

# foreign trade

Department of Industry, Trade and Commerce, Canada

Canada Cracks U.S.  
Apparels Market

Pakistan Seeks Change

The Great North



July 18/70



## In This Issue

Selling apparel in the United States has been one of the Department of Industry, Trade and Commerce prime promotions over the past few years. The program has moved sales in the vast U.S. market ahead by some 100 per cent since 1967—and there are indications that the success will continue.

Actually, while the dollar barometer suggests only success, the program has had its critics also, but we thought we'd give you the total picture of the promotion, together with reports detailing the potential apparels market in the U.S.

A good portion of our issue is devoted to this commodity since other areas of industry may be interested in the method of promotion if not necessarily the apparels market itself.

Canadian equipment in use in climates of extreme cold are described in two separate articles from widely separated

parts of the world. "Look North to the Great Land" tells of opportunities in rapidly-developing Alaska, while the trade office in Melbourne, Australia, tells us how Canadian equipment is helping to unveil secrets of Antarctica.

Both reports contain material of interest about developments in the areas involved as well as valuable information about prospective selling.

Pakistan, a country divided into two distinct halves—an east wing and a west—has had its economic difficulties and the division of its territories has magnified its problems.

But Pakistan has hope and there are some firm indications that this country will be able to find a cure for its economic ills.

In a series of articles covering the economy itself, transportation, communications—*Foreign Trade* seeks to

give its readers some insight into this country and how Canadian capability can play a role in helping this country move forward.

In the center of the book you'll find a new up-dated list of the Department of Industry, Trade and Commerce head office staff. With integration of the former Department of Trade and Commerce and Department of Industry, lists for a while were often confusing. This one should get you the people you want.

Red-faced department: K. F. Osmond, Commercial Counsellor in Melbourne, points out that the June 13 issue of F.T. reported in a page 13 article "Australians Push Protection" that total Aussie imports in 1967-68 were \$218 million. They're not that protective—it should have been \$3,900 million. The source of the published figure remains unknown—perhaps we've been sabotaged or perhaps 13 is unlucky.

**Our cover:** A bit of Canada is being paraded in downtown New York outside the Canada Is IN Fashion show. The coat of auburn brown leather is designed by Eltin Cloak Co., Ltd., of Toronto, and was one of the exhibits at the show. See page 2.

# foreign trade

Vol. 134 No. 1

July 18/70



The Hon. Jean-Luc Pepin, Minister

The Hon. Otto Lang,  
Minister without Portfolio and  
Minister Responsible for the  
Canadian Wheat Board

J. H. Warren, Deputy Minister

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# CANADIAN APPARELS CRACK U.S. MARKET

If Canadian manufacturers continue delivering the quality now expected by United States buyers, the future for this industry looks promising indeed. Sales this year to the U.S. alone should be in the \$60 million bracket, up from the \$12.9 million total exports achieved in 1963.

*Discussing details at the reception desk of the Canadian apparels show in the McAlpin Hotel in New York are (left to right) Don Russell, Commercial Officer, New York, Suzanne Zinet, of Regent Knitting Mills, Montreal, Pat Healy and Lillian Brittain, both of the New York trade office, Monique Archambault of the Department of Industry, Trade and Commerce, Ottawa, and Mo Weisberg of Arnoldi, Inc., Montreal, one of the 40 exhibitors from across Canada.*



# Dressing Up New York

D. L. RUSSELL  
Commercial Officer, New York

Canadian women's apparel manufacturers have recognized for many years the marketing opportunity inherent in New York with its 11½ million consumers. In close proximity to the major apparel producing areas of Montreal and Toronto, New York with its many large retail outlets attracted scores of Canadian ladies' wear manufacturers. But it was a tough market to break into.

To ease this situation, the Department of Industry, Trade and Commerce devised a program for the collective presentation of Canadian ladies' apparel lines in New York. While not in itself an entirely new concept—other Governments, notably the British, have been using this technique for years—the Canadian approach offered several important innovations. While most showings of this type traditionally took place in the more prestigious uptown hotels accompanied by elaborate fashion shows, the Canadian plan used the McAlpin Hotel, on the fringe of the garment area. In lieu of a fashion show, an extensive nationwide mailing campaign to buyers backed by advertisements in trade journals was launched by the Publicity Branch of the Department. Instead of attempting to embody all segments of the ladies' apparel field, emphasis was placed on sectors that had demonstrated considerable export potential so as to make the presentation of greater interest to the buyers.

Finally, the presentation itself was split into two showings. The first was for three and a half days during November 1968. It was directed primarily at the resident buying offices and featured only spring rainwear. This early exposure to the resident buyers allowed them to evaluate Canadian lines when they were under the least pressure. Moreover, it enabled them to alert their out-of-town affiliates and to review the lines again with them when these out-of-town buyers came to New York in January 1969. For it was in January, the height of the buying season, that the same Canadian exhibitors staged the second show.

This extended presentation, which together amounted to 15½ days attracted upwards of 200 buyers from local stores, resident buying offices and from stores throughout the country. Business actually written at the show, primarily for samples, amounted to some \$130,000. While not in itself a large amount as trade shows go, subsequent confirmations and repeat orders boosted total sales to several times this figure. Moreover, the audience, both in numbers and quality, was far greater than could have been hoped for by any manufacturer attempting to solicit buyers independently.

Encouraged by this beginning, the Department of Industry, Trade and Commerce sponsored a similar event in April and June last year that included ladies' rainwear, coats, suits, and outerwear for the fall. This time, buyer attendance doubled, as did on-the-spot business which rose to \$265,000.

Another similar Canadian show, to which sportswear and dresses were added, took place in the middle of November 1969 and in January this year. Attendance for this double event topped the 700 mark and immediate business was worth more than half a million dollars.

These shows have touched off a widespread interest on the part of buyers to investigate personally the Canadian women's wear market. They have made numerous trips to Canada, for which the Department of Industry, Trade and Commerce arranged itineraries and provided escorts. Last November the Department was host at a fashion show in Montreal for 55 merchandise managers from member stores of Associated Merchandising Corporation which for the first time in its history had moved its entire meeting out of the U.S. specifically to investigate Canadian fashion developments.

From the comments received from buyers and merchandisers and from participants and visitors to the shows, it is apparent that an important ladies' apparel market is developing in Canada at this time. United States buyers, surprised and impressed with the quality, design, fabrics and over-all values being offered, are quick to translate these advantages into sizeable orders. Coupled with the fact that many Canadian producers are now attuned to the buying patterns of the New York market and offer speed of delivery virtually unknown before for apparel imports, the future for Canadian ladies' wear exports to the United States is exceptionally bright.



*Irving Goldberg of Princess Garment Limited, Toronto, shows a sample coat to three smiling buyers, Mr. and Mrs. David Gould (left) of Redwood Shops in Clinton, Mass., and Mrs. William MacLachlen (center) of Redwood Shops in Hudson, Mass.*

# Los Angeles: A Challenge to New York



V. B. CHEW

Consul and Trade Commissioner, Los Angeles

The great majority of Canadians look upon New York City as the "Mecca" for the apparel industry—since the turn of the century, New York has been the largest and the most important apparel market in North America, perhaps in the world.

There is another city, however, that is beginning to challenge New York's position, and that city is Los Angeles. Every year more and more buyers and buying organizations look to Los Angeles for leadership in such fields as sportswear and couture. These same buyers suggest that within five years Los Angeles will surpass New York City in these fields and become the "Medina" of the North American apparel market.

It is only natural that sunny California should become the sportswear center of the United States, setting the styles and colors for the country. Perhaps the California youthful approach to life and the high average personal income has encouraged California designers to cater to the demand for high stylized fashions that are now the way of life on the west coast and Hawaii.

California is not only setting styles, but is becoming a huge market unto itself and buyers from the major stores now divide their attention between New York and what is happening on their own doorstep.

Every day eastern manufacturers are reorganizing their sales approach by appointing western representatives. Many are opening their own show-rooms in the gigantic new California apparel market here in Los Angeles.

Parallel with the fantastic growth rate of California and Arizona, a vast retail complex has grown that caters to the 24 million people living in the area. Such giant retail organizations as Robinson's, Bullock's, Broadway, Diamonds, and Levys, just to mention a few, have major expansion programs under way which, in the case of some of the companies, amounts to two large additional retail units per year for the next five years just to catch up with the growth that has taken place in this market.

Until recently very little Canadian apparel found its way to this vast market but this is beginning to change and it is now estimated that within three years Canadian manufacturers

will export to California in excess of \$6 million worth of apparel, and it will be just the beginning.

California buyers are now rediscovering Canada and the major stores are very anxious to get established in what they describe as a "new exciting source"—Canada.

The following is an excerpt from a recent report made to senior store management by six buyers of a large multiple unit store after two buying trips into Eastern Canada:

"The fashion influence (on Canadian styles) is no longer coming from New York or California but directly from European designers being brought into Canada. Fashion trends in Canada are three months to a year ahead of the United States and the Canadian market has an excitement not found in New York or California. Put this together with great workmanship and you have a fashion quality first."

As a result of those two buying trips sponsored by the Department of Industry, Trade and Commerce in Ottawa and the Canadian Trade Commission in Los Angeles, seven more Canadian apparel lines are now represented in California.

To successfully establish an export position in this market, two guidelines should be considered.

**First**—The apparel line must be priced to show the delivered price to Los Angeles, with duty included. Calculating these costs may cause minor pains, but once you have started you will never look back. We know of numerous cases of Los Angeles buyers back from Canada reporting that they have seen outstanding apparel lines that would sell very well, but the Canadian manufacturers would only quote factory prices. The buyers also reported that the manufacturers appeared to be very interested in export but did not know how to calculate the delivered price and, naturally, would not make a guess.

In order to help Canadian manufacturers enter this market, Air Canada has compiled a special air cargo rate from Montreal/Toronto to Los Angeles. A local brokerage house also has developed a new brokerage method and rate structure, and a system to

ensure fast, final delivery to the retail stores. This whole package has been designed to make it easier for a Canadian manufacturer to calculate his selling prices delivered to Los Angeles.

**Second**—We recommend that Canadian manufacturers establish a west coast representative, preferably one with a showroom. The Trade Commissioner offices in San Francisco and Los Angeles work very closely on the promotion of Canadian apparel in this vast market. There are certain types of apparel that San Francisco representatives should carry rather than Los Angeles, particularly in the heavier weights.

We would also like to point out that even if your company is a small but growing one, there is a very definite place for you in this market.

There is a Canadian apparel renaissance taking place here in Los Angeles—the buyers and the stores are now seeking more and more Canadian apparel, and they like what they see and so do their customers.

Now is the time for Canadian companies to review their export plans to properly orient their sales to this vast west coast market where Los Angeles is the second largest consolidated buying center in the country.

The Canadian Trade Commissioner's office in Los Angeles is here to be of assistance. Our address is: Canadian Consulate General, 510 West Sixth Street, Los Angeles, California 90014. We can advise you on the best method to introduce and promote your apparel line, and we can advise you on colors, textiles, styles and pricing.



*A colorful and comfortable jumpsuit by Leonard Dubrow for Young Favorites and Slack Time, of Toronto. Made from striped arnel and cotton knit, it is washable.*

# Southern U.S. Buyers Discover .

JAMES B. WHITNELL

Commercial Officer, New Orleans

The success of the Department-sponsored apparel shows in New York, this office's continuing promotional activities, the approach by the New York office to department stores at their headquarters and at resident buying office level, the efforts of Canadian companies themselves, and exploratory trips North by U.S. buyers have resulted in southern department stores suddenly discovering Canada as an exciting source for a wide variety of wearing apparel, be it for women, men or children.

Merchandise managers and buyers have spread the word amongst themselves about the high quality workmanship, the variety of fabrics (many of which are not available in the U.S.), and the styling and unique look available from Canada. As a result, they are ready to explore the Canadian market at first hand and to work closely to capitalize on this and to establish contact with as many of the major department stores and medium-size stores in the South as soon as possible.

The eight southeastern states covered by the New Orleans office are not dominated by a huge urban complex, but are made up of a number of highly differentiated metropolitan centers, each with a rather limited sphere of influence. In each of these 15 cities, the apparel trade buys and sells without much reference to what is going on in other southern cities. This is due mainly to variations in climate and topography, and to traditional differences in styles and fashions. Canadian apparel manufacturers, in effect, have a chance at 15 different markets in the South. Selling just one account in even half of these cities would represent a lucrative market.

Buyers and merchandise managers from the 21 major department stores, the two very large medium store chains, and large clothing stores, attend the New York and Los Angeles market



*High Gear, by Jonathan Legault Originals, Montreal, uses high quality suede with contrast stitching, tie front and split floor-length hem to achieve a striking Indian look. Suede is a very popular item these days in the South.*

weeks several times a year and make periodic shopping trips abroad. Buyers from the larger stores go to New York on an average of once a month, in addition to trips to Los Angeles and Dallas.

Buyers from medium-size stores and smaller clothing stores go less fre-

quently to New York and overseas, but will go to Dallas and Charlotte, North Carolina, for their market weeks. In addition to locally-based apparel manufacturers, Charlotte and Dallas are the southern and southwestern headquarters for a number of northern and California-based apparel companies. New Orleans and other

cities have small market weeks several times a year for the immediate metropolitan area.

Wholesalers usually go to New York and only occasionally attend markets in Dallas, Los Angeles, and Charlotte. These wholesalers supply a number of lower-priced items to major department stores, and a sizeable percentage of all purchases to smaller clothing stores.

Many department stores and the larger clothing stores subscribe to the services of a buying office in New York and overseas and thus become aware of new items on the market. A number of Canadian companies have shown their lines to these buying offices, as well as to the headquarters of the major chain stores. The individual stores, however, are under no compulsion to buy, and if the buyer-consultant in the buying office or chain headquarters is not attracted to a particular line, it probably will not be mentioned to the 15 to 40 American stores using the services of the buying office making up the chain. Therefore, though this approach can be productive, it should not be used exclusively without considering other contacts.

Areas of the market which we believe have a special promise for Canadian manufacturers are junior sportswear, women's shoes, and boys' and men's wear.

Junior sportswear is an especially bright spot because Canadian styling, fabrics, and colors have great appeal. Suede at the present is a very "hot" item and coats of all types, except furs, have also been very popular. There is considerable interest in infants' wear and, of course, girls'-wear buyers are constantly on the alert for competitively priced, well-styled apparel. Lingerie and loungewear is another area of good potential.

There is much interest in synthetic furs, but less enthusiasm for furs in general in most areas except in North Carolina, eastern Tennessee, and Atlanta

where temperatures are more conducive to fur sales. The trend in many department stores is to lease the fur department to one of several national fur companies.

Women's shoes, especially when coordinated with handbags, are another area of promise. Canadian handbags are being sold so widely in the South that the principal problem is one of sufficient production. Gloves of most types have plummeted in sales throughout the South. Well-made, competitively-priced scarves will find a ready market. Some fine jewellery from Canada is beginning to be sold.

We sent questionnaires to more than 900 men's wear salesmen in our territory and the response was overwhelming. These results were circulated among Canadian companies known to be export-oriented. New Orleans men's wear buyers predict that style will be more and more emphasized and that a wider range of fabrics for men's clothing will be available. The boys' market is becoming more active and fashionable in the sense that greater attention is being paid to matching fabrics and colors in coats and pants; the styling, however, will not change.

Materials formerly unacceptable in the South because of their weight are now acceptable as the use of air conditioning is universal and, in addition, many materials now being used are lighter in weight and more suitable for a much wider range of temperatures than formerly. Many local buyers, however, still have the impression that most Canadian-made apparel is too heavy for the southern United States. Many Canadian manufacturers are also under this impression and consequently are reluctant to explore market possibilities in the South. But in north and central Florida, it freezes enough to periodically cause the loss of citrus crops. Cities such as Atlanta, Chattanooga, Knoxville, Charlotte, Greensboro, and Raleigh, North Carolina, have a rather long winter, especially so in North Carolina and eastern Tennessee where

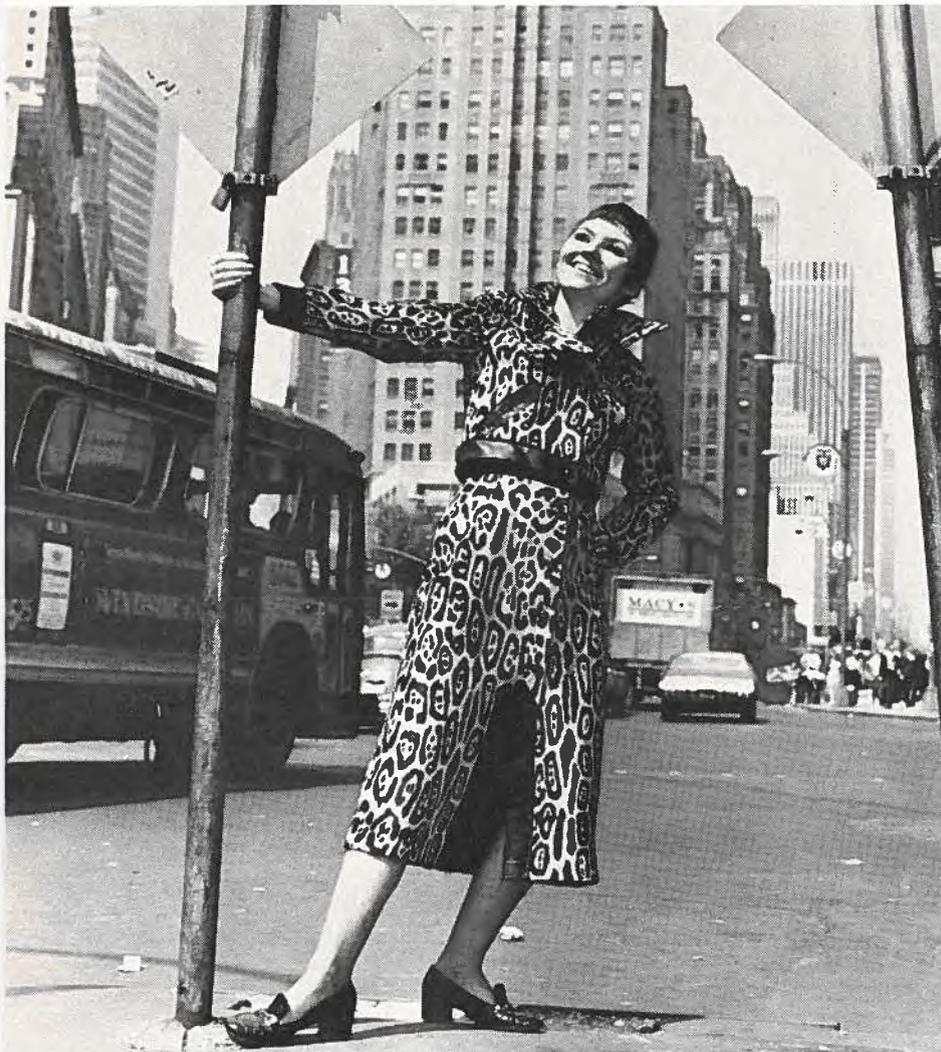
they frequently experience zero and sub-zero weather. Only cities such as Miami, New Orleans and Mobile along the Gulf Coast have a hot and humid climate most of the year.

To achieve distribution in the South a varied approach is necessary. First, we would advise taking part in the New York market weeks and advising us in ample time so that we can tell the appropriate merchandise managers and buyers in our territory. The shows in New York sponsored by the Department of Industry, Trade and Commerce are widely advertised and, in addition, we make a personal mailing to merchandise managers and buyers in our territory. We strongly recommend participation in these shows, which have produced excellent results.

