foreign trade

East/West Trade Expands

Department of Industry, Trade and Commerce, Canada

July/71

News on the Export Front

Canadian consulting engineers continue to sell their expertise and experience in many unusual parts of the world. Take Yemen, for instance. CANCON Engineering Services, a Canadian consortium, is to design and supervise the construction of a $2 million deepsea loading facility at Salif, at the southern end of the Red Sea. A CANCON team studied in 1969 a number of engineering problems in Yemen at the Government's request, including the salt-mining operation at Salif and the need for a proper loading port there. On-site investigations at Salif were done by two marine engineers from the Vancouver office of Swan Wooster, a major partner in CANCON. When the new facilities are completed, they will handle 1,000 tons of salt an hour initially and eventually 2,000 tons. Bidding for the actual construction work will be world-wide and several Canadian companies are interested.

A Montreal consulting engineering firm has recently expanded by forming a German company. Surveyer, Nenniger & Chenevert Inc. has set up a subsidiary, SNC Ingenieurgesellschaft, G.m.b.H., with offices in Duesseldorf. It will specialize in engineering design and project management for industrial clients and also undertake technical and economic evaluations. The firm has been working in West Germany for five years; its first project there was designing an electrolytic zinc plant. It is now working on the design of and project management for an asbestos finishing plant in northern Germany for Asbestos Corporation Limited.

STOL aircraft figured largely in Canada's display at the Paris Air Show last month and the practical Twin Otters made by de Havilland keep on attracting customers and winging their way to distant parts of the world. Nepal, for example, has ordered two of the "Series 300" Otters for the Royal Nepal Airlines, to be delivered in mid-1971. They will be used on low-density routes and to provide service in support of civil programs in remote rural settlements.

Air Madagascar is adding five Twin Otters to its fleet to help provide air service to 54 different points in the island. De Havilland demonstrated this plane in Tananarive in 1967, but finally closed the deal only this year. Then there's Pakistan, which has bought six Otters for use on feeder airlines that will eventually serve 39 small towns and tourist areas.

Switch from aircraft to telephone equipment and the focus of interest is the Caribbean. The Dominican Republic is expanding its telephone network in Santo Domingo and is acquiring central office equipment for 23,000 telephone lines, subscriber equipment, cable, radio and carrier equipment from Automatic Electric (Canada) Limited, Brockville. The buyer is Compania Dominicana de Telefonos, C. por. A and the sale is being financed by a loan of $9.2 million from the Export Development Corporation. The EDC has also made a $4 million loan to cover equipment for a telephone switching center in Nassau, the Bahamas. Northern Electric Company Limited, Montreal, will manufacture and install a 5,000-line crossbar switching system, switchboard, testboards, power and other equipment for the Bahamas Telecommunications Corporation, a government body.

The big stuff for electric power stations? Yes, we're selling that too. Canadian Westinghouse International has an order for two 25 Mw. steam turbine generator sets for Centrais Electricas do Para of Brazil. The equipment, which is worth about $2.5 million, will go to a new power station at Belem in northern Brazil and should be in operation by mid-1973.

Diesel locomotives also attract great export interest and at the moment MLW Industries of Montreal is manufacturing them for Yugoslavia, for Jamaica, and for East Africa. In Yugoslavia ZTP Belgrade Railways has entered into a lease-purchase arrangement with the Canadian company for 20 diesel-electric locomotives and components. Under the contract, which is worth $8 million, title to the locomotives will remain with MLW until it receives payment in full and will then pass to the Yugoslav company.

Jamaica too is buying diesel locomotives—six of them and the required spare parts—to a value of $1.3 million, financed by a loan from the Export Development Corporation. This loan, made to the Jamaican Government, covers the price of the 1050/950 hp. locomotives to be used by the Jamaica Railway Corporation in Kingston. These locomotives are already being shipped.

