future needs for more sophisticated machinery will provide new opportunities for sales within the next five years.

made insufficient efforts to develop the secondary processing industry in Sabah; the second, that the sustained yield must be abandoned in order to clear larger areas for agriculture, and the third, that there is insufficient timber land ieft for the local logging companies whose interests should be placed before those of foreign firms.

Although they concede the complete legality of the move of the Sabah State Government, **the foreign operators make the following points in their defence:**

1. The development of a secondary processing industry in Sabah is virtually impossible at the present time because there is simply no labor available to work in the plants, and because the current high cost of shipping processed wood products out of Sabah would make the competitive marketing of sawn timber or plywood very difficult.

2. They discount the argument that further land must be cleared for the development of agriculture on the basis that some areas that have already been logged and cleared have yet to be settled and developed for agricultural purposes. They point out that there is insufficient labor to meet the needs of the existing estates, let alone the requirements of the rapidly expanding agricultural sector.

3. They agree that there is little land left for allocation to local companies. They point out that because of the great importance of timber to the economy of Sabah, most major businessmen and nearly all citizens with political influence have some direct relationship to the logging industry. Political acceptability is essential to obtain timber rights.

In justice to the Sabah State Government, it is difficult to see how it can allow many local timber companies to shut down. Most operate under special short-term timber licences due to expire between 1970 and 1975. Because the only areas which could be reallocated to keep these companies in operation are those currently assigned to foreign companies, the Government's action, although it is disappointing to the foreign companies, can hardly be called surprising. Nevertheless, abandonment of the sustained-yield concept still leaves unsolved the problem of long-term land use.

These developments should not affect adversely the gradually growing Canadian commercial interests in Sabah, and could in fact provide significant new opportunities for our equipment suppliers and consulting firms. Canadian equipment sales to the State consist mainly of logging trucks, wheeled skidders, mobile spars, pond tugs and chain saws. With the exception of the chain saws, all of these items have been used primarily by the large foreign companies which have traditionally operated in a more sophisticated way. With ten to fifteen years still to run on their licences, it is highly unlikely that a significant rundown of their plant or equipment will begin for some years yet. Sales to them are therefore unlikely to suffer for at least five years.

In addition, as the areas formerly controlled by these companies are turned over to local logging firms, significant new opportunities could arise as traditional patterns of operation alter. These firms have in the past operated mainly in the easily accessible areas of Sabah and are not used to building roads of the type typical of North American operations or of using expensive and heavy equipment designed to minimize long-term operating costs. Traditional practice involving the use of equipment purchased on the basis of minimizing capital investment will probably not prove suitable for operations in the inland areas currently being harvested by the foreign companies. **Heavy Canadian logging trucks could be introduced to several of these operators.** As most log harvesting in Malaysia is carried out using tractors, the development by Canadian industry of more powerful (240 h.p.) wheeled skidders could also have significant appeal. Thus a ready market for certain types of Canadian logging equipment could develop as local firms are forced to switch to larger and more sophisticated equipment when they enter new areas.

The market for services, in particular, could prove of vital interest should the rumored establishment of a giant Bumiputra organization to control the entire forest industry of Sabah materialize. This company would probably be government-backed but at the same time provide for public participation by native Sabahans. Government officials have indicated informally that formation of such a company is definitely in the planning stage. Private operators believe the company will take on more of the role of a regulating body, with most operations to be subcontracted to local firms experienced in operating with the Government.

It is quite possible that the Sabah Government has not yet fully defined the nature and scope of the operations which it expects the Bumiputra timber organization to undertake. To this end, a Canadian government official has suggested informally an arrangement similar to that currently being implemented by a Canadian company in the Jengka Triangle area of West Malaysia. This would involve developing for the Sabah Government an over-all policy for effective commercial exploitation of the forest, followed by the design and construction of appropriate logging and manufacturing facilities, the training of management and technical personnel, and the subsequent management and marketing of logs or processed timber once production begins. A joint venture company or straight management contract might be considered.