Second, a concerted effort should be made to show the lines to the headquarters of major store chains, as well as to the buying offices in New York. Our New York office has for years been assisting Canadian buyers in making presentations to these cities. Third, samples with delivered prices, including duty and in U.S. funds, should be sent to us for presentation to stores in our territory. It is, of course, much more effective for a representative of your firm to come down and make the presentation. The few Canadian apparel manufacturers' salesmen who have made the trip have invariably been successful.

Now is the time for Canadian companies to capitalize on the newness of Canada as a source of supply for southern merchandise managers and buyers and to energetically contact as many of these people as possible. If it is not possible, we have a large number of manufacturers' representatives in our files who specialize in wearing apparel, and we would be pleased to suggest appropriate agents to you. Whether you send down a company representative, seek an agent, or participate in a New York market week, you will find this office is eager to extend its fullest co-operation and assistance to you.

# Philadelphia: A \$25 Million-plus Market



*A mid-length stencilled calf suit with leather trim and slit front by Percy Lindzon, Limited, of Toronto, is modelled in New York City by Lee Richards.*

STANLEY A. COHAN, Commercial Officer, Philadelphia

Why should you, the Canadian manufacturer, come to Philadelphia to market your line? Because it is an excellent market. We hope, through the medium of this article, to tell you why, when, and how you can embark upon its successful penetration.

**Why**—Philadelphia is the fourth largest city in the United States. At the time of the last census the Delaware Valley, which comprises Philadelphia and ten surrounding counties in Pennsylvania, New Jersey and Delaware, had a

population of more than 6,000,000. Statistically, Philadelphia presents a very attractive market, but statistics alone do not tell the whole story. For too many years Philadelphia has suffered because of its proximity to New York. Those who are unfamiliar with this market area assume that "what's good for New York is good for Philadelphia". Nothing could be further from the truth.

The City of Brotherly Love is a city of extremes. A strong Quaker influ-

ence is reflected in the conservative taste of Chestnut Hill and the Main Line, while the downtown resident, "The Young Philadelphian", swings. This paradox is carried over to its fashion image. The conservative tradition is best exemplified by Jacob Reed's Sons. This men's specialty store has had the quality name in Philadelphia for generations. The other end of the spectrum is represented by the boutiques of Sansom Street—a bit of Carnaby Street on this side of the "pond".

Men's clothing in Philadelphia is a healthy, vital, growing industry on the retail level. There are many reputable quality operations in this area that cannot be included in a list of top ten volume clothing stores, because they do not generate enough clothing dollars. This in no way implies that they are weak operations. Sales figures are extremely difficult to come by. But a very accurate estimate shows that the top ten men's stores had a combined sales figure of over U.S.\$25 million in 1969.

**How and When**—Now that you have packed your sample bag and made your airline reservation, let us help you to prepare for your venture into this market area. August is hot and humid in Philadelphia but it is also the time when buyers make their purchases from the manufacturer for spring and summer retailing. In February retailers order their lines for the following fall and winter seasons. So, after landing that initial order, plan to spend a few days in the Pocono Mountains to enjoy some of the finest skiing in the Eastern United States.

What type of reception awaits you in the office of the local department store buyer? Philadelphia buyers have a reputation for being knowledgeable, candid and, above all, fair. Experience has shown us that the Philadelphia buyer will look at a line with a completely open mind, in many cases offering constructive criticism that has enabled a designer to make a subtle change in styling. This has

often made the garment more acceptable not only to the buyer making the suggestion, but to other customers as well.

A recurring theme expressed by almost all buyers with whom we have spoken, when asked what Canadian sources must do to put themselves in a favorable position, was: there must be something distinctly Canadian about a line (above all else, do not copy the styling of U.S. manufacturers—be imaginative) and /or price appeal. The buyers noted that the most striking recent example of a country that has exploited an indigenous difference is Britain. London has not become the mecca of the men's fashion world by copying French or Italian styling. Carnaby Street is London.

The subject of good design was stressed so frequently by buyers that there is no doubt of the importance attached to it. One area in which we have already established a very fine reputation is the craftsmanship that a 'Made in Canada' label implies. Local retailers who have experience with Canadian-made apparel state unequivocally that the workmanship surpasses that of U.S. competitors.

If you expect to be treated on a par with a domestic source, then you must be prepared to comply with the local ground rules. We offer these guidelines for your perusal.

Since American purchasers expect to know the laid-down cost in U.S. dollars at some major point in this country, you should be prepared to quote delivered duty-paid prices. You should also give your customers the option to purchase at f.o.b. plant prices. U.S. Customs has indicated that where the purchaser has the option of purchasing at f.o.b. plant prices, freight charges would not, under normal circumstances, be regarded as a dutiable charge. It is also recommended that the amounts for freight, duty, insurance, brokerage, etc., should be shown separately on the sales invoice.

It is an industry-wide practice for the manufacturer to offer an 8 per cent discount for cash payment of invoices.

Your sizing must conform to U.S. standards. There is no quicker way to lose a good account than to relax



*All-acrylic rib knits for the slimmer girl, these outfits come from Collection Jean-Philippe, Ltée., of Montreal. The small gold buttons relieve the simple lines.*

your sizing standards. A point that cannot be stressed too strongly is the follow-up of an initial order. Retailers expect good service and if you cannot supply it, there is an ever-growing line of foreign and domestic sources that can.

There is no established practice for sharing the cost of advertising. Most U.S. manufacturers contribute to advertising expenses, but no precise figures are available.

**How this office can help you**—We hope that this article has given you some insight into the Philadelphia market. However, without proper exposure, tangible results may be small. A program has been established in this office that experience has shown to be quite successful. May we suggest that you plan to come to Philadelphia during the next buying season, bringing with you a representative cross-section of your line. Our Maple Leaf

Room is bright, cheerful and available to you at no cost to show your line to buyers. We will, of course, contact buyers on your behalf and set up appointments.

If, after your line has been seen by local retailers and you have received a sample order, or if you feel that though not receiving an order there is potential for future orders, may we suggest that you entertain the idea of engaging a local agent to represent your firm in this area. We have on file the names of many reputable agents who have expressed an interest in representing Canadian men's clothing suppliers. The agents agree that the normal rate of commission is about ten per cent.

Make use of our facilities. We are here to serve you. Our address: Canadian Consulate, 3 Penn Center Plaza, Philadelphia, Pennsylvania 19102.

**VARIATION ON A THEME**

Photographed against the bronze sculpture outside the National Arts Centre, this variation of a ralph tunic and straight leg pants has been designed by Wall for Canadian ready-to-wear showings in New York April 16-17.

**HIGH GEAR**

That's the name of this outfit by Jonathan Legault Originals of Montreal, being shown with other Canadian ready-to-wear clothes in New York this month. The suede costume has contrast stitching, tie front, and a split floor-length hem to achieve a striking Indian look.

Page 40 Wed, Nov. 19, 1969

**Canadian clothes  
hit the big time**

More than \$2,000,000 of new export sales selected from the Canadian showings in New York during the first and second days of the show.

**Mode canadienne est présentée à New York**

Les modes à l'automne de 1969 et cette fois, il y en a quarante-cinq. Le premier défilé présentait simple ment des manteaux et des robes de pluie.

**Canadian rainwear makes splash**

NEW YORK — While members of the American Designer Group are presenting their spring collections at the Metropolitan Hotel to 300 fashion writers, 17 Canadian rainwear manufacturers and designers are showcasing their spring collections at the McAlpin Hotel.

**Interest Picks Up At Canadian's New York Show**

NEW YORK — Canadian sportswear and outerwear manufacturers have picked up some steam in their long-range plans to establish a foothold in the American market. In their third foray into the market, 17 Canadian manufacturers are showcasing their spring collections at the McAlpin Hotel.

**Workmanship, styling, stun U.S. buyers led to seeing Canada as conservative**

By HELEN BAHEN  
During a recent exploratory trip to Montreal, a group of U.S. store presidents, merchandise managers and buyers admitted they received from Canada's conservative fashion a few years ago, said they were shocked by what they found.

**N.Y. Show Encourages 40 Canada rtw Firms**

By TOM McDERMOTT  
NEW YORK — A contingent of Canadian rtw and sportswear manufacturers launched its biggest assault on the American apparel market.

**17 firms show the flag in New York**

NEW YORK — The show, its kind, the first was last November, and both were arranged by the Canadian government. Buyers from major U.S. cities are looking at the same collection of rainwear.

**Orders bigger than expected at government-sponsored show**

NEW YORK — Orders totaling \$700,000 were written at the federal department of industry, trade and commerce at the McAlpin Hotel here. Second part of the show takes place at the same location June 1-12.

**Workmanship, styling, stun U.S. buyers led to seeing Canada as conservative**

NEW YORK — Canadian sportswear and outerwear manufacturers have picked up some steam in their long-range plans to establish a foothold in the American market.

be Ottawa Citizen

**Canadian apparel manufacturers happy in U.S.**

By Stephen Scott  
NEW YORK — Possibly not contented looking at the show, the U.S. store presidents, merchandise managers and buyers admitted they received from Canada's conservative fashion a few years ago, said they were shocked by what they found.

offering prints, fabrics and colors that Americans do not know or find are not easily obtainable. While the manufacturers

The showing is staged by the department of trade and commerce as part of its policy of helping Canadians break into foreign markets. The department pays the amount to \$3,000,000 or

Canadian Shows Off rtw in U.S. Getting Bigger

# CANADA IS "IN" FASHION

64 THE TELEGRAM Toronto, Thurs. Nov. 21, 1969

**Canadian cool**

CANADA'S fashion industry reports a 144 percent increase in export sales to the United States during the months of January in July this year in 1968.

Canada to all percent from the 1968.

A repeat performance is happening this week featuring some misty coats, suits, rainwear, sportswear and dresses by 24 manufacturers. This preview will be followed Jan. 5 to 16 an event to coincide with the New York Market.

More than 100

**A New York**

**Quarante-cinq fabricants représentés au défilé des vêtements canadiens**

**Showing the flag in N.Y.**

WITH HELP FROM OTTAWA, Canadian manufacturers are beginning to open doors into the U.S. market.

Last week, 21 firms from Montreal, Toronto, Winnipeg and Vancouver

**Our apparel appealing to U.S.**

COMMENT

STYLE, April 21, 1969

Sat, Jan. 17, 1970 Page

# Apparels Invasion Started as Small Arms Attack

BEN DWORKIN, Trade Publicity Officer, Department of Industry, Trade and Commerce

On the morning of April 19, 1968, the representatives of 17 Canadian rainwear firms and four officers of the (then) Department of Trade and Commerce paced the halls of the seventh floor of the McAlpin Hotel in New York City anxiously awaiting the arrival of buyers.

After months of planning, organizing (and last-minute preparations) the "show was on the road". Canadian rainwear makers were ready to take on New York—and buyers from other points in the United States who were visiting the big city to make purchases.

The opening was something less than sensational. Our prospective "buyers" drifted in one by one, mostly out of curiosity. But they were not ready to write orders.

Some of the critics who came to view the show hardly helped to cheer things up. *Women's Wear Daily*, the bible of the industry, described the event as a "small-arms attack", although emphasizing the quality of the Canadian-made rainwear. But it was clear selling in the United States was not going to be an instant success; no group of firms, no matter how well organized, could crack the American market with a single try.

The second phase, opening January 2, 1969, was a little more encouraging. About 500 buyers from every part of the United States showed up. The business press was more encouraging. "Rainwear firms from Canada get a larger toehold", said *Women's Wear Daily*.

Canadian fashion editors who visited the show were also impressed. "Raincoats Cross the Border", said the *Ottawa Citizen*. "Forecast: Spring showers of U.S. Dollars", wrote Marjorie Wild, of the *Hamilton Spectator*. Mary Biner of the *Calgary Herald*

wrote: "Canada launches Rainwear Invasion".

Even the larger dailies in the U.S. were impressed with the Canadian effort and quality. "Members of Canada's Rainwear industry crossed the border like a downpour" was the heading of a half-page picture story in the *Chicago Tribune*. "Canada is Ready" was the heading of a feature story in the prestigious *Newsday* of Long Island.

The most practical items were in the trade papers. Helen Bahen of *Style*, the Canadian apparel paper, wrote "Rainwear manufacturers try to break U.S. market and find realism in \$250,000 sales."

The latter just about summed up the story. Total sales at the show were disappointing. The people in industry and Government alike found out that entry into the U.S. market was not going to be easy.

But it soon turned out that things were not as gloomy as they seemed. Canadian quality had more than casual appeal. For example, one Toronto rainwear man spent the entire two weeks in his New York sample room to go home with a single order for six coats. A few weeks later he received a repeat order for 5,000. Since then orders for this firm have soared to an annual business in the United States of close to the million-dollar mark.

By the time the second show opened on April 14, 1969, success was apparent. The event had been expanded to 21 firms and included coats and suits, as well as rainwear. There was no need for apprehension. Prospective buyers were lined up three deep by nine o'clock in the morning. They represented almost every major New York retail outlet and resident buying office.

Traffic was even heavier throughout the second phase from June 1 to 13. Buyers were impressed, writers were impressed. "Interest picks up at Canadian's New York show" wrote *Women's Wear Daily*. "U.S. buyers want merchandise Canada can offer" reported *Style*. The interest in the Canadian breakthrough of the American market was reflected in the coverage—on both sides of the border—by the Canadian and U.S. media. This included radio and television coverage on the CBC, stories filed by Canadian Press, sketches and stories in *Women's Wear Daily*, and stories and editorials in *Style*.

It was apparent throughout both phases of the third showings in November 1969 and January 1970 that the Canadian impact on the American market was continuing and growing. More than 1,500 buyers, many of whom came for the first time, responded to the direct mail and advertising programs of the Department of Industry, Trade and Commerce. The slogan "Canada is IN Fashion" became a familiar phrase.

When the fourth show opened in New York April 14 of this year, 43 firms were participating. They included most facets of Canada's ladies' apparel business. Trade writers reported that the Canadian showing was now a regular part of the market, and had become a part of buyers' scheduled visits during their trips to New York.

However, success cannot be taken for granted. Promotion is still important. The Department's publicity programs have been modified only slightly since the start but have been consistent. Direct mail and advertising in *Women's Wear Daily* to attract buyers from stores throughout the United States, plus an on-site directory for potential buyers at the show are the principal promotional tools.

A soft-sell approach has been applied for the first phase of the show. This consists of "Canadagrams" mailed to 15,000 buyers calling attention to the event and urging them to contact their resident buying offices in New York City suggesting they visit the show-rooms. The Canadagram contains the names of the participating companies, as well as the products, in brief "cable-gram" form. These are mailed out two weeks before the show and are followed by 1,000 gold-crested consular invitations to the New York area buyers.

The second-phase mailings are more elaborate. Fifteen thousand retail buyers receive an illustrated color brochure, with a full page devoted to each participating firm. This contains the price range of the products, the hotel room number of the exhibiting firm, and the names of the persons who are to be in attendance. The mailing of the booklet is timed to reach the buyers about two weeks before the opening of the showings. This again is followed by a consular invitation that reaches 15,000 buyers in all parts of the U.S. This has proved most effective. Hundreds of buyers have the invitation with them when they register.

The direct mail campaign is supported by advertisements in *Women's Wear Daily* consisting of two half-page ads for the first phase, and three for the second two-week phase of the promotion. Smaller "teaser" advertisements are placed in the paper to call attention to the major ads.

The industry has received much free publicity in the form of straight news reporting. Apparently the writers are as impressed as the buyers. There has been no letup of interest—surely a reflection of the quality the Canadian industry has to offer.

The Canadian shows have gone a long way in a short time. There is still a lot of hard going ahead, but there is every reason to expect that "Made-in-Canada" apparel will be part and parcel of the U.S. market for decades to come.

*This creation from Jocardi Ltd., Montreal, can be worn with or without the pants. The double-knit worsted fabric has a plain-and-rib detail.*



# California: Rosy Outlook in Men's Wear

GARY R. THOMAS  
Commercial Officer, San Francisco

The sudden and unforeseen fashion explosion in the staid men's apparel business has turned U.S. retailers' attention to foreign clothing manufacturers for newness in style and profit. U.S. firms are stuck with long runs and are unable to cope with the rapid styling changes demanded by avant-garde buyers.

For years there has been little or no men's wear traffic between Canada and the U.S. The American trade journal *Men's Wear* attributes this to several factors: Canadian producers accustomed to short runs and rapid changes; currency difficulties in selling abroad; import restraints in selling to traditional Canadian export markets like Britain. But Canadian manufacturers have now found U.S. buyers approachable and even anxious to look at new lines in tune with trends.

The northern Californian market is unique in that its eight million people are among the most sophisticated consumers in the nation. The 4.5 million residents of the San Francisco-Bay area have a per capita income ranking among the highest in the nation. Their choices in consumer goods, particularly apparel, mean that emphasis must be laid on quality in style, material and craftsmanship. Thousands of men's specialty shops have been created by this sophisticated demand, and it's a tough market to crack for the newcomer. But it can be done with adequate research and the proper lines, and buyers welcome the new look from the North.

Up until recently northern California has been overlooked by most Canadian manufacturers. But it is a major buying segment in the \$40 billion U.S. cloth-

ing industry. A Canadian newcomer to Northern California, one of the largest men's wear manufacturers, has achieved remarkable success and acceptance within a matter of months. One major retail chain, selling his line under their private label, reported that, while sales were down for men's clothing, there was one notable exception—the line carrying the "Made in Canada" tag.

One area of self expression available to individuals is the new look in clothing. And the Canadian clothing industry has several unique characteristics. While longer runs do contribute to lower costs, marketability in many clothing items is related to design, variety and exclusiveness, which are easier to obtain in shorter runs. And these things the Canadian industry does have. It is not surprising, therefore, that leading retail merchants are constantly seeking the newest in fashion and searching beyond the U.S. borders.

Five factors making the U.S. a prime export market for the Canadian clothing industry are as follows:

1. Proximity. These advantages are obvious.
2. Size. It is by far the largest and most affluent apparel market in the world with annual wholesale sales in excess of U.S.\$20 billion.
3. Cost. Canadian-made garments are highly competitive with those made south of the border.
4. Design. Until the past few years, the Canadian industry has been largely dependent on its southern counterpart for its designs. A rapid development in the Canadian design capability has occurred and achieved much recogni-

tion. This will ensure an increasing awareness by foreign buyers.

5. Size of Canadian companies. The smaller size of Canadian companies makes them more flexible and enables them to respond more rapidly to the constantly shifting demands of fashion.

Retail sales everywhere are declining because of the inflationary period and it seems that this would make it harder for Canadians to break into this market. But the opposite is true, especially at the consumer level. To offset the public's buying lethargy the retailer must offer new products, new ideas and new services to maintain profits. This is why Canadian manufacturers should begin investigating this market immediately—buyers are eager and consumers are waiting for something exciting. There has never been a time like the present for the men's apparel industry; literally, man has cast off his old blue serge suit, snow-white shirt and tiny tie. Northern California consumers have traditionally been among the best-dressed people in the country. They are ready for Canada and our fashions are ready for them.

But a word of warning. Exporters must make sure their products carry U.S. labelling requirements, information on which is available from the Apparel and Textiles Branch of the Department of Industry, Trade and Commerce, Ottawa.

Canada's competitive combination of styling, quality, and pricing should make what is at present a trickle of interest into an exciting flow of Canadian imports. For further information on how to penetrate this lucrative market write to the Canadian Consulate General, Commercial Division, One Maritime Plaza, Golden Gateway Center, San Francisco 94111.