Under open-market bidding, MLW Industries also won an order for 20 medium (1,880 hp.) and 15 large (2,400 hp.) mainline locomotives for the East African Community, which consists of Kenya, Uganda, and Tanzania. This order is being financed by a long-term loan of some $14 million made to the Community by the Canadian International Development Agency. The 15 medium-power locomotives will go to Mombasa and will operate in Kenya; the 20 lighter ones will be shipped to Dar es Salaam in Tanzania. All the locomotives can be adjusted to various track gauges, from one meter to three feet six inches.

The nickels that jingle in Canadian pockets are made from nickel mined and processed by Sherritt Gordon Mines Limited. That's true of coins that jingle in foreign pockets too. Last year, for example, Sherritt Gordon supplied nickel blanks for coins to the Netherlands, Brazil, South Africa, the Bahamas, Lebanon and Iraq. For the Central Bank of the Philippines it turned out at short notice pure nickel peso coins to mark the visit of Pope Paul to Manila, and for the Central Bank of Iraq a special coin issue marking Army Day. Altogether SG produced nearly 200 million coinage blanks in 1970. So when they say they're minting money—they really are.

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In This Issue

This month we focus the attention of *Foreign Trade* readers on Eastern Europe. Our timing, by chance, is excellent, as the cover picture confirms. It shows Prime Minister Pierre Elliott Trudeau (first on right) and his team conferring with officials of the Government of the U.S.S.R. on his recent visit to the Soviet Union. On the Canadian side, from right to left, are: the Prime Minister: Ivan Head, special assistant to Mr. Trudeau; Robert Ford, Canadian Ambassador to the U.S.S.R.; B. P. Dansen, M.P. for Burnaby-Seymour and Parliamentary Secretary to the Prime Minister; A. E. Ritchie, Under-Secretary of State for External Affairs, and J. G. H. Halstead, of External Affairs. On the Soviet side, from left to right, are: Alexei Kosygin, Chairman of the Council of Ministers, U.S.S.R.; Nikolai Baibakov, Deputy Chairman of the Council of Ministers, and Chairman of the State Planning Committee; Vladimir Novikov, Deputy Chairman of the Council of Ministers; Vladimir Kirillin, Chairman of the State Committee for Science and Technology; Andrei Gromyko, Minister of Foreign Affairs; Nikolai Patolichev, Minister of Foreign Trade; V. Kozirev, Deputy Minister of Foreign Affairs, and Boris Miroshnichenko, Soviet Ambassador to Canada.

During the last week in May, 20 Canadian companies under the sponsorship of the Department of Industry, Trade and Commerce, exhibited at the big International Trade Fair at Budapest, where Canada had a pavilion for the second successive year. For a picture of the pavilion, see page 14; for other photos of the fair, turn to the inside back cover.

Photo credits: cover and page 9, CP photos by Charles Mitchell; page 5, Canadian Hereford Assoc.; page 8, Calgary Herald.

Articles

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East/West Trade Expands

Canada is profiting from the trend towards greater trade and technological exchanges between Eastern Europe and the West. How this trend arose and what it means for the future is discussed in this article.

R. F. TURCOTTE, Chief, Eastern Europe Division, Office of Area Relations

Almost one-quarter of the foreign trade of the Eastern European countries as a group is carried on with Western industrialized countries, including Canada. In the last decade, the rate of growth of this trade, which totalled well over $6 billion in 1969, has been appreciably faster than that of the Western industrial countries among themselves.

Although trade with Eastern Europe still represents only 5 per cent of the over-all trade of the Western industrial countries and has played only a minor part in their gross national product (see table), this trade recently has assumed an increasingly important role in the development of the planned economies.

East-West trade has lately gone through the same process of qualitative transformation as the trade of the Western industrial countries had previously experienced. That is, there has been an appreciable increase in the share of technology, services, and other invisibles (such as licensing) in it. This was accompanied by a significant rise in the movement of highly sophisticated plant and equipment, particularly from West to East. This trend parallels the increased concentration of East European Governments on "intensive" rather than "extensive" industrialization, based on an increase in productivity, quality control, and more efficient use of resources as a means of developing consumer and industrial products of a quality and in quantities comparable to those in Western countries. There was also an intensification of the movement toward industrial co-operation, in its many forms, between firms and enterprises in both areas (see article on page 6.)

