foreign trade

Department of Industry, Trade and Commerce, Canada

Use Your Plant's Capacity

Retail Market in Australia

Greek Industry Offers Challenge

October 10/70

In This Issue

The comforts of a modern office are available inside the device suspended on the hoist in the front page photograph. It's a key part of a new offshore petroleum system designed to economically reach deep sea oil reserves.

Lockheed Offshore Petroleum Services, Ltd., of New Westminster, B.C. has carried out extensive testing with the machine and so far the results have been fully satisfactory.

This program was supported financially by the Department of Industry, Trade and Commerce PAIT program (*Foreign Trade* June 13, 1970). This is one example of industry and government working together and other possible instances are suggested in an article, "Use Your Plant's Capacity". Written by William G. Roberts, Canada's Consul and Trade Commissioner in New York, it begins on page 2 and runs in conjunction with the story of Lockheed's petroleum system.

On our reverse cover we've a picture of boats (not altogether timely perhaps for areas of Canada right now) but it relates to the U.S. Northwest... one of the great small boat markets of the world. The shot shows sail-past day at Lake Washington and the article on page 24 tells just how large the sales potential in that area has become.

More for Canadian companies looking to the U.S. can be found in our Boston office's report on the New England Market Today (page 15) and for exporters looking further afield we're carrying reports on retailing in Australia, the Eastern European lumber industry, marine equipment for Peru. If these areas are not challenging enough how about Greece or Afghanistan—they're in this issue also.

Next time around it's Canada's markets of the "new west"—formerly the Far East. We'll talk about the rapidly expanding economies there—a whole bunch.

John H. Suggitt, Canada's Commercial Secretary at Tel Aviv, Israel, died in Royan, France, September 26 from multiple injuries suffered when he was struck by a car.

Mr. Suggitt was in Royan attending French language training classes and was struck while crossing a street in company with another student, an engineer from Germany. His companion was seriously injured.

He had been with the Department of Industry, Trade and Commerce foreign service since graduating from the University of Saskatchewan in 1961. He was assistant commercial secretary in New Delhi, India, from 1962 until his posting in 1964 as vice consul and assistant trade commissioner, Los Angeles. In 1965 he was promoted to consul and assistant trade commissioner, Los Angeles, and was posted to Tel Aviv in August 1968.

Born in Saskatoon April 2, 1931, he is survived by his wife, the former Jean Carlin of Moose Jaw, two sons, Cameron John Hardy and James Christopher Thomas, his mother and a brother, both in Regina.

foreign trade

Vol. 134 No. 5

October 10/70

The Hon. Jean-Luc Pepin, Minister

J. H. Warren, Deputy Minister

O. Mary Hill, Editor

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

Address correspondence to the Editor, "Foreign Trade", Tower B, Place de Ville, 112 Kent Street, Ottawa, Canada.

Subscription

$5 a year in Canada, $7 abroad. Single copies 25 cents each. Please forward all orders, with cheque or money order made out to the Receiver General of Canada, to the Queen's Printer, Ottawa, Canada

Articles

Departments

92466—1

Use Your Plant's Capacity

There are new products to manufacture but the sources of new ideas are many and varied. Perhaps there are some you've overlooked.

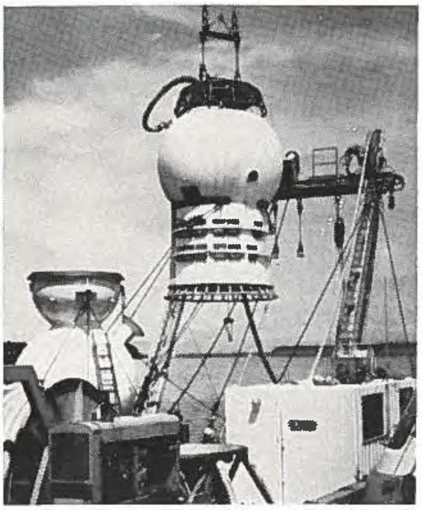
What cross-country skier has not wanted a machine to get him up those long hills? Here W. G. Roberts (right), author of this article, discusses features of the "Snow-horse" with officials of Patent Marketing Corp., (left to right) Dr. David G. Perelman, Richard Finn and Anita Charnow, to see if the product could be made by a Canadian manufacturer.

WILLIAM G. ROBERTS, Consul and Trade Commissioner, New York

As a businessman you may be prompted to consider new product lines to manufacture. You may have unused manufacturing capacity in your plant; you may wish to make more effective use of your sales force by adding to the range of products presented to your customers; or the sales of one of your current lines may be dropping because the competiton has a more appealing product. The first man with a new product meeting the latest customer requirements stands to make the most profit.

Larger companies with research and development facilities and market research staffs can develop new product lines internally, but even they have to be careful to ensure that products developed meet customers' needs. Test marketing reduces the risk involved.
But smaller companies usually do not have the resources to develop new products. Making minor modifications to existing lines might be straightforward enough, but beyond that some outside assistance is necessary.

Such programs as the Canadian Government's Program for the Advancement of Industrial Technology offer financial assistance. PAIT is designed to stimulate the exploitation of scientific advancement by Canadian industry by underwriting the development of new



PAIT Helps Undersea Petroleum System

New Westminster, B.C.—A new offshore petroleum system has proved itself useful and reliable in ocean trials off Vancouver Island, Lockheed Offshore Petroleum Services, Ltd. has announced.

The system—designed to bring deep-sea oil reserves within economical reach of producers—was put through numerous tests in water depths of 150 and 900 feet.

"Wc consider the trials successful," said Richard B. Oldaker, general manager of Lockheed of New Westminster. "We encountered no major technical problems, and the system performed up to our best expectations."

Lockheed's approach to undersea oilfields involves steel "wellhead cellars" fitted over each wellhead and a capsule in which workmen travel from the surface to the sea floor.

Development of the system is being financially supported by the Program for Advancement of Industrial Technology (PAIT), a development assistance program of the Department of Industry, Trade and Commerce.

During the trials, which began in mid-June and ended last month, test crewmen made many dives in the capsule, mating it to a test wellhead cellar and climbing down into the cellar to do some oilfield work. Both the capsule and cellar had "shirtsleeve" environments with constantly circulating fresh air.

Mr. Oldaker said among passengers on many of the dives were representatives of 10 oil firms in the United States and Europe that have joined Lockheed's test consortium.

"Riding down in the capsule is so smooth you hardly have a sensation of moving," the Canadian executive said. "Even during the mating process, a water cushion under the capsule's skirt damps out most of the feeling of motion."

In one of the most significant tests, the end of a "bundle" of oil flowlines was pulled into the cellar through a watertight port in its side. This was an innovation—the first proof a manned system can take flowlines to a wellhead with more assurance than other systems provide.

The system recently was brought back to the Vancouver area for further testing on dry land. Lockheed engineers plan to simulate a number of oilfield situations to gather additional test data.

Mated on dry land, the prototype capsule and wellhead cellar form a white tower nearly 30 feet high, its interior carefully designed to include many conventional oilfield tools and some special motorized equipment. Workmen use a ladder to move up and down in the tall column of work space.

In the water, the system's interior is like a comfortable office (with average temperatures in the mid-70s) with many instruments available in a compact area. A collection of life-support systems—and backups in case they fail—would permit two men to stay submerged as long as 48 hours even if the capsule were cut off from the surface in an emergency.

The most dramatic safety feature is the capsule's "positive buoyancy": Separate from the sea floor cellar, the capsule will always bob to the surface.

"One of our more interesting ocean tests involved a free ascent—cutting the capsule loose from the cellar and letting it rise until it broke water," Mr. Oldaker said. "We expected the capsule to wobble or zig-zag just a little because of currents and other factors. But it came up straight, true and easy."

After the exhaustive round of testing ends later this year, Lockheed hopes to commence sales of its wellhead cellars to the petroleum industry. Lockheed will then also operate as the service company, supplying the manned capsules to perform completion, production or maintenance work on the wells.

Among the 10 companies participating in the test program are Shell, Placid, Esso Production Research Co., Tenneco, Standard Oil of California, British Petroleum, AGIP of Italy and ELF/ERAP of France.

92466—1½

or improved products and processes. The address is PAIT Program Office, Department of Industry, Trade and Commerce, 112 Kent Street, Ottawa 4.

If you are simply looking for new ideas, then a number of sources offer useful suggestions. Before new suggestions are considered, however, the entire product planning process should be considered. If sales growth is the sole concern, there may be any number of products you could manufacture. If you need a prestige line to complement your current product lines or are concerned with utilizing in-house machinery more efficiently, your choice of new products will be narrowed considerably.

Obviously the effect of the new product on the company's sales and profit position will be high on your list of factors to be considered. But patent protection, potential sales volume and the competitive situation are important too. You may also prefer to continue using your present sales channels. Using these and other criteria, which would vary from industry to industry, you'll be able to compare the relative merits of various suggestions.

One source of suggestions is the New Products Bulletin, published by the Department of Industry, Trade and Commerce and also carried in *Foreign Trade*. These items are received from a variety of sources, including Trade Commissioners overseas. Generally products listed have been patented and commercially produced; in other words, the manufacturing rights are being offered by companies wishing to profit from their ideas without having to export to new markets.

Other sources for new product suggestions include trade journals, newspapers such as the Financial Post, and provincial government circulars, such as Ontario's Manufacturing Opportunities Bulletin and Quebec's Business Opportunities.

Screening newly issued patents is one way to keep track of new developments, but is time consuming and expensive. Consulting with experts in the business of patent development and marketing may be the best approach. The Manhattan telephone directory, for instance, lists more than 30 such firms. One of the firms listed, incidentally, is a regular contributor of new product data. Another sponsors an annual inventor's show and provides, either by outright purchase or licensing, the manufacturing and/or distribution rights to new product concepts, new patents and new techniques and processes with a strong commercial potential for industry. Both firms number Canadian manufacturers among their customers.

When negotiating for manufacturing rights remember to inquire whether the marketing rights are available for export markets as well as for the Canadian market. Commonwealth preferential tariffs often provide the advantage necessary to compete effectively. Terms under which manufacturing rights can be acquired are settled at the negotiating table. Remember that both you and the owner of the manufacturing rights or patent must share in the profits.

A number of new products have come to the attention of the New York Office of the Canadian Consul recently, some of which have been published in the NPB, including pre-fabricated low cost homes, a pivot arm designed to eliminate the use of costly gearing and oil baths, a portable cabana for beach use and a reducer exerciser.

Of course, we also get our share of mad inventors, such as the man who had a laxative product to "cure anything and everything, and possibly retard old age", and another who had a mammoth lifejacket to stop ships from sinking. Don't let this distract you from considering what's new. Remember the horseless carriage and buggy whips? The former was risky and the latter was thought to be a sure thing!

Forestry Development Needs Capital

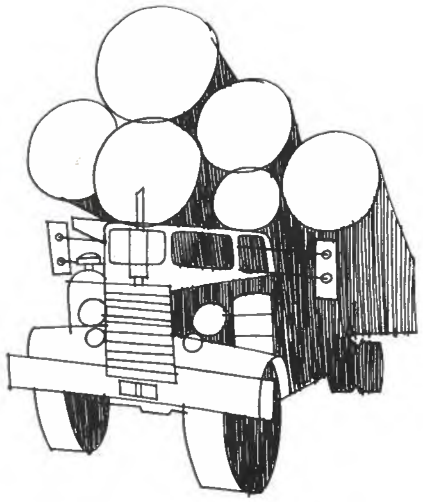
In February 1970, Meranti Timber of Hong Kong became the 37th foreign investor in Indonesian forestry resources since the 1967 Foreign Investment Law reversed the generally hostile attitude to foreign capital that was in force during the Sukarno period.

Up to the end of February 1970, U.S. $358 million of foreign capital had been committed as direct investment or in joint venture with Indonesian interests to exploit the vast Indonesian forestry resources. Most of the concession contracts are in the form of joint ventures and concentrated in the provinces of Riau (Sumatra) and in East, West and Central Kalimantan. French, Philippines, U.S., Japanese, Hong Kong and Korean interests are well represented. The largest single investment commitment is by Korea Development Co., a direct investment in South Kalimantan of U.S.$48.5 million.

This statistical data gives perhaps an over-optimistic picture of the rate of Indonesian forestry development in the last few years, and the role played by foreign capital. Only a small number of the investors have actually made significant progress in commencing operations. Others are being frustrated by endemic central government red tape, lack of survey data, and the difficulty of dealing with regional administrations.

Nevertheless, largely as a result of renewed foreign interest, Indonesia exported three million cu.m. of lumber (largely logs) valued at U.S.$19 million in 1969. This represents a doubling of exports compared with 1968 and more than twice the lumber export target for the year as stipulated in the Government Five Year Development Plan.

Significantly, Canadian capital has not to date participated in Indonesia's forestry boom. Although nearly all areas considered commercially viable for logging have now been allocated, many Indonesian firms with concession holdings are still seeking foreign partners.



Food, Clothing, Tools Among Possible Sales to Australia

Changing retail trends in Australia increase sales volume year by year and with preferential tariff rates applying to many Canadian goods, opportunities grow too.

H. J. HORNE
Commercial Counsellor, Sydney

Shoppers stroll along Collins Street in Melbourne, an area with shady trees, European-style sidewalk cafes and exclusive boutiques. The east end of the street, in fact, is known as "the Paris end". Obviously it is not Saturday morning here.

Despite popular belief to the contrary, Australia has a highly urbanized population, with most of the 12.5 million living in or close to the principal capital cities. They enjoy one of the world's highest standards of living.

Retail sales for the financial year 1969-70 totalled A$8,505 million, a per capita average of $687. Of these sales, 37.8 per cent were in New South Wales (capital Sydney, population 2.7 million), 28.7 per cent in Victoria (capital Melbourne, population 2.2 million), 13.4 per cent in Queensland (Brisbane, population 778,000), 8.9 per cent South Australia (Adelaide, population 771,000), 8.2 per cent Western Australia (Perth, population 559,000) and 3 per cent Tasmania (capital Hobart, population 141,000). Canberra, with a population of 107,000, completes the capital cities.

Over the past seven years, growth in retail sales in most states averaged about 50 per cent. Western Australian sales, however, increased 80 per cent, reflecting partly its above average population growth but principally the rapid economic development based largely on mining exploration, discovery and production. Despite these significant increases, the 8.8 per cent growth of retail sales in 1969 did not keep pace with the 9.5 per cent increases in GNP and personal disposable income. Best growth was shown in furniture and floor coverings, followed by electrical goods, clothing, drapery and footwear, with minimum increase in food and grocery sales. The latter group accounts for more than one third of all retail sales, as is shown in the accompanying table.

Retailing in Australia has changed considerably since World War II. There is, for instance, a drift from city to suburban shopping. The growth of multi-department shopping centers has fostered a decline in the proportion of trading done downtown in the capital cities. From 1960 to 1965 the number of such shopping centres increased from 14 to 70, and estimates put the present number at close to 200. However, despite this increase, the growth of one-stop shopping centre complexes could only be described as slow. This is probably due to the restricted shopping hours and to the fact that there is an average of one vehicle for every third person.

Another influence has been the expansion of the two major variety store chains into food sales and the fairly dominant market share gained by each. More recently, at least one North American style discount chain store, operating on a high turnover and low margin, has established in each state and has met with considerable success.

In many areas, principally rural, the formation of voluntary or co-operative chains and groups to consolidate buying power in groceries, electrical goods and hardware has changed the area retailing scene.

The sales of the three largest retailers in Australia comprised A$991 million, or 12.6 per cent of total sales in 1968-69. The largest, Woolworths, had a sales volume of $423 million (5.4 per cent of the total), followed by Coles with $346 million (4.4 per cent) and Myer, $222 million (2.8 per cent).

Certain other large retailers do not release sales figures, thus making a more complete comparison impossible. The general trend, however, is for the larger companies to become even more dominant and for mergers and take-overs of the small to medium size stores to become more frequent.