Considerable interest was expressed in this approach, though discussions to date have only been superficial. There is no doubt, however, that any Canadian firm wishing to become involved in such a project will have to be prepared to invest considerable time and money to develop a sound program and to do an effective selling job on the officials involved.

An essential first step towards such a venture would be a visit to Kota Kinabalu to discuss possible participation with the state government officials. At present a capable senior government official has offered to provide all assistance in making the appointments necessary, including a meeting with the gentleman with over-all responsibility for forest policy development.

The Acting Commercial Secretary at the Canadian High Commission in Kuala Lumpur stands ready to assist any firm willing to explore this possible project further. He suggests that all initial approaches to the Sabah Government be co-ordinated through his office.

Pollution Control in the Southern States

WARREN M. MAYBEE, Vice Consul and Assistant Trade Commissioner, New Orleans

Some three thousand U.S. corporations have invested a billion dollars in facilities to control or reduce air and water pollution. In addition, they spent $100 million last year in operating the control equipment. Total spending by U.S. industries to combat air pollution alone has been estimated at more than $400 million per year.

Summarized below are the steps being taken by the Southern States in our territory toward eliminating pollution. Eventually they should offer worthwhile opportunities to Canadian companies making devices to detect and measure pollution and to control or eliminate it.

Florida—Florida's problem is much less severe than in thickly populated, industrialized northern states. The form of pollution there presenting the most serious problem is water pollution, both from improperly treated domestic sewage and from industrial wastes. Some areas do have serious air pollution problems, especially heavily populated cities. The state has enacted the Florida Air and Water Pollution Control Act. Its main directives are:

1. Abatement of activities that are causing or may cause pollution must be hastened.

2. The hundreds of millions of dollars required in capital outlay and operating expenses to combat pollution should be separately classified for assessment purposes.

To ensure that industry and municipalities comply with the Act, the State Legislature in 1969 created the State of Florida Department of Air and Water Pollution Control in Tallahassee and charged it with the power and the duty of controlling and prohibiting air and water pollution.

Georgia—As one of the most industrialized and densely populated of the Southeastern states, Georgia is naturally facing one of the bigger pollution problems. However, a program has been developed to combat it. The first step was to create two separate divisions to spearhead the attack: the Air Quality Control Branch of the Department of Health, and the State Water Quality Control Board, both located in Atlanta. These bodies have moved rapidly to develop legislation and programs. Today no one can create a new or expand an existing wastewater discharge facility without the Water Quality Board's approval. In addition, the Board's action against existing water polluters has frequently been swift and decisive and it has demonstrated its willingness to resort to the courts when all other forms of moral suasion have failed. The Air Quality Control Branch has also developed a program which states objectives and expected results by the end of 1975 and which will require the spending of millions of dollars.

Louisiana—This state has only recently begun to enter the industrial era and its air and water pollution problems are not as severe. The Bureau of Environmental Health (water pollution) and the Air Control Commission, both located in Baton Rouge, intend to keep pollution down. When air pollution is apparent, abatement measures will be enforced upon the polluter, and to decrease water pollution secondary treatment (or the equivalent) of all municipal and industrial sewage will be enforced by 1972. Over the past 11 years, $141.6 million has been spent on sewerage facilities. Forecasts indicate that these expenditures will remain at least as high and that spending on air pollution will be added.

Mississippi—Mississippi has been rather slower to recognize the hazards of air and water pollution. At present it does not have a major air-pollution problem. But water pollution is of growing concern.

The Mississippi Air and Water Pollution Control Commission, with headquarters in Jackson, operating under an Act that it believes needs refining and strengthening in some areas, has been active, resourceful and successful. For example, at the Commission's suggestion the Masonite Corporation in Laurel, Mississippi, has just begun a $10 million anti-pollution project.

The Commission states that there is no place in Mississippi for any industry that refuses to accept its responsibility to combat pollution. It recognizes that antipollution measures involve big money but insists that, regardless of cost, the equipment must be installed.