# Canadian Outerwear Favorite in Midwest

**JEAN-GUY TARDIF**  
Vice Consul and Assistant Trade  
Commissioner, Cleveland

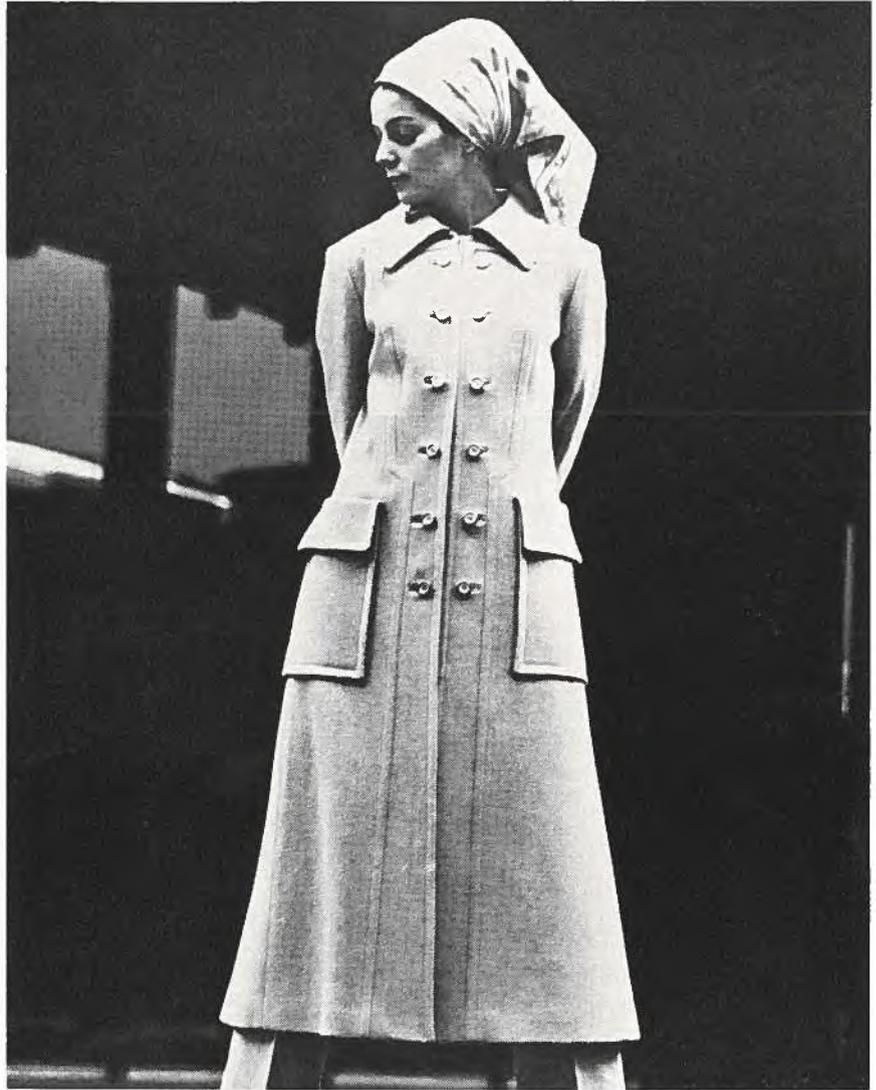
Apparel buyers in Ohio are turning to Canada as a major source of new fashions, particularly for outerwear.

Three years ago, most buyers in the United States in general and Ohio in particular, knew that Canada was a source of mink for apparel, but today they recognize that it produces and markets fashionable quality clothing at competitive prices in a wide choice of exotic fabrics and up-to-the-minute designs. This development has not only taken place in a relatively short time, but in the midst of the keenest competition from Europe, the Middle and Far East.

The potential for Canadian companies is far from exhausted, and great opportunities exist for competent manufacturers. Much of the success to date has been due to efforts of the clothing industry itself, which has become acutely aware of its own capacities; and to the Department of Industry, Trade and Commerce, whose promotions have provided on a nationwide basis the solid background from which it became possible to launch a comprehensive export program.

Several avenues have been used to tell the experienced United States buyers about Canada's products. Showings in New York are an ideal opportunity to develop an image through New York resident buying offices and through the visits of the apparel buyers from all over the United States who are constantly shopping the New York market.

An incoming mission program, designed to bring buyers to the Canadian scene, exposed many who had little previous contact with Canadian re-



*This double-breasted midi coat comes from Marie France Juniors of Montreal, and is made from imported fabric. With a climate similar to Ontario's, sales potential for Canadian fall and winter apparel is unlimited in the U.S. Midwest.*

sources. They were flown to Montreal where manufacturers presented them with fashions and trends intelligently priced and unobtainable elsewhere. The reaction has been positive and many mutually profitable relationships emerged.

The message was conveyed in the field through the Trade Commissioners in the various Consulates. The Cleveland office, for example, has gained entry into all the major stores in its territory of Ohio, Kentucky, West Virginia and Western Pennsylvania.

The publicity on the various programs has been complemented by personally discussing with department store personnel, both at managerial and operational levels, Canadian abilities in fashion designs, profitability of merchandise and consumer acceptance.

Stores are being encouraged to shop Canadian suppliers in Winnipeg, Toronto and Montreal. This gives them a chance to make an on-site evaluation of the manufacturers' potentials, the scope of the industry and the sales techniques employed.

On their return, many buyers have publicized through corporate channels the products that are available north of the border. The image has been established and the doors opened but much remains to be done.

Most of the territory covered by the Consulate in Cleveland has a similar climate to Southern and Central Ontario. The potential for outerwear sales is unlimited, but to date the market has only been scratched. Fall and winter clothing, knits, leathers and furs from Canada are readily accepted as synonyms of quality and good value.

Spring and summer lines are placed in a more difficult position with several domestic and foreign manufacturers catering to a well established clientele. Against this competition emphasis has to be placed on style, reliable deliveries and pricing.

If you are interested in selling in Ohio, use the following approach:

1. With the help of a customhouse broker develop a c.i.f. (cost, insurance, freight, and duty) price for Cleveland, Ohio, 8 per cent 10 days, EOM. On shipments over 250 pounds, it is usually more economical and reliable to ship by air and there are several flights daily from Toronto to Cleveland. Air Canada will be pleased to help you.
2. Analyze your production capacity and if it should be substantial, consider appointing an agent who would cover a protected territory.
3. Find out from the Apparel and Textiles Branch of the Department of Industry, Trade and Commerce the buying season for your products in a particular area. Enquire about the



*A coat of Borg-Luxuria, a 100 per cent orlon acrylic material, trimmed with raccoon fur, is one of the new creations by Irving Posluns Sportswear, Toronto.*

possibility of participating in trade shows or regional markets.

4. Once you have selected the appropriate date for a selling trip, contact the Canadian Consulate, 55 Public Square, Cleveland, Ohio 44113, phone: A.C. 216/861-1660 at least three weeks prior to your proposed visit.

5. Advise how long you will stay and whether you wish to visit other cities in the territory, (Pittsburgh, Columbus, Cincinnati, Louisville, etc.). Hotel reservations may be arranged by this office.

6. Reserve the Consulate display room which is free to you. If you wish, appointments will be made with qualified buyers from department stores, boutiques and/or specialty stores.

7. Five days before your scheduled arrival, confirm your plans by tele-

phone. Advise promptly of any change in your program.

Your success depends on your products and your salesmanship. The Consulate can open doors and initiate contacts, but selling is your responsibility.

The Cleveland Consulate covers a market of approximately 23½ million people spread over an area of 135,000 square miles. It includes eight of the top 10 marketing areas in the United States. Ohio alone has retail sales of over \$2 billion.

There is still ample room for Canadian garment manufacturers to sell successfully in the Midwest. Cleveland is only one hour away from Toronto by air, 2½ from Montreal and 3½ from Winnipeg.

Welcome to the Midwest market.

# Shows Double U.S. Sales

W. H. LAMBTON  
Assistant Editor, "Foreign Trade"

NEW YORK—Many of the accompanying articles on apparel in this issue emphasize the difficulty of breaking into the U.S. women's wear market, particularly for a manufacturer on his own. U.S. buyers are busy people, extremely difficult to contact. They know what they want and they know where to get it. And they are not very good at returning phone calls from little-known foreign manufacturers anxious to sell their products. How, then, do you meet these men and women who hold the key to the market?

The answer, obviously, is the trade show sponsored by the Department of Industry, Trade and Commerce. The "Canada Is IN Fashion" show, which has been held twice a year in New York since 1968, had about 40 exhibitors this year. Some of them have been in the show every year, and some had broken into the market on their own account years before the show got going. Where else, they explain, can we get to meet so many buyers in so short a time, and with so little effort? Chances are that the buyer we have been trying for months to meet will actually call in on us during the show—rather a turn of the tables, in fact.

This women's apparel show has more than doubled the export trade for this industry in the three years it has been operating. In 1963 total Canadian exports were worth \$12.9 million. In 1967, the year before the first show was opened, the figure was \$27 million. In 1968 the figure reached \$40 million and last year it was \$62 million, of which \$43.3 million was to the United States alone. The figures for this year are equally promising in that trade was up 25 per cent for the first quarter over the same period last year. On-site sales at this year's show were more than \$1 million and follow-up orders are anticipated.

*The Canadian apparels show in New York is something U.S. buyers cannot afford to miss. Murray Pedvis of the House of Bradley in Montreal shows some of his products to happy-looking buyers (left to right) Christopher Whitehead and Audrey Bernstein of Cymbeline, Ltd., Staten Island, and Nikki Berman and Susan Comitlo of Silver Plum, Brooklyn.*





*Here a dress with an Indian motif is being shown during show to Robert and Madeline Lust, buyers from Something Else, Cedarhurst, New York, by Irving Dobrofsky, export manager of Jonathan Legault Originals (High Gear), from Montreal.*

I questioned many exhibitors about the acceptance in the U.S. of women's apparel from Canada. They unanimously replied that it was because of quality and delivery dates. The quality came mostly in the finish of the garment—better stitching, better hems, extra buttons. Besides, Canadian firms can provide quicker delivery than their U.S. competitors because of the smaller runs made in Canada. Another point mentioned was that Canadian firms usually accept small orders, something that apparently takes the buyers by surprise. Canadians are confident enough in the quality of their products to believe that the initial trial order will lead to bigger and better ones.

One West Coast manufacturer told me how he once filled a very small order for coats. Six months later he was again able to contact the buyer, who then placed a much bigger order. He

explained that the first shipment had been interspersed among other products on the store's racks, but had been picked out by discriminating customers. If more had been ordered from Canada, the store would have been left with its stock of unsold non-Canadian garments, and therefore these had had to be sold first.

Price, I was told, is not considered to be that important except in the budget to moderate price range, provided it is reasonably competitive, as most Canadian garments are. Delivery, however, is very important, and at least one manufacturer has his own New York warehouse.

It takes patience to be a successful exhibitor. While you are standing around waiting for a customer you may be wondering how things are going at home, you may start thinking of those

domestic buyers you hadn't been able to meet. And your feet start hurting. One or two of the exhibitors last month couldn't take it, packed up and left. The others nodded in sympathy, but maintained it was a mistake. Even if sales at the show were minimal, being there meant exposure of their products to the right people, something most difficult to get anywhere else. And if buyers looked at certain products and passed them up, it was an ideal opportunity to find out why.

Most exhibitors, even those with export sales in the millions of dollars, toured the New York clothing stores whenever possible to see what was being offered and to make comparisons with their own products, which they invariably found of better quality within the same price range. Many of them were not content to wait for buyers to come on their own: they made up lists

each day of people to 'phone, to remind them of the show and to make appointments. As for the home market, some of the visiting buyers were from Canadian stores, such as Morgans and Simpson Sears in Montreal. This effectively answered the complaints of the exhibitors who had packed up and left early.

During the first four days of the show more than 200 buyers came to call, buyers from as far away as California, South Carolina, Florida, Texas, even Japan; buyers from such big stores as Macy's, Gimbels, Abercrombie and Fitch; and buyers from the large buying houses such as Associated Merchandising Corporation. They may not all have bought—exhibitors agreed the market this year was a bit tight—but they came, more of them than at any other show, and they saw what Canada had to offer.

Buyers questioned were full of praise for both the show and the products on display. They considered it the best

organized national show of any, and the best for the buyer to find what he wanted because the various types of garments—coats, sportswear, dresses, etc.—were grouped together. They also praised the publicity given the shows before they opened. It was informative, telling the buyers what they could expect to see, and was widespread enough across the country that people could not fail to be aware of the dates and the location.

The future for this industry looks likely to fulfill the promise of the present, which has been accomplished by a completely competitive industry over U.S. import tariffs ranging from 8½ per cent to 42 per cent.

The main thrust for exports will continue to be in the United States where the projected sales for 1970 are \$60 million. But despite the increase achieved in so short a time, it is not an easy market, and persistence on the part of manufacturers is still of the utmost importance.

## Fashion Canada

A program to help Canadian design creativity in the apparel, textile, footwear, leather and allied industries was launched earlier this year. Sponsored by the Department of Industry, Trade and Commerce, the major industry associations and participating provinces, the Fashion Design Assistance Program will also help to build a prestige image of Canadian fashion and increase the international competitiveness of Canadian apparel by providing an environment to encourage and retain Canadian fashion design talent.

In launching the program, Industry, Trade and Commerce Minister Jean-Luc Pepin emphasized the need for more original Canadian fashion creativity if the industry is to maintain and improve its position in domestic and export markets. He said one aspect of the program will provide bursaries for advanced studies for designers.

The program is in two parts: promotion, and designer development. Promotion, under the registered name of Fashion/Canada, will consist of color moving slides with sound for distribution to regional and foreign trade posts, retailers, TV stations and interested groups; film clips of fashion trends for similar distribution, and large photographs for point-of-sale displays. There will also be promotion in Canadian and foreign news media. A major fashion show of Canadian designed apparel will be staged annually, starting next year.

The designer development part will consist of grants for selected graduating designers who have consistently demonstrated talent and ambition. The grants will help them to study at foreign design training centers. Manufacturers will also be encouraged to provide more on-the-job training by an incentive program similar to that offered by the Training in Industry program. For further information, write to Apparel and Textiles Branch, Department of Industry, Trade and Commerce, 112 Kent Street, Ottawa 4, Ontario.



*Fernando and Susan Menendez (seated), brother and sister buyers from Material Things of Cedarhurst, New York, negotiate a sale with Creations Jacqueline Familant, Montreal. Their comment on Canada's show was expressive: "Simply great."*

# Aussies Use Canadian Equipment in Antarctica

Research in frigid Antarctica is creating sales for Canada since Canadian capability in developing equipment for use in the Arctic is being readily applied to the bottom of the world as well.



*Approximately half of the Australian overseas expenditure in the Antarctic is on goods like this Canadian vehicle.*

**ROBERT J. MCGAVIN**  
Assistant Commercial Secretary,  
Melbourne

Antarctica covers 5,402,000 square miles—just slightly less than the combined areas of Australia and the United States. Ninety-eight per cent of the continent is covered by ice believed to be more than 6,000 feet thick. Antarctica's cold and harsh climate has a mean annual temperature at the coast of 0 degrees F; 400 miles inland it is minus 30 degrees F and at 900 miles

inland it is minus 60 degrees F. These temperatures are combined with strong winds.

Nevertheless, Antarctica provides and will continue to provide scope for research for meteorologists, oceanographers, glaciologists, climatologists, biologists, botanists, physiologists, upper atmosphere physicists, seismologists and research in radio propagation. The equipment they need to live and work there are largely developments of Canadian industry.

In 1957-58 (International Geophysical Year—IGY) Antarctica was the target of a concentrated and extensive series of investigations designed to open up the unknown continent and determine the scope and nature of the problems.

Ten nations were active in Antarctica in 1967: United States, U.S.S.R., Britain, France, Japan, New Zealand, South Africa, Chile, Argentina, and Australia. Previously, Norway and Belgium were involved but have now withdrawn. The Antarctic Treaty pro-

vides for complete freedom of access to scientific expeditions to any part of the Antarctic continent for inter-change of scientific information obtained and exchange of scientific personnel.

Australia's immediate interests are in Australian Antarctic Territory, comprising the islands and territories other than Tere Adélie, situated below latitude 60° South and between longitude 45° and 160° East. These interests extend to her sub-Antarctic possessions—Heard Island, MacDonal Islands and Macquarrie Island. With an area of 2,360,000 square miles, including 4,700 miles of coastline, Australian Antarctic Territory comprises 3/7 of the total area of Antarctica.

In 1947, the Australian Government formed the Australian National Antarctic Research Expedition (ANARE), which has set up four stations throughout its territory. They are each manned by approximately 15 to 25 men, including scientists, maintenance staff, medical officers, radio operators and mechanics. From 1949 to 1968, the planning and management of ANARE was the responsibility of the Antarctic Division of the Department of External Affairs, but in 1968, it became a division of the Australian Department of Supply.

Australia will probably continue and increase its interest in Antarctica.

There is some wild speculation of inhabiting Antarctica to foster tourism at McMurdo Sound and establish airports to link Australia and South America. But the most likely cause for settlement would be for the development of mining interests.

In terms of numbers of men used and funds spent on research in the Antarctic, Australia ranks behind the United States, Russia and France but in the Southern Hemisphere, Australia is the most advanced nation in scientific research and technological achievements.

The support of the Antarctic expeditions, as provided by the Antarctic Division of the Department of Supply, includes the provision of transport, buildings, radio communications, food, clothing, power and amenities. The total cost of the Australian Antarctic operation is Cdn. \$3 million per year compared to Cdn. \$2,400,000 in 1962. Half of the Department's overseas purchases for Antarctica were covered in the \$70,000 worth of equipment bought from Canada. (Of the total Antarctic expenditure, a high percentage is for rental of ice-breakers.) Purchases from Canada include polar clothing, (all the handwear, footwear and headgear worn by Australians in the Antarctic is of Canadian manufacture) tracked vehicles, snowmobiles, collapsible buildings and miscellaneous types of equipment and machinery.

Purchasing officials in the Antarctic Division find that Canadian Arctic expertise can be applied in the Antarctic. They are anxious to hear of developments regarding equipment and supplies that withstand polar conditions. For instance, polar clothing, modes of transportation, building innovations, accelerated freeze-dried foods, diesel generators, drilling equipment and communication equipment would be of prime interest. Supplies and equipment purchased by the Australian Department of Supply enter duty free.

The Department of Supply purchases goods for the Antarctic six to nine months prior to the three sailing dates of the chartered ships.

Although Canada is supplying numerous goods to the Commonwealth Department of Supply, Antarctic Division, it has been indicated much more could be supplied as Canadian domestic conditions and Canadian experiences in the Arctic give manufacturers expertise in extreme weather conditions. Canadian manufacturers can distribute information about their products by contacting the Trade Commissioner Office in Melbourne or by advertising their products at the annual consultative meetings held by the member nations of the Antarctic Treaty. The next meeting will be held in Tokyo in October 1970.