RETAIL SALES IN AUSTRALIA

	Value in A$ million and per head of population		
	1961–2	**1965–6**	**1969–70**
Food and groceries	2,010.6 189	2,530.4 221	3,149.3 254
Beer, wine and spirits	546.0 51	684.9 60	941.9 76
Clothing and drapery	900.0 85	1,120.5 98	1,371.7 111
Footwear	154.4 15	180.5 16	228.2 18
Hardware, china and glassware	146.0 14	164.0 14	223.0 18
Electrical goods	348.0 33	401.0 35	502.5 41
Furniture and floor coverings	230.0 22	311.4 27	427.8 35
Chemists' goods	265.8 25	362.0 32	498.9 40
Newspapers, books and stationery	166.4 16	213.7 19	295.6 24
Other	490.0 46	652.9 51	866.8 70
Total	**5,257.2** **495**	**6,621.3** **578**	**8,505.7** **687**

A detailed outline of the operation, scope and buying procedures of the large department stores in Australia was published in the October 25, 1969, issue of *Foreign Trade*. The main buying offices for these stores are in either Sydney or Melbourne, while three of the larger chains have buying agents in Montreal.

There are some significant differences between Australian and Canadian retail store operations. Perhaps the greatest is the restriction on shopping hours. There is no Sunday or evening shopping in most states of Australia and on Saturdays shops close at 12 noon. Saturday morning shopping is hectic because about 25 per cent of the workforce are women, who cannot shop at any other time.

Despite the rigid retail store hours, there has been little use of vending machines to supply products such as women's hose, films or food staples in off hours.

Another difference is in the relatively small size of the stores. The average Australian supermarket carries only from half to two thirds as many grocery items as Canadian super-markets, and few carry the range of items found in Canadian stores. Most

Outside view of part of what is claimed to be the biggest shopping center in the southern hemisphere, Roselands in the suburban area of Sydney. Retail sales in Australia have grown by about 50 per cent over the last seven years.

The Rose Fountain in the Roselands shopping center in Sydney. In some cases Canadian products have preferential tariff rates, and there are opportunities in many lines. A few Canadian firms have found the Australian market warrants local manufacture.

customers still expect to go to separate shops for staples such as bread, meat, groceries and coffee.

Convenience foods, such things as frozen TV dinners and vegetables, are only slowly being accepted in Australia. But frozen food display space, especially in newer stores, is expanding rapidly, allowing a greater availability of a wider range of products to encourage sales.

There are no large mail order catalogue stores, although some of the larger department stores offer goods through small catalogues or flyers to out-of-town customers. The volume of sales, however, is small. Franchising prepared food outlets is a new and expanding retail field, offering new markets for industrial pack food products including fish and frozen french fried potatoes.

In durable electrical appliances, some retail outlets quote unrealistic selling prices with extravagant trade-in offers, free gift concessions, so that in even conservative stores the customers bargain, bazaar-style, for appliances. The trade itself is attempting to bring the price structure under control. State agencies, equivalent to the Canadian Department of Consumer Affairs, have already been, or are being, formed. Their scope and field of activity parallels the Canadian one.

There is no national standardization in sizes of women's, girls', or children's clothing. The Standards Association of Australia has a study under way which it is hoped will lead to the adoption of uniform sizes. These may be expressed in metric measures, because Australia will adopt the metric system over a 10-year period. Australian retailers have already carried out the change to decimal currency and have indicated their support of this next step.

Generally Australia has high tariffs, which are intended to protect and encourage domestic industry. Canadian products in many cases, however, have access under preferential rates, which allows them to surmount the tariff barrier, while the general rate precludes goods from non-preferred countries such as the United States, Germany and Japan. Some Canadian firms, after reaching a sales volume sufficient to warrant it, have started to manufacture in Australia, recent examples being in the prepared food field.

Backed by inquiries received from Australian importers and traders, we believe there are sales possibilities for the following products for the retail trade in Australia:

Frozen bulk or prepared food products, frozen, canned and cured fish, pickles and sauces, maple syrup, seeds, tires, automotive spares, sporting goods, household linens, including chenille items and new process textiles, fake furs, carpets, towels, children's and women's sports clothing, hand tools and specialized small machines, marine and builders' hardware, 220-volt electrical appliances, household sundries, jewellery, men's giftware, toys and any new, unique, or distinctive article.

Canadian manufacturers and exporters with items likely to be of interest to the Australian retail trade are invited to write airmail, sending details including prices to the Trade Commissioners' offices in Sydney or Melbourne. A reply with an assessment and names of prospective importers, agents or representatives, if the results are positive, will be sent promptly.

Aluminum Interests Join

Two Netherlands' companies, Hoogovens and Billiton, will combine their joint aluminum interests in Holland Aluminium N.V. with the Belgian aluminum processing company Sidal (Societe Industrielle de l'Aluminium S.A.) of Brussels.

Hoogovens and Billiton will participate for 49 per cent of the holding company which will own 61.5 per cent of the Sidal shares. The Belgian shareholders, who will retain 51 per cent of the holding company, will participate for 33⅓ per cent in Holland Aluminium N.V.

The combination of Holland Aluminium and Sidal, acting as an integrated group of aluminum interests, is complementary.

Sidal has a processing capacity of approximately 150,000 tons annually, of which about 130,000 tons is rolling capacity and the remainder extrusion capacity. A major part of its production is exported.

Advancing Eastern Europe Lumber Industry Needs Equipment

M. THOMAS, Commercial Counsellor, Vienna

Canada has supplied a negligible amount of the equipment Eastern European countries have purchased for expansion and modernization of their woodworking industries, although large sums of money have been spent in the last two decades. Much of the new equipment has been imported either from other Socialist countries or from Western Europe.

Bulgaria recently built 20 new woodworking combines which were equipped from the Soviet Union, Poland, Germany, France and other European countries. Development in Hungary and Romania has followed a similar course.

A third of Eastern Europe is forest, comprising the largest wood reserves on the continent after the U.S.S.R. There is a tradition of forest industries, but real development did not come until the first half of the 20th century and proceeded at a rate proportionate to endowment. Romania's significant forest reserves were nurturing a substantial forest industry early in the 20th century, whereas Hungary, with only 12 per cent of its land covered by forest, did not begin to build up a substantial lumber processing industry until the 1940's.

After World War II the Communist governments in Eastern Europe tended in some cases to assign forestry a lower priority than the development of heavy industry; nevertheless, the woodworking industry was able to develop rapidly throughout the area. The need to construct housing on a large scale, the demand for furniture, and in recent years, the increased emphasis on consumer goods and light industry in general have resulted in more attention being devoted to the expansion of the forest industry and to the modernization and mechanization of existing facilities. Growth has been particularly rapid in Bulgaria, Hungary and Ro-

Eastern European countries are still largely unaware of Canadian expertise in the forest industry but it is an expanding market with opportunities. Western Europe and the Socialist countries have so far been the main suppliers to the area.

mania, the three principal Eastern European countries covered by the Department's office in Vienna.

Development of the forest industry in all three countries has been accompanied by carefully detailed afforestation and reforestation programs aimed at increasing yields and providing more and better quality species for use in the woodworking industry. In Romania and Hungary, for example, fast growing poplars have been planted extensively, especially in riparian areas. In Romania a number of low-yielding deciduous stands have been replaced with high-yielding species. Some low-yielding hardwoods have also been replaced by better quality coniferous woods.

Despite afforestation programs in Bulgaria and Hungary, these countries find it necessary to import substantial quantities of coniferous timber for their woodworking industries, primarily from the Soviet Union. Bulgaria has an agreement with the Soviet Union under which it obtains over 17 million cubic feet of timber annually. Part of the timber is processed in the Soviet Union and part in Bulgaria. In Hungary the forest coverage has been increased over the past 20 years from 12 per cent to 16 per cent of the country's area and it is hoped that increased use of poplar will reduce coniferous timber imports substantially. In addition, certain exotic tropical species are imported into Eastern Europe for special purposes.

The most spectacular growth in the forest industry has probably been in Romania, which is the most important producer of wood products. The timber processing industry now accounts for nearly 7 per cent of Romanian national output and during the period 1960-1966 achieved an annual growth rate of 12.6 per cent. Investments from 1948-1970 in the industry amounted to nearly 20 billion lei.* Previously forest operations in Romania were confined mainly to river valleys and relied to a large extent on manual labor. One of the aims of the post-war program for developing the forest industry has been to mechanize logging and wood transport. Previously rivers and the railway system were used for transporting timber, but following extensive road construction, four-fifths of Romanian timber was transported by road in 1966.

By 1967 the Romanian woodworking industry was concentrated in 14 combines which produced a wide variety of products, lumber, veneer, plywood, chipboard, fiberboard, parquetry board, cabinet wood, furniture turning, sashes and doors and wooden packing material. Increased use was made of broad-leaved species during this period and some 30 saw mills were reorganized to process hardwoods. Stress was on developing quality plywoods, such as embossed, surfaced and overlaid types, and on expanding chipboard and fiberboard production, especially for supplying Romania's important and rapidly developing furniture industry. The development of chipboard and fiberboard production has also permitted the use of waste wood and of poor quality wood.

Development of the forest industry in Bulgaria and Hungary has followed a pattern somewhat similar to that in Romania. In Bulgaria some 50 woodworking factories process approximately three million square meters of wood annually. Emphasis is on saw milling and on the production of wooden packing materials, veneers, parquetry, chipboard, fiberboard and building and furniture wood. The growth of the furniture industry in Bulgaria has also been spectacular and output is now 33 times that of 1939 levels.

An important aspect of Hungary's program for developing forest industry has been the effort aimed at reducing and eventually eliminating the use of wood as fuel. After sawn timber, the principal products of the woodworking industry have been hardboard, particle board, plywood and veneer. At present Hungary has 25 saw mills, 17 of which produce 75 per cent of the sawn wood output, two plywood mills, two veneer mills, six particle board mills and one hardboard mill.

Although details of the next Five Year Plan (1971-1975) are not yet available, Bulgaria, Hungary and Romania have all indicated that they intend to continue the expansion and modernization of their woodworking industries. The three countries have emphasized the need to improve efficiency and quality, to develop new materials, and especially to improve supplies for their furniture industries which, in recent years, have become important export earners. In Romania, for example, the output of shipboard and fiberboard is to double between 1970 and 1975 and furniture production is to increase by 25 per cent to 30 per cent.

Bulgaria intends to increase chipboard production to 393,410 cubic meters and fiberboard to 133,360 tons by 1975. Some 80 per cent of existing saw mills are to be reconstructed and more specialized woodworking plants will be built to manufacture material for the furniture industry. Further developments are also planned in Hungary where another high capacity wood fiber plant and wood chip factory is to be constructed during the next five years. More saw mills will be built as well to process deciduous wood. All three countries will continue their efforts to further mechanize logging operations.

Canadian producers and manufacturers of equipment for the logging and saw milling industry are still not well known in Eastern Europe. Few Canadian firms have taken the trouble to visit the area and the Eastern Europeans have tended in the past to turn automatically to Western European suppliers with whom they are familiar. Efforts are being undertaken to draw the attention of the woodworking industry in Eastern Europe to Canadian technology in this sector. A woodworking industry mission composed of members from Bulgaria, Hungary, Romania and Yugoslavia has recently completed a cross-country tour of Canada designed to enable them to view Canadian equipment in operation on the spot and a number of Canadian manufacturers are beginning to show interest in the market.

Canadian exporters will find themselves facing keen and experienced competition in Eastern Europe and will have to be flexible and tenacious in their technical and commercial negotiations and, of course ,will have to offer the best possible quality at the best possible prices. Those firms with the right technical capabilities and the right degree of interest should be able to develop exports to a market which is rapidly expanding and which needs the kind of technology that Canadian industry has to offer.

*17 lei = $1 approx. tourist rate.

Typical of the Peruvian fishing fleet is this 99-foot purse seiner. Most of her equipment would be imported.

Peru Needs Marine Equipment

Rapid development of fishing industry is putting pressure on existing fleet. New vessels are being built by Peruvian yards, but equipment for outfitting offers sales opportunities.

DEAN J. BROWNE
Assistant Commercial Secretary, Lima

Blessed with an abundance of fisheries resources within her strictly-enforced 200-mile maritime limit, Peru has developed a fishing industry second to none. The latest available statistics (1961) showed a total harvest of some 10.5 million metric tons of product and international fishmeal sales of more than 2.4 million metric tons valued in excess of U.S.$231.7 million and 1969 statistics (not yet released) should surpass this performance.

Now of major importance is the need to sharply increase the fishery fleets. The growth of the Peruvian fleet is closely linked to the varying supply requirements of some 144 fishmeal plants who own and operate their own vessels. Only a few independent ship owners are still in operation, but of the total 1968 Peruvian catch, more than 97.6 per cent was destined for these mammoth plants while only 0.5 per cent and 0.02 per cent were of the bonito and corvina species respectively for human consumption.

Now of great economic significance, fisheries are coming under closer government scrutiny and regulation. Legislation has been passed recently creating a new Ministry of Fisheries as well as a separate agency "Empresa Publica de Comercializacion de Harina y Aceite de Pescade" to fully control marketing of fishmeal and fish oils.

Great emphasis is currently being placed by the Peruvian Government on expansion of the fisheries industry devoted to human consumption.

The Minister recently forecast investment of some U.S.$500 million over the next five years to promote increased local table fish consumption and construct large scale complexes for harvesting and processing appropriate species of fish.

Already a tender call has been issued by the Ministry for consultants to undertake a detailed study of this project and additional negotiations are under way with at least three countries for the possible provision of technical and economic assistance. Last year, the UNDP approved a small five-year project creating a research and advisory center to promote direct public consumption of table fish and this work is now being undertaken in close co-ordination with government authorities.

The Peruvian fleet of purse seiners now exceeds 1,500 vessels with cargo capacities in the 120 to 350 metric-ton range although at least half of this total is in the neighborhood of 130 metric tons. It is expected that the number of vessels devoted to anchovy fishing will decrease over the next few years but there is a definite trend to replace the smaller ships with 300 to 360 metric-ton vessels.

These newer ships are expected to reduce operational costs and permit fishing further from shore. In addition, the present fleet of purse seiners and trawlers, together with a wide variety of small launches and boats, will probably soon be augmented by fleets of draggers if the Government pursues its policy of vastly increasing the production of fish for human consumption.

This growing requirement for all types of fishing vessels as well as cargo vessels for the local merchant marine and armed forces has led to the establishment of a highly-developed local ship-building industry as well as the development of many businesses which supply necessary equipment and components. New vessels are purchased almost exclusively from local shipyards and owners generally use their services for replacement of equipment, hardware and general repairs. At present, more than 100 fishing vessels are produced annually and the Peruvian shipbuilding industry, in general, is well equipped with modern machinery and technical skills for the production of competitively priced vessels.

Larger capacity vessels are continually being produced and experiments are being conducted with all-fibreglass vessels. (One shipyard has just launched a 350-metric-ton fibreglass unit built under the supervision of Mexican technicians. It is currently undergoing sea trials.)

At present, a typical Peruvian fishing vessel would be a 99-foot purse seiner with a 25-foot beam, 12-foot draft and cargo capacity of approximately 270 cubic meters. Such a vessel fully equipped would cost approximately U.S.$300,000, broken down as follows: hull and structural parts 140,000, electronics (radio-telephone, echo-sounder, radar, sonar, etc.) 10,000, engine group, 55,000, hydraulic deck machinery, 40,000, extras and installations, 5,000, fishing net and accessories, 50,000.

Although a high degree of technical ability exists in the industry for the construction of hulls and structural parts, virtually all materials, engines, mechanical, electrical and electronic equipment and accessories must be imported. To date, only one local company is manufacturing specifically for the fishing industry and this activity is confined generally to hydraulic equipment. In general, marine equipment and components imported by shipyards are exempted from import duties except where local manufacturing exists.

Vessels for the Peruvian fishing fleet are purchased either by direct order for a fully equipped vessel to a local shipyard or, less often, by ordering the construction of a hull from the shipyard with outfitting contracted elsewhere. Although at least one shipyard produces vessels under design licence from a foreign firm, most ships are built to locally modified designs which have evolved from experience under local conditions. For one thing, fishing in Peru is a daily business as compared to Canada where crews may go to sea for several days at one time. This characteristic of the local industry affects the design as greater emphasis is on cargo capacity and unloading convenience and sacrifices are made in living accommodation, water storage facilities, etc.