South Carolina—The Pollution Control Authority of South Carolina, located in Columbia, is one of the oldest in the Southeastern United States. South Carolina has one of the most specific Pollution Control Laws and its Bureau of Pollution Control is one of the most muscular. For example, some Pollution Control Commissions still resort to inviting industry to co-operate, but the South Carolina Authority issues orders that its requirements be met. Large sums of money are being spent by both industry and municipalities on anti-pollution measures.

Tennessee—This state has an enabling act to control air and water pollution. Through the application of these regulations, the Nashville headquarters of the enforcing authority expects that most of the major sources of pollution will be under control within four to six years. This enhances the potential market for approved pollution-control systems.

Obviously there is concern in these states about the pollution problem and this concern is being translated into action. We **therefore feel that "the time is now" for the Canadian firm in this field to obtain a U.S. Customs ruling on its product and to appoint a manufacturers' agent**. As time goes on, it may be worth visiting the territory and making personal calls on the accounts that the agent has generated and any additional calls that seem useful.

The New Orleans office will give every assistance possible in locating a good agent and following his progress as required. Initially it may be difficult to find an agent with experience in marketing pollution detection and control devices and methods. However, we do know that, because of the potential sales and profits, many established manufacturers' agents are getting into this market. Even though your product may still be on the drawing-board, now is the time to begin exploring this market for it.

Trade Lines

A series of toys to be marketed by a German company provide a sophisticated approach to learning. The first of three toys planned will teach about chance. Made in three sleeve-like parts, it demonstrates the law of chance when the sections are placed one on top of the other to form an obstacle course for balls to pass through. Descent of the balls cannot be manipulated—it is the element of chance which rules which one arrives at the bottom of the toy first. The toy is designed for children over 2½ years old—Bonn.

An aerial survey of Singapore is to be completed this year at a cost of S.$400,000. It is financed by British aid funds, provided because of the pull-out of Britain's Singapore-based military forces. The aerial photography has been subcontracted to Quasco Air Surveys by Fairey Surveys of Britain, the company conducting the survey. Quasco is a local subsidiary of an Australian company—Singapore.

Four major West German companies have set up a new company (GNV) to develop, construct and sell isotope separation plants. These will use the gas centrifuge method of separation. All four companies have already been doing development work under contract to the Federal Ministry for Scientific Research—Bonn.

Spain's second nuclear power station goes on stream this summer and will increase the annual output of electricity by some 3,000 kwh. The new station (460,000 kw. power) will generate almost seven per cent of the nation's power. The successful tender for the station was submitted by a U.S. company but Spanish engineering and technical participation is believed to represent 40 per cent of the total. Four other nuclear power projects are expected to be completed in the 70's: one each in 1972, 1973, and two in 1975—Madrid.

Playground equipment introduced by the Association of German Garden and Landscape Architects will challenge the imagination of young children. Made of lightweight plastic, the equipment includes building cubes, climbing shells and slides which, with a variety of other sectional pieces, can be combined to form tunnels, caves, etc., as imagination dictates—Bonn.

Israel plans a sharp increase in the number of housing starts in the next two years. The Contractors' Association, in an agreement with the Ministry of Housing, will erect 4,000 apartments this year and in 1971, to ease the critical shortage of better housing and attract needed immigrants from North America. To help with this housing program, the Industrial Development Bank of Israel has established a $7 million line of credit for purchasing modern construction equipment. Further credits will soon be offered by the commercial banks—Tel Aviv.

Eighteen West German cities are tunnelling subways to defeat traffic congestion on their streets and to provide defence shelters in an emergency. The West German Construction Ministry says that such a combination in Rotterdam, Holland, has shown that underground defence shelters can be built in conjunction with subways at a cost of only 4 to 5 per cent more. Among the extras needed to make the shelters habitable are: an appropriate design for the subway entrances; the installation of blast-proof doors at certain points in the underground passages; and the provision of water, electricity and other public utilities—Bonn.