*Australians look to Canadian Arctic expertise to help them in their own polar territories. These individuals in Antarctica are wearing Canadian manufactured footwear, handwear and headgear. Canadian goods enter on duty-free basis.*





# Caribbean Haven Adding Tourist Facilities

R. A. FAIRWEATHER  
Consul and Assistant Trade Commissioner, San Juan

When Christopher Columbus made his second voyage to the New World in 1493, he discovered the Virgin Islands. Since then, these islands, lying approximately 40 miles east of Puerto Rico, have been ruled by many countries—France, England, Spain, Holland, Denmark and the United States. Today the most westerly islands of Saint Thomas, St. John and St. Croix are an incorporated territory of the United States, and the most easterly, composed of Tortola, Virgin Gorda, Jost Van Dyke and Anegada, are a colony of the British Government.

**U.S. Virgin Islands**—Under Danish rule, sugar and rum were traditionally the backbone of the economy. But as the cost of sugar production increased, the economy waned and Denmark found its Caribbean possessions a financial burden. Thus, in 1917 the United States, realizing the strategic importance of these islands, purchased them from Denmark for \$25 million. St. Thomas and St. John are respectively about 32 square miles and 20 square miles in area. Their mountain peaks rise 1,500 feet above sea level. St. Croix, the largest of the three islands, is 40 miles south of St. Thomas and is the agricultural and industrial center of the islands.

The Virgin Islands have a nearly perfect climate, an average annual temperature of 78 degrees, with rainfall hardly ever exceeding 50 inches per year.

The past decade has been the most spectacular in the history of the U.S. Virgin Islands. Through a system of industrial

incentives, there has been a major expansion of industrial activity. Today the islands have 12 large watch assembly plants, employing more than 600 workers with payrolls of approximately \$3 million. In addition, Hess Oil Virgin Islands Corporation and Harvey Aluminum Virgin Islands, Inc. have a combined investment exceeding \$150 million. Tourism, however, remains the most important industry for the 65,000 inhabitants. To accommodate the heavy flow of visitors, new condominium apartments and hotels are being built. Today, per capita income is one of the highest in the Western Hemisphere.

This rapid development of the economy has overburdened existing utilities. The greatest problem facing the Virgin Islands and their industrial development is the lack of adequate electric power and the non-existence of fresh water sources. All water comes either from desalination plants or rain catch basins.

Tourism undoubtedly added to the growth of the U.S. Virgin Islands. With the closing of Cuba to American visitors in the late 1950's, tourists began to look elsewhere in the Caribbean for a vacation spot. It was then that the Virgin Islands began to experience their substantial growth.

Sunshine and clear waters are not the only things to attract tourists. Many come for just one day to take advantage of the free port status of these islands. By agreement between the Danish and United States Governments at the time of

transfer, the islands were guaranteed their "duty free" status although, in fact, a tariff of 6 per cent is levied on all imports.

With the coming of the Hess Oil Refinery, the Virgin Islands chief import now is crude petroleum. Previously, the leading import item was watch movements. Other principal imports are liquor, gasoline, jet fuel, kerosene, perfumery and toilet preparations.

Between 1960 and 1968 the value of imports rose from U.S.\$42,275,000 to \$260,160,000, and exports increased from U.S.\$8,412,900 to \$153,782,800. In 1968, 923,000 tourists spent just over U.S.\$100,894,000.

Canadian exports to the Virgin Islands have averaged just under \$1 million over the past several years. Liquor makes up almost half of this. The duty free shops offer a considerable market for Canadian exporters of jewelry, arts, crafts and liquors and a small but attractive market exists for high fashion apparel.

The major problem for Canadians is the lack of adequate shipping services between Canada and this area. The Alcoa Steamship Company provides regularly scheduled marine service on a weekly basis from New York. There is also bi-weekly freight service available from Miami and some of the container shipping services are now calling regularly. Most items from the U.S. mainland, however, are shipped via Puerto Rico.

**British Virgin Islands**—Only four of the many islands which comprise this British colony can be considered of any significance. These are Tortola, Virgin Gorda, Jost Van Dyke and Anegada. Their total area is 60 square miles. With the exception of Anegada, which is a coral and limestone formation and flat, all the islands are volcanic in origin and very hilly. The surrounding waters are reputed to be the finest sailing and game fishing waters in the world.

Population of the British Virgin Islands is in the region of 11,000, approximately 8,000 of which is on Tortola and concentrated in Road Town, the capital.

Unlike their neighbors the U.S. Islands, the British Islands are still relatively undeveloped as far as the tourist industry goes. There are 12 hotels and guest houses with a total of 400 beds. There are plans to develop more adequate hotels because existing ones are rather small and do not provide the services usually found in a first class establishment. None the less, to those who wish to escape from the hustle and bustle of a large Canadian city and find complete relaxation, the British Virgin Islands is the place.

Realizing the growth potential, many foreign banks, including the Bank of Nova Scotia, have established branches in Road Town. It is interesting to note that while the British Virgin Islands are in the sterling area, the local currency, by tradition, is the U.S. dollar. This creates a unique situation because there are special exchange control regulations in force governing the conversion of sterling to U.S. dollars for investment purposes. The regulations are somewhat ill defined and complex and not recorded specifically for easy reference.

Residents of the B.V.I. are completely free to maintain accounts in and deal in U.S. dollars for purchase of real

estate or investments outside the trading area. The element of control is enforced in every transaction where the conversion of sterling to dollars is concerned. Under general terms a resident of B.V.I. will normally receive permission to convert sterling to dollars for any deals with nonresidents providing the transaction is deemed by the Financial Secretary to be of benefit to the islands.

Like their U.S. neighbors, there is only a limited supply of public water, but there are plans to tap underground springs in the Palaquita Bay area. The main source of water at present is from the catchment of rain into cisterns attached to individual buildings, or from wells in various parts of the islands.

Most of the land in the islands is privately owned although there are still sizeable areas in Virgin Gorda and Jost Van Dyke that are crown lands. It is intended that these areas will be developed as soon as formal plans are completed by the Government. Although crown grants for freehold title have been given, it is more common for such land to be leased for 99 years.

Main exports of the territory, such as they are, are live-stock, fish, food and vegetables and some handicrafts, most of which is marketed in the U.S. Virgin Islands. Imports come entirely from Britain, the U.S. and Puerto Rico.

In 1960 the territory imported goods to the value of U.S. \$856,000 and exported goods worth \$182,000. In 1968 figures for imports and exports respectively were U.S.\$6,599 million and \$145,000.

There is very little in the way of industry with the exception of a plant making hollow concrete blocks, a small mineral water factory, rum distilleries and a ready-mix concrete operation. In practically all instances these concerns cater to the local market, meeting the demand to various degrees.

Tourism is the anticipated future industry. Already through this medium the islands' invisibles have increased considerably, helping the territory to reduce its deficits. To keep pace with this development, the Government has invested or is planning to invest in some development projects, such as a deep water harbor for Tortola, extension of roads and highways, schools and community facilities.

Adequate shipping facilities between Canada and this area are a major problem. Any goods from Canada have to be shipped via Puerto Rico or another Caribbean island. In many instances this proves unsatisfactory. But the growth of the tourist industry and the contemplated construction of several hotels make it an area that should be investigated.

The recently-established Canadian Consulate in Puerto Rico is responsible for trade promotion in the Virgin Islands. Anyone requiring further information on these two territories should write to the Consul and Trade Commissioner, Canadian Consulate, 1606 Pan Am Building, Hato Rey, Puerto Rico 00917. If you have a product which you feel may be of interest to importers in the Virgin Islands, please bear in mind that Trade Commissioners from Puerto Rico visit the area periodically to service the Canadian business community.

# Head Office Directory

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<b>Deputy Minister</b>		
J. H. Warren	6-3560	22
Executive Assistant: A. A. Lomas	6-3560	
<b>Senior Assistant Deputy Minister (Industry and Trade Development)</b>		
Andrew G. Kniewasser	2-1037	22
Executive Assistant: Ian Wood	2-7428	
Special Assistant: Gilles Morin	5-6293	22
<b>Assistant Deputy Minister (Trade and Industrial Policy)</b>		
Maurice Schwarzmann	2-2649	19
Executive Assistant: R. A. Kilpatrick	5-6980	
<b>Assistant Deputy Minister (Operations)</b>		
Robson G. Head	5-6277	12
Executive Assistant: J. L. de Lorimier	5-6580	
<b>Assistant Deputy Minister (External Services)</b>		
T. M. Burns	2-5969	7
<b>Assistant Deputy Minister (Administration)</b>		
A. Sénécal	2-0056	22
<b>Minister without Portfolio and Minister Responsible for the Canadian Wheat Board</b>		
The Hon. Otto E. Lang	5-7127	5
Executive Assistant: E. J. Ratushny	5-7127	5
<b>Grains Group</b>		
Co-ordinator: R. M. Bryden	5-7127	5

## Trade and Industrial Policy

<b>Assistant Deputy Minister</b>		
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Executive Assistant: R. A. Kilpatrick	5-6980	

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<b>International Financing Branch</b>		
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Executive Co-ordinator: T. E. Bocking	6-5390	13	<b>TRAVEL INDUSTRY BRANCH</b>		
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C. Varkaris	5-8308	3	E. G. Eccles	5-8726	7
<b>Export and Import Permits Division</b>			<b>TRADE COMMISSIONER SERVICE</b>		
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<b>Industrial and Trade Enquiries Division</b>			Director: R. C. Anderson	2-6800	6
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<b>Directories Section</b>			Director: H. S. Hay	2-5456	6
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K. A. Prittie	2-6435	4	Latin America and Caribbean		
Assistant Director, Canadian Operations			A. T. Eyton	2-3058	6
R. H. Tippet	2-3186	4	United States		
<b>International Operations Division</b>			N. L. Currie	6-5140	6
Chief: K. V. D. Gardner	5-7164	4	<b>Development</b>		
<b>"Canada Courier" Division</b>			D. M. McCracken	5-8070	6
Chief: P. Bomford	5-7489	4			

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<b>Market Research and Analysis Division</b>			Chief: W. R. Parkinson	2-0012	15
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<b>U. S. Market Development Division</b>			Director		
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<b>Overseas Market Development Division</b>			<b>Fashion Adviser and Co-ordinator</b>		
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Executive Assistant: J. L. de Lorimier	5-6580	12	Chief: H. Sherman	2-1048	8
<b>Programs Office</b>			<b>Textiles Division</b>		
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G. S. Conger	5-7249	14	<b>Leather and Footwear Division</b>		
<b>AEROSPACE, MARINE AND RAIL BRANCH</b>			Acting Chief: L. J. Henderson	2-1051	8
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Chief: E. P. Bishop	2-0051	9	Chief: Dr. H. A. Showalter	2-1591	14
<b>Company and Support Programs</b>			<b>Tourist, Hospital and Education Division</b>		
Director			Chief: G. W. J. Rahm	2-1068	14
H. R. Footitt	6-2035	9	<b>Programs Division</b>		
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Chief: H. A. Staneland	5-6405	9	<b>ELECTRICAL AND ELECTRONICS BRANCH</b>		
<b>Propulsion, Marine and Rail</b>			General Director		
Chief: H. Roberts	2-1569	9	E. A. Booth	2-8160	10
<b>Ship Subsidies</b>			Director		
Chief: H. K. McIntosh	2-7830	9	T. C. Jones	2-2243	10
<b>AGRICULTURE, FISHERIES AND FOOD PRODUCTS BRANCH</b>			Assistant Director, Program Management		
General Director	2-1289,	15	G. R. Logan	2-8366	10
M. J. Heney	2-1489	15	<b>Marketing Adviser</b>		
Director			R. Sangster	2-8897	10
J. MacNaught	2-1100	15	<b>Electronics Division</b>		
<b>Livestock, Meat and Dairy Products Division</b>			Chief: C. D. Quarterman	2-1091	10
Chief: L. H. McMillan	2-0001	15	<b>Electrical Division</b>		
<b>Cereals, Bakery and Edible Oils Division</b>			Chief: V. E. Tant	2-9043	10
Acting Chief: H. T. Armstrong	2-0015	15	<b>Consumer Products and Components Division</b>		
<b>Fruit, Vegetables and Special Crops Division</b>			Chief: P. U. Aasgaard	2-9084	10
Chief: A. J. Stanton	5-8245	15	<b>Special Projects Division</b>		
			Chief: R. Sangster	2-8897	10

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Acting General Director and Secretary, Machinery Equip. Advisory Board		
W. H. Chandler	2-5800	11
Director		
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Chief: J. H. O'Connell	2-0324	11
<b>Mechanical Equipment Division</b>		
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<b>Industry Machines and Engineering Services Division</b>		
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Director		
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<b>Non-Ferrous Metals Division</b>		
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<b>Construction Division</b>		
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<b>MECHANICAL TRANSPORT BRANCH</b>		
General Director		
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Director		
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<b>Special Projects</b>		
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<b>Automotive Industries Division</b>		
Asst. Chief: W. J. Patrick	5-8231	5
<b>Automotive Assistance Division</b>		
Asst. Chief: O. V. Lonmo	2-4478	5
Acting Secretary: F. Wanko	2-0021	5
<b>Agricultural, Construction and Special Vehicles Division</b>		
Asst. Chief: D. Izzard	2-1027	5
<b>Technological Assistance Division</b>		
Chief: R. H. Linden	2-1024	5

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<b>Lumber, Plywood and Panel Products Division</b>		
Chief: E. W. Smith	2-0068	13
<b>Furniture and Secondary Wood Products Division</b>		
Chief: M. N. Murphy	2-1545	13
<b>Programs Division</b>		
Head: R. H. McGee	2-0095	13
<b>Printing and Publishing Division</b>		
Chief: P. L. MacDougall	2-0093	13

### Regional Offices in Canada\*

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Sir John Thomson Building 1256 Barrington Street Regional Manager: D. J. Packman (Territory includes Newfoundland)	014-422829	426-3851 (area code 902)
<b>FREDERICTON, New Brunswick</b>		
Eastern Canada Building 212 Queen Street Regional Manager: F. D. Grimmer (Territory includes P.E.I.)	014-4640	454-9707 (area code 506)
<b>MONTREAL 128, Quebec</b>		
Suite 1700, Commerce House 1080 Beaver Hall Hill Regional Manager: J. G. Touchette	0120280	879-6254 (area code 514)
<b>TORONTO 111, Ontario</b>		
Toronto-Dominion Centre Suite 3001 P.O. Box 114 Regional Manager:	0221691	369-3711 (area code 416)
<b>WINNIPEG 1, Manitoba</b>		
Suite 1104 Royal Bank Building 220 Portage Avenue Regional Manager: G. A. Gillespie	035287	985-2381 (area code 204)
<b>REGINA, Saskatchewan</b>		
Saskatchewan Wheat Pool Building Suite 651 2625 Victoria Street Regional Manager: G. A. Cooper	0312745	525-9814 (area code 306)
<b>EDMONTON 15, Alberta</b>		
802 Chancery Hall 3 Sir Winston Churchill Square Regional Manager: W. Mackenzie Hall	0372762	422-7178 (area code 403)
<b>VANCOUVER 1, British Columbia</b>		
2003 Board of Trade Tower 1177 West Hastings Street Regional Manager: J. F. Murray	045391	666-1434 (area code 604)

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

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# PAKISTAN

*Pakistan has had to contend with many problems since it became a self-governing state in 1947. Some were compounded by the division of the country into two "wings", East and West Pakistan, separated by 1,000 miles of foreign country.*

*In the following series of articles our Trade Commissioners from Islamabad analyze various aspects of the country's economy and look at certain sections of its industry.*

*Ancient and modern pass before Karachi's Municipal Corporation building. The country faces major political, economic changes.*



# Static Economy Seeks Change

J. E. G. GIBSON, Commercial Secretary, Islamabad

Pakistan's economy continues to remain rather static as political uncertainties in the nation persist. Although general stability returned quickly after martial law was proclaimed in March 1969, longer term prospects have been sufficiently vague as to preclude new investments by Pakistan's conservative businessmen.

This uncertainty comes on top of four month-long series of industrial disputes in early 1969 which upset production schedules, ruptured channels of distribution and sent prices rocketing upward. Thanks to a very prosperous first half of the fiscal year 1968-69, the gross national product increased last year by nearly 5 per cent. This was, however, well below the growth target set by Pakistan's planners.

The past fiscal year which began on July 1, 1969, included a critical foodgrains shortage in East Pakistan and a decrease in imports and exports, all of which have severely affected the balance of payments position. The Government, having recognized the the problem, intervened in selected areas and further strong remedial actions are expected before mid-1970.

The foodgrains crisis resulted from poor rice crops in East Pakistan with lower than expected wheat yields in West Pakistan. Abnormally dry and hot weather held the wheat crop down to 6.5 million tons, enough to satisfy West Pakistan's requirements but not enough to provide a surplus for consumption in the East Wing. Floods and insect damage to rice crops left East Pakistan with a foodgrains gap of 1,700,000 tons, which is being filled with nearly 1,000,000 tons of U.S. PL480 wheat, grants of wheat from Canada, Australia, the European Economic Community, Germany and Britain, rice purchases from Japan repayable in kind, plus commercial purchases of wheat from the United States and Australia.

Given the continuation of present ideal growing conditions, this year's wheat crop should exceed 7,000,000 tons. This should leave at least 500,000 tons available for shipment to East Pakistan, which will be required as reports of rice crops in that area are again disappointing. There is a good possibility that Pakistan will require aid imports of wheat in 1970, although probably not as much as last year.

Other major contributors to agricultural output are jute and cotton. Jute, grown in East Pakistan, is the nation's largest single earner of foreign exchange. Last year's production amounted to 7.2 million bales which represents a good crop, but deliveries have fallen off since then and the current surplus available for export stands at 3.7 million bales. The latest cotton crop is estimated at 3.1 million bales in West Pakistan, slightly more than last year's total. Raw cotton and cotton textiles are important export items and are likely to be developed.

The current fiscal year will complete Pakistan's third Five Year Plan. The GNP growth target set for this year is 6.5 per cent but there are indications that this will not be met because of anticipated shortfalls in industrial output. Industry in general has suffered from acute shortages of raw material occasioned by some non-availability of aid financing, plus severe import restrictions that have increased import costs. New labor laws have also boosted production costs and caused work stoppages (though not on last year's scale). Finally, industrialists and investors are carefully watching the political situation, which is likely to be uncertain until the end of this year; consequently new investments are not being made and inventories are being carried at low levels. This trend is particularly evident in East Pakistan where, apart from publicly owned companies, new investments are negligible with the exception of jute manufacturing plants.

A serious detriment to economic growth during the past year has been Pakistan's very poor export performance. Indications are that exports will not match last year's figures and indeed may not exceed the total for 1967-68. Factors contributing to this set-back arise from the internal disturbances that thoroughly ruptured distribution and marketing channels and drove industrial prices up to a level from which they have not returned. These factors combined with labor disputes probably cost the nation as much as one month's production during early 1969, and industry is only now starting a slow recovery.

Exports have also been affected by Pakistan's multiple exchange rate system. Today, it is impossible to import a raw material at prices artificially inflated by Pakistan's bonus voucher system, process it and then export the finished goods at a profit. Many Pakistani manufacturers have realized this and have simply stopped their export efforts. None the less, it is significant that exports of manufactured goods will show an increase of about 12 per cent this year. Most of this is accounted for by cotton textiles and jute manufactures—both cotton and jute being indigenous.

Pakistan's fourth Five Year Plan was due to begin on July 1 this year. Political factors during the past year have prevented the plan from being settled and as matters now stand, there seems every likelihood that the first year will be an uncertain period.

In the past, aid funds and other development allocations were made to either East or West Pakistan. Although the bulk of population is in East Pakistan most of the foreign aid allocations seem to end up in West Pakistan where wealth is concentrated. East Pakistanis have long complained about this. Last year's disturbances gave them ample opportunity to demonstrate their griev-

ances, which they did with considerable effort.