Because of the expected demand for draggers and tuna seiners, some experiments have been conducted in Peruvian waters with large 115- to 120-foot vessels but it is anticipated that the most desirable will be 65 to 85 feet, similar to those operating on Canada's west coast. To be economical, the larger draggers must be unloaded immediately and this facility cannot be provided locally for some time. The smaller draggers would be unloaded daily or, at the very least, every second day.

The extensive local industry supplying vessel components and equipment to Peruvian fishing fleets and the Peruvian Navy shipbuilders for the construction of small to medium sized cargo ships presents equipment sales' opportunities to Canadian exporters. Manufacturers who would license local manufacturing could also do business. Although some individual companies are already actively selling in this territory, a more intensive market approach could take the form of offering "packages" of related equipment for the outfitting of an entire vessel. Equipment offers could be considered in the following areas:

Hull and Structural Parts: In this category are designs, steel plate, steel forms, welders and welding supplies, booms and masts, sealants, anti-corrosive marine paints and, now, resins and other materials for fibreglass hulls. Japanese competitors have a strong hold on steel imports while most of the forms, booms and masts are made locally. However, designs will be required for draggers and the construction of fibreglass hulls is still in its infancy and may require future technical assistance. Fibreglass vessels are expected to win an increasing share of the market due to their slightly lower cost and reduced maintenance. Welders and welding suppliers are used in quantity and there is great need for high quality marine paints due to exceptional galvanic action in Peruvian waters.

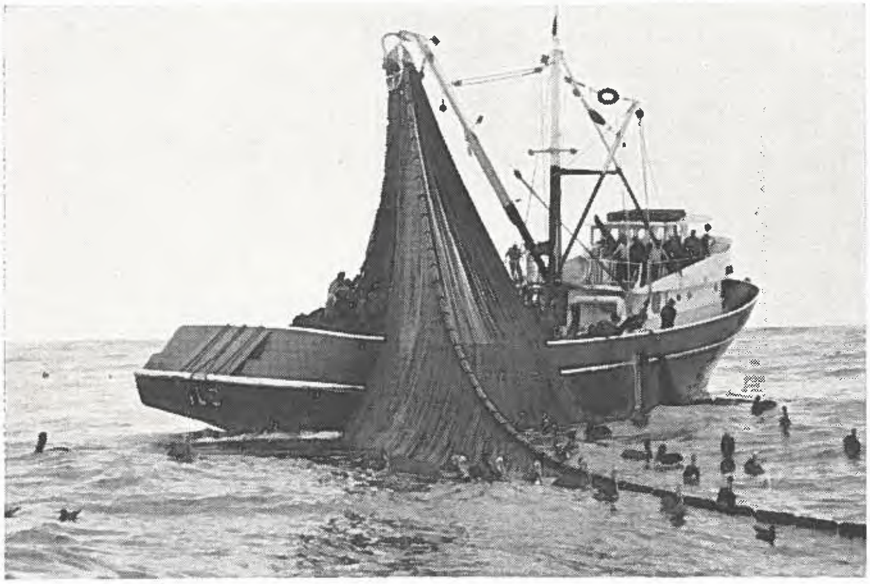
Engines and Related Power Train Accessories: Almost exclusively imported, this category comprises a complete range of marine engines, compressors, generators, propellers, shafts, gear boxes and steering systems. Marine engines are at present imported primarily from the United States and Germany. The development of a fishery for human consumption will require hydraulically operated refrigeration compressors utilizing freon 12 (or possibly ammonia) plus other related equipment. On ship electrical installations which are currently of European Standard 12 volt DC, 24 volt DC or 110 volt DC are reportedly soon to be converted to either 110 volt AC or 220 volt AC with resulting changes in generators and electrical fittings. High quality propellers, shafts and steering systems continue in significant demand.

Electrical and Electronic Navigational, Detection and Communications Equipment: Comprising a vast range of items such as navigational instruments, compasses, charts, marine thermometers, radio marking buoys, sonar, automatic pilot, radio telephones, radar, echo sounders, oscilloscopes, depth indicators, it is in this area that Canadian exporters are most active. With construction of over 100 vessels annually, each requiring an electronic equipment "package" valued at between U.S.$10,000 to U.S.$20,000, business opportunities are attractive and the result is intense competition between Canadian, U.S., Japanese, British, Norwegian and German exporters.

Already competing effectively in the market, Canadian exporters are expected to improve their sales penetration with expansion of local fleets and the construction of larger, more modern vessels. Sales prospects requiring a basic "package" frequently include sonar, echo-sounder, radio telephone, radar and, possibly, automatic pilot. New legislation will require the eventual conversion from radio-telephone equipment to a single side band type of unit which should open up new opportunities. Local interest is also developing in a type of "Mickey Mouse" FM radio for interboat communications within the fleet. Because of the relative low cost, it is anticipated that depth indicators could also find a wider application if extensive promotional efforts were undertaken.

Deck Gear and Accessories: Ranging from complete marine hydraulic system "packages" through a variety of inflatable buoys, hoses, fish hooks, floats, ropes, searchlights, horns, pulleys, and blocks to refrigeration fire-fighting and safety equipment as well as nets and accessories, this category could offer important sales possibilities for Canadian exporters, particularly if equipment "packages" could be put together. A growing percentage of marine hydraulic requirements can be supplied locally although imports are still permitted and demand for other products is satisfied chiefly by imports from the United States, Japan and Norway.

In addition to marine hydraulic "packages" which could range to U.S. $40,000 in value per vessel, new opportunities will open up for the supply of hydraulically operated refrigeration compressors plus the whole line of cold plates, valves, refrigeration controls, insulation and stainless steel lining materials for both on ship and port installations. Greater attention is also being paid to safety, particularly as larger vessels are being constructed, creating other requirements.



Surrounded by pelicans, this purse seiner hauls in her nets. Peruvian yards are capable of building ships but there is almost no capability for manufacturing equipment and marine components, sales of which should be made direct to the shipyards.

In general, Canadian exporters have approached Peru's vast and rapidly growing market for marine equipment and components on a more or less piecemeal basis rather than by promoting co-ordinated equipment "packages". Set up to supply the Canadian fishing industry, they have frequently failed to appreciate that the market potential is so much greater in Peru than at home—a fact that could justify the modification of Canadian products or even the development of special equipment catering specifically to local Peruvian conditions and requirements.

With continued rapid expansion of Peruvian fishing fleets forecast, aggressive Canadian equipment manufacturers could well consider the possibility of licensing and joint-venture agreements with local manufacturers or even direct investment in local sales and/or manufacturing operations. Wherever possible, Canadian exporters should analyze market conditions and special local requirements to ensure that their products and offers are competitive. Canadian exporters should also consider working together to quote on "packages" for local shipyards with the availability of financing if required.

Whatever arrangement concluded should include maintaining a stock of parts in Peru as well as knowledgeable technical advice and supervision by the local representative. Large as the Peruvian shipbuilding industry is, communication is very rapid and difficulties created by an improperly installed or maintained product can cancel out years of careful sales promotion. In general, sales of equipment will be made directly to shipyards to take advantage of duty exonerations available only to them, with payment on an irrevocable letter of credit basis or short term credit depending on the equipment offered and competitive circumstances.

The Peruvian fishing industry offers a massive market for many diversified products and Canadian exporters are urged to develop an awareness of its potential both for direct sales as well as licensing, joint-venture and manufacturing investments. The Department of Industry, Trade and Commerce in Ottawa and the Trade Commissioners in Lima will be pleased to hear from interested Canadian exporters and to work with them in this market.

Italy's Growing Leather Industry

Canadians should take advantage of the trend by tanneries to buy directly from exporters of hides and skins.

B. M. WHITE, Consul and Assistant Trade Commissioner, Milan*

A street of high-class boutiques near the Via Condotte in Rome. Raw hides and skins are increasingly in demand and Canadian exporters should visit Italy to investigate the market, particularly in view of recent developments.

Italy's leather goods industry is world renowned. Italian footwear and leather gift items are to be found in most of the world's market places. This is not surprising if one notes that as an industry leather goods generated $561.9 million worth of sales for Italy in the first nine months of 1969, compared to $573.3 million for all of 1968. In 1967 the figure was $439.5 million.

*Since writing this article, Mr. White has been posted to London.

The continued growth of the leather industry in Italy has not necessitated greater rationalization, as in other industries, and a large number of small family concerns are still able to make a profit. Among the major influencing factors in this growth is the increasing demand by female shoppers for knee boots and a trend to leather overcoats by both sexes.

Repercussions of this success are left most strongly in the hides and skin sector. To meet the growing market for tanned skins, Italian tanners in 1969 imported larger quantities of raw hides and skins than ever before. A previously stable import-export situation has altered; tanned skin imports for the first six months of 1969 were equivalent in quantity to the first six months of 1968, but in dollar value increased by 39 per cent. Imports of raw hides and skins rose 39 per cent in quantity and 42 per cent in value for the same period. Exports of tanned skins increased by 48 per cent in value, but raw skins dropped by approximately 33 per cent. This seems to indicate greater activity by local tanneries, with a resultant expanded market for imported raw hides and skins.

The following figures show the value, in thousands of Canadian dollars, of Italian imports of both raw and tanned hides and skins, with Canada's share in brackets: 1965, 136,000 (630); 1966, 200,000 (535); 1967, 191,310 (860); 1968, 193,538 (655); 1969 (January-September), 191,000 (1,000). About 95 per cent of Canadian sales are in raw hides and skins, a figure easily understood when one realizes that there are hundreds of tanneries in Italy, ranging from small family-operated units to large industrial complexes.

Duty rates put Canada at a disadvantage; the trade calculates that duty and transportation costs from Canada for tanned skins increase the Canadian selling price by 28 per cent. Similar considerations for the British product equal only 20 per cent. Since customs duties on this have been eliminated on imports from one Common Market country into another, EEC-produced tanned skins are subject only to internal taxes and obviously have lower transportation costs.

Canadian sales efforts in this field should be concentrated on marketing raw hides and skins. All the signs to a continuing increase in the growth of the Italian leather industry (even if there is at present a temporary slowdown), particularly in the production of shoes, leather clothing and giftware. But despite this expansion, the tanneries particularly are feeling a cost squeeze and are beginning to turn to direct importing or buying through local agents, with direct shipments to the tannery, rather than dealing through an importer. In fact some of the larger tanneries are already sending their buyers abroad, and it is usually only the small tanner who finds it more convenient to order from local importers or wholesalers.

Canadian exporters of raw hides and skins should take advantage of this trend. This office has contacted a large number of tanneries with the suggestion that they consider importing direct from the Canadian producers. The replies we have had show there is a definite interest in this approach. The stumbling block so far has been prices of the raw material: with both China and New Zealand being large exporters of hides and skins to Italy, we cannot assume that transportation costs are a decisive factor.

At present the tanneries are importing both small and large skins; the small ones are for shoe linings and the cheaper range of gift items, and large skins for the production of furniture and better quality leatherware; 80 per cent of imports are used for shoe uppers. Imports come from Sweden, New Zealand, India and Argentina. Some of these nations sell directly to importers or agents, and others, such as New Zealand and Australia, sell through brokers in London. Tanners in Italy usually buy brand names known for their quality.

The tanners allow between 10 and 40 per cent margin on their prices, depending on the products, with tanned skins for linings registering about a 10 per cent markup and the fine upper leathers for shoes about 40 per cent. Working backwards, importers usually make a commission of 2 per cent and the brokers in London or New York between 2 and 2½ per cent. Bear in mind that, though there is no duty on raw hides and skins imported into Italy, the trade allows for a margin of 10 per cent to cover internal duties, such as turnover tax of 6 per cent, administrative fees of 1 per cent and assorted other charges.

The best way to get into this expanding market is to visit the country with representative samples and c.i.f. export prices. Your travels should be limited to clearly defined areas. Most of the imported skins are destined for four cities. The big skins go either to Pisa or to Vicenza and the small to the Milano or Naples area. In these four areas can be found the greater part of all the tanneries in Italy. Hopefully this visit will result in the appointment of an agent or in establishing selling connections with one or more of the large tanneries.

As for trade fairs, only the Bologna Leather Fair, which is held annually, is, in our view, of use to the exporter of tanned hides and skins who wants to support his Italian agent.

This office will be pleased to supply Canadian exporters with the names of suitable contacts and to help them plan their business visits.

How To Handle Japanese Market

If you are thinking of doing business in Japan, our third largest trading partner, the Department of Industry, Trade and Commerce has published a booklet that provides useful information for you.

Called *Markets for Canadian Exporters—Japan*, and prepared by the Trade Commissioner Service, it begins with a brief description of the country, together with information on such things as climate, principal cities and their populations, and the main industrial areas. There is also a list of public holidays.

Chapter 2 is devoted to the main features of the Japanese economy with import and export statistics, and what Canada bought from and sold to Japan during 1966, 1967 and 1968.

Chapter 3 contains tips on doing business in Japan, with a list of the principal foreign exchange banks in the country. There is information on such things as technical assistance contracts and joint ventures, trademarks and patents, and from where to send cables.

Chapter 4 deals with Customs and Exchange regulations. Chapter 5 is called "Your Business Visit to Japan" and contains the same type of information that readers of *Foreign Trade* are familiar with in our regular Business Visit feature. This Chapter stresses the Japanese social customs and business methods which are so necessary for the Canadian businessman to know in making a correct approach to this important market. The booklet ends with a list of useful addresses both in Japan and Canada.

Markets for Canadian Exporters—Japan is available in French or English from any of the Regional Offices of the Department of Industry, Trade and Commerce across Canada or from the Trade Publicity Branch, Department of Industry, Trade and Commerce, Ottawa.

The New England Market Today

The "New" in New England is highlighted for the Canadian exporter these days—not only are there new openings for him in traditional markets, but new reaches in electronic technology as well.

W. R. VAN
Consul and Senior Trade Commissioner
Boston

Here is one reason for the $2.5 million an hour sales chalked up by the retail trade in New England—a serve yourself display set up in a hardware store.

"Yankee ingenuity" has transformed limited and narrow-based New England industry into a burgeoning economy with new industries possessing an inborn propensity to expansion. Population, personal income and employment figures confirm this, and the recorded facts on retail sales, market distribution and the appearance of new industries and services can be reckoned by the Canadian exporter as portents promising new markets.

Equal to half of Canada's total population, New England's 11 million are mostly urbanized and contained within a comparatively small land area—under two per cent of the entire U.S. Consequently, the megalopolis extending from New Hampshire down the Atlantic coast to Northern Virginia—roughly identified as "Boston to Baltimore"—becomes an important market area for Canada. Personal income during 1968 in New England amounted to approximately $46.5 billion—far up from the $20 billion figure of five years earlier. Compare this with Canada's total figure for 1969 of $47.5 billion.

There are more than 25,000 establishments manufacturing durables only and employing over 1.5 million workers. Nearly 900 thousand are employed in non-durables. The major employment industries are machinery, transportation equipment, wholesale/retail, finance, insurance, real estate and government.

Retail sales in New England are $60 million a day or $2.5 million an hour. Traditional industry, including textiles and shoes, is declining; finance and insurance are holding their own; however, major shifts are evident. New forces are promoting the new rising industries—forces such as new worker concentrations, occupational changes and a pronounced orientation toward non-manufacturing services for educational, medical, business and personal needs. In manufacturing there is a gradual switch from non-durables to durables.

Canada has a natural market outlet here close at hand. In 1969 alone imports through Boston were nearly $1 billion; about $60 million of this was from Canada, placing us after Japan, West Germany and Britain. Items arriving in Boston from Canada include internal combustion engine parts, valves, electric switches, pressure gauges, ice hockey equipment, blueberries and strawberries, shoe machinery, and hundreds of other commodities.

Boston is the epicenter of a metropolitan area which encircles within its 15 mile radius a population of 3.2 million. While the Greater Boston area is the main distribution center for all New England, there are other important distribution centers, such as Providence, Rhode Island, which ranks second, and the Worcester County—Springfield area, third. Other important cities are Manchester, New Hampshire, and Portland, Maine.

New or diversifying industries present themselves as potential consumers of Canadian products. They fall into three general categories—lumber and wood furnishings, the food market and technology, chiefly electronics.

U.S. housing starts are down, yet Canadians sell more than $60 million worth of lumber annually in New England, chiefly in dimension stock and panels. Furniture manufacturers are frequently adjusting or changing their lines of production. As this is the area of great market potential, the Department of Industry, Trade and Commerce has contracted with a Canadian consulting firm for a thorough survey of the dimension stock potential in the U.S.