The collective farm markets in the U.S.S.R. are of prime importance in supplying needed foods. Farmers bring the produce of their private garden plots to the city where a marketplace, frequently a large, well-constructed building, is provided. As reported in *Pravda* recently, in some cities as much as 20 per cent of foodstuffs is sold in this way. New marketplaces have recently been opened in Kiev, Kursk, Batumi and other cities. Large areas have still to be provided for and construction of these is progressing only slowly in many cities—Moscow.

Singapore and Australian interests have founded a joint shipbuilding company in Singapore. The Orient Shipbuilders (Pty) Limited has an initial authorized capital of S$1 million. The company will produce standard type (56 to 73 feet) fishing trawlers, coastal vessels and other light boats for local demand and for export. The company has a temporary site at Pasir Ris and has applied to the Singapore Government for a permanent one. Plans call for the erection of about 12,000 square feet of covered space, with provision for future expansion—Singapore.

The world's first LASH (lighter aboard ship) vessel when it docked at Rotterdam initiated a new shipping service between United States and West European ports. The Japanese-built 43,000-ton *Arcadia Forest* was carrying seventy-three 500-ton lighters. A sister ship under construction in Japan will be added to the intercontinental service in mid-1970. The 73 floating containers were loaded with wood pulp and paper products, part of the 250,000 tons of pulp and paper products International Paper Company will ship annually to Western Europe—The Hague.

The Hong Kong Government has placed a ban on the use of cyclamates as an artificial sweetener in drinks and foodstuffs sold for public consumption in Hong Kong. Legislation has been drafted proposing that every container of food or beverages with a permitted artificial sweetener in it should be marked with the name and quantity of the sweetener. Canadian exporters of foodstuffs looking to the Hong Kong market should be aware of the provisions of this legislation—Hong Kong.

Montedison's lithopone plant at Leghorn, Italy, will undergo a $3.2 million renovation, and change from producing zinc-white (lithopone) to turning out 70,000 tons a year of vitreous silicate, silicate solutions and aluminium sulphate. The change-over is expected to be effective by May—Milan.

Singapore has agreed in principle to co-operate with Thailand to set up a S$1,200 million steel-producing complex. Blast furnaces in Singapore and rolling mills in Thailand are expected to be operational by 1973 with an annual capacity of 1.15 million tons. A project study indicates that the shipbuilding and ship repairing industries will need about 100,000 tons of steel a year by 1973—Singapore.

Israel imported almost $7 million worth of office machinery, automatic data processing equipment and computers in the first nine months of 1969. The imports included close to 4,000 typewriters, 500 franking machines, 400 cash registers, 400 electric adding machines (with memory), approximately 500 statistical punch card machines, and 4,000 machines with calculating capabilities—Tel Aviv.

A company in Milan, Italy, has signed a $56 million contract to supply the Soviet Union with livestock-raising equipment over the next five years. Included in the contract is equipment for 20 locations for raising 110,000 hogs and eight locations for raising 10,000 head of baby beef per year, plus manufacturing facilities for 20 large stock farms—Milan.

Plans for a chain of European motor hotels have been announced by a consortium of British, American and Australian companies. The group will use the name "Travelogе", and units will be strategically placed to attract airline passengers. West Germany, Switzerland, France and Italy will be the preferred locations—Bonn.

Morocco's highways will benefit from a $7.3 million loan from the World Bank and one of the same amount from the IDA. The money will finance the foreign exchange costs of a $21.2 million highway program. This will include the construction and improvement of 209 miles of primary roads; building of four new bridges and a new 107-mile road between Agadir and Marrakech, purchase of road maintenance equipment and parts, and a study of transport in the coastal area—Madrid.