By the middle of this year, West Pakistan is to be divided into four separate and autonomous provinces; this will presumably dilute the power of this area, leaving East Pakistan as the most powerful single voice.

Elections for a National Assembly are to be held on October 5, 1970. The first job for the assembly will be to draw up a new Constitution which, if approved, will be the basis for replacing the existing martial law administration. Even if this initial process goes smoothly, it will be early 1971 before the real business of government can begin. Representation in the assembly will be based on population, which means that East Pakistan should be the dominating voice.

It is obvious that a Five Year Plan starting before these major changes take place must be flexible. It is expected that the fourth plan will involve a development expenditure of 75,000 million rupees, an increase of nearly 50 per cent in real terms over the third plan.

Principal targets of the fourth plan will be an annual growth rate in GNP of 6.5 per cent, creation of 7.5 million new jobs for a projected 6.5 million new workers coming on the market, annual increases in exports of 8.5 per cent, major flood control programs in East Pakistan, better communications and more power. Another aim will be to reduce reliance of foreign aid by saving and re-investing 20 per cent of additional income generated during the plan. Given a foreign debt servicing ratio today of 20 per cent and every prospect of a substantial increase before 1975, the planners will have their hands full. Pakistan is already attempting to secure softer terms from her creditors. Even if this is successful, a rescheduling of debts could be required before 1975.

Canadian exports to Pakistan during 1969 amounted to Cdn.\$22,141,938 and included a wide range of products covering 231 headings in the Dominion Bureau of Statistics classification. Leading exports by value were railway diesel locomotives, woodpulp, aluminum ingots, and fertilizers.

In addition to actual exports during the year, unfulfilled orders on Cana-

dian suppliers' books amounted to approximately Cdn.\$14 million at December 31, 1969.

When the foreign figures are added to earnings from consulting engineering services (estimated at between Cdn.\$2 million and \$4 million annually) it becomes clear that Pakistan is an important overseas market for Canadian goods and services.

The major contributing factor is Canada's bilateral aid program with Pakistan. After India, Pakistan is the largest individual recipient of Canadian assistance funds. Canada is a member of the Aid-to-Pakistan Consortium which is co-ordinated by the World Bank and includes the U.S., Britain, West Germany, Sweden, Belgium, Italy, Netherlands and France. Our Consortium pledge during the current year is U.S.\$27.2 million comprised of both grant assistance and development loans on interest-free terms repayable over 50 years, including a ten-year grace period. Canadian International Development Agency financing terms are the softest of any offered within the Consortium.

Additional bilateral assistance extended during the current year has included a food aid grant of Cdn.\$4 million covering the supply of approximately 57,000 tons of soft wheat to East Pakistan, plus the annual allocation by the Export Development Corporation of Cdn.\$7.5 million. EDC terms for Pakistan are extremely favorable and vary according to the product being offered.

As indicated earlier, one of the most serious problems faced by industry in Pakistan has been, and still is, a shortage of raw materials. To counteract this, the Government of Pakistan has persuaded its donor nations to switch project assistance funds into non-project areas such as industrial raw materials and fertilizers. Canada's commodity assistance program, which is being extended, at present amounts to Cdn.\$20.7 million (see accompanying table.)

Additional allocations on a grant or loan basis have been made to cover the provision of electrical generation and transmission spares and diesel locomotive spares.

The balance of Canada's pledge is being used for technical assistance such

as scholarships in Canada, for financing feasibility studies on foodgrains storage and handling and on construction of an aluminum smelter, and for financing on-going projects including the Karachi nuclear power plant and several other projects in East and West Pakistan.

A major call on future assistance funds will be made after the signing of a soft loan agreement to finance two earth satellite ground stations. R.C.A. Limited of Montreal has been selected to provide and construct both stations and the project should be completed by late 1971. Communication between East and West Pakistan has been a problem since the nation was created in 1947 and there seems little doubt that this has impeded development and national unity. The plan calls for the construction of a satellite communications transmitting/receiving station in West and in East Pakistan. Utilizing the Indian Ocean satellite, instant radio, telephone and television communication between West and East will become a reality.

Three major areas of Canadian activity in Pakistan are electrical generation and transmission, transportation, and telecommunications. Based on present and projected figures, we are forecasting a continuation of the first category and substantial sales in the latter two. Pakistan International Airlines will shortly introduce short haul passenger services in East and West Pakistan using STOL aircraft. There is every likelihood that de Havilland Twin Otter aircraft will be used on the new routes and negotiations are in hand at the present time. If successful we see a substantial requirement for STOL aircraft during the 1970's.

Because most of Pakistan's imports are financed on soft aid, export finance or barter terms, and because the nation lacks foreign exchange, any exporter seriously approaching this market must be able to offer very favorable terms if he intends to establish a long-term market for his products. The only notable exception to this rule is military equipment, but even here there have been instances where short to medium term financing has been provided. It should be noted that exports of Canadian defence products to Pakistan are restricted to items of a non-lethal nature.

Pakistan's export performance in the Canadian market improved considerably last year. Imports from Pakistan in 1969 amounted to Cdn.\$7,064,211, principally jute and cotton in raw and finished product form. Sales during 1968 were Cdn.\$4,767,432, and increased exports to Canada contrast with global export performance.

As any visitor to Pakistan quickly learns, high quality merchandise can be obtained here. At present, however, the only areas where Pakistan's exports are competitive are in those products the content of which is wholly or almost wholly indigenous. With rare exception, Pakistan goods made with imported raw materials have been priced right off world markets.

The explanation for this lies in Pakistan's over-valued rupee coupled with the Government's efforts to control imports and exports and the foreign exchange supplies through a system of bonus vouchers (see the article on page 37). Under this system the cost of raw material imports is not fully recovered in finished product exports at competitive world prices.

Another brake on exports is the difficulty and high cost of obtaining funds to cover costs of overseas trade promotion. These problems are well known to the Government of Pakistan, which is faced with some agonizing decisions about its balances of trade and payments. Happily, the signs are that strong measures will be taken soon.

#### HOW CANADA HELPS PAKISTAN

Item	Allocation Cdn.\$ million
Woodpulp	3.6
Aluminum	2.5
Copper	3.5
Fertilizers	2.0
Asbestos	1.5
Synthetic rubber	1.0
Lead	.5
Zinc	1.6
Tallow	.55
Sulphur	.5
Uranium	1.176
Rapeseed	2.0
Miscellaneous	.274

## Opportunities in Transportation

*Part of a \$10 million order for Canadian diesel locomotives leaves the dock at Montreal for Pakistan Eastern Railways.*



J. E. G. GIBSON  
Commercial Secretary, Islamabad

Critical factors contributing to economic development are efficient transportation and rapid communications. Few nations in the developing world have been faced with transport problems such as Pakistan's and fewer still are dealing with them successfully.

Before the break-up of British India, principal centers of distribution were Calcutta in the East, Madras in South India, Bombay on the west coast and, to a lesser extent, Delhi in the center. After partition in 1947, the Islamic State of Pakistan was created out of two separate territories, one consisting of several provinces of north-west India and the other carved out of a sector of East Bengal. The two areas known as West and East Pakistan are divided by nearly 1,000 miles of India, and apart from their common religion, there is little similarity between the two. None of the major centers in British India became part of Pakistan.

Having attained nationhood, Pakistan was obliged to build a separate economy based upon centers that had formerly been of secondary importance. The establishment of two separate economies, in terms of transportation, was unavoidable given the separation of East and West Pakistan. Today the major rail centers are Lahore in West Pakistan, and Chittagong in East Pakistan. Both these places were divisional centers before partition. East Pakistan's deepwater port is Chittagong, and there are numerous inland ports, the largest of which are Khulna and Narayanganj (near Dacca). In West Pakistan the only deepwater port, and the only shipping port of consequence, is at Karachi. As a matter of interest the population of Karachi at the time of independence was 250,000. Today it has a population of 3,500,000 and is the largest city in Pakistan and the major commercial center.

Railway services in what is today West Pakistan have been in operation for 108 years. At partition in 1947, Pakistan Western Railways was left with mostly worn-out equipment that had to be replaced as quickly as possible. Another problem faced by both East and West Pakistan Railways was that all available coal deposits were in India and were inaccessible to Pakistan. Fur-

thermore, the establishment of an international border between Pakistan and India placed new strains on the existing rail line between Lahore (and other up-country centers) and Karachi when the port of Bombay became inaccessible to Pakistan exporters.

Fortunately West Pakistan inherited a basic railway complex that has considerably eased the transition to a self-sustaining unit and on which it has been possible to expand. Today's route distance in West Pakistan is 5,335 miles. Curiously the amount of annual passenger and freight traffic has remained fairly constant in recent years at five billion freight/ton miles and six and one-half billion passenger miles. Principal competition has come from road freight haulers who operate with few restrictions and have no difficulty in undercutting the railroads. As a result road traffic has increased by 65 per cent over the past five years.

In recent years there have been few new investments to increase capacity but considerable expenditures have been made on updating existing facilities, including the purchase of diesel locomotives, rails and track materials and the trial electrification of a small sector on the Lahore-Karachi main line. In the next five years it is expect-

ed that a similar program will be followed at a cost of about 1,080 million rupees. We expect that Canadian suppliers of locomotives, track material and railway communications equipment could be in a position to participate in P.W.R.'s requirements during that period.

Pakistan Eastern Railways is becoming a major customer for Canadian equipment. MLW Industries, a division of MLW-Worthington Limited, has just completed delivery of an order for 40 mainline diesel locomotives financed by the Export Development Corporation. This year P.E.R. will purchase rails and track materials from Canadian suppliers. These purchases are being financed under a CIDA Loan of \$11 million. A second similar program appears possible in 1973-74.

At partition, East Pakistan inherited 1,618 route miles of the former Bengal and Assam Railway. Little growth has taken place, the route mileage now being 1,777 miles. However, traffic has grown substantially and now stands at 1.1 million ton-miles, plus heavy passenger traffic. Traffic growth is estimated at 5 per cent annually, which should dictate further track rehabilitation programs and purchases of new and replacement equipment.



*Workmen lay brick paving along part of the Balloki-Suleimanke Canal in the Indus Basin, which is being developed with assistance from the World Bank and Canada, among other countries. There are many opportunities for Canadians in Pakistan.*



*Rice crops in East Pakistan are again expected to be poor this year, which means that aid imports of wheat will probably be needed. Last year there was a food grains gap of 1,700,000 tons. Seen above are farmers preparing land for rice.*

These programs should include doubling the track over several main routes, conversion of all narrow gauge sectors to broad gauge, introduction of modern telecommunications, replacement of several railway bridges and additions to the passenger and freight ferry fleet operated by the railway. It is expected that P.E.R. will be allocated 1,050 million rupees for these programs over the next five years.

Following the successful introduction of Canadian equipment, we anticipate repeat business, provided sufficiently attractive credits are made available.

**Roads**—The bulk of economic growth in the transport sector has been taken up by Pakistan's road system. Annual average rate of traffic increase in West Pakistan is 15 per cent while the corresponding figure for East Pakistan is 12 per cent. Actual operation of road transport services is done by private companies whereas practically all other forms of transport are operated or controlled by the Government.

Growth prospects for road transport remain high. But a constricting factor that will soon become very serious is the poor condition of main highways. With rare exceptions the major arteries are barely wide enough to allow passing and, although blacktopped, are not strong enough to support heavy North American type vehicles. The economic

losses due to low speeds and small payloads are now apparent and Pakistan's next Five Year Plan will give high priority to road improvement. Tentative roadworks allocations for West Pakistan and East Pakistan are 1,100 million rupees and 1,250 million rupees respectively during 1970-75.

Apart from the road construction, greater emphasis will probably be laid on building up domestic vehicle production. At present a few cars and trucks are assembled in Pakistan but very few components are produced. A car is very much a luxury in this country. Programs encouraging local component production and higher Pakistan content will probably be introduced in the next few years.

**Air**—West Pakistan centers of population are about 1,000 miles from Dacca, the capital of East Pakistan, and inter-wing communication has always been a crucial factor in binding the nation together. But because of the distances it is a costly operation.

Pakistan International Airlines, with frequent inter-wing flights, carries most of the passenger traffic. P.I.A. was formed in 1954 by combining three small carriers into a government-owned corporation with exclusive rights to internal traffic and to act as the nation's international carrier. Today the airline possesses a modern fleet of jet

and turbo-prop aircraft serving more than 30 Pakistan centers and 26 overseas nations. P.I.A.'s service to Shanghai and Canton remains unique among free world carriers.

Of immediate interest is P.I.A.'s plan to introduce "Third Level" services using short take-off and landing aircraft by the end of 1970. These services will be provided at first in East Pakistan where there are several centers of population without rapid communication facilities, and extended later to West Pakistan, particularly to connect northern cities with outlying centers in mountainous terrain.

The type of STOL aircraft to be purchased will be decided soon. Among the aircraft being considered is the de Havilland Twin Otter. Six aircraft will probably be purchased initially but all indicators point to a very high growth market that should cause a rapid expansion of the STOL fleet.

Tourism is not a major industry in Pakistan but the day cannot be far off when Pakistan will be "discovered"—certainly there is plenty to see here. In anticipation of this, P.I.A. has established good services and a substantial airport development program is in progress. A new airport is being completed at Dacca and improvements are planned or being carried out for several other centers. Several new airports are proposed, including Chittagong and Khulna, and at least 12 STOL ports for East Pakistan alone.

**Sea**—Almost all inter-wing cargo must go by sea and, with perennial food shortages in East Pakistan, shipment of available surpluses from the West wing has placed a heavy burden on existing services. Pakistan's merchant fleet consists of fewer than 90 ships totalling about 750,000 deadweight tons. Most of these ships are dry cargo type.

As a major foreign aid recipient, Pakistan regularly absorbs large amounts of imported raw materials, fertilizers and other commodities. Of the nation's foreign trade, 14 per cent is carried in Pakistani ships. Pakistan's principal carrier, the National Shipping Corporation, operates services to many nations, including Canada, and is in the midst of a rapid tonnage expansion program. By the end of 1971, its fleet

should comprise 36 relatively modern vessels. There are also several privately owned carriers mostly involved with coastal or inter-wing traffic.

As mentioned earlier, West Pakistan possesses only one deep sea port, at Karachi, which handles about nine million tons of cargo annually. Cargo traffic is expected to double during the next decade, and a World Bank loan is being used to modernize the port and build new jetties and handling facilities.

Similar expansions are being done at Chittagong in East Pakistan.

The final word on shipping relates to inland services in East Pakistan, where most of the people live by the water and many earn their living from it. The most common vessel to be seen is a hand-built barque, weighing about six tons and powered by sail. It is common, on a calm day when the current is running against the barque, to see its crew plodding along the shore

towing the vessel! The impact of this is staggering when it is realized just how much cargo is moved by water.

The Inland Water Transport Authority, an East Pakistan Government agency charged with the operation of all waterways except the two deep sea ports, has a long range plan to standardize on a few types of vessels to meet all requirements. There will be several feasibility studies for this which might interest Canadian firms.

## Classification Controls Imports

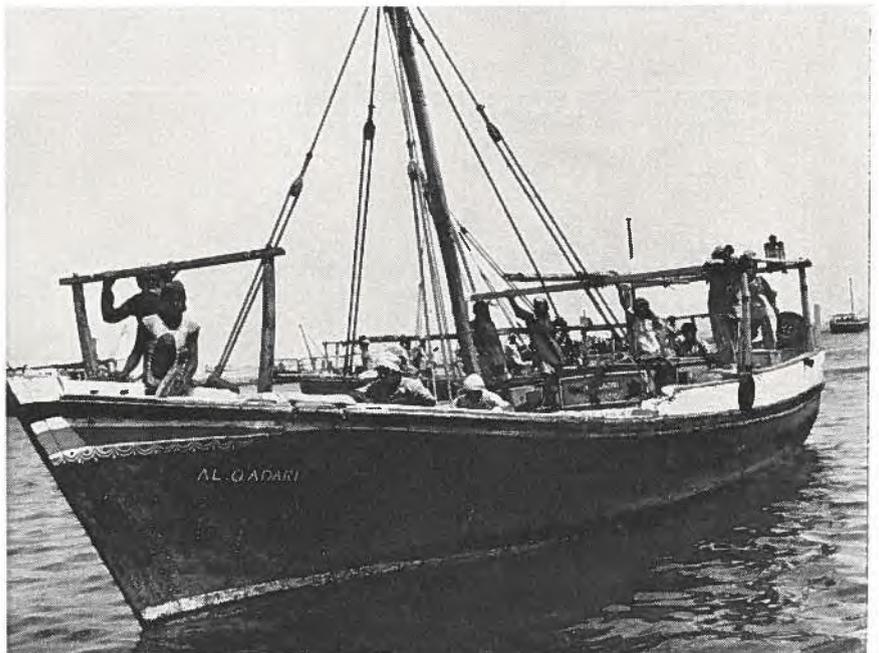
N. H. JAFRI and M. Y. FAROOQUI, Commercial Officers, Islamabad

When Pakistan was created in 1947, all imports were put on Open General License (OGL), and traders were free to import anything from any source. Thanks principally to the Korean war, which gave Pakistani exports a great boost, this was the situation until late 1951, when a mammoth import bill combined with price falls in jute and cotton brought about a severe foreign exchange crisis and the awareness that import control was required.

Early in 1952 a rigid quota system was introduced. Licences were issued to importers at a fixed percentage of their past import performance for a given commodity but were subject to the availability of foreign exchange. Import quotas were liberalized in 1959 to increase the flow of essential raw materials, spare parts and components previously subject to strict licensing. A set-back occurred in 1965, when Pakistan spent large amounts of free exchange on defence imports. The situation, however, improved in 1966 and over-all imports have not fallen off since then.

Today, the major objectives of Government import policy are fuller utilization of existing industrial capacity, promotion of exports, import substitution and stabilization of prices at reasonable levels.

Foreign exchange expenditure on imports is regulated by the Ministry of Finance through licence allocations to



*A typical mechanized Pakistani gill-netter sets out from port for the shrimp grounds.*

the public and private sector. The Chief Controller of Imports and Exports issues licences to the commercial and industrial importers in the private sector, and the public sector importers are granted licences by the Ministry of Finance or the Department of Investment Promotion and Supplies.

Every six months, the Government of Pakistan issues an Import Policy order classifying all imports under one of four general entry groupings. These are:

**Free List**—Includes almost all essential industrial raw materials such as iron, steel, non-ferrous metals, dyes and chemicals, tools and spare parts. All imports under this category must be financed under bilateral aid and barter agreements.

**Licensable List**—Contains a few raw materials and intermediary goods such as petroleum and petroleum products, plus food, fertilizers, drugs and medicines. Also included in this list are

items of a capital goods nature, replacement parts and components for export-oriented industries. Licences are issued only against proof of export performance.

**Cash-cum-Bonus List**—Covers a broad spectrum of industrial and commercial goods plus those items shown in Free and Licensable Lists which do not meet import criteria under the relevant category. Under this list an importer has to purchase bonus vouchers for half of his entitlement to get cash licences for the remaining half. This involves an effective surcharge of 90 per cent on imports.

**Bonus List**—Comprises consumer and luxury goods plus other items not classified under the other lists. This system is an export promotion tool under which an exporter of notified commodities receives a voucher entitling him to repurchase a percentage of his foreign exchange earnings after surrender of all foreign exchange earnings to the State Bank of Pakistan. This voucher is legally transferable and

currently sells on the stock exchange at a premium of about 180 per cent.