Lumber needs figure significantly in other areas of New England industry. A concentration of manufacturers of factory built homes is developing. In the past year two factory-built home plants totalling 90,000 square feet were completed, and three more are projected for this year.

Finished wood products are sold in a wide-ranging market. The headquarters of the two largest American hotel chains as well as other relatively large ones are in Boston. Since most have been using at one point or another some Canadian furniture or equipment, the Department of Industry, Trade and Commerce is preparing a directory of Canadian motel and hotel suppliers which will be available to all important hotel organizations in the U.S.

There is a notable market in education for a wide variety of products, such as furnishings and furniture for classrooms, cafeterias, and gymnasia, as well as for a range of machinery and equipment for vocational schools. Contract sales firms, manufacturers' representatives and school supply houses have been made aware of Canadian products through Canada's participation in the American Vocational Association Convention last year in Boston and in another held in Atlantic City by the American Association of School Administrators.

Canadian participation in the New England Boat Show in February this year was rewarding—11 boat firms primarily involved in sailing craft scored an instant success. A follow-up publicity campaign has been pursued by the Publicity Branch of our Department in the Boston news media.

The food market is valued at $4.5 billion and exporters with presentable products at competitive prices seldom return home from a New England trip before establishing connections with a suitable broker. A highly successful in-store promotion was held last fall in concert with a major New England food chain and a repeat is being held this summer. Last year Canada promoted a wide range of foodstuffs: canned meats, candy, cheese, canned apple products, specialty breads, macaroni, biscuits, tea, molasses, kippered snacks, lobster and numerous frozen fish items, including crab meat.

The Canadian Atlantic fishing industry moves $100 million of production through Boston each year and the Boston office regularly provides the industry and Ottawa with information. This is a traditional industry, but to maintain and increase Canada's activity in the market there is a continuing need to gain on competitors by providing the U.S. consumer with what he wants.

Among the commercial enterprises not existing 20 years ago are the high technology industries, particularly electronics. Industries have emerged in the Boston area that are dependent to a high degree on new technology and promise great growth potential. They engage in research and manufacturing in the fields of marine science and technology, air and water pollution control and aerospace.

Spawned by war, many of these industries are preparing to adapt to peace. The National Aeronautics and Space Administration Research Center in Cambridge, Mass., has fallen victim to U.S. defence cutbacks and relocation programs. The Federal Department of Transportation has stepped in to fill the void. The former NASA Center is now the Transportation Development Center, concentrating on the myriad problems of modern transportation in this space age. Here will be developed advanced electronic systems for air traffic control and mass transit and vehicular control. Eventually, research contracts let out by the Center to industry are expected to represent a market of hundreds of millions of dollars.

Probably the largest center in the U.S. of sophisticated research and production facilities for electronics and related communications and data processing industries is spread out in a crescent-shaped arc around Boston along Route 128. This is an industrial developer's dream—clean, attractive, with guaranteed growth for years to come.

The structure of "128" is complex, its products almost science fictional, yet its constant demands represent potential for the Canadian exporter. The market is for Canadian-made components of close tolerance parts which must comply to the strictest quality specifications in the world. Canada's slight advantage on labor costs plus the proximity to the market make prices and delivery competitive with those of Californian and Texan suppliers. In recent times Canadian companies have obtained substantial business for the supply of electronic components here.

Another opportunity the "128" market offers to the Canadian exporter is its potential as a source of industrial development leads. There is room for new Canadian companies to begin the production of items specifically for the general market or for a particular customer on contract. There are countless "troublesome items" which purchasing agents farm out to reliable sources.

Electronics is not the sole area of this potential market. There is another recent requirement for grey iron castings prompted by the tightening of anti-pollution laws in the U.S.

Like all U.S. markets, New England is consumer oriented. Close attention is paid to presentation, packaging and advertising, hence the necessity for serious minded appraisal on the part of visiting Canadian exporters. A determination to sell and a willingness to visit the marketplace will enable the Canadian to obtain business. The Commercial Division, Canadian Consulate, 500 Boylston Street, Boston, Mass. 02116 can provide an initial opinion on the marketability of the product; then, once the exporter's prices are determined, suitable contacts will be listed for him.

Foreign Commercial Representatives in Canada

ARGENTINA

Economic Counsellor's Office
Embassy of Argentina
56 Sparks St., Rm. 508
Ottawa 4

AUSTRALIA

Commercial Counsellor and Australian Government Trade Commissioner
Australian High Commission
90 Sparks St.
Ottawa

Australian Government Trade Commissioner
Canadian Imperial Bank of Commerce Bldg.
1155 Dorchester Blvd. W.
Montreal

Australian Government Trade Commissioner
Burrard Bldg., Suite 608
1030 West Georgia St.
Vancouver

AUSTRIA

Embassy of Austria
445 Wilbrod St.
Ottawa 2

Consulate of Austria
1132 Kensington Rd. N.W.
Calgary

Austrian Consulate
526 Young Ave.
Halifax

Austrian Trade Delegate
630 Dorchester Blvd. W., Suite 2275
Montreal

Austrian Consulate General
National Trust Bldg.
1350 Sherbrooke St. W.
Montreal

Austrian Trade Delegate
401 Bay St., Suite 2008
Toronto 1

Austrian Consulate
525 Seymour St.
Vancouver 2

Austrian Trade Delegate
1223 Vancouver Block, Suite 1229
736 Granville St.
Vancouver 2

Austrian Consulate
54 Harrow St.
Winnipeg 9

BELGIUM

Counsellor, Belgian Embassy
85 Range Rd.
Ottawa 2

Consul General of Belgium
913 Royal Bank of Canada Bldg.,
Place Ville Marie
Montreal

Consul General of Belgium
8 King St. E., Suite 1901
Toronto

Consul General of Belgium
Baxter Bldg., Rm. 916
1111 West Hastings St.
Vancouver

BOLIVIA

Consul General
Consulate General of Bolivia
4866 Cote des Neiges, Apt. 903
Montreal 26

BRAZIL

Office of the Commercial Attaché
Brazilian Embassy
450 Wilbrod St.
Ottawa 2

Brazilian Consulate General
1 Place Ville Marie, Suite 1505
Montreal

Brazilian Consulate
508/10 Rogers Bldg.
470 Granville St.
Vancouver

BRITAIN

Minister (Commercial)
British High Commission
80 Elgin St.
Ottawa 4

The British Trade Commissioner
British Government Office
Three McCauley Plaza, Suite 1404
10025 Jasper Ave.
Edmonton 15

The British Trade Commissioner for the Atlantic Provinces
British Government Office
Centennial Bldg., 10th Fl.
1645 Granville St.
Halifax

The Senior British Trade Commissioner
635 Dorchester Blvd. W.
Montreal 101

The British Trade Commissioner
British Government Office
815 Avord Tower
2002 Victoria Ave.
Regina

The Senior British Trade Commissioner
British Government Office
200 University Ave., 8th Floor
Toronto 1

The Principal British Trade Commissioner
British Government Office
Bank of Nova Scotia Bldg., 4th Fl.
602 West Hastings St.
Vancouver 2

The British Trade Commissioner
British Government Office
Monarch Life Bldg., 4th Fl.
333 Broadway Ave.
Winnipeg 1

BULGARIA

Bulgarian Trade Commission
1550 Maisonneuve Blvd. W., Suite 210
Montreal

BURMA

Embassy of the Union of Burma
Royal Trust Bldg.
116 Albert St.
Ottawa

CAMEROON

Commercial Attache
Cameroon Embassy
85 Range Rd.
Ottawa 2

CEYLON

Commercial Secretary, High Commission of Ceylon
85 Range Rd., Suites 103-104
Ottawa 2

CHILE

Embassy of Chile
56 Sparks St., Suite 204
Ottawa

Consulate General of Chile
1745 Cedar Ave., Apt. 101
Montreal

Consul of Chile
1575 West Sixth Ave.
Vancouver

CHINA, REPUBLIC OF

Economic Counsellor
Embassy of the Republic of China
85 Range Rd., Suite 406
Ottawa 2

Consul General of the Republic of China
510 West Hastings St.
Vancouver

COLOMBIA

First Secretary and Consul
Embassy of Colombia
140 Wellington St., Suite 112
Ottawa

Consul General of Colombia
1500 Stanley St., Suite 320
Montreal

Consul of Colombia
67 Yonge St., Suite 726
Toronto

Vice-Consul of Colombia
2705 West 22nd Ave.
Vancouver

COSTA RICA

Consul General of Costa Rica
555 Maple Ave., St. Lambert
Montreal

CUBA

Cuban Trade Commissioner
3737 Metropolitan Blvd. E., Suite 1200
Ville St. Michel
Montreal

CZECHOSLOVAKIA

Office of the Czechoslovak Trade Commissioner
1280 St. Mark St.
Montreal

DENMARK

Royal Danish Embassy
85 Range Rd., Suite 702
Ottawa 2

Royal Danish Consulate General
1245 Sherbrooke St. W., Suite 1525
Montreal 109

Royal Danish Consulate
151 Bloor St. W.
Toronto 181

Royal Danish Consulate
1201 West Pender St.
Vancouver 1

DOMINICAN REPUBLIC

Consul General of the Dominican Republic
5464 Victoria Ave.
Montreal

EASTERN CARIBBEAN COMMISSION
(Leeward and Windward Islands)

Commissioner, Eastern Caribbean Commission
14 Frontenac St., Place Bonaventure
P.O. Box 286
Montreal 114

ECUADOR

Consul General of Ecuador
2603 Cote St. Catherine Rd.
Montreal 250

Honorary Consul of Ecuador
82 Heathcote Ave.
Willowdale 430
(Toronto)

Honorary Consul of Ecuador
2125 West 2nd Ave., Suite 311
Vancouver 9

EL SALVADOR

Consul General of El Salvador
1255 University St., Rm. 926
Montreal

FINLAND

Embassy of Finland
85 Range Rd.
Ottawa 2

Trade Commissioner for Finland
1010 St. Catherine St. W., Suite 1114
Montreal

FRANCE

Commercial Counsellor to the French Embassy
10 John St.
Ottawa

Commercial Counsellor of France
Place Bonaventure
P.O. Box 177
Montreal 114

Commercial Counsellor of France
185 Bay St.
Toronto

French Trade Commissioner
736 Granville St., Suite 1216
Vancouver

GERMANY

Commercial Counsellor, Embassy of the Federal Republic of Germany
1 Waverley St.
Ottawa

Consulate of the Federal Republic of Germany
11618 100th Ave.
Edmonton

Consulate of the Federal Republic of Germany
1541 Barrington St.
Halifax

Trade Commissioner
Consulate General of the Federal Republic of Germany
1545 McGregor St.
Mail: 1501 McGregor St.
Montreal

Consulate General of the Federal Republic of Germany
50 Prince Arthur Ave., S. 206
Mail: 77 Admiral Road
Toronto

Consulate of the Federal Republic of Germany
22 Poplar Ave.
St. John's

Consulate of the Federal Republic of Germany
National Trust Bldg.
325 Howe St.
Vancouver

Consulate of the Federal Republic of Germany
421 King St. N.
Waterloo, Ontario

Consulate of the Federal Republic of Germany
424 Wellington Cres.
Winnipeg

GHANA

Counsellor, Office of the High Commissioner for Ghana
85 Range Rd., Suite 810
Ottawa 2

GREECE

Royal Greek Embassy
Chateau Laurier, Suite 110
Ottawa

GUATEMALA

Consul General of Guatemala
5165 Sherbrooke St. W., Suite 407
Montreal

HAITI

Commercial Attaché, Embassy of Haiti
150 Driveway, Apt. 111
Ottawa

Consul General
Consulate General of Haiti
1500 St. Catherine St. W.
Montreal 12

Consul General, Consulate General of Haiti
1005 St. Louis Rd.
Quebec

HONDURAS

Consul General, Consulate General of the Republic of Honduras
1225 St. Mark St., Suite 101
Montreal

Honorary Consul, Consulate of Honduras
25 Adelaide St. E., 19th Fl.
Toronto

HUNGARY

Hungarian Trade Commission
1390 Pine Ave. W.
Montreal

INDIA

Second Secretary (Commercial)
Office of the High Commissioner for India
200 MacLaren St.
Ottawa

Trade Commissioner for India
924 West Hastings St., 2nd Fl.
Vancouver

INDONESIA

First Secretary
Economic Affairs, Indonesian Embassy
Box 233, Terminal A
Ottawa

IRAN

Imperial Embassy of Iran
85 Range Rd., Suites 307/308
Ottawa 2

IRAQ

Third Secretary
Embassy of India—Iraqi Interest Section
1801 P St. N.W.
Washington, D.C. 20036

IRELAND

Irish Trade Representative
(Irish Export Board)
2100 Drummond St.
Montreal

Irish Trade Representative
(Irish Export Board)
10 King St. E.
Toronto

ISRAEL

Consul and Trade Commissioner of Israel
1118 St. Catherine St. W.
Montreal

Consul for Economic Affairs of Israel
200 Bay St.
Toronto

ITALY

Commercial Counsellor and
Senior Trade Commissioner
Embassy of Italy
172 MacLaren St.
Ottawa

Consul and Trade Commissioner for Italy
800 Place Victoria, Suite 3423
Montreal

Italian Trade Commissioner
100 University Ave., Suite 510
Toronto

Italian Trade Commissioner
736 Granville St., Suite 407
Vancouver

JAMAICA

First Secretary, Office of
the High Commissioner for Jamaica
85 Range Rd., Suite 203
Ottawa 2

JAPAN

First Secretary (Commercial)
Embassy of Japan
75 Albert St.
Ottawa

Consulate of Japan
Toronto-Dominion Bank Bldg., 5th Fl.
10004 Jasper Ave.
Edmonton

Consulate General of Japan
1155 Dorchester Boulevard West, Suite 2001
Montreal

Consulate General of Japan
Toronto-Dominion Centre, Suite 1803
P.O. Box 10
Toronto 1

Consulate General of Japan
409 Granville St., Rm. 1211
Vancouver

Consulate of Japan
Tribune Bldg., Rm. 301
Winnipeg

LEBANON

Embassy of Lebanon
660 Lyon St.
Ottawa

KOREA

Second Secretary and Consul
Embassy of the Republic of Korea
151 Slater St.
Ottawa

LUXEMBOURG

Consul General of
the Grand Duchy of Luxembourg
3877 Draper Ave.
Montreal

MALAYSIA

High Commission of Malaysia
151 Slater St., Rm. 313
Ottawa

MEXICO

Embassy of Mexico
88 Metcalfe St., Rm. 706
Ottawa

Consulate General of Mexico
1245 Sherbrooke St. W., Suite 1730
Montreal

Consulate of Mexico ad honorem
2040 Terrasse Stuart, Sillery
Quebec

Consulate of Mexico
372 Bay St., Suite 309
Toronto

Assistant Trade Commissioner for Mexico
159 Bay St., Suite 217
Toronto

Consulate of Mexico
Burrard Bldg., Rm. 607
1030 West Georgia Street
Vancouver

MONACO

Consul General of Monaco
810 Tour de la Bourse, Place Victoria
Montreal

NETHERLANDS

Commercial Counsellor
Embassy of the Netherlands
Congill Bldg., 3rd Fl.
275 Slater St.
Ottawa 4

Netherlands Consulate
Merit Bldg.
10008 106th St.
Edmonton

Netherlands Consulate General
Place Ville Marie, Rm. 1736
Montreal

Netherlands Consulate General
10 King St. E.
Toronto 210

Netherlands Consulate General
475 Howe St.
Vancouver

NEW ZEALAND

New Zealand Government
Trade Commissioner
635 Dorchester Blvd. W., Suite 708
Montreal

New Zealand Government
Trade Commissioner
409 Granville St., Suite 615
Vancouver

NICARAGUA

Consul General
Consulate General of Nicaragua
3601 Decarie Blvd.
Montreal

NIGERIA

Second Secretary
Office of the High Commission for Nigeria
151 Slater St.
Ottawa

NORWAY

Secretary, Royal Norwegian Embassy
140 Wellington St., Suite 700
Ottawa

Consul General of Norway
Royal Norwegian Consulate General
2112 Place Victoria
Montreal