One of the problems arising from the technological revolution in East-West trade is the bottleneck in technical information and cross-fertilization presented by the traditional system of state foreign trading corporations—a system that generally excludes direct contact between producers and end-users of equipment. Although some decentralization has been taking place (see article on page 5), there can be no doubt that both sides now regard the development of technological co-operation agreements between Eastern and Western countries as a major step in increasing the flow of information and direct contact between executives, managers, engineers and scientists on both sides.

For Canada, this transformation means that invisibles in the form of technology and services, as well as the highly sophisticated goods, plant and equipment related to them, will be called upon more and more to play a major role in the composition of our trade with Eastern Europe and in our economic relations with it. In this context, the conclusion with the Soviet Union in January 1971 of Canada's first agreement on co-operation in the industrial application of science and technology inaugurated a new era by giving concrete form to these new trends in our economic relations.

One aspect of the effort on the part of Eastern European countries to adopt Western technology is the need to improve the structure of their own export trade. Partly as a result of the efforts so far, Eastern Europe is now exporting to the West an increasing variety of manufactures and consumer goods, plus a broad selection of industrial commodities which the West requires for its own production.

Nevertheless, it is evident from recent trade figures (see table) that Eastern European countries, in total, still depend heavily on exports of foodstuffs and basic materials for their foreign exchange earnings. These categories still accounted for some 70 per cent of total exports to the West in 1968. On the other hand, manufactured goods, machinery and transport equipment account for some 70 per cent of Western exports to Eastern Europe.

Although the Soviet Union, with a population almost 2.5 times that of the other Eastern European countries combined, tends to be the major single partner (see table) in terms of East-West trade turnover, with a share of 30 to 40 per cent, other countries have been emerging as increasingly important. By 1968, Poland had exceeded the billion-dollar mark for both imports and exports, and East Germany and Czechoslovakia were not far behind.

Geographically, the countries of Western Europe as a region, by virtue of their proximity and their highly developed industrial complex, are particularly active in promoting and carrying on trade with Eastern Europe. West Germany remains the principal supplier, although exports to East Germany, which are considered as "intra-German" rather than "foreign trade", represent about one-third of West German trade with Eastern Europe. The rate of increase in French and Italian trade, however, has been quicker in recent years and Japan's trade with Eastern Europe, although that country is still only in ninth place, has expanded remarkably in the last decade.

Canadian sales to Eastern Europe have reached the $300-$400 million range in peak years, thanks essentially to large wheat shipments. On the average, however, our trade—both export and import—represents a relatively modest share of over-all East-West trade, particularly when one excludes our exports of grain. (See the graph.)