It is in the Free List system that some import "liberalization" has occurred. All Free List imports are financed under credits and barter arrangements. Industrial end-users can import up to their entitlement provided funds are available. No formal import authorizations are issued by the Government but control is maintained by the Chief Controller of Imports and Exports who controls import quotas depending on availability of funds.

Export oriented industries and those engaged in defence production and agricultural processing normally receive cash import licenses under the Licensable List for their requirements not covered by the Free List.

Industries are also allowed to supplement their stock of raw materials importable under the Free List, Cash List and Cash-cum-Bonus List by importing under the Bonus List without any upper limit. The industries are

thus enabled to work at optimum levels. However, these imports are tied to specific donor countries.

The most recent development has been a widespread imposition of Price Equalization Surcharge on most goods classified under the Free List. The surcharge equalizes prices of industrial raw materials imported under the Free and Cash-cum-Bonus Lists and limits imports to the absolute minimum because it increases the price upon which ad valorem rates are applied. The Government from time to time signifies the commodities—currently 19—on which the surcharge is liable. Of interest to Canada are: copper rods and ingot, aluminum ingot, synthetic rubber, zinc ingot, sulphur and lead.

The net effect of this surcharge has been to price most imports at the unofficial but real trading value of the Pakistan rupee. It should be borne in mind that the rupee is set officially at an over-valued level and the currency is not allowed to be traded freely in world money markets.

# Building Telecommunications

H. W. GUY, Assistant Commercial Secretary, Islamabad

Numerous factors contribute towards the economic, industrial and agricultural prosperity of a nation. One of these important factors is a reliable and efficient transportation and communications network. The development of communications has received high priority in Pakistan's second and third Five Year Plans, and is expected to have as high a priority in the fourth Five Year Plan which started July 1 this year.

Before 1947, this area was part of British India. At partition in 1947, Pakistan inherited a system of telecommunications that was oriented to serve the Indian capital of New Delhi, and major Indian cities of Bombay, Calcutta and Madras. The West Pakistan cities of Lahore and Karachi had some development, but East Pakistan in particular had little. Pakistan had, therefore, to build a telecommunica-

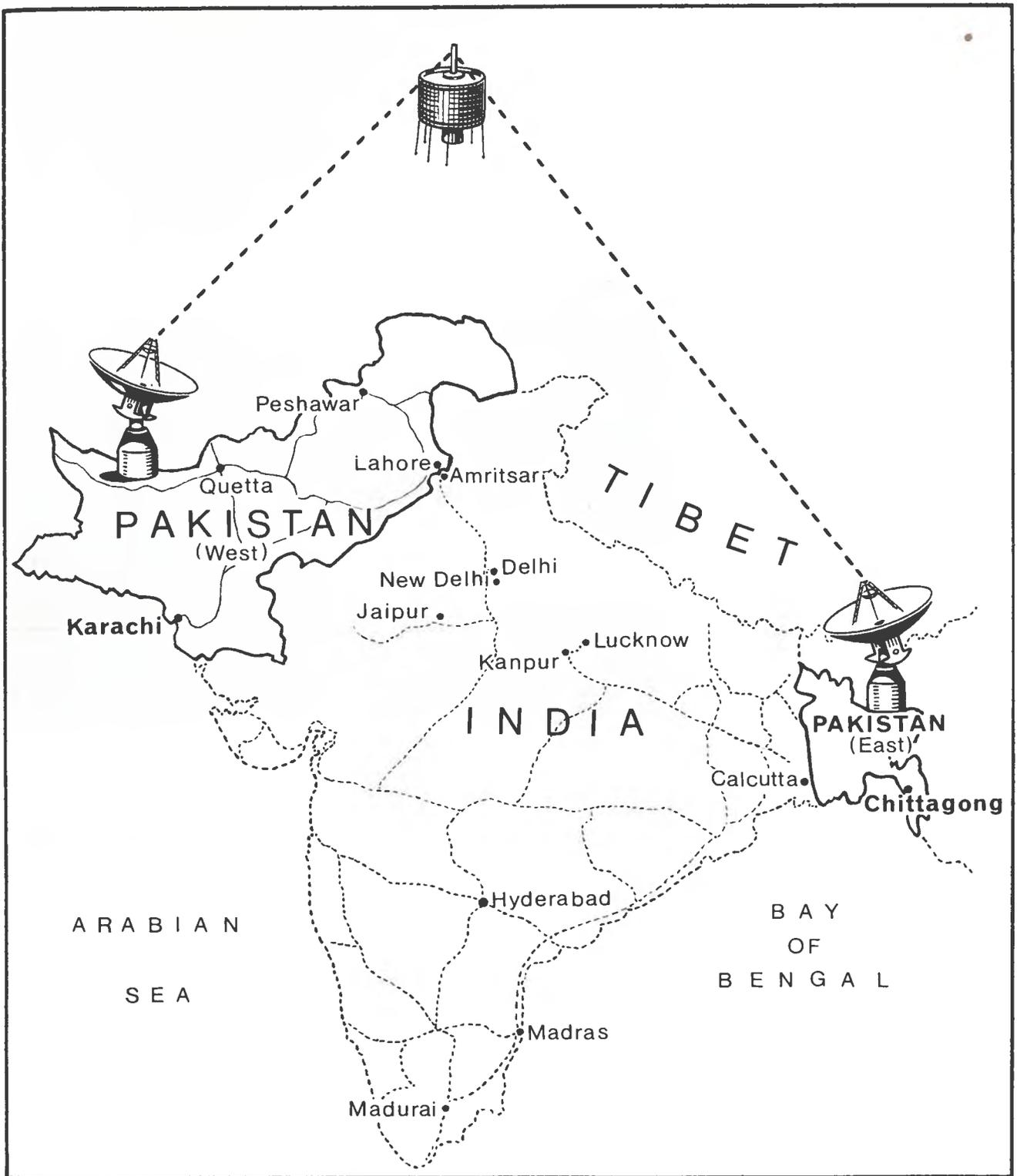
tion network to meet immediate and long-term goals.

The geographical position of Pakistan with its two wings separated by 1,000 miles of a foreign country added other problems that have not as yet been entirely overcome. Telecommunication networks were restructured for north-south routes in each wing and for interwing transmission. The first step towards this re-orientation was taken in 1955 with the first Five Year Plan but, because of financial difficulties and numerous uncertainties, no significant progress was made.

The second Five Year Plan targets, however, were exceeded by better planning and more consistent efforts. This was continued into the third Five Year Plan, when telecommunication facilities were doubled, facilitating the growth of the economy. The ini-

tial efforts were to provide telecommunication services to Government Departments for administrative purposes, but as a general rule the private sector demands received the major attention.

Although separated by 1,000 miles, there is only one Telephone and Telegraph Department to cover telecommunications in both wings and for interwing traffic. This Department is responsible to the Ministry of Communications of the Central Government and functions as a semi-autonomous government agency with its own Board of Directors and management personnel. It is responsible to and dependent upon the Central Ministry for the approval and financing of development plans. It is also responsible for both telephones and telegrams, which means the systems are integrated.



*A graphic presentation of the earth stations in each wing of Pakistan using the Comsat Satellite over the Indian ocean.*

Because Pakistan suffers from a shortage of foreign exchange, it was decided to start manufacturing as many products as possible within Pakistan. To that end, a joint venture was arranged with Siemens and Naiske of West Germany, which supplied the technological expertise and much of the component parts as well as a training program for Pakistanis.

A telephone factory was established at Haripur in West Pakistan, and there has been a continuous increase in the variety and quantity of equipment produced. This factory is now able to supply small and large varieties of private automatic exchanges; carrier equipment for long distance communication; point to point subscriber trunk dialing systems; tele-

printers, assembled from imported components; manufactured teleprinter exchange equipment, and manufactured Voice Frequency Telegraph equipment.

For the fourth Five Year Plan, a project has been approved to manufacture about 50 per cent of the components of teleprinters, which will

reduce foreign exchange spending. This means the Haripur factory will expand to meet the expected increase in demand for telecommunication equipment.

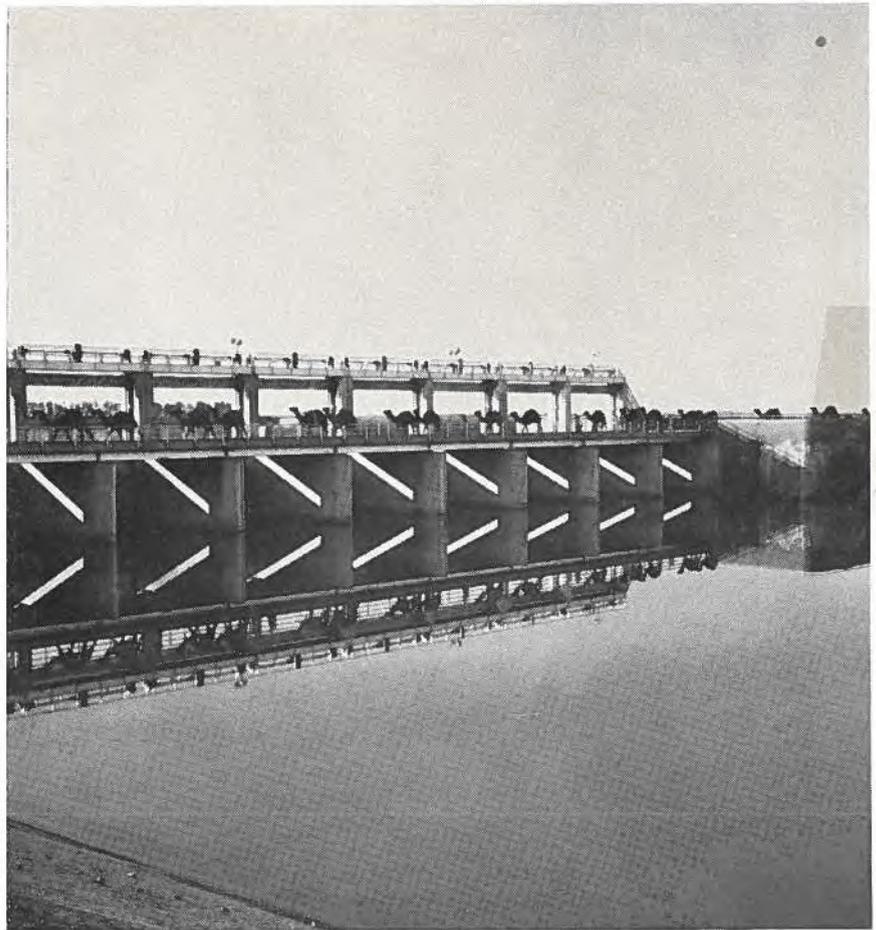
A second factory has been established in Dacca, East Pakistan, to provide some of the equipment required in East Pakistan, based on components manufactured at Haripur. It will have a capacity to produce exchange equipment for 20,000 lines and 20,000 instruments per year. In 1969, the production figures at Haripur were 38,000 auto exchange equipment and 67,300 instruments.

A cable factory has been built in Khulna, East Pakistan, to produce cables for the Department and will have an annual capacity of 225,000 conductor kilometers. This will supply both East and West wings of the country. Another factory is to be located in Islamabad, West Pakistan (the capital), to produce long-distance carrier telephone and Voice Frequency Telegraph equipment for the entire country.

Bearing in mind that the population is about 130 million, these statistics show that telephone communication is still in its infancy. The total number of telephones in Pakistan by the end of 1970 is expected to be only 280,000, with planned installation rising to 1.5 million in another 10 years.

The modernization and expansion plans of the Department will include the installation of conventional and co-axial cables, radio relay and radar systems, air navigational aids in both wings and the building of two earth satellite stations using the Comsat Satellite over the Indian ocean. At present interwing communication is by high frequency radio which is unreliable, inefficient and over-subscribed.

High frequency radio communication served a useful purpose in Pakistan but suffers from many shortcomings, due in part to the seasonal variations of a tropical climate. HF radio will continue to be used but interwing communication will eventually be handled almost entirely by satellite. It is in this area that Canada is making its largest contribution to telecommunication in Pakistan. The construction of the earth stations is being financed



*A camel caravan on the Trimmu bridge where the Jhelum and Chenab rivers meet.*

by the Canadian International Development Agency, and the contract has been awarded to RCA (Canada), following an international tender call.

The total contract will be for \$11.8 million and will involve a good deal of Canadian electrical and electronic equipment. In conjunction with this, the International Development Agency of the World Bank is financing cable and microwave facilities in both wings. The total IDA loan is U.S.\$15.4 million and here again Canadian equipment has a strong chance of capturing some of this. The completion of earth stations and microwave networks will enable interwing direct distance dialling and provide telex facilities between both wings. It will greatly relieve the HF radio system. In addition the earth stations will have television facilities for interwing broadcasts.

The development of satellite communication is extremely propitious, given the present political climate of the Asian sub-continent. The Pakistan Telephone and Telegraph Department

had been considering either a submarine cable between Karachi, West Pakistan, and Chittagong, East Pakistan, through the Indian ocean, or a Tropospheric Scatter System between both wings via Katmandu, Nepal. Both would have severe limitations of capacity and expense.

The microwave systems to be constructed in both wings under the IDA credit will extend about 1,700 miles. These will connect Karachi with Peshawar via Hyderabad, Lahore, Rawalpindi/Islamabad in West Pakistan, and Dacca with Chittagong, Khulna, Narayanganj in East Pakistan. The West wing microwave network will be connected to the RCD network linking Karachi with Ankara, Turkey, via Tehran, Iran, and to the East wing network by satellite stations. With these developments completed, probably within the next two years, Pakistan will have the components for a good telecommunication system.

Television, still in an early stage, is being expanded to use the facilities of the satellite communication system.

Pakistan Television Corporation, a quasi-government agency, has the responsibility for developing services and program input. It plans to extend TV transmission to about 77 per cent of the population of East Pakistan and 56 per cent of West Pakistan by the end of 1970.

The project has been approved by the National Economic Council of the Central Government and entails the establishment of four broadcast stations at Karachi, Lahore, Rawalpindi and Dacca; 13 re-broadcast stations, seven in East Pakistan and six in West Pakistan, which will relay programs telecast by the main studio; three audience participation studios; and two central production units.

Preliminary work has been done to introduce educational television. Ford Foundation financed a study that presented a report which may become the guideline for supplementing formal classroom education at the secondary

school level. The Television Corporation plans to start with science subjects in the 1971 academic year and initially serve 1,000 schools through the Secondary School Boards of Lahore and Dacca.

With the eventual extension of transmission, programs suitable for rural audiences will be beamed in daylight hours to supplement agricultural extension services, teaching improved methods of cultivation, and to provide education on public health and civic concepts. Community viewing sets will be installed in schools and rural areas.

A separate body, the Electronics Co-ordination Board, has been established to co-ordinate manufacture of TV sets. It is expected that during the fourth Plan, a Pakistani limited company will be established in collaboration with a foreign manufacturer to assemble the sets and eventually manufacture component parts. It is

hoped to manufacture at least 50 per cent of the components in Pakistan.

In both these areas of communication, the supply of some of the necessary equipment from Canada has been or will be made. This is particularly true for the Pakistan Telephone and Telegraph Department, where cable wire is presently being supplied, as well as microwave training equipment. Additional electrical and electronic equipment will soon be supplied to build the two earth stations for satellite communication between wings.

The physical separation of East and West Pakistan has created numerous problems, and the value of instantaneous and reliable telecommunications cannot be overlooked. Business and industrial communities will also benefit in their interwing and international dealings. Educational TV and interwing communication should also lead to better understanding between the various regions of Pakistan.

*The Karnafuli River in East Pakistan provides hydro power for Chittagong and Dacca, via Canadian transmission line.*



# Look North to the Great Land



The fastest growing state in the U.S., Alaska has opportunities for Canadians in housing, oil industry requirements and virtually all manufactured products.

R. J. ARCHAMBAULT, Consul and Assistant Trade Commissioner, Seattle

The land has always been there, hanging from the top of the world, huge, powerful, wild and rich. Only in recent years have people started to recognize the wealth. The inhabitants of the Aleutian Islands called this land "Alaska", meaning "Great Land". It is unique among American states in that it is the most northerly, the most westerly and the most easterly. In 1867, the year the U.S. paid Russia \$7.2 million for the territory, it was named "Seward's Folly" to "honor" the American who negotiated the deal. Just over a century later, in September 1969, several companies paid exactly \$900,041,604 at an historic oil lease auction for only a small part of "Seward's Folly".

At present, the local economy centers upon the construction of an 800-mile Trans-Alaska Pipeline, from the Arctic oil

fields of Prudhoe Bay to the coastal city of Valdez where a terminal will be erected. Three major oil companies, Atlantic-Richfield, Humble Oil and British Petroleum, had originally formed the Trans-Alaska Pipeline System (TAPS), a Houston-based consortium responsible for the construction of the pipeline. Five other companies, among which are Amerada-Hess, Phillips Petroleum, and Standard Oil of California, have since joined in the partnership of the TAPS project. Initially estimated at \$900 million, the cost of the 48" pipeline has now been revised upward to \$1.5 billion, which would make it the most expensive pipeline in the Western Hemisphere. The design calls for an ultimate capacity of two million gallons a day and 12 pumping stations. The pipeline will start operating, however, with five pumping stations and a daily flow of about 300,000 gallons. The

Valdez terminal, will have storage tanks and marine facilities capable of berthing three 250,000 and two 120,000-ton tankers, making it the largest on the West Coast. The oil reserves of Alaska are constantly re-estimated, with the latest figures ranging anywhere between 50 billion to 100 billion barrels.

Natural gas reserves are also extremely promising. Some of the natural gas is shipped to Japan in liquefied form. Gas lines from the Arctic region to the southern 48 states are planned and should be constructed soon after the oil pipeline is under way.

Scheduled to start last February and to be completed in the summer of 1972, the construction of the pipeline is being delayed due to insufficient technical data on the effect of hot oil running through perma-frost terrain. Legal procedures raised by various conservationist groups are also delaying the start. The required permit from the U.S. Department of the Interior is being held back and, consequently, last January TAPS decided to reject all bids on the pipeline and announced it will invite new bids from contractors only after issuance of the permit.

The optimists believe the construction will start by the fall of 1970 but a more cautious prediction is spring of 1971 with completion in 1973.

So far over 200 miles of the 48" pipe have already been shipped from Japan to Alaska. Heavy road machinery and Canadian-made construction camps were moved on an ice road to strategic locations north of Fairbanks during last winter. This equipment is for the construction of an all-weather access road running parallel to the pipeline between Prudhoe Bay and Fairbanks.

Many oil companies, anticipating a delay in the construction of the pipeline, changed their 69-70 winter program and concentrated their operations on "wild cat" exploration rather than drilling production wells. Most of the oil companies operating in the state maintain, at least for the time being, only a co-ordinating and engineering staff in Anchorage, the largest city of the state.

Decisions regarding Alaskan operations and requirements are chiefly the prerogative of company headquarters or divisions located south of the 49th parallel. The same operation pattern is used by many geophysical, drilling and pipeline contractors active in Alaska. Texas is headquarters for the largest number of oil companies and contractors with high investments in Alaska, followed by California, Oklahoma and Colorado, in that order. At a city level, Houston is by far the most important oil center, with Los Angeles, Dallas, Tulsa and Denver next in line. The major oil companies operating in Alaska, together with the locations of their responsible offices, are listed on page 44. In some cases, oil leases are jointly owned by several companies and one partner is selected to handle the operations for the group.