Consul General of Norway
Royal Norwegian Consulate General
837 West Hastings St.
Vancouver

PAKISTAN

Trade Commissioner for Pakistan
1230 McGregor St., Suite 606
Montreal

PANAMA

Consul General
Consulate General of Panama
5531 Dupuis Ave.
Montreal

PERU

Second Secretary and Consul
Embassy of Peru
539 Island Park Dr.
Ottawa

Honorary Consul General of Peru
1475 Hollis St.
Halifax

Honorary Consul of Peru
4998 Maisonneuve Blvd., Apt. 1003
Montreal

Honorary Consul of Peru
55 D'Auteuil
Quebec

Honorary Consul of Peru
57 Chestnut Park Rd.
Toronto

Consul General of Peru
525 Seymour St., Suite 116
Vancouver

Honorary Consul of Peru
356 Main St., 4th Fl.
Winnipeg

PHILIPPINES

Philippine Consulate General
525 Seymour St., Suite 909
Vancouver

POLAND

Trade Commissioner's Office of the
Polish People's Republic in Canada
1500 Stanley St., Suite 315
Montreal

PORTUGAL

Embassy of Portugal
645 Island Park Dr.
Ottawa 3

Consulate of Portugal
428 Barrington St.
Halifax

Consulate General of Portugal
4920 Maisonneuve Blvd. W.
Montreal 215

Consulate of Portugal
P.O. Box 769
North Sydney

Honorary Consulate of Portugal
c/o Faculté des Lettres
Université Laval
Quebec

Consulate of Portugal
King's Bridge Court, Apt. 2D
St. John's

Consulate of Portugal
159 Bay St., Suite 520
Toronto 1

Consulate of Portugal
P.O. Box 3019
Vancouver 3

Vice Consulate of Portugal
239 Rouge St.
Winnipeg

SOUTH AFRICA

South African Trade Commission
800 Dorchester Blvd. W., Suite 1404
Montreal 101

SAN MARINO

Consul General of San Marino
27 McNider Ave.
Montreal

SPAIN

Commercial Counsellor to
the Spanish Embassy
80 Rideau Terrace
Ottawa

SWEDEN

Royal Embassy of Sweden
140 Wellington St., Suite 604
Ottawa

Royal Consulate General of Sweden
1155 Dorchester Blvd. W., Suite 800
Montreal

Trade Commissioner for Sweden
(Eastern Canada)
94 Cumberland St.
Toronto

Trade Commissioner for Sweden
(Western Canada)
Board of Trade Tower, Suite 1004
1177 West. Hastings St.
Vancouver

SWITZERLAND

Counsellor, Embassy of Switzerland
5 Marlborough Ave.
Ottawa 2

Consul General of Switzerland
1572 McGregor St.
Montreal 109

Consul General of Switzerland
100 University Ave.
Toronto 116

Consul of Switzerland
1130 One Bentall Centre
505 Burrard St.
Vancouver 1

Consul of Switzerland
Tribune Building
257 Smith St.
Winnipeg 1

TANZANIA

Tanzania High Commission
124 O'Connor St., 6th Fl.
Ottawa 4

THAILAND

Royal Thai Embassy
85 Range Rd., Apt. 801
Ottawa 2

Office of the Thai Commercial Counsellor
20 East 82nd St.
New York, N.Y. 10028

TRINIDAD AND TOBAGO

Trinidad and Tobago Trade Commissioner
1140 de Maisonneauve Blvd. W., Suite 1004
Montreal 110

TUNISIA

Embassy of Tunisia
515 O'Connor St.
Ottawa

TURKEY

Commercial Counsellor, Turkish Embassy
197 Wurtemburg St.
Ottawa 2

UNION OF SOVIET SOCIALIST REPUBLICS

Trade Representation of the U.S.S.R.
in Canada
24 Blackburn Ave.
Ottawa 2

Trade Representation of the U.S.S.R.
in Canada
4370 Pie IX Blvd.
Montreal 406

UNITED STATES

Commercial Attache
Embassy of the United States
100 Wellington St.
Ottawa 4

Consul General of the United States
805 8th Ave. S.W.
Calgary 2

Consul General of the United States
Bank of Nova Scotia Bldg.,
183 189 Hollis St.
Halifax

Consul General of the United States
1564 McGregor St.
Montreal 109

Consul General of the United States
1 Ste. Genevieve Ave.
Quebec 4

Consul General of the United States
King's Bridge Rd.
St. John's

Consul General of the United States
360 University Ave.
Toronto 1

Consul General of the United States
Burrard Bldg.
1030 West Georgia St.
Vancouver 5

Consul General of the United States
6 Donald St.
Winnipeg 13

URUGUAY

Chargé d'Affaires a.i.
Embassy of Uruguay
200 Rideau Terrace, Apt. 814
Ottawa

VENEZUELA

Consul General of Venezuela
1980 Sherbrooke St. W., Rm. 850
Montreal 25

Consul of Venezuela
525 Seymour St., Suite 101-102
Vancouver

YUGOSLAVIA

Embassy of the Socialist Federal
Republic of Yugoslavia
17 Blackburn Ave.
Ottawa 2

Consul General of the SFR of Yugoslavia
377 Spadina Rd.
Toronto

Yugoslav Federal Chamber of Economy
Representation for Canada
Toronto-Dominion Centre
Royal Trust Tower
P.O. Box 290
Toronto 1

Greek Industry Offers Challenge

Through its efforts to become fully industrialized, Greece offers many opportunities for businessmen, but Canadians so far have been slow to take advantage.

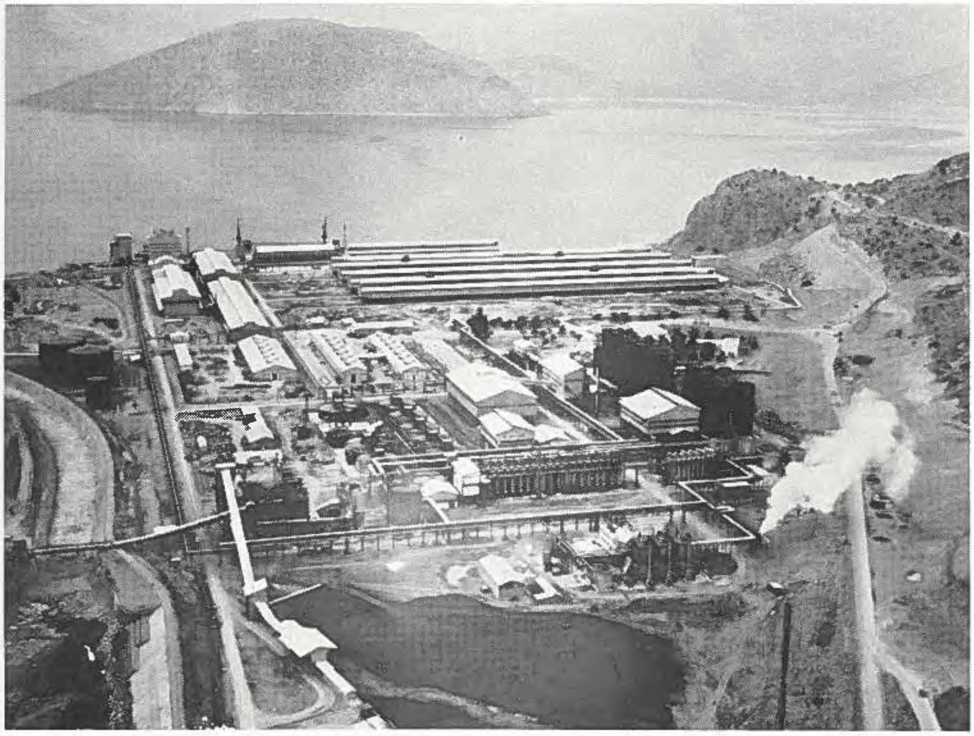
CLIFFORD SWIFT, Commercial Officer, Athens

The Government of Greece is going all out to increase industrial production, a necessity if the country is to achieve full membership, rather than its present associate membership, in the European Economic Community. The economic policy embedded in the second Five-Year Plan (1968-72) is to secure a proper balance between imports and home-produced commodities.

The country's traditional role as exporter of agricultural commodities and certain ores and minerals will continue. Tourism, another traditional force in the economy, figures in the industrialization process with its facility and amenity requirements.

The Greek economy had a limited industrial base up to 1939, most of which was destroyed during the war and the troubles that followed. After the country's liberation, industry gradually built up again and by 1951 there were 86,674 industrial and craft units employing 318,686 persons out of a population of some eight million. By 1963, when the last census was taken, further progress had been made and the number of enterprises had increased to 122,332, employing 471,564. The majority of these were small privately controlled or family owned operations with very limited production, lacking in competitive potential in foreign markets with little inclination to seek public capital for expansion. Consequently, until very recently there were were few large industrial units.

Until recently industrial output in Greece was mostly from small units with limited production. With new agreements signed, however, and encouragement from the Government, more factories will be seen like this aluminum plant on the Gulf of Corinth.



The recent progress in the buildup of the country's industrial sector has been assisted by the introduction or strengthening of various legislative measures since the present Government came to power in April, 1967. These include the protection and encouragement of domestic and foreign capital investment and knowhow, the provision of tax, financing and export incentives and the introduction of institutional and structural reforms.

Long anticipated developments towards industry of significant magnitude have occurred within the year—some Greek initiated, some foreign, some a combination of the two. Agreements signed in March with shipping magnates Aristotle Onassis and Stavros Niarchos provide for total investments of some U.S.$800 million over the next few years in oil refineries, petrochemicals, ship building and repair facilities and the production of alumina and aluminum, thermal power and possibly steel. Shortly thereafter, Bodossakis Athanassiades, one of the country's leading industrialists, announced large-scale expansion plans for his industrial complex (chemical fertilizers, sulphuric acid, mining and metallurgy, explosives and small arms).

These developments follow several large. recent undertakings. The Esso-Pappas Group—involving Standard Oil Co., Ethyl Corp., Republican Steel and Greek-American entrepreneur Thomas Pappas—set up a large complex at Salonica in northern Greece during 1964-66. The complex, valued at U.S.$150 million, comprises a seven-unit oil refinery, a petro-chemical division producing ammonia, nitrogenous fertilizers, hydrocarbon solvents, anti-knock compounds, vinyl chloride monomer, PVC resin, caustic soda, chlorine and sodium hypochloride, plus a steel division producing cold rolled material, tinplate and galvanized sheeting, with hot rolled products to come later.

Other industries established in the 60's are the Pechiney alumina/aluminum industry built in 1965 at Distomon on the Gulf of Corinth, the Pirelli and Goodyear tire plants built at Patras in 1966 and at Salonica in 1968. Other concerns are on the way. The Hellenic Shipyards, owned by Stavros Niarchos, are expanding at Scaramanga near Athens, while a new shipyard has just been built at Eleusis by leading Greek banker, shipowner and entrepreneur Stratis Andreadis. An investment application by a Greek-Italian group to set up a $60 million vehicle assembly plant at Salonica is under consideration.

Over the past 15 years approximately 100 modest-sized foreign investment project applications were approved, making a decisive contribution to the development and modernization of Greek industry. These covered a number of fields including tires and tubes, electrical equipment, TV receiver assembly, telecommunications equipment, wire and cable, pharmaceuticals, detergents, cement, mineral processing, pulp and paper, chemical fertilizers, plastic raw materials, synthetic yarns, women's undergarments, baby foods and metal containers. These industries were set up through incentives offered by Greek legislation to encourage foreign capital investment (Laws 2867 and 4711). Large-scale ventures with foreign capital and technical knowhow were virtually non-existent until the establishment of the Pechiney aluminum smelter and the Esso-Pappas oil refinery and industrial complex.

Canadian industrial development in Greece to date has been limited. There is a licensing arrangement with RCA for TV receiver assembly, and Olympic Yacht Co. of Montreal has established a branch plant to manufacture pleasure craft. The Northern Electric Company of Montreal has significant business in telephone crossbar switching equipment in the Athens area. Domtar Chemicals Wood Preserving Division is exploring the possibility of setting up a wood pole and tie creosoting plant. Outside the area of actual industrial investment Canadian interests in Greece include branches of the two national airlines and the Bank of Nova Scotia.

Existing branches of industry in Greece cover food and beverages, tobacco processing, textiles and apparels, wood and cork, furniture and fixtures, pulp and paper products, printing and publishing, leather and fur products including footwear, rubber and plastic products, chemicals and pharmaceuticals, basic metal industries, non-metallic mineral products, electrical, electronic and mechanical machinery equipment, appliances and materials, oil refining and petro-chemicals including fertilizers, shipbuilding and repairs and transportation equipment. Of these the traditional branches producing consumer goods and some intermediate or secondary products (food, beverages, tobacco processing, textiles, clothing and footwear, wood and furniture, leather and non-metallic minerals) already satisfy the greater part of domestic demand and are now seeking export outlets. Other branches which produce mainly secondary products and certain capital goods have encouraging potential through unfilled domestic demand and import substitution, which is being supported by an increasingly larger share of state funds being allocated to domestic industry.

Industrial exports last year reached U.S.$173 million, accounting for almost one third of the total export earnings ($530 million). This was a 60 per cent increase over 1968 and a threefold improvement over the last three years. The Government hopes that with the various measures and incentives introduced in recent years industrial export earnings should triple during the Five Year Plan period from the 1968 figure of U.S.$108 million.

Three industrial development banks have been set up in Greece in recent years. The Hellenic Industrial Development Bank (HIDB) is a state organization, while the others, the National Investment Bank for Industrial Development and the Investment Bank were established by groups of Greek and foreign banks. They assist both Greek and foreign industrialists in establishing new manufacturing, mining and tourist enterprises and expanding existing ones. These institutions provide financing, offer advice and assistance in the processing of industrial investment applications and suggest to foreign entrepreneurs the branches of Greek industry in which further development is warranted and profitable. An investment guide published recently by the HIDB offers much information on the Greek economy and highlights legislation enacted to encourage foreign investment.

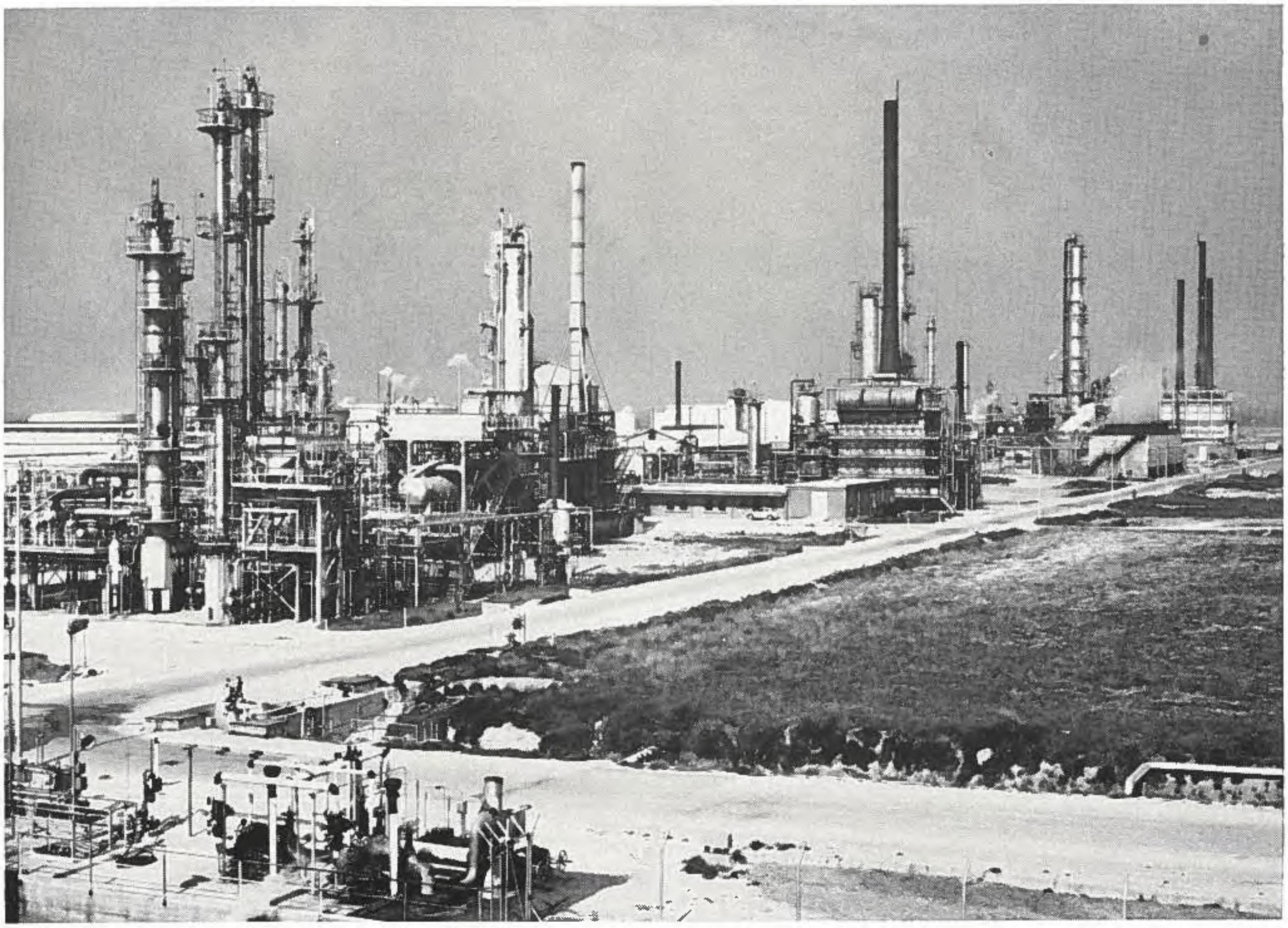
The HIDB and other public bodies establish essential industrial enterprises where such activities do not easily attract the interest of domestic or foreign private initiative because of high capital investment or risks involved. The Government's aim is to keep industry in private hands, so ownership of such state sponsored projects will eventually be transferred to private enterprise.