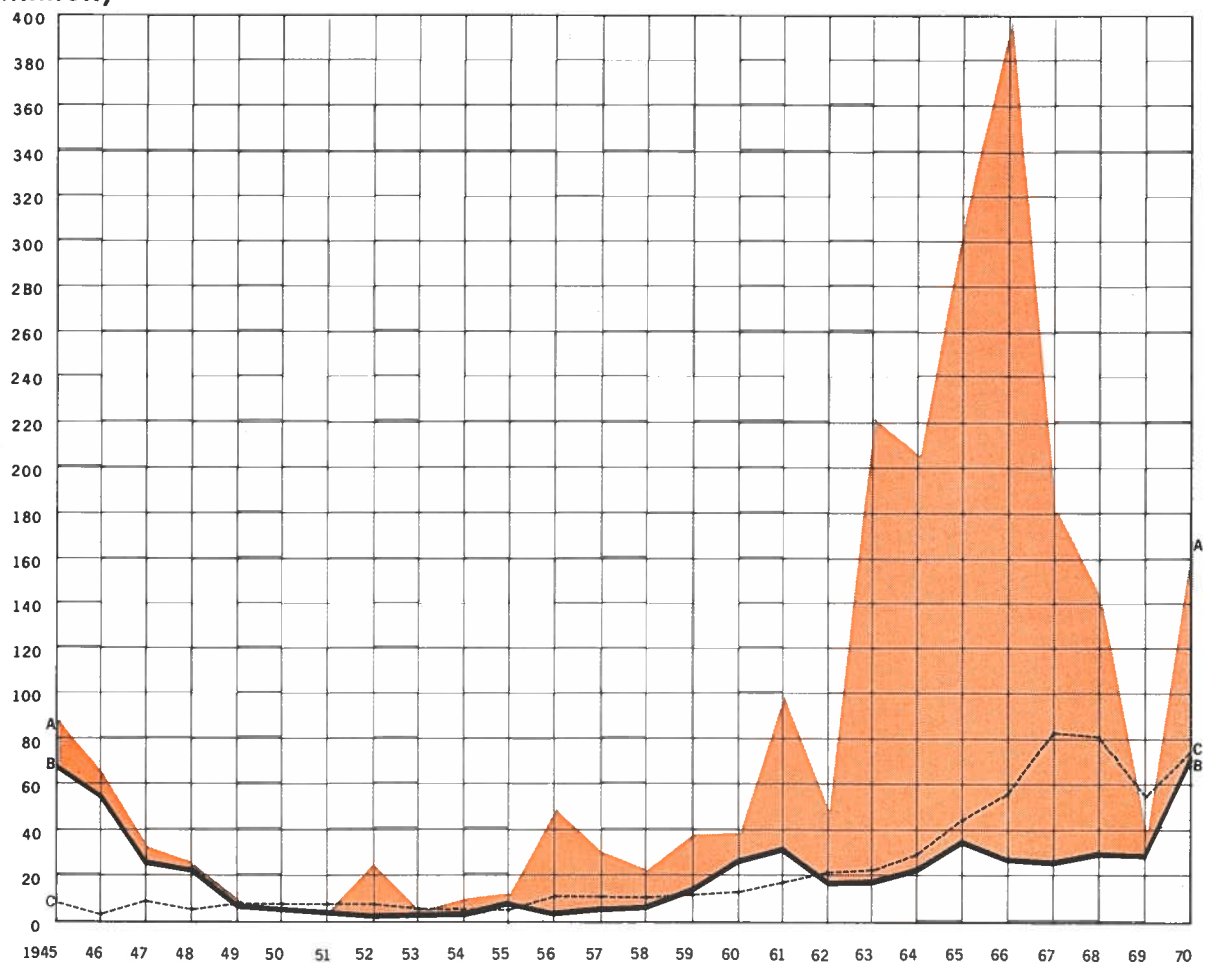
Fortunately, our expanding activity in Eastern Europe in the industrial application of technology—both at company and government levels—means that highly sophisticated industrial goods, equipment, plant and technology are adding a major new element of long-term stability to our trade and to our over-all economic relations with the area.

It is fair to say that, in the past, similarities in the economic geography of the two regions have inhibited trade. Both produce great quantities of similar raw materials and fuels and (barring adverse weather) considerable quantities of the foods and feedstuffs that grow in northern climates. But in today's technological world it is these similarities in resources, climate, size and geography, expressed in terms of economic development, that make Canada and Eastern Europe obvious natural partners in technological-industrial co-operation. (The Agreement on Co-operation in the Industrial Application of Science and Technology is discussed more fully on page 30.) The working groups established by the Mixed Commission under the Agreement are already exploring in greater depth these potential areas of co-operation and are examining possible exchanges of experts and information in technical fields, as well as possible trade opportunities.