Phillips Petroleum, Shell, Marathon, Texaco and other oil companies that have production wells in Alaska buy their tubular goods and expendable items from local supply houses. Although the larger supply houses with outlets in Alaska are also based in the "Lower 48", there is an increasing number of locally-owned oil supply stores opening

up in both Anchorage and Fairbanks. When the Trans-Alaska Pipeline is completed, the greater number of production wells will necessarily require more direct servicing from local suppliers.

A look at the Alaskan foreign trade figures gives an indication of the fast rising economy of the state. In five years, from 1965 through 1969, imports have risen from \$7,800,000 to \$52,500,000. For the same period, Alaskan exports have jumped from \$36,700,000 to \$92,800,000. In 1969, Canada alone exported \$31,324,000 worth of goods to Alaska, more than half of the total imports of the state.

With aircraft, new and used, ranking first, one of the most spectacular Canadian exports is snowmobiles. In 1969, over 2,800 Canadian-made snowmobiles found their way to the Alaskan market. In another category, Canadian fishermen sold \$1,500,000 worth of halibut to Alaskan processors, making halibut one of the top Canadian exports to Alaska.

With an average annual population increase of 24 per cent between 1960 and 1967, Alaska has the highest growth rate in the nation. With the discovery of oil, the flow of people moving north, mainly from Washington and Southwestern states, has risen very sharply. Consequently, the present housing situation is a tight one, if not critical. Urban planning is one of the most needed and major programs for the two largest cities, Anchorage and Fairbanks. Anchorage alone is preparing for a population growth projected to reach one-half million by the turn of the 20th century.

Because of high costs of local labor, factory-built houses may prove to be the best solution for housing requirements which, obviously, will rise sharply upon the start and progression of the TAPS line. According to a recent survey on the housing shortage, over 78,000 new dwelling units will be needed in the next 20 years to meet civilian and military demands. Many of those will be 4-plexes, 6-plexes or 8-plexes, a design which has been proved to be practical and suitable for the state. Some of the pre-fabricated houses erected in Anchorage are shipped from Alberta either by truck or rail and barge transports.

Although limited in terms of population, the Alaskan market offers export opportunities to Canadians for all manufactured products, because the local manufacturing industry is still in the development stage. For consumer and food products, Seattle holds much the same position as Houston does in the oil industry. The large food market chains in Alaska, such as Safeway and Carr's, maintain purchasing offices in Seattle from where regular, year-round sea transportation to Anchorage is available. Other trading companies such as Northern Commercial, or fish processors like New England Fish Company, with establishments throughout Alaska, have their headquarters located in Seattle.

There are, however, a number of local distributors and warehouses catering to independent food stores as well as to working camps on the North Slope. Furthermore, J. C. Penney Co. and Sears, Roebuck and Co., the two largest department stores, allow their Alaskan managers greater powers of decision than any of the Continental U.S. managers. This additional purchasing power is prompted by the exceptionally cold weather causing a greater need for cold weather and special sporting gear by Alaskans.

# Alaska—Some Facts

**Purchased from Russia** by the United States in 1867 for \$7.2 million, Alaska became the 49th State January 3, 1959.

**Total area** is 586,412 square miles, comparable to the Province of Quebec.

**Four time zones** affect the state.

**Population** in 1969 totalled an estimated 282,000, of which 55,000 were native people and 38,000 were military personnel. The median age is 23.3 years, seven years younger than the U.S. national average.

**Per capita income** in 1968 was estimated at \$4,124, third largest in the U.S.

**Gross state product** in 1968 was \$1.5 billion.

**Chief marketing areas and cities**, based on the 1969 population figures, are: Anchorage, 120,000 within the marketing area, 53,000 within the city limits; Fairbanks, 49,000, 21,000; Juneau (the capital), 13,500, 7,313; Ketchikan, 12,000, 8,640.

**Dollar value of industrial production** in 1968 was, in millions of U.S.\$: fisheries 217, petroleum and natural gas 188, forest products 92, minerals 30,728 (two-thirds from sand and gravel), agriculture 5,353.

Source: Dept. of Economic Development, State of Alaska.

## Oil companies and the location of their offices responsible for operations in Alaska.

Amerada-Hess—Tulsa, Okla.  
 Atlantic-Richfield—Dallas, Tex.  
 B.P. Alaska—Anchorage, Houston, Tex.  
 Cities Service—Tulsa, Okla.  
 Continental—Houston, Tex., Ponca City, Okla.  
 Getty Oil—Houston, Tex.  
 Gulf—Bakersfield, Calif.  
 Hamilton Bros.—Houston, Tex. (S. Alaska), Calgary, Alta. (N. Alaska)  
 Home Oil—Calgary, Alta.  
 Humble Oil—Los Angeles, Calif.  
 Marathon Oil—Los Angeles, Calif., Anchorage  
 Mobil Oil—Los Angeles, Calif.  
 Pan American Petroleum—Tulsa, Okla.  
 Phillips Petroleum—Bartlesville, Okla.  
 Placid Oil—Dallas, Tex.  
 Shell Oil—Los Angeles, Calif.  
 Skelly Oil—Denver, Colo.  
 Standard Oil of California—San Francisco, Calif., Anchorage  
 Sun Oil—Newhall, Calif., Dallas, Tex.  
 Tenneco—Houston, Tex.  
 Texaco—Los Angeles, Calif.  
 Union Oil of California—Los Angeles, Calif., Anchorage

## Major Canadian Exports to Alaska 1969

	Cdn.\$		Cdn.\$
Aircraft	3,594,323	Motor vehicles	1,180,436
Hangars, buildings, pre-fabricated	2,656,530	Chemicals (chlorine, sulfur, sodium hydroxide)	825,106
Motor vehicles on runners or skis	1,711,362	Iron or steel articles	751,827
Halibut, fresh or frozen	1,464,626	Motor vehicles for special services	668,634
Trucks, motor buses	1,455,410		
Oil well casing	1,443,390		
Asbestos, chrystotile	1,200,750		

Source: U.S. Dept. of Commerce, Anchorage office.

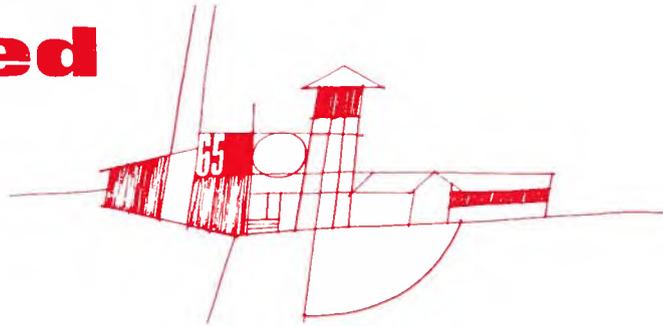
Because of their expertise in Arctic conditions and their proximity, Canadian firms, particularly those from Western provinces, could find Alaska a natural market for their products and services. Companies already catering to the oil industry in Canada would be well advised to adapt one of the Alaskan slogans, "Look North To The Future". The delay in construction of the pipeline may prove to be advantageous to those who have overlooked Alaska up to now.

But the best marketing approach to Alaska may not be the most direct one. Since many of the larger industries are still controlled from outside the state, one must be ready to

make a detour through the Lower 48 states before selling his wares or services in Alaska. In some instances it may be necessary for a sales representative to call on both places—Alaskan offices and headquarters in the Lower 48. The detour may appear annoying at first but will be rewarding in the long run.

Our Seattle Consulate, the office covering Alaska, as well as our Trade Commissioners in Dallas, Los Angeles and San Francisco, are ready to provide assistance and orientation to Canadians seeking their way to the promising Alaskan market.

# Wanted



# Manufacturers

## Amphibious Vehicles

American firm offers under licence the Canadian manufacturing and marketing rights and the possibility of other foreign marketing rights to its line of large tracked and wheeled amphibious vehicles. There are several basic units designed to carry a variety of heavy equipment or personnel, with a ground pressure varying from 1.2 to 1.6 pounds per square inch, making them well suited for use in marsh lands, peat bogs, swamps, snow or water. Land speeds range from 5 to 15 mph and water speeds 3 to 4 mph. These all-steel welded units are suitable for use in pipeline construction, oil exploration, oil field maintenance, surveying, soil testing, mosquito control, land reclamation and a number of other applications. The licensor will provide technical assistance and drawings. Literature available. **Item 2237**

## Cryogenic Equipment

British firm offers a licensing arrangement for the Canadian production rights and the North, Central and South American marketing rights for its line of cryogenic storage vessels, couplings and joints. These storage vessels are aluminum dewars designed to provide users of cryogenic liquids with light weight vessels for nitrogen or oxygen. The capacities available are designed to suit users in laboratories, hospitals and industry. Each vessel consists of an inner and outer sphere constructed from welded aluminum spinings. The space between the spheres is super-insulated and evacuated to provide maximum insulation for stored liquids. All vessels feature a special neck tube fitting designed to provide maximum strength. The couplings and joints are designed to provide a vacuum-tight connection between two sections of line transferring cryogenic liquids. Literature available. **Item 2238**

## Polyethylene Pressure Barrel

Dutch firm is seeking a licensing or joint-venture arrangement with a Canadian firm to produce and market its patented pressure barrels made of polyethylene. These barrels

were originally developed as beer containers for the brewing industry but can also be used for other products requiring shipment in pressure barrels, e.g., cider, vinegar, soft drinks, liquid sugar, etc. The advantages claimed for these pressure barrels are that they are non-corrosive, resistant to temperature changes, light weight, free from bacteria breeding, maintain a fixed volume by weight, and can be made in a variety of colors for easy identification. Literature available. **Item 2239**

## Universal Stretchers and Connectors

Swiss inventor is seeking a licensing arrangement covering the Canadian manufacturing and marketing rights for his patented universal stretchers and connectors. Both products act as connectors for various types of materials. These two lines of products are based on the same principle—the swivel system. The universal stretchers are designed for use in securing guy wires on board vessels, and for antennas, tents, clotheslines, truck tarpaulins, etc. The solder-free connectors are designed for use in the electrical and electronics industries for fixing or connecting electric wires, cables, conductors, etc., without using screws. Literature available. **Item 2240**

## Concrete

American firm offers a licensing arrangement to a Canadian company to produce and market its patented concrete to which relatively short, small diametered ferrous fibers are added in quantities of about 2.0 volume per cent. It is claimed that this concrete is not significantly affected by fatigue and has a high resistance to "freeze thaw" damage and to thermal and mechanical shock. The principal fields of application are for highway and airport surfaces, canals and flumes, slabs on grade, railroad ties, and special architectural applications. The licensor will provide knowhow and technical assistance. Literature available **Item 2241**

## Plastic Veneer for Concrete Products

German inventor offers for licence the

Canadian production and North American marketing rights for his patented process for applying plastic veneer to precast concrete products. This process eliminates all finishing work, such as grinding, priming and polishing. The plastic veneer can be used with regular or light-weight concrete and can be formed in any desired shape or size. It is resistant to acids, alkalines and wear. Fields of application include concrete construction elements and formparts for building exteriors, stairways, floors, pipes, sidewalk borderstones, etc. Literature available, **Item 2242**

## Hopper or Silo Discharge Device

German inventor offers for licence the Canadian production and marketing rights for his patented hopper or silo discharge device that permits a constant free flow of materials such as grain, fertilizer, chemicals, etc., from the bottom of a hopper or silo. The principle involved increases the channels of discharge resulting in a uniform lowering of the materials in the bin. The device can be adapted to any kind of material and therefore has application in mines; salt plants; chemical building material, feedstock, food and agricultural industries; and transportation and warehousing operations. The licensor will provide technical assistance and drawings. Literature available. **Item 2243**

## Air Cushion Vehicle

Canadian inventor offers for sale the Canadian production rights and the North American marketing rights for his design of an air cushion vehicle. This is a 3-passenger air cushion vehicle, capable of skimming over water, land, ice and snow, with a low noise lift fan and thrust propeller, flexible skirt, fiberglass body, and aluminum frame. There is extra built-in buoyancy for added flotation over water, as well as an anti-dive bow. The inventor is offering complete drawings, moulds and technical assistance for the design of new machines and for improvements to existing ones. Literature available. **Item 2244**

### **Ladder Leveler**

American inventor offers under licence the Canadian manufacturing and marketing rights for his ladder leveler. It is claimed that when this unit is attached to a ladder it becomes not only a convenience but also a safety factor, in that it adjusts itself to fit the terrain upon which it stands, such as steps, stairways, inclines, roof tops or uneven ground, while at the same time holding the ladder in a vertical position. The inventor will provide detailed blueprints. Literature available, **Item 2245**

### **Electrical Braking Systems**

Australian firm offers to Canadian companies the Canadian manufacturing and marketing rights for its electrical braking systems for use with elevators, hoists, conveyors, production machinery, etc. These units are self-contained and can be mounted in the following ways: 1) foot mount on any level, stable surface; 2) male or female spigotted end or flange mount; 3) on the rotating member to which braking forces are to be applied, using suitable torque bar or rod. They may also be built as an integral part of the machine to which they are to be applied, thus forming a principal bearing capable of withstanding high rotational or thrust forces. Additional features claimed are that these units can be instantly attached to or detached from any concentric shaft irrespective of diameter and without any machining, fitting or skilled labor, and that the unit, when attached, will apply any desired braking torque, within the maximum capacity of the unit, to the shaft. Literature available. **Item 2246**

### **Building System**

American inventor offers free of any charge or restriction to any Canadian firm or institution that would find the information useful the use of his new system for erecting multi-storey structures quickly and cheaply. The system consists of a method of construction whereby multi-storey sections or units of a building are constructed or assembled in a horizontal position on the building site, hinged to a base and then erected into vertical position by use of counterbalance and/or mechanical force. Literature available, **Item 2247**

### **Split Plodder Nozzles**

Canadian inventor offers for sale or licence the Canadian manufacturing and worldwide marketing rights for his patented split plodder nozzles used in the final physical working of soap or detergent. It is claimed that these nozzles may also have application in extrusion processes in the plastics and confectionary industries. Their main features are said to be easy access to the inside surface of the nozzle and cylinder; the provision of a longitudinally segmented nozzle which will "open-out" by itself when operating; self-cleaning action, and easy maintenance. Literature available. **Item 2248**

### **Plodder Liners**

Canadian inventor offers for sale or licence the Canadian manufacturing and worldwide marketing rights for his plodder liners used in the soap and detergent industries. It is claimed that these plodder liners provide a corrosion resistant work surface inside the soap plodder machines; facilitate the use of these machines in the manufacture of bars of detergent; are easy to maintain, and sustain the required clearance between the flights of the screw and the cylinder walls in the plodder machines. Literature available. **Item 2249**

### **Adjustable Wrenches**

American company offers a licensing arrangement covering the Canadian production and marketing rights, with the possibility of export rights to specified countries, for its patented adjustable box-end wrench and its adjustable gear-grip wrench. The box-end wrench is claimed to have a non-slip jaw grip; to be usable on burred or damaged nuts, and to fit metric, Whitworth and U.S. sizes. The gear-grip wrench is available in straight-jaw, "V"-jaw and pipe-vise jaw configurations. Literature available. **Item 2250**

### **Investment Casting Process**

Russian state licensing organization offers a licensing arrangement to a Canadian firm for its automated lost-wax investment casting production system. This new process is designed to manufacture precision steel cast blanks of parts for large scale production runs in general machine building plants. It is claimed that this process can replace forging or swaging in the manufacture of many parts and that a wide variety of parts produced from machine and alloy steels by this process require no further machining; that one ton of investment cast blanks saves from 1.5 to 2 tons of rolled steel and reduces chip waste on machining from 25-40 per cent to 1-4 per cent. This offer would be of interest to firms specializing in the production of foundry equipment or of small steel castings for the automotive and engineering industries. Literature available. **Item 2251**

### **Smoke and Fire Resistant Door Frames**

Canadian inventor is seeking a licensing arrangement with a Canadian firm to produce and market his smoke and fire resistant metal door frames. The unit consists of a metal door frame and sill assembly with integral resilient seals built in to provide barrier against the passage of fire, smoke and sound around the door perimeter. This system is designed for use in hospitals, hotels, apartments, auditoriums and ships where such protection is desirable. It is also claimed to eliminate the need for weatherstripping on exterior doors. An interested licensee should have experience in dealing with architects and consulting engineers. Literature available. **Item 2252**

### **Three Dimensional Marine Picture**

American company offers under licence the Canadian production and marketing rights, and the possibility of certain export rights, for its three-dimensional pictures of sailing ships set on a base simulating water. The pictures are built with a mechanism causing the ship to rock, accompanied by music from an electric music box, and have a built-in lighting feature. It is claimed that the design is applicable to other items such as table lamps. The licensor will provide technical assistance and drawings. The Canadian licensee will be expected to provide necessary capital and plant facilities. Literature available. **Item 2253**

### **Remote Checking by Telephone**

Canadian inventor offers for sale the Canadian manufacturing and production rights for his patented system for remote checking by telephone. Typical fields of application would be where manual checking is required and where time or money may be saved by using existing telephone lines, e.g., to determine if a heating system in a remote location is operating and has sufficient fuel, or to determine pressure, humidity, temperature, etc., in remote locations. Potential users would be fuel oil companies making deliveries for heating purposes; industrial complexes; pumping stations, etc. Literature available. **Item 2254**

### **Compact Hand Steamer for Apparel Use**

American firm is seeking a licensing arrangement with a Canadian firm to produce and market its patented, lightweight, compact, hand steamer for removing wrinkles from clothes. It can be plugged into a standard 110-120 volt AC outlet. Made of durable colorful plastic, the appliance has no moving parts, is safe and simple to handle. One filling of a few ounces of hot or cold water will provide 15 minutes of clog-free steaming. It is designed to be used while the garment is hung up and thus requires no ironing board. It is claimed the steamer can also be used for pressing a crease. Literature available. **Item 2255**

### **Automotive Safety Seat Belts**

Swiss firm is seeking a licensing arrangement with a Canadian firm to produce and market its automotive safety seat belt with a built-in electrical circuit that obliges a motorist to fasten the seat belt before the automobile will start. The licensor will provide drawings and co-operation in any further development work. A prospective licensee should be capable of producing and marketing these safety seat belts on a large scale. Literature available. **Item 2256**

### **Electric Razor**

Swiss firm offers under license the Canadian manufacturing and marketing rights for its newly developed electric razor. It is claimed that the razor produces a more efficient, faster and more pleasant shave

because of its vibrating action and destructive cutting instrument. The licensor will provide drawings and co-operation in development if required. Literature available. **Item 2257**

#### **Amusement Rocking Device for Children**

American inventor is seeking a licensing arrangement with a Canadian firm to produce and market his specially designed rocker for children between the ages of 18 months and 6 years. The principal features are claimed to be its high degree of flexibility in rocking movement without tipping over; built-in stability to permit easy mounting and dismounting; simulation of various rocking sensations such as riding a boat, jalopy or burro, and its exercise capacity for a child. The rocker can be made from tubular aluminum, steel, wood, or plastic. Design and technical assistance will be provided by the licensor. Literature available. **Item 2258**

#### **Dispenser and Holder**

American inventor offers a licensing arrangement covering the Canadian manufacturing rights for his patented toilet-tissue or paper-towel dispenser and holder for use in homes, public washrooms, etc. With the exception of the United States market, worldwide marketing rights will also be provided the Canadian licensee. The holder is designed to be recessed into a wall. Its chief advantages are claimed to be that

it has an improved means of releasing the core of exhausted roll and permitting the insertion of a fresh roll. In addition, it is simple to use, inexpensive to manufacture, sturdy and durable. Literature available. **Item 2259**

#### **Safety Device for Electrical Outlets**

British inventor is seeking a licensing arrangement with a Canadian firm to produce and market his safety device for electrical outlets. This device is designed to cover electrical outlets to prevent exposure of live contact pins, and to prevent the removal of the electric plug by a child either deliberately or accidentally, or by an adult accidentally. Literature available. **Item 2260**

#### **Automotive Cigarette Lighter and Dispenser**

Canadian inventor is seeking a licensing arrangement with a Canadian firm to produce and market his patented automotive cigarette lighter and dispenser. This dispenser is designed to be attached to the dashboard of a car, truck, motor launch, snowmobile, etc., so that the driver can obtain a lighted cigarette without taking his eyes away from the road. It consists of a container for holding cigarettes, a lighter, and a mechanism for inserting a cigarette from the cigarette container portion into the lighter portion. It is so designed that if the lighted cigarette is not removed it will not cause the other cigarettes to light. The cigarette container portion can be removed

to be used as a cigarette case. Literature available. **Item 2261**

#### **Patterns for Decorative Finishes**

Canadian inventor is seeking a licensing arrangement with a Canadian firm for the ultimate production of a process for imprinting a natural phenomenon, "frost-patterning" of water, on translucent plastic to produce decorative patterns. Possible applications would be as advertising displays, custom lamp shades, back-drops for fish tanks, etc. It is claimed that certain formulations of water-soluble paints applied to smooth surfaces and exposed to freezing conditions will produce these "frost-patterns". Further research and development is required to develop this process for commercial production. Literature available. **Item 2262**

#### **More Information**

This information is intended to promote additional manufacturing in Canada. Further material on items listed are for prospective Canadian manufacturers only. No responsibility is assumed for claims or statements made. Address enquiries, quoting item numbers, to: Industrial and Trade Enquiries Division, Department of Industry, Trade and Commerce, Tower "B", Place de Ville, Ottawa 4.