Through the HIDB the Government is establishing industrial areas or zones in various urban centers of the country, equipped with a complete system of infrastructure facilities, including transportation, communication, electricity, waste disposal and water supply. Four zones have already been set up in Salonica, Volos, Patras and Heraclion (Crete).

Incentives offered to establish industries in such industrial zones include low cost of land, payment terms of up to 10 years, tax holidays and allowances, generous depreciation rates for

CANADIAN INDUSTRIAL SALES TO GREECE 1969

	$'000
Wood pulp	2,000
Asbestos milled fiber	1,200
Dressed fur pieces	365
Steel sheet and strip	85
Plastic raw materials	174
Fire bricks	171
Papermakers' felts	136
Secondary copper products	107
Primary aluminum	197
Newsprint	78
Primary zinc	44
Dies and moulds for plastics industry machinery	23
Textile industry machinery and parts	19



With new legislation to encourage foreign investment in Greece and with the Government's professed intention to keep industry in private hands, there are many opportunities for Canadian businessmen. Shown above is the Esso-Pappas industrial complex at Salonica, with (left to right) the solvents unit, the steam cracker, ammonia plant and refinery.

fixed industrial assets, easy bank credit facilities and low interest loans.

Recent studies indicate that excellent opportunities exist in Greece for the establishment of plants for the manufacture of polyethylene, polystyrene, PVC and acrylonitrile. Other chemical plants could supply agricultural needs: sulphur, copper salts and raw materials for organic agricultural materials. There is a requirement for urea-formaldehydes glue. The clothing industry needs cotton fiber and yarn, wool yarn, acrylic fiber and polyester yarn. There is a market for knitwear, ready-to-wear clothing, hide and skin tanning, fur skin dressing, leather clothing and accessories. Facilities are required for animal slaughtering and meat processing.

The accelerated pace of current and planned industrial development in Greece will require greater imports than before of capital equipment and machinery ($320 million in 1969) and industrial raw materials ($309 million). Despite the advantages enjoyed by EEC suppliers to Greece of lower customs tariffs and freight charges, this development could offer increased sales opportunities for competitively priced Canadian industrial exports, supported where necessary by long-term credit financing. Canadian exports to Greece of industrial equipment, machinery and materials have been rather insignificant to date. In 1969 these totalled approximately $5 million.

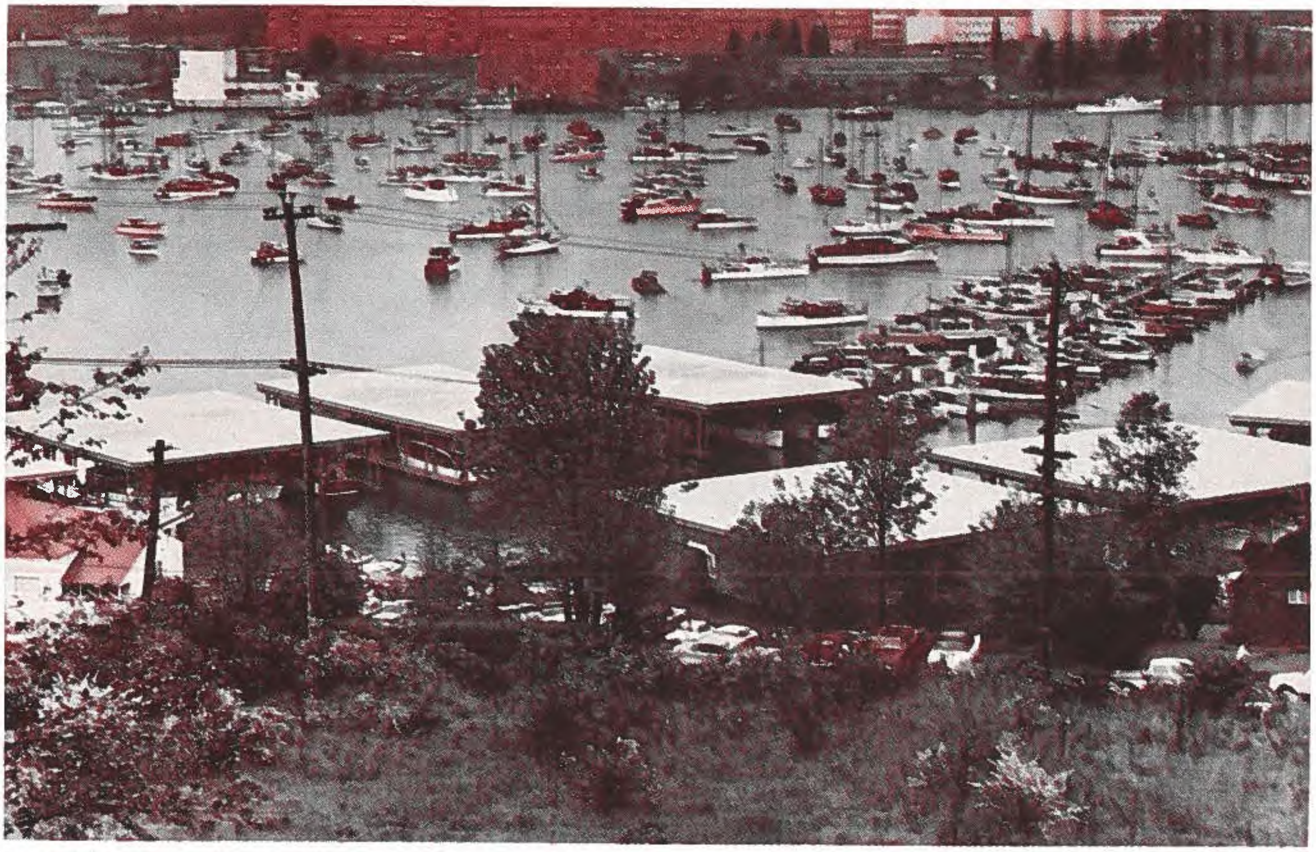
Canadian businessmen interested in investment opportunities in Greece can obtain information and assistance by contacting any of the three investment banks, either directly or through the office of the Commercial Secretary at the Canadian Embassy in Athens.

Electronics Opportunity

Defense Electronics Division of DEI Industries Inc., Rockville, Maryland, is interested in the U.S. manufacture under licence or joint venture of new items in the telemetry field, specialized electronic equipment, metal products or novelties. The company is prepared to provide capital, machinery and equipment, research, engineering, product development, sales, advertising and public relations.

DEI is a manufacturer of electronic telemetry, surveillance data processing and communicating equipment. Other divisions of the company manufacture metal office furniture. The company had sales of more than $8 million in 1969 and has acquired a West Coast firm in a similar field. DEI is a supplier of electronic equipment to governmental agencies and maintains its own sales force for national and international distribution.

Everyone Buys Boats in U.S. Northwest



Part of the ship canal between Puget Sound and Lake Washington, with boats waiting for the sail-past on opening day of the season. The marketing possibilities in this area are vast, with 94 boats per 1,000 population, compared to the U.S. national average of 41 per 1,000. Canada was the leading importer into the area last year, with sales of $705,000.

DAVID B. LAUGHTON, Consul General, Seattle

On opening day of the sailing season pleasure craft come through the ship canal in Seattle, from salt water Puget Sound to fresh water Lake Washington, two and three abreast for nearly two hours. Yachts and launches representing the 48 yacht clubs in Puget Sound and others from as far away as northern Oregon, Victoria and Vancouver, B.C., come through gaily decorated or carrying "social value" themes.

In the 12 counties touching on Puget Sound, there are 94 privately-owned boats per 1,000 population, compared to the national average of 41 per 1,000. This makes Seattle one of the great sailing/boating centers in the world.

While climate limits the season more than in some other boating regions, Seattle has been well treated by geography. The many islands and long coastal indentations offer fine trips for larger boats while those of medium size can enjoy the Sound with its shelter from the open ocean.

Some four miles east of downtown Seattle lies Lake Washington. Only ten feet above sea level and approximately 25 miles long by over five miles wide, Lake Washington's fresh water provides the opportunity for all forms of water sport, particularly for smaller power boats and sail boats, enabling many a water enthusiast to "get his feet wet" before moving up to the larger scale boating on Puget Sound.

Puget Sound boaters spend some $50 million annually on their sport. The demand for marine craft (more than 200,000 are in use in Puget Sound) has built up an extensive industry of 67 boat builders and boat repair yards. Some of the nation's largest makers of runabouts are located near Puget Sound. While transport costs limit the points to which such boats can be shipped, some have nation-wide distribution and take part in out-of-state national boat shows. Washington State also has some half-dozen manufacturers of smaller fiberglass sail boats and there is always a possibility of building specially-designed boats under licence. In addition, the custom boat-building industry can make sailing vessels up to and exceeding 100 feet in length and the majority of orders come from out-of-state buyers. Finally, house boating has enjoyed a tremendous boom in the past three years and a half-dozen companies are now in this business.

Although this local industry fills 70 per cent of the demand for boats in the Pacific Northwest, it leaves an impressive figure for imports. According to the U.S. data for the Washington and Oregon customs districts in 1969, Canada was the leading source of imported pleasure craft, selling boats valued at U.S.$705,000, followed by Hong Kong, $588,000, and Japan, $370,000. This would not reflect the complete picture as boats from eastern Canada destined for the area would be cleared through U.S. Customs outside of Washington or Oregon. In addition, there is some trade into Idaho and Montana. The inland lakes region of northern Idaho and northwestern Montana in valleys of the Rocky Mountains provide a local market for small to medium size boats.

There are several marketing channels for pleasure craft in the Pacific Northwest. The Seattle National Boat Show is held annually at the Coliseum at the Seattle Center, a legacy of the 1962 Seattle World's Fair. It is sponsored by Northwest Marine Industries, Inc., an association of some 290 firms engaged in the distribution or manufacture of boats, engines and accessories. The most recent show held in January, 1970, had 130 exhibitors, 480 boats and drew 65,000 people. Although it would be an excellent vehicle for the introduction of new craft or accessories, such is the popularity of the show that even with 180,000 square feet of floor area the demand for space constantly exceeds the supply. In this case, one could exhibit through a dealer who already has space allocated on a continuing basis.

Alternatively, for larger or custom-built boats, advertising in national sailing and boating magazines or such regional ones as "Sea and Pacific Motor Boats" is always worthwhile.

The Pacific Northwest is well served by dealers, some of whom also hire out or charter out vessels or act as brokers for popular designs. These brokers will then inspect the boat and arrange delivery for the customer.

Whatever the promotional techniques the manufacturer chooses, he will find there will continue to be a growing market for quality pleasure craft. Before dealers or brokers can be interested, it is essential to calculate duty-paid prices, c.i.f. city of destination in U.S. dollars. A Canadian manufacturer may obtain guidance on United States customs and tariff regulations from the United States Division, Western Hemisphere Affairs Branch, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa. A Canadian manufacturer should also contact both the commodity specialist in Ottawa and Trade Commissioner posts to whose territory he plans to export for recommendations about a co-ordinated export program.

Opening days of the boating season at Seattle, one of the great boating centers of the world, brings spectators out on to the shores of the ship canal to watch the pleasure craft go by from places as far away as Vancouver and northern Oregon. Puget Sound boaters represent an annual market of around $50 million and Canadian craft are much in favor.

Afghanistan Struggles for Development

Airport equipment and tourism are next major requirements. Canadians could help if terms are made easy.

H. W. GUY, Assistant Commercial Secretary, Islamabad

Historically the country of Afghanistan is rich, but economically in today's advanced industrial society it can only be termed poor and underdeveloped. It is a land-locked country of approximately 250,000 square miles of rugged mountains, fertile valleys, pasture land and desert, and has been the pathway of conquerors for years, plundered and developed by such people as Genghis Khan and Alexander the Great.

The Hindu Kush range, an extension of the Himalayas, stretches across Afghanistan for more than 500 miles, which together with desert areas reduces arable soil to 12 per cent of total land. Despite this, agriculture contributes more than 50 per cent of the GNP, followed by services (32 per cent) and handicrafts (8 per cent). Industry, minerals, fuel and power, transportation and communications combined are only 8 per cent of GNP, illustrating the lack of industrialization in Afghanistan. Total GNP is estimated at U.S.$1.4 billion, or approximately U.S.$18.50 per capita of an estimated population of 16 million. The population growth rate is roughly 1.9 per cent a year and the anticipated increase in the GNP is 3.5 per cent, which should yield a real growth rate of about 2 per cent.

Afghanistan's import policy is based on the country's economic and development requirements and its foreign exchange reserve. The policy's basic objective is to allocate available foreign exchange funds for essential imports. In general, however, importers retain considerable freedom of choice compared with importers of other less developed countries.

A significant proportion of trade is conducted under bilateral trade or barter arrangements. Bilateral trading partners take most of Afghanistan's exports of wool, cotton, fruit and nuts, its major export items. Barter agreements are with Bulgaria, Czechoslovakia, Poland, Yugoslavia and the U.S.S.R., as well as with the People's Republic of China. Trade with neighboring countries such as India and Pakistan is transacted through bilateral arrangements and normal commercial channels. Schedules of commodities are attached to agreements with quotas or ceilings for individual commodities.

Afghanistan has a single column import tariff structure with ad valorem rates predominating. Rates usually apply to rather broad categories of goods, with duties generally ranging from 10 per cent (for medical and hospital supplies and equipment) to 100 per cent (for most food products, tobacco and cosmetics). The maximum rate of 150 per cent applies to alcoholic beverages, as Afghanistan is a Muslim country.

When any commodity is not definitely classified in the tariff, a decision as to the probable classification may be obtained by submitting a full description of the article with sample, if possible, to the President of Customs, Ministry of Finance, Kabul, with a request for ruling. Such decisions, however, can be appealed.

The Foreign Traders Law must be noted for non-tariff import barriers. Afghanistan's regulations prescribe that resident non-Afghan importers are authorized to import only products originating in their own respective countries. In other words, a Canadian importer resident in Afghanistan may import goods only from Canada. The law was primarily designed to create and develop Afghan importers and to stop foreign domination in this field.

Imports of commodities forbidden by the Islamic religion, such as pork, are prohibited, as are some types of drugs and munitions, but permission may be granted in special circumstances. In addition, import of 27 non-essential items are prohibited to conserve foreign exchange for more essential imports. These include some food products, prayer rugs of almost every kind, porcelain products and some fabrics.