Foreign Tariffs and Trade Regulations

Israel

Israeli importers of all goods with a customs tariff of 30 per cent or over must deposit 50 per cent of the value of the commodity to the credit of the State Treasury, as ordered by the Israeli Minister of Commerce on January 11, 1970. The deposit is to be made in cash, unless otherwise directed by the Director of Customs and Excise, and will bear interest at the rate of 6 per cent per annum. The deposit, together with interest, will be refunded at the end of six months.

A deposit of 25 per cent of the value will be required for goods imported prior to January 11, if the import declarations covering the goods are cleared before March 11, 1970.

Exempt from this deposit are goods whose value is below I£500; goods imported by immigrants, temporary residents or returning citizens without allocation of foreign exchange; goods imported under a General Import Permit; and goods imported by and for the Government.

Switzerland

Switzerland has announced that the tariff reductions resulting from the Kennedy Round of Trade and Tariff Negotiations, scheduled for January 1, 1971, and January 1, 1972, will now become effective as of March 1, 1970. This action is one of several measures taken by the Swiss Government to moderate the overheating of the economy. A wide range of Canadian exports to Switzerland should benefit from these tariff reductions.

Trade Commissioners on Tour

In Canada

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

In Ottawa—
Department of Industry, Trade and Commerce

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

In Toronto—
Canadian Manufacturers Association

In Windsor, Ontario—
Greater Windsor Industrial Commission

In Fredericton, New Brunswick—
Department of Industry

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

Netherlands

F. W. Zechner, Commercial Officer in the Hague:

Vancouver: March 31-April 3
Edmonton: April 6-7
Calgary: April 8
Regina: April 9-10
Winnipeg: April 13-14
Toronto: April 15-22
Montreal: April 23-27
Quebec City: April 28-29
Halifax: April 30-May 1

Temporary Duty in Ottawa

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

F. W. Zechner
Commercial Officer
The Hague, Netherlands
March 23-26

In Territory

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

Afghanistan

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

Brazil

J. R. Brocklebank, Assistant Commercial Secretary in Rio de Janeiro, will visit Recife, Belem and Manaus March 31-April 7.

Bulgaria, Hungary, Romania

Trade Commissioners in the Vienna, Austria, office make frequent visits to these countries, but often there is not time to publish their itineraries in advance. Therefore, Canadian businessmen who would like the Trade Commissioners to undertake assignments for them in these East European countries are advised to write to the Vienna office immediately.

Chile

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

Ivory Coast

J. P. Bell, Commercial Secretary, and J. Filion, Assistant Commercial Secretary, in Accra, Ghana, will visit the Ivory Coast April 12-18, May 10-20, June 7-20.

Nigeria

B. Dussault, Assistant Commercial Secretary in Accra, Ghana, will visit Nigeria April 5-11, May 3-9, June 1-6.

People's Republic of China

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

Senegal

J. P. Bell, Commercial Secretary, and J. Filion, Assistant Commercial Secretary, in Accra, Ghana, will visit Senegal May 17-23.

Southern Africa

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

Trinidad

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

International Loans

A $5 million loan from the World Bank, has been made to the Development Bank of Singapore Limited, to aid industrialization. The loan increases the funds available to private enterprise. As a result of the aggressive program of industrialization begun in 1961, Singapore's manufacturing output tripled by 1968. The DBS is now the main institutional source of long-term industrial financing. Established in 1968, DBS has approved loans and equity investments of about U.S.$60 million for projects which include fishing, food, textiles, footwear, wood and cork, chemicals, machinery, transport equipment and electronics.

A low-density polyethylene plant to be built near Sao Paulo, Brazil, will be partly financed by a $5 million loan, an equity investment of $2.3 million, a contingent loan of up to $500,000, and a contingent equity commitment of up to $578,000, all from the International Finance Corporation. The $29 million plant will be built next to the Petroquimica Uniao S.A. naphtha-cracker and reformer now under construction and will purchase a substantial portion of its ethylene output. At full capacity, the new plant is expected to provide substantial foreign exchange savings by cutting polyethylene imports and should encourage industries that convert polyethylene into consumer goods.