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## **Combatting Oil Pollution**

A method of combatting oil pollution of the sea was successfully tested recently off the Dutch coast. Developed by Shell Laboratory of Rijswijk, the new method brings together sand and a chemical which adheres to oil, causing it to sink.

According to Shell, the sea tests confirm the company's laboratory tests, where removal of 95 per cent of pollution was achieved. The chemical, not named, is

reported to be harmless in its applied strength to fish, plankton and other living ocean organisms.

The test was witnessed by government representatives of a number of North Sea countries, the United States and officials from the Netherlands Ministry of Transport and Waterways. It took place 15 miles west of the Hook of Holland, where 100 tons of crude oil were discharged into the

sea. With the exception of a few tons, the slick sank to the seabed after a Dutch trailing suction dredger sprayed it with the specially treated sand.

Shell representatives announced that while they had developed the idea, it was available to anyone wishing to use it and that the company would make its knowhow available to anyone confronted with the problem of oil pollution.

## **Holidays Abroad, by CMA**

The Canadian Manufacturers Association, aided by Canadian Trade Commissioners and other authoritative sources abroad, has compiled a calendar of commercial holidays in 146 countries.

The aim of the booklet, published by the Export Department of the CMA, is to assist businessmen in planning visits abroad. Variations in the types of calendars (Gregorian, Julian and even lunar)

used around the world can make it difficult to determine the exact dates of holidays, festivals or religious observances. Quite apart from calendar differences, many countries have holidays of a regional or local character, or choose to celebrate the same holiday on different days in different areas. Another factor to be considered by the businessman planning a trip abroad is the practice in some countries of closing factories and stores for

weeks during the summer vacation period and at Christmas.

The booklet (price \$2) is well organized and easy to read; inquiries about it should be directed to the Export Department of the Association at 67 Yonge Street, Toronto 215, Ontario. Regional offices are located in Vancouver, Edmonton, Winnipeg, Ottawa, Montreal, Quebec City and Moncton.

# Foreign Tariffs and Trade Regulations

## Ecuador

The Monetary Stabilization Surcharge on imports was increased by the Government of Ecuador under Decrees No. 466 and No. 469 published on May 12. In the case of imports on List I, essential goods, the surcharge is now 20 per cent on the c.i.f. value. For List II items, non-essential goods, the rate varies, being about 55 per cent in most cases.

## Peru

The Peruvian Government implemented full control of the foreign exchange market which was not subject to the exchange certificate system, by Decree Law No. 18275 of May 15, 1970. Since September 1967 the exchange certificate market has accounted for 80 to 85 per cent of the total foreign exchange operations. Some of the principal provisions of the law regulating foreign exchange transactions are:

1. All draft operations must now be channelled through the Banco de la Nacion.
2. Commercial bank foreign exchange deposits are being purchased by the Central Bank for conversion into sols.

3. All companies and individuals are given a period of thirty days from the date of the decree to sell off the proceeds of their sight deposits as well as cheques, bills, coins etc., to the Banco de la Nacion. Peruvian residents holding foreign exchange deposits overseas must in the future sell them to the Banco de la Nacion.

4. Within thirty days from the date of the decree, all individuals residing in Peru have to declare all their foreign currency deposits and investments held outside the country.

The new foreign exchange legislation for foreigners resident in Peru is generally being accepted as more or less in line with those for foreigners in other exchange control countries. Basically, anyone who has lived in Peru less than ten years does not have to comply with those parts of the regulations which demand of all Peruvians that all capital abroad be repatriated, bank accounts be closed and declarations of assets abroad be made. Foreigners who have lived in Peru for between ten and twenty years are obliged to declare their assets abroad but are not required to repatriate any foreign currency holdings.

Further information may be obtained from the Latin America Division, Office of Area Relations.

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## Huge Californian Market Opens Up

A new hundred million dollar market has opened up in California to Canadian exporters. The potential market, until recently closed to all foreign suppliers, is the State of California and its agencies. During the Depression the California legislature passed the "California Buy America Act", which effectively prevented state agencies from buying foreign merchandise, except in cases where this merchandise could not be purchased in the United States. Additionally, any agency that received state funds was also obligated to adhere to this policy.

In November of last year, the California Supreme Court ruled that the California Buy America Act was unconstitutional. As a result of this decision, the office of procurement for the State of California

was instructed to delete the preference for American-made materials from its invitations to bid.

As a gauge of the size of the new market, the State of California annually purchases, through its agencies, approximately \$150 million worth of goods, ranging from foodstuffs and paper to sophisticated electronic apparatus. Many millions of dollars are also spent on purchases by local school boards, utilities and municipalities, most of whom previously felt obligated to adhere to the provisions of the California Buy America Act. Also, other state agencies are no longer legally restricted in their choice of suppliers.

A vendor interested in selling his products to the State of California should

write to: Department of General Services, Office of Procurement—State of California, P.O. Box 1612, Sacramento, California 95807.

Before a company is placed on the bid list, it must pre-qualify by completing and returning a questionnaire which will be forwarded upon receipt of its inquiry. If the firm completing the questionnaire qualifies, and the state uses the product frequently enough to maintain a bid list, the Canadian company will receive requests for price quotations. Where follow-up services and requirements for spare parts are important considerations, it is doubtful if any company without a distributor or representative in California would be awarded the contract.

# 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

## Peru

M. R. Bell, Commercial Secretary in Lima:

Toronto: July 25-31

Montreal: August 1-8

## Trinidad

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

Vancouver: Sept. 1-6

## U. S. S. R.

R. A. Bull, Commercial Counsellor in Moscow:

Toronto: July 20-21

Montreal: July 22-23

R. H. Gayner, who will be posted to Moscow as Commercial Counsellor:

Toronto: July 20-21

Montreal: July 22-23

## Temporary Duty in Ottawa

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

### M. R. Bell

Commercial Secretary  
Lima, Peru  
July 16-24

### R. A. Bull

Commercial Counsellor  
Moscow, U.S.S.R.  
July 24-29

### L. D. Burke

Commercial Counsellor  
Buenos Aires, Argentina  
June 29-July 3

### J. N. R. Ferland

Consul and Assistant Trade Commissioner  
Boston, Mass.  
August 3-7

### E. L. Gray

Assistant Commercial Secretary  
London, England  
September 8-10

### D. P. Lindores

Acting Commercial Secretary  
Kuala Lumpur, Malaysia  
August 10-15

### K. G. Ramsay

Commercial Counsellor  
Port-of-Spain, Trinidad  
August

### F. L. N. Villeneuve

Assistant Commercial Secretary  
Melbourne, Australia  
August 24-September 11

### B. M. White

Consul and Assistant Trade Commissioner  
Milan, Italy  
July 16-23

## In Territory

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

### Bulgaria, Hungary, Rumania

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

### Cyprus

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

### 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.

### Puerto Rico

Trade Commissioners from San Juan regularly visit the Dominican Republic, Haiti and the Virgin Islands. Canadian businessmen who would like officers to undertake assignments for them in these countries are invited to write to the Canadian Consulate.

### Turkey

Trade Commissioners in Ankara visit Istanbul frequently. Canadian businessmen who would like the officers to undertake assignments for them in that city are invited to write to the Commercial Division, Canadian Embassy, Vali Dr. Resit Caddesi 52, Cankaya, Ankara, Turkey.

# 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 .97.\**

To convert column two, *divide by .97.*

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at July 3	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at July 3	Canadian dollar in foreign currency units
<b>Algeria</b> Dinar	.1939	5.15	<b>Denmark</b> Krone	.1374	7.28
<b>Argentina</b> Peso (free)	.2578	3.88	<b>Dominican Republic</b> Peso	1.0313	.97
<b>Australia</b> Dollar	1.152	.8680	<b>Ecuador</b> Sucre (official) (free)	.0573 .0513	17.45 19.49
<b>Austria</b> Schilling	.0399	25.06	<b>El Salvador</b> Colon	.4125	2.42
<b>Bahamas</b> Dollar	1.0313	.97	<b>Fiji</b> Dollar	1.191	.84
<b>Belgium and Luxembourg</b> Franc	.02078	48.12	<b>Finland</b> Markka	.2455	4.07
<b>Bermuda</b> Dollar	1.07	.93	<b>France, Monaco, etc.<sup>2</sup></b> Franc	.1869	5.35
<b>Bolivia</b> Peso	.0866	11.55	<b>Franco-African Republics<sup>3</sup></b> Franc	.0037	270.27
<b>Brazil</b> Cruzeiro (official free)	.2304	4.34	<b>French Pacific<sup>4</sup></b> Franc	.0103	97.09
<b>Britain</b> Pound	2.581	.38	<b>Germany</b> D Mark	.2841	3.52
<b>British Honduras</b> Dollar	.5364	1.86	<b>Ghana</b> New Cedi	1.011	.99
<b>Burma</b> Kyat	.2166	4.62	<b>Greece</b> Drachma	.0344	29.07
<b>Ceylon</b> Rupee	.1733	5.77	<b>Guatemala</b> Quetzal	1.0313	.97
<b>Chile</b> Escudo (bank rate) (free)	.0873 .0745	11.45 13.42	<b>Guyana</b> Dollar	.5367	1.86
<b>China, Republic of</b> New Taiwan Dollar (official)	.027	37.04	<b>Haiti</b> Gourde	.2063	4.85
<b>Colombia</b> Peso (fixed)	.056	17.86	<b>Honduras</b> Lempira	.5156	1.94
<b>Congo (Kinshasa)</b> Zaire	2.144	.46	<b>Hong Kong</b> Dollar	.1702	5.88
<b>Costa Rica</b> Colon	.1557	6.42	<b>Hungary</b> Forint (official)	.0921	10.85
<b>Cuba<sup>1</sup></b> Peso	.....	.....	<b>Iceland</b> Krona (official)	.0117	85.47
<b>Czechoslovakia</b> Koruna	.1432	6.98	<b>India</b> Rupee	.1369	7.30
			<b>Indonesia<sup>5</sup></b> Rupiah	.....	.....

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at July 3	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at July 3	Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	Peru Sol (free)	.0237	42.19
Iraq Dinar	2.888	.35	Philippines <sup>6</sup> Peso (free)	.185	5.39
Ireland Pound	2.468	.41	Poland Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.2946	3.39	Portugal & Colonies <sup>7</sup> Escudo	.0359	27.86
Italy Lira	.0016	625.00	Saudi Arabia Riyal	.2062	4.84
Jamaica Dollar	1.234	.81	Sierra Leone Leone	1.508	.66
Japan Yen	.0029	299.30	Singapore Dollar	.3507	2.85
Kenya Shilling	.1526	6.55	South Africa Rand	1.441	.69
Lebanon Pound (free)	.3197	3.13	Spain & Dependencies Peseta	.0148	67.57
Malaysia Dollar	.3369	2.97	Sweden Krona	.1992	5.02
Mexico Peso	.0825	12.12	Switzerland Franc	.2392	4.18
Morocco Dirham	.2071	4.83	Syria Pound (free)	.2819	3.55
Netherlands Florin	.2847	3.51	Thailand Baht (free)	.0500	20.00
Netherlands Antilles Florin	.5468	1.83	Trinidad & Tobago <sup>8</sup> Dollar	.5156	1.94
New Zealand Dollar	1.155	.87	Tunisia Dinar	1.964	.51
Nicaragua Cordoba	.1473	6.79	Turkey Lira	.1146	8.73
Nigeria Pound	3.017	.33	United Arab Republic Pound (official)	2.58	.38
Norway Krone	.1443	6.93	United States Dollar	1.031	.97
Pakistan Rupee	.2166	4.62	Uruguay Peso (free)	.0041	243.90
Panama Balboa	1.0313	.97	Venezuela Bolivar (official free)	.2296	4.36
Paraguay Guarani (free)	.0083	120.48	Yugoslavia Dinar (official)	.0825	12.12

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, Camerouns, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.

4. New Caledonia, New Hebrides, French Polynesia.

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

6. Exchange rate in Philippines on floating basis with daily quotations by banks.

7. Approximately same rate for Portuguese territories in Africa.

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

# Foreign Trade's Editor Writes From Switzerland

"Take the No. 2 streetcar just outside on the Square" said the hotel porter at Basel "and it will take you right to the fair". With my usual mistrust of my sense of direction I walked out, wondering how I would know when we got to the spot where DIDACTA, the European Educational Materials Fair, was taking place. I needn't have worried. When the No. 2 arrived, a waiting crowd, many of them carrying briefcases, surged on and surged off again when we reached the fairgrounds in the heart of the city.

So many people came to this fair, in fact, that there was not a hotel room left in Basel. By the end of the first day it was reported that the head of the Accommodation Bureau had had a nervous breakdown and handed over his impossible task to a colleague. Earlier, when I had gone into the Geneva station to buy my rail ticket, I had discovered a handbill advertising the fair and offering special return fares between Geneva and Basel.

This was my introduction to a big European fair and my first business engagement outside Geneva since I arrived the first of April and settled down to my six-month assignment with the UNCTAD/GATT International Trade Center.

I found the Canadian DIDACTA exhibitors in well-designed stands and already doing business, flanked on one side by the Australians and on the other by the U.S.S.R.

One of the Canadians approached by representatives from the Soviet stand decided to show off his few words of Russian. He did—and was startled when his visitors turned around abruptly and walked away. A woman standing by asked, "Do you realize what you said?" "Of course", he answered, "I said 'no Russian' because I can't speak the language." "But what you actually said was 'no Russians'." At the Canadian's request, she went over to the Soviet stand and put matters right. Back came the visitors, beaming, and one of them gave the exhibitor such a clap on the back that he was left reeling.

Who says that Canadians aren't colorful? Another Canadian exhibitor came with a

cast on his leg. He had what no one could call a conservative taste in dress (each morning we exclaimed over his ties) and he completed his costume by putting a sock over the end of the cast to match the suit he was wearing that day. A pale blue suit was accompanied by a deep blue sock, and a green suit by a green one. His flair, I may add, extended to selling his product and by the end of the second day he was running out of sales literature.

In addition to meeting and talking with the Canadians, I walked miles through the fair, which contained exhibits from almost 30 countries and covered 15 exhibition halls.

It has been a long time since I went to school and I decided that I would like to start all over again when I saw the equipment for teaching every possible subject from art appreciation to zoology. There were rag dolls for teaching nursery-school children how to do up a zipper, lace a shoe, or put on leggings; literally a hundred language laboratories, from the simple to the very complicated; equipment for learning to type painlessly to music, and anatomical models that were almost too realistic. At lunch time the snack bars weren't serving, as they would in Canada, hot dogs and coke, but large fat sausages and beer.

One morning a Basel shipper took Howard Campbell, our Commercial Counsellor at the Canadian Embassy in Berne, Bob Merner, the Assistant Commercial Secretary, and myself on a tour of the port. Basel is, of course, Switzerland's main port and its big Rhine barges ply up and down the river to and from Antwerp, Rotterdam and Hamburg. We saw many of these barges being loaded or unloaded or simply waiting for cargo and we climbed to the top of a silo where Canadian wheat was being unloaded. At one point in the port, marked by a pylon, three countries—Switzerland, France and Germany—come together.

Most of my time in Geneva has been spent working on a handbook for exporters in the developing countries. One afternoon I got some good counsel on what these exporters need to know from H. Leslie Brown, formerly Assistant

Deputy Minister in the former Department of Trade and Commerce. He was on his way home after spending two months in Kabul, Afghanistan, advising the Government on export trade promotion, an assignment of the Trade Center. One is never isolated from Canada here; I have more than once walked into a restaurant to be greeted by an Industry, Trade and Commerce colleague who had come over to attend one of the many international meetings to which Geneva plays host.

Passing through the extensive grounds of the Palais des Nations on my way to the Trade Center up on the hill, I am often reminded of the Hon. George McIlraith who, when he was Minister of Public Works, remarked that Parliament Hill looked like a used car lot. During a big conference (the International Labor Organization is meeting as I write) every inch of the Palais grounds seems to have cars parked on it. I am shocked to see them even on the marble pavement outside the main Assembly Hall.

Advertising in Switzerland seems very different from that in Canada. Newspapers don't carry department store and supermarket advertising in any volume, you can't pick up your Wednesday evening paper and study the food-store specials or the department-store bargains. But go to the movies and before the show begins and just after the intermission (ice cream and soft drinks, no popcorn) there will be slides advertising products and services, directed mainly at the youth group. There is also very little advertising on the buses.

On weekends I try to get about and see something of the Swiss countryside, at its best now after a long-delayed spring. Owners of vineyards that slope down to Lake Lemman between Geneva and Montreux say that growth is two months behind. But all is green and lovely now, the tourists are beginning to flock in, and my French is improving from week to week.

*O. Mary Hill*

# East Pakistan Bought 40



Financing by the Export Development Corporation played a big part in bringing this baby to life, one of 40 diesel electric locomotives designed and built by MLW Industries, a division of MLW-Worthington Limited, Montreal, for Pakistan Eastern Railway. The \$10 million order, which included spare parts and services, was received in 1969 and the last locomotive was shipped off last month—rapid delivery which was another good reason, the company says, for obtaining the order.

Though not of the same power as the locomotives used on Canadian railways—2,000 horsepower com-

pared with the 3,600 or 4,000 horsepower in Canada—these engines will be part of Pakistan's plan to convert from steam to more efficient ways of handling increasing rail traffic.

The company will continue to watch the performance of these locomotives through its permanent representative on the sub-continent. The engines will also be given an affectionate glance by the Trade Commissioners in Pakistan, who had a part in the sale—"always helpful people", according to MLW.

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

CANADA  
POSTAGE PAID  
PORT PAYÉ

North to Alaska – page 42