The Afghan economy is improving after two or three years of relative stagnation despite good harvests. Two particular developments that indicate this are the wheat policy and the private investment law. Through Government involvement there has been a dramatic increase in wheat yields. The "Green Revolution" is at an earlier stage in Afghanistan than in most areas of Southeast Asia but its effects are now being realized. The country expects to be self-sufficient in food grains within two or three years. The value of Mexican seed varieties and the use of fertilizers have been recognized by farmers and are increas-

TABLE 1

CANADIAN TRADE WITH AFGHANISTAN

	1969 Cdn.$		1969 Cdn.$
Canadian Exports		**Canadian Imports**	
Cheese	24,569	Overcoats, topcoats	17,255
Wheat	11,692	Nuts, unshelled	6,933
Aircraft engines and parts	15,475	Outdoor jackets	1,770
Aircraft assemblies equipment and parts	11,683	Fur goods, apparel	3,765
Files and rasps	6,286	Miscellaneous	19,422
Miscellaneous apparel	5,164	**Total**	**49,145**
Clocks	5,640		
Miscellaneous	10,829		
Total	**91,338**		

TABLE 2

AFGHANISTAN'S FOREIGN TRADE BY COUNTRY

	March 68–69 U.S.$'000
Exports (f.o.b.)	
U.S.S.R.	26,566.0
United States	4,589.5
India	15,760.4
Britain	7,425.5
Germany	1,335.7
Pakistan	5,738.0
Japan	110.0
Czechoslovakia	1,519.3
Other barter countries	107.2
Other countries	8,666.8
Total	**71,818.7**
Imports (c.i.f.)	
U.S.S.R.	13,985.9
United States	2,688.9
India	11,220.7
Britain	3,197.1
Germany	3,886.4
Pakisatn	3,053.9
Japan	11,983.7
Czechoslovakia	794.0
Other barter countries	2,480.6
Other countries	12,282.4
Loan and grant imports	58,862.8
Total	**124,436.3**

TABLE 3

AFGHANISTAN'S EXPORTS

Commodity	March 68–69 U.S.$'000	Commodity	March 68–69 U.S.$'000
Casings	1,107.4	Other fur skins	224.3
Fresh fruit	8,012.2	Wool	6,991.4
Dried and preserved fruits and nuts	18,960.0	Raw cotton	5,881.9
		Medicinal herbs	2,849.5
Fresh and dried vegetables	158.1	Carpets and rugs	4,522.0
Oil seeds	2,799.8	Natural gas	9,034.0
Hides and skins	2,043.5	All other commodities	912.0
Karakul skins	8,322.6	**Total**	**71,818.7**

TABLE 4

AFGHANISTAN'S IMPORTS

Commodity	March 68–69 U.S.$'000	Commodity	March 68–69 U.S.$'000
Wheat	3,462.9	Electric machinery	2,077.0
Sugar	945.9	Automobiles	927.3
Tea	9,482.8	Other road motor vehicles	1,169.9
Other foods	1,130.9	Bicycles	238.3
Tobacco and tobacco manufactures	480.2	Other transport equipment	1,699.7
Petroleum products	3,094.3	Plumbing, heating and lighting equipment	808.2
Medicinal and pharmaceutical products	2,501.1	Used clothing	1,193.8
		Footwear	1,728.9
Other chemical products	2,471.0	Other miscellaneous manufactured articles	4,870.5
Rubber tires, tubes	2,836.5		
Cotton fabric	2,775.2	All other commodities and unknown	4,308.9
Fabrics excluding cotton	6,411.7		
Other non-metallic manufactures	6,383.5	Non-project loan and grant imports	8,658.8
Metals and metal manufactures n.e.s.	2,625.8	Project loan and grant imports	50,204.0
Machinery excluding electric	1,950.0	**Total**	**124,436.3**

ingly being used. Both are imported essentially through foreign aid. The mechanization of farms should be increasing just as the fertilizer market should be improving, offering opportunities to equipment manufacturers and fertilizer companies. Sales, however, will probably be dependent on long-term loans.

Afghanistan at one time extended local loans to farmers through an Agricultural Bank that is now defunct. There are moves to re-establish farm loans through an Agricultural and Cottage Industries Bank, which is being considered by the Royal Afghan Government.

The second development, and more relevant to possible Canadian investors, is the Foreign and Domestic Private Investment Law, which has accelerated the growth of small industries and services. At present there have been 113 approved applications with a total investment of U.S.$41,451,352 of which U.S.$9,324,426 is in foreign exchange. Principal foreign investors have been Iran, Pakistan, India, West Germany, Italy and Switzerland.

The key points of this new policy are:

(1) Expanded fiscal benefits and guarantees on repatriation to provide increased incentives for new private investment.

(2) Equal treatment of new investment, foreign or domestic.

(3) Greatly improved, clarified and centralized procedures for administration of the law and for settlement of disputes.

The main features of the law are the tax-free holidays, exemption from duty for essential imports, and exemption of taxes on dividends, all for five years. For foreign loans there is a tax exemption on interest, and an exemption on export duties for ten years. The investor is able to repatriate profits, capital interest, salaries and royalties within reasonable limitations. Joint ventures are explicitly encouraged and no specific percentage of domestic investment is required. In addition 100 per cent owned foreign investment is not precluded.

These investments have occurred with little recourse to Afghanistan's existing banking facilities. Afghans in general are distrustful of banks and banking operations, and a good percentage of the wealth remains tucked away 'in the mattress'. An Industrial Development Bank is planned and the law should be presented before Parliament this year. When enacted and funded this should provide additional stimulus to private economic development.

The Government is also involved directly in economic development, but most of the thrust comes through foreign aid, which is not flowing at the massive rate of some years back. Consequently the spectre of debt servicing is arising, particularly in connection with Russian loans now coming due. The debt service ratio in 1969/70 is expected to reach 25 per cent and remain at that level for some time. Afghanistan will continue to be heavily dependent on foreign aid for future development.

Foreign exchange reserves have been declining for several years, due mainly to declining exports. Afghanistan exercised its option to use the compensatory financing facility through the IMF and to obtain relief by the Stand-by Agreement to safeguard its position. The reserve balance has been stabilized and exports are rising again, particularly in the last two years.

Trade Position—The Afghanistan market is extremely competitive, in keeping with the Afghan tradition of shopping around, and Canadian goods have to contend with freight rates. Quotations are normally made c.i.f. Karachi, Pakistan, for sea shipments with subsequent transport by rail to Peshawar or Chaman, Pakistan, the border points, then by truck to Kabul. Air shipments are usually made through Beirut or Tehran on c.i.f. Kabul basis. At the present time, export trade between Canada and Afghanistan can only be called minimal (see Table 1), although there is a high regard for Canada and Canadian products that could help prospective sales.

The three possible areas of Canadian sales are in the fields of agriculture, mining and tourism development. The stage has been reached in agricultural development where mechanical equipment as well as fertilizers will be in great demand. The Royal Afghan Government's third Five Year Plan emphasizes development of dams for both electrical output and irrigation assistance which should present opportunities.

Up to the present, all Afghanistan's mining activities (coal and natural gas) are conducted in the public sector. The Government retains exclusive ownership of all subterranean minerals and is responsible for their development. Lately, however, there has been a reconsideration and qualified foreign companies may be enlisted. Legislation is proposed for private rights to exploration and exploitation of minerals and petroleum. Canadian knowhow in these fields could enable us to compete for such rights.

Tourism is the third area of possible Canadian involvement. At present the internal airline, Bahktar, flies Canadian STOL aircraft, and Canadian radio products are used for airport communications. Eventual expansion and modernization of airport facilities and aircraft is but one aspect of the growing development of tourism. Negotiations are under way for a foreign currency loan for airport improvement and expansion, with a possible second loan to follow for ground transportation and such things as hotel and motel complexes. The first loan may be operational this year after a preliminary survey. The second loan for general tourism development may follow in three or four years. At present only one airport, Kabul, can receive international jets, but it is restricted to daylight operations. The primary loan would be used to finance the development and improvement of Kabul airport, to make it operational on a 24-hour basis. This will require additional communications equipment, radio/radar installations, runway lights, directional beacons, and guidance lights on the many mountains surrounding Kabul.

Afghanistan is reaching self-sufficiency in food production, allowing attention to be focused on non-agricultural development. Its growing exports will help to alleviate the debt servicing problems. With the guidance of World Bank, UNDP, and interested foreign countries, attempts will be made with the help of foreign investment to modernize the industrial and tourism sectors, to generate much-needed foreign currencies.

Businessman's Bookshelf

Cargo Containers, Their Stowage, Handling and Movement

An ornithologist's treatise could not be more encyclopedic than this work on containers, for the book goes beyond its modest title to cover all aspects of container life on land and sea, the measurement and construction of various species, even nesting habits.

Container shipping appeals because of its compactness, deterrant to damage and pilfering and streamlining of otherwise inefficient loading-unloading procedures. Simplicity is the container by-word, yet the attendant difficulties of laws, standardization and other factors are treated by Mr. Tabak as if they too will eventually be simplified.

There are chapters on the physical nature of containers, documentation, stowage, handling and movement. Chapter Six is a compendium of sample forms, U.S. transportation laws, convention and union statements, proposals, etc. A generous sowing of photographs, sketches, draft design and tables are set, not randomly, but where they best inform the text. A list of reference works suggests where what information the author could have possibly missed might be found and a glossary of terms assists the initiate who is puzzled by words like "roll-on/roll-off", "chock" and "bodies".

Although containerization is being encouraged in such an eastern port as Halifax, Canada as a competitor in this field is only at the infant stage. Hence there is scant mention of Canada (too, the work is meant obviously for the U.S. exporter and shipper), yet there is no reason why Canada cannot do a bit of over the shoulder reading.

Published by Cornell Maritime Press, Inc., Cambridge, Maryland, 1970, $12.50 (xvii, 386 pp.); distributed in Canada by General Publishing Co., Ltd., 30 Lesmill Road, Don Mills, Ontario.

Japan Economic Year Book 1968

Packed into the 320 pages of this paperback is more information about the Japanese economy than most businessmen can easily absorb. Fortunately the material is well organized. The data cover 1967 and the first quarter of 1968. Roughly one-third of the book gives general information on the economy, including production, finance, foreign trade, commodity prices, agriculture, labor, and so on. The other two-thirds deals with industry by sector and this is followed by 62 pages of statistical tables. The listing of major companies should prove particularly useful to prospective business visitors; each one gives the company name, address, telephone number, capital in yen, name of the chief executive, and the products manufactured. Trading companies, department stores, and service industries are also included; so are government offices and public corporations.

Published by the Oriental Economist, Nihonbashi, Chuoku, Tokyo, Japan; 320 pages, $10.00.

The Economics and Politics of East-West Trade

Contracts with Eastern Europe

Two books that businessmen will find useful in doing business with Eastern Europe are *The Economics and Politics of East-West Trade*, a study of trade between developed market economies and centrally planned economies in a changing world, by J. Wilczynski, and *Contracts with Eastern Europe.*

The Economics and Politics of East-West Trade gives a more theoretical background to the subject and, as the author says, the accent is on economics and on the East. Nevertheless, Dr. Wilczynsky provides an insight into the problems arising in commercial relations between East and West.

The book is divided into three parts. The first part provides a factual background of the size and composition of East-West trade and its position in the world scene. The second part, titled "Principles, Policies and Practices", gives an ideological and theoretical background and touches on such subjects as foreign trade corporations, prices, exchange rates, tariffs and weapons of trade policy. The third part, "Major Issues in East-West Trade", deals with embargos, trade disputes, dumping, payments and finance, and is really the main body of this study.

While Dr. Wilczynski's book is in a more theoretical and scholarly vein, the second book, put out by the East European Trade Council, talks to the businessman and delves into subjects encountered in entering into contracts with Eastern Europeans. It is primarily intended to help the exporter come to grips with the special features of trading with communist countries. Of particular importance is the guidance it provides businessmen in the negotiations of contracts. Also discussed are patent systems of East European countries, payments and licences, credits, financing, negotiating techniques, erection of a plant site and foreign trade organizations.

These books complement each other on the subject of trading with centrally planned economies and can give the businessman not only useful background information but practical tips on doing business with East European trading organizations.

The Economics and Politics of East-West Trade was published in 1969 by MacMillan & Co. Ltd. *Contracts with Eastern Europe* is published by the East European Trade Council, London, England.

Canadian Trade Index

Looking for a manufacturing company to supply— nuts and bolts, communications equipment, office furniture? Then the Canadian Trade Index is tops on your bestseller list.

The 1970 edition of the Index lists some 12,611 manufacturing companies. The 1,120-page 70th edition also includes a comprehensive outline of export methods and procedures and a detailed review of Canadian Manufacturers' Association and Government export services, all of which have been updated for this edition.

Manufacturers are listed alphabetically with the names and titles of operation executives, parent and subsidiary companies, branch offices, brand names, foreign representatives and number of employees. A geographical breakdown lists companies by province and city and includes a finely classified listing of manufactured products. A product headings index is followed by a glossary of these in French. Special editions featuring a Spanish and Portuguese glossary are also available.

The Canadian Trade Index can be obtained from the Canadian Manufacturers' Association, 67 Yonge St., Toronto 215, Ontario, at $36.00 per copy.

The Far East and Australasia 1970

The inaugural edition of this work was reviewed in last year's June 7 issue of *Foreign Trade*; another year brings another edition. There are over 100 additional pages, although the same format prevails.

The first part contains a General Introduction and brief descriptions of regional organizations (e.g., SEATO and the Asian and Pacific Council); followed by commentaries on individual countries, from Afghanistan to Western Samoa. The last section is a general bibliography with miscellaneous information.

The history section for each country has been updated, bringing political and social affairs into the realm of current events related in today's news. These sections form merely one of the many categories, including physical and social geography, an economic survey, trade and production statistics, constitution and government, political parties, finance and transport.

The businessman can make a flying trip to even the smallest seemingly insignificant country by merely leafing pages at his desk. The statistics set forth the range of commodities, produce and population, details which the businessman may use to better evaluate markets, development and local conditions.

With Canada's attention turned toward the Pacific (and the Pacific area taking a closer look at us), the Canadian businessman can scout trade possibilities with this useful compendium.

But is this a publication that should be purchased yearly? The cost per volume and the repetition of material suggests not. The bibliographies are the same. In this field the latest word is important—one of the reasons, one supposes, for there being a need of subsequent editions.

Produced by Europa Publications, 18 Bedford Square, London, W.C. 1; 1,368 pages; $25.00.

Export-Import Correspondence in Four Languages

In serious correspondence pidgin English provokes laughter; fractured French, garbled German and demotic Spanish naturally strike the same response in those who speak these languages. The perfectionist and the man in a hurry communicate through the translator and the ordinary, conscientious businessman at least sends an English original hoping his correspondent has a command of the language. Hardly anyone considers a makeshift effort at piecing words and sentences from a phrase book.

Nonetheless there is such a book on the market. French, German and Spanish possess nouns differing in gender, with plural formations as complicated as those in English. These variations are not given in this work by H. E. Horten. Also complications arise with changes in tense, subject number, etc. Only those with at least a year's study in the languages concerned would benefit from the philological expertise in technical terms and phrasings found here that ordinary dictionaries do not contain. Without these skills, at best the work could be employed in interpreting foreign correspondence received.

Published by Gower Press Limited, 140 Great Portland Street, London WIN 5TA; 316 pp.; 80s.

Trade Lines

Fruits and Vegetables

Home grown fruits and vegetables in West Germany are mostly free of pernicious pesticide residues, according to recent tests of domestic and imported produce. Of the 2,000 test samples, 3.6 per cent of the fruits and 2.4 per cent of the vegetables contained residues exceeding German tolerances as specified in the Maximum Tolerance Ordinance for Pesticides, and 69.5 and 77.1 per cent respectively did not contain pesticide residues—Bonn.

TV Picture Tubes

The Mexican affiliate of RCA will produce color TV picture tubes at a $1 million plant to be built by the company. Initial production will supply local demand for 19- and 25-inch tubes with eventual sales throughout Latin America. An estimated 45,000 color TV sets have been sold in Mexico and this year the total is expected to reach 60,000—Mexico, D.F.