Foreign Exchange Rates

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

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

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

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

Country and Currency	Value of foreign currency unit in Canadian dollars at February 27	Value of Canadian dollar in foreign currency units
Algeria Dinar	.1934	5.17
Argentina* Peso (free)	.3069	3.25
Australia Dollar	1.204	.8305
Austria Schilling	.0415	24.03
Bahamas Dollar	1.072	.93
Belgium and Luxembourg Franc	.0216	46.72
Bermuda Pound	2.572	.39
Bolivia Peso	.0906	11.06
Brazil Cruzeiro (official free)	.2440	4.09
Britain Pound	2.581	.38
British Honduras Dollar	.5369	1.86
Burma Kyat	.2255	4.43
Ceylon Rupee	.1804	5.54
Chile Escudo (bank rate)	.1024	9.76
(free)	.0883	11.32
China, Republic of New Taiwan Dollar (official)	.027	37.04
Colombia Peso (fixed)	.062	15.87
Congo (Kinshasa) Zaire	2.154	.4651
Costa Rica Colon	.1620	6.17
Cuba[1] Peso	....	....
Czechoslovakia Koruna	.1489	6.71
Denmark Krone	.1431	6.98
Dominican Republic Peso	1.072	.93
Ecuador Sucre (official)	.0599	16.72
(free)	.0536	18.65
El Salvador Colon	.4295	2.32
Fiji Pound	1.232	.81
Finland Markka	.2557	3.91
France, Monaco, etc.[2] Franc	.1934	5.17
Franco-African Republics[3] Franc	.0039	256.4
French Pacific[4] Franc	.0107	93.44
Germany D Mark	.2907	3.43
Ghana New Cedi	1.056	.94
Greece Drachma	.0359	27.93
Guatemala Quetzal	1.073	.93
Guyana Dollar	.5395	1.85
Haiti Gourde	.2148	4.65
Honduras Lempira	.5363	1.86
Hong Kong Dollar	.1770	5.64
Hungary Forint (official)	.0921	10.85
Iceland Krona (official)	.0122	81.96
India Rupee	.1425	7.01
Indonesia[5] Rupiah	....	....

*Peso recently revalued

Country and Currency	Value of foreign currency unit in Canadian dollars at February 27	Value of Canadian dollar in foreign currency units	Country and Currency	Value of foreign currency unit in Canadian dollars at February 27	Value of Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	**Peru** Sol (free)	.0248	40.65
Iraq Dinar	3.006	.33	**Philippines** Peso (free)	.2741	3.63
Ireland Pound	2.581	.38	**Poland** Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.3068	3.25	**Portugal & Colonies**[6] Escudo	.0375	26.66
Italy Lira	.0017	588.23	**Saudi Arabia** Riyal	.2066	4.84
Jamaica Dollar	1.290	.76	**Sierra Leone** Leone	1.502	.66
Japan Yen	.0030	333.33	**Singapore** Dollar	.3506	2.85
Kenya Shilling	.1526	6.55	**South Africa** Rand	1.502	.66
Lebanon Pound (free)	.3329	3.00	**Spain & Dependencies** Peseta	.0155	64.93
Malaysia Dollar	.2504	3.99	**Sweden** Krona	.2061	4.85
Mexico Peso	.0859	11.64	**Switzerland** Franc	.2492	4.02
Morocco Dirham	.2154	4.64	**Syria** Pound (free)	.2819	3.55
Netherlands Florin	.2947	3.39	**Thailand** Baht (free)	.0523	19.15
Netherlands Antilles Florin	.5687	1.75	**Trinidad & Tobago**[7] Dollar	.5363	1.86
New Zealand Dollar	1.204	.82	**Tunisia** Dinar	2.044	.48
Nicaragua Cordoba	.1534	6.51	**Turkey** Lira	.1192	8.38
Nigeria Pound	3.017	.33	**United Arab Republic** Pound (official)	2.468	.40
Norway Krone	.1502	6.65	**United States** Dollar	1.073	.93
Pakistan Rupee	.2255	4.43	**Uruguay** Peso (free)	.0043	232.56
Panama Balboa	1.073	.93	**Venezuela** Bolivar (official free)	.2389	4.18
Paraguay Guarani (free)	.0086	116.28	**Yugoslavia** Dinar (official)	.0863	11.61

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

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

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

4. New Caledonia, New Hebrides, French Polynesia.

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

6. Approximately same rate for Portuguese territories in Africa.

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

Marketing Data Sheet

Iran

Area
630,000 square miles.

Population
Approximately 27 million.

Climate
Temperatures are about 10 degrees warmer than in southern Ontario, but humidity is much lower. Short rainy seasons are in the spring and early winter.

Language
Persian (Farsi). Azarbayejan Turkish, English and French are also spoken.

Currency
Rial; one rial equals Cdn.$0.142.

Weights and measures
Metric system.

Capital
Tehran.

Chief ports
Khorramshahr, Bushire, Bandar Shahpur and Abadan.

Marketing centers
Tehran (population) 2,700,000; Tabriz 350,000; Isfahan 250,000; Meshed 220,000; and Rasht 135,000.

Economy
Is becoming increasingly industrial though still primarily agricultural. Oil is the principal export.

Total Iranian imports
1968-69—U.S.$1.4 billion; 1967-68—U.S.$0.96 billion.

Chief imports
Finished products such as machinery and parts, electrical apparatus; also base metals, chemicals and pharmaceuticals.

Chief suppliers
1968-69—West Germany, United States, Britain, Japan, France and Italy.

Value of imports from Canada
1968—Cdn.$6.6 million; 1967—Cdn. $3.1 million.

Chief imports from Canada
(Cdn.$'000) 1968—asbestos fibres 1,068; construction and maintenance vehicles 1,063; communications equipment 751; copper wire and cable 307; nuts and bolts 226; mining machinery 222; plastic and synthetic rubber 167.

Total Iranian exports
1968-69—U.S.$1.2 billion; 1962-63—U.S.$310.3 million.

Chief exports
1968—oil, cotton, carpets and fruit.

Chief markets
West Germany, U.S.S.R., Britain, United States.

Value of Canadian purchases
1968—Cdn.$33.6 million; 1967—Cdn. $33.2 million.

Chief Canadian purchases
Crude petroleum, dates and rugs.

Prices
Quote in U.S. dollars, c. and f. or c.i.f. Khorramshahr.

Usual terms of payment
Sight up to 180 days, sometimes more.

Samples
Dutiable only if of commercial value.

Visas
A valid passport bearing a visa is required. The visa is normally valid for one year.

Foreign exchange and import regulations
Foreign exchange freely allocated for goods which may be imported.

Import controls, documentation, customs tariffs, marking and labelling
Consult the Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

Correspondence
Airmail only; letters 25 cents per half ounce. Seamail takes 6 to 10 weeks.

For detailed information on this market write to
Asia and Middle East Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa

or

Commercial Secretary, Canadian Embassy, P.O. Box 1610, Bezrouke Building, Corner of Takht Jamshid Avenue and Forsat Street, Tehran, Iran.

Water flowing down curtains of plastic lace creates a fountain that lends old-world beauty to the new shopping mall of "Parlay II" at Le Chesnay, near Versailles, France. The illusion of a curtain is actually complete because the plastic lace disappears under the water, which falls noiselessly and without splashing into the pool beneath.

Beautiful installations like this one depend on functional fountain equipment made in Richmond Hill, Ontario, by the PEM Fountain Co. It also supplied the aerating jets that you see in the foreground.

PEM sells its specialized equipment in other European countries too and in the United States and Australia. Last fall it travelled south in search of business and exhibited with other Canadian companies at the Sixth Pacific International Trade Fair in Lima, Peru. The fountain in front of the Canadian Pavilion there was convincing proof of the firm's ability in this unusual field.

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