Aerostatic Sports Boat

More economical use of propulsion energy is one of the main advantages claimed by a firm marketing a West German-built sports boat. The firm says it is the first of its kind to ride on a cushion of air. The aerostatic craft, which costs $1,250, was shown at the International Boat Exhibit in Essen. Considerable interest has been shown by foreign boat manufacturers in licensing arrangements to build the craft—Bonn.

Cherries, Strawberries

The European cherry and strawberry crops this year are expected to be considerably larger than in 1969. However the expected shortage of labor at harvesting time will have an adverse effect on the crop marketed. Estimated increases are: West Germany, 38 per cent sweet and 29 per cent sour cherries; Italy, 16 per cent strawberries, 3.5 per cent cherries; France, 15 per cent cherries. The strawberry crop in France could reach the 1968 level and so make up the reduction in the 1969 crop—Bonn.

Petroleum

The search for petroleum in Spain has not been pursued very strongly. The only known petroleum reserves in Spain are at Ayoluengo, and they would allow production of up to 2 million tons per annum. The Government hopes that eventually considerable reserves of petroleum and natural gas will be found—Madrid.

Electric Vehicles

A Norwegian company, El-Bil A/S, will produce electric-powered vans and trucks for in-city use. The vehicles, with fiberglass bodies, will be battery-operated and will have an operating range of about 32 miles. The battery can readily be charged at an ordinary electrical outlet. Previous attempts to start up automobile production in the country were not successful, but the air pollution problem, among other things, has given the electric car project added incentive—Oslo.

Aluminum Rescue Boat

Several Norwegian companies are co-operating in producing a new type of aluminum rescue boat. They are hoping that their joint economic-technical efforts will result in large export orders. The prototype of the new boat is being built at the Ardal and Sunndal aluminum plant. The co-operating companies are the Hoyamger aluminum plant, Naco at Holmestrand, Raufoss Ammunition Factory, ASV, Fjellstrand Batbyggeri and Aluminiumindustri—Oslo.

Plastic Fish Crates

The Norweigan plastic company, Svein Stromberg A/S, recently signed an agreement with the Peruvian firm Plastix Peruana S.A., Lima, for the production under licence of fish crates. Production will begin this August on the first order of 30,000 crates valued at about one million Norwegian crowns ($150,300). Possibilities are that the Stromberg crate will become the standard type in Peru—Oslo.

Hydro Power

Spain's hydro-electric power resources are capable of generating 48,000 million KWH, though last year production was 30,670 million KWH, leaving an ample margin for future expansion. In the area of nuclear power Spain, in accordance with existing plans, by 1975 should have a total of 2,800 megawatts of nuclear power installed, with annual requirements for 6,500 tons of uranium oxide. National uranium reserves are estimated at 10,000 tons. A uranium plant at Andujar with a daily capacity for treating 200 tons (plans call for an increase to 1,000 tons a day) gives an annual production of 400 tons of uranium oxide—Madrid.

Shipbuilding

Ferguson Brothers of Port Glasgow, Scotland, will build a $2.2 million sludge disposal vessel of 3,000 dwt. for Manchester Corporation and a consortium of local authorities in Manchester, England. Marine consultants Marker and Eccles of Salford will supervise construction—Glasgow.

Communications Satellite

Singapore's first communications satellite earth station will be built at Pulau Blakang Mati by Nippon Electric Co. Ltd. of Japan at a cost of $2.9 million. The station will have a 97-foot antenna-dish which initially will be orientated towards the Indian Ocean (Intelsat III) communications satellite. It will have an over-all capability of 132 telephone channels as well as television reception facilities. The station is designed to allow the use of a second antenna-dish which will be orientated towards the Pacific Ocean (Intelsat IV) satellite—Singapore.

Foreign Tariffs and Trade Regulations

United States

United States Fish and Wildlife Conservation Regulations—The United States Department of the Interior recently announced new regulations (Part 17 to Title 50 CFR) governing the importation and transportation of fish and wildlife, including endangered fish and wildlife. Wildlife is defined in broad terms. The regulations apply to "any wild mammal, wild bird, amphibian, reptile, mollusk, or crustacean, or any part, products, egg or offspring thereof, or the dead body or parts thereof whether or not included in a manufactured product". A similar definition covers any fin fish although *shellfish or fishery products imported for commercial purposes are exempted from the regulations* except for species on the Endangered Species List. This list identifies species of fish and wildlife found in countries other than the United States that are threatened with world wide extinction. Species native to the United States faced with extinction are itemized in the Native Endangered Species List. The regulations were effective June 3, 1970, except for the import provisions which came into force August 3, 1970.

The main provisions of the regulation (1) prohibit imports and trade in endangered species except under permit, (2) require a certificate that the fish or wildlife was lawfully "taken, transported or sold" or a statement that there are no laws regarding its taking, transportation, or sale, and (3) name a limited number of United States customs ports as the only ports for the entry of fish and wildlife. Further detail on these provisions follows:

Canada is given as the country where the following species on the List of Endangered Foreign Fish and Wildlife are found: northern kit fox, black-footed ferret, wood bison, American peregrine falcon, Arctic peregrine falcon, whooping crane, and Eskimo curlew.

A properly executed Declaration for the Importation of Fish or Wildlife (form 3-177) must be filed when fish or wildlife is imported into the United States. This form must show for each species the name, number, country of origin, whether or not on the Endangered Species List, and whether or not subject to laws or regulations in any foreign country regarding its taking, transportation, or sale. Whenever a species is subject to such laws, and always for a number of specific species of wildlife, including the families Felidae (cats), further documentation is required as follows:

1. An export permit or other document from an appropriate government official from each country where the fish or wildlife is subject to regulation which shows that the fish or wildlife was lawfully taken, transported, or sold (this document must be in English or be the original document with a certified English translation of it); *or*

2. A consular certificate from an American Consul showing that an appropriate government official has so certified.

The customs ports designated by the regulations for the receipt of fish and wildlife are: New York, Miami, Chicago, San Francisco, Los Angeles, New Orleans and Seattle.

Fish and wildlife whose country of origin is Canada or the United States may, if not on the Endangered Species List, be imported through the following additional ports: Alaska—Tok Junction; Washington—Blaine, Sumas, Oroville; Idaho—Eastport; Montana—Sweetgrass, Raymondi; North Dakota—Portal, Pembina, Dunseith; Minnesota—Noyes, International Falls, Grand Portage; Michigan—Sault Sainte Marie, Detroit, Port Huron; Ohio—Cleveland; New York—Buffalo, Niagara Falls, Ogdensburg, Rouses Point (and Champplain); Vermont—Highgate Springs, Derby Line; Maine—Houlton, Calais. A permit to use a non-designated port may be issued by the Regional Director of the Bureau of Sport Fisheries and Wildlife when the applicant can show "sufficient economic hardship or other reasonable justification".

Copies of the regulations are available on request from the United States Division, Western Hemisphere Affairs Branch, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

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 Fredericton, 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 all other centers—
Board of Trade or Chamber of Commerce

Mexico

T. F. Harris, Commercial Counsellor in Mexico City:

Vancouver: Oct. 13–16

Trinidad

J. A. Ahow, Commercial Officer, Port-of-Spain:

Winnipeg, Regina, Saskatoon, Edmonton, Calgary: Oct. 19–23

Vancouver: Oct. 26–29

United States

W. F. Hart, Commercial Officer, Chicago:

Toronto: November 2–4

Montreal: November 9–10

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).

W. F. Hart
Commercial Officer
Chicago, Illinois
November 5–6

M. C. Spencer
Assistant Commercial Secretary
Tokyo, Japan
October 26–30

G. D. Valentine
Commercial Secretary
Rio de Janeiro, Brazil
October 13–22

In Territory

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

Algeria

C. T. Charland, Minister-Counsellor (Commercial) in Paris, France, will visit Algeria October 26-November 2.

Australia

R. J. McGavin, Assistant Commercial Secretary in Melbourne, will visit Perth and area, Western Australia, October 12-21.

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.

Libya

C. Renaud, Commercial Secretary in Rome, Italy, will visit Libya November 1–7.

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.

Middle East

Trade Commissioners in the Beirut, Lebanon, office frequently visit Iraq, Saudi Arabia, Kuwait, Syria, Jordan, Bahrain, Qatar, Trucial States (Abu-Dhabi, Dubai, Sharjah, Fujairah, Ajman, Ras Al-Khaimah, Umm Al-Qaiwan), Muscat and Oman, the Yemen Arab Republic and the People's Republic of South Yemen. Advance notice of tours cannot always be published in time, and Canadian businessmen are urged to get in touch with the Beirut office when they would like officers to undertake assignments for them in this territory.

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.

Taiwan

C. R. Mann, Vice Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Taiwan October 26-November 12.

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.

West Africa

J. P. Bell, Commercial Secretary, and J. Filion, Assistant Commercial Secretary, in Abidjan, Ivory Coast, will visit Bamako and Tombuctou, Mali; Niamey, Niger; Ouagadougou, Upper Volta; Nouackchott, Mauretania; Dakar, Senegal, and Monrovia, Liberia, October 8–24 and November 7–19.

J. D. Tennant, Commercial Secretary, and C. M. J. Courtemanche, Assistant Commercial Secretary, in Lagos, Nigeria, will visit Ghana, Sierra Leone and the Gambia, November 1–13 and 22–28.

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 foreign currency unit in Canadian dollars at September 22	Value of Canadian dollar in foreign currency units
Algeria Dinar	.1862	5.37
Argentina Peso (free)	.2534	3.95
Australia Dollar	1.1287	.8860
Austria Schilling	.03927	25.46
Bahamas Dollar	1.0134	.99
Belgium and Luxembourg Franc	.02042	48.97
Bermuda Dollar	1.027	.97
Bolivia Peso	.08513	11.75
Brazil Cruzeiro (official free)	.2186	4.57
Britain Pound	2.457	.40
British Honduras Dollar	.5364	1.86
Burma Kyat	.2128	4.70
Ceylon Rupee	.1703	5.87
Chile Escudo (bank rate)	.0857	11.67
(free)	.0707	14.14
China, Republic of New Taiwan Dollar (official)	.027	37.04
Colombia Peso (fixed)	.054	18.52
Congo (Kinshasa) Zaire	2.144	.46
Costa Rica Colon	.1530	6.54
Cuba[1] Peso	....	....
Czechoslovakia Koruna	.1407	7.11
Denmark Krone	.1351	7.40
Dominican Republic Peso	1.0134	.99
Ecuador Sucre (official)	.0405	24.69
(free)	.0511	19.49
El Salvador Colon	.4054	2.47
Fiji Dollar	1.1699	.85
Finland Markka	.2413	4.14
France, Monaco, etc.[2] Franc	.1834	5.45
Franco-African Republics[3] Franc	.0037	270.27
French Pacific[4] Franc	.0101	99.01
Germany D Mark	.2791	3.58
Ghana New Cedi	.993	1.01
Greece Drachma	.0338	29.59
Guatemala Quetzal	1.0134	.99
Guyana Dollar	.5367	1.86
Haiti Gourde	.2027	4.93
Honduras Lempira	.507	1.97
Hong Kong Dollar	.1672	5.98
Hungary Forint (official)	.0921	10.85
Iceland Krona (official)	.0115	86.96
India Rupee	.1345	7.43
Indonesia[5] Rupiah	....	....

Country and Currency	Value of foreign currency unit in Canadian dollars at September 22	Value of Canadian dollar in foreign currency units	Country and Currency	Value of foreign currency unit in Canadian dollars at September 22	Value of Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	**Peru** Sol (free)	.0234	42.74
Iraq Dinar	2.838	.35	**Philippines**[6] Peso (free)	.162	6.17
Ireland Pound	2.419	.41	**Poland** Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.2895	3.45	**Portugal & Colonies**[7] Escudo	.0353	28.33
Italy Lira	.0016	625.00	**Saudi Arabia** Riyal	.2062	4.84
Jamaica Dollar	1.209	.83	**Sierra Leone** Leone	1.508	.66
Japan Yen	.0028	357.14	**Singapore** Dollar	.3507	2.85
Kenya Shilling	.1526	6.55	**South Africa** Rand	1.413	.71
Lebanon Pound (free)	.314	3.18	**Spain & Dependencies** Peseta	.0146	68.49
Malaysia Dollar	.331	3.02	**Sweden** Krona	.1950	5.13
Mexico Peso	.0811	12.33	**Switzerland** Franc	.2353	4.25
Morocco Dirham	.2036	4.91	**Syria** Pound (free)	.2819	3.55
Netherlands Florin	.2816	3.55	**Thailand** Baht (free)	.0492	20.33
Netherlands Antilles Florin	.5374	1.86	**Trinidad & Tobago**[8] Dollar	.5067	1.97
New Zealand Dollar	1.132	.88	**Tunisia** Dinar	1.930	.52
Nicaragua Cordoba	.1448	6.91	**Turkey** Lira	.0676	14.79
Nigeria Pound	3.017	.33	**United Arab Republic** Pound (official)	2.33	.43
Norway Krone	.1418	7.05	**United States** Dollar	1.01	.99
Pakistan Rupee	.213	4.69	**Uruguay** Peso (free)	.0041	243.90
Panama Balboa	1.0134	.99	**Venezuela** Bolivar (official free)	.2256	4.43
Paraguay Guarani (free)	.0081	123.46	**Yugoslavia** Dinar (official)	.081	12.35

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

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

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

4. New Caledonia, New Hebrides, French Polynesia.

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

6. 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.

Research Opened This Market

W. H. LAMBTON, "Foreign Trade"

Sturdy Steel Products Corporation of Montreal had got to the stage about three years ago where it either had to find new markets or stand still. It was selling its products—steel lockers and filing cabinets—from coast to coast across Canada and the obvious next step was to go south of the border. But, like so many Canadian firms facing the same decision, Sturdy Steel Products was a little concerned by such competition. How can a small company like ours, the executives thought, hope to compete against what must surely be the streamlined efficiency of giants who know their market inside out?

The trade commissioners approached were also somewhat pessimistic about opportunities in the U.S. There had been no inquiries, there was no sign of any discontent among users of steel lockers—customers appeared to be satisfied with what they could get. This was not exactly encouraging, although the commissioners did promise to help in any way they could. Yet the essential problem was still there: export or stand still. And as any manufacturer knows, if you stand still long enough, you're fairly certain to topple over.

A little bit of research revealed some astonishing facts. Customers were not necessarily getting what they wanted, they were getting what was offered. Architects, for instance, were designing locker space in buildings to what was on the market. Many of the bigger manufacturers of these products were unwilling to change their designs because they could still sell without going to the expense and trouble of changing. Apparently they were not very fussy about even changing their color schemes. This was an entirely different picture to what people had imagined. In fact the streamlining was beginning to look more like a rut.

But the break was made and Marc Bailey, president of Sturdy Steel, expects sales to the U.S. this year to be well over $500,000. He acknowledges that without the help of the trade commissioners things would have been very much harder. Despite their initial pessimism, he says, they went to a lot of time and trouble to find contacts and markets and provide help.

Breaking into the U.S. market was not, of course, the first challenge ever faced. The company was started in 1945 and produced floor lamps and fluorescent lighting fixtures. Space and facilities then were limited to such an extent that to work on some of the longer fixtures the windows had to be opened. Painting was often held up for a sunny day, because the paint would dry better. But the three Bailey brothers who founded the business were persistent types and the company kept growing. Today Sturdy Steel Products Corporation claims to be one of the largest producers of steel lockers in Canada, although still one of the smallest in size (the company payroll is around 240). And it is still a family business. It has agents across Canada, and sales offices in Quebec City and Toronto and a subsidiary company in Boston.

Marc Bailey, who is the son of one of the founders, says versatility is one of the keys to the company's success. Though most of the machinery is automated, it is still possible to turn out a wide variety of sizes and shapes. It is this versatility, in fact, that made the export venture possible. The company products range in size from huge 6,000-pound units to something that sells for around $20. The 6,000-pound units are mounted on tracks and can be moved by one girl.

Like most Canadian suppliers entering a foreign market for the first time, Mr. Bailey found that Canada's reputation for quality products made selling, particularly to the U.S., that much easier. And the U.S. market is so vast that "by capturing even a miniscule part of it you may be doubling your business".

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

CANADA
POSTAGE PAID
PORT PAYÉ

Boats in U.S. Northwest