Cyclical Trends in Canada-East Europe Trade, 1945-1970

A-Total exports
B-Non-grain exports
C-Total imports
Shaded Area-Grain component of Canadian exports to Eastern Europe

($ million)



East/West Trade

TOTAL TRADE[1]

	U.S.$ billion		
	Western Exports	Western Imports	Visible Trade Balance
1964	4.28	3.95	0.33
1965	4.28	4.47	—0.19
1966	5.14	5.05	0.09
1967	5.60	5.54	0.06
1968	6.02	5.86	0.16

	Per cent	
	Western Exports	Western Imports
Average annual growth rate 1964-68		
Northeastern Europe*	7.9	9.4
Southeastern Europe**	14.0	11.3
U.S.S.R.	5.6	10.3
Yugoslavia	11.6	12.4
Average, all countries	9.0	10.3

*Poland, Czechoslovakia, East Germany
**Hungary, Romania, Bulgaria

TRADE BY REGION[1]

	Per cent			
	Imports		Exports	
	1964	1968	1964	1968
Share of Eastern Areas				
Northeastern Europe*	32.4	31.2	35.2	33.9
Southeastern Europe**	16.8	20.3	14.3	14.8
Total of above	49.2	51.5	49.9	48.7
U.S.S.R.	34.4	30.5	39.5	39.4
Yugoslavia	16.2	17.9	10.8	11.7
Total	**100.0**	**100.0**	**100.0**	**100.0**

*Poland, Czechoslovakia, East Germany
**Hungary, Romania, Bulgaria

	Per cent			
	Imports		Exports	
	1964	1968	1964	1968
Share of Western Areas				
EEC	43.9	57.4	49.0	49.3
EFTA*	29.1	30.9	39.3	33.4
Total Western Europe	73.0	88.3	88.3	82.8
North America	21.5**	7.2**	5.0	7.0
Japan	5.3	4.3	6.5	10.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

*Except Portugal
**Influence of fluctuating grain trade.

TRADE BY COMMODITY GROUP[2]

	Per cent, by value			
	Western Exports		Eastern Exports	
	Total	U.S.S.R. alone	Total	U.S.S.R. alone
Food and live animals	7.1	6.0	19.8	6.4
Beverages and tobacco	0.4	0.3	1.0	0.1
Crude materials, exc. fuels	6.0	3.9	23.3	38.5
Mineral fuels, lubricants and related materials	0.7	—	17.6	30.7
Animal and vegetable oils and fats	0.3	—	1.6	2.1
Chemicals	13.8	14.1	4.8	3.0
Sub-total	28.3	24.3	68.1	80.8

	Per cent, by value			
	Western Exports		Eastern Exports	
	Total	U.S.S.R. alone	Total	U.S.S.R. alone
Manufactured goods classified chiefly by materials	23.9	23.9	18.9	15.6
Machinery and transport equipment	40.3	40.4	5.4	2.2
Miscellaneous manufactured articles	6.4	10.6	6.6	0.7
Commodities and transactions not classified according to kind	0.5	0.3	0.6	0.2
Sub-total	71.1	75.2	31.5	18.7
Total	**100.0**	**100.0**	**100.0**	**100.0**

Source: [1]Direction of Trade, A Supplement to International Financial Statistics—Annual 1963-67
[2]OECD Commodity Trade

For Canada, the agreement with the Soviet Union can be seen as part of a new phase in the expansion of our formal and informal economic relations with Eastern Europe in areas and by avenues not yet explored in depth. The resulting possibilities range all the way from more frequent regular joint consultations on economic and trade matters to an intensification of inter-enterprise industrial co-operation in many forms. Initiatives in these directions, however, will have to be based on a realistic assessment of the potential long and short-term benefits in relation to the input of resources required.

Decentralization in Eastern Europe

The general significance of economic reform and of decentralization trends in Eastern Europe, and the resulting so-called new economic or market mechanisms being introduced by some of these countries, is often misunderstood abroad. In no case do they imply fundamental alterations in the socialist doctrine or system—that is, public ownership of the means of production. Rather, they represent attempts to improve the existing system within the framework of traditional economic philosophy and objectives.

The principal motivation of the reform movement has been the increasing complexity of the modern economic and industrial structure and the resulting pressure on the rigid, highly centralized planning systems. This has led to a broad debate among these countries about whether the proper solution is the decentralization of the economic decision-making process, or the strengthening and improving of the existing central planning process by computer technology and other modern means.

To date, the principal thrust of the decentralization process, and a criterion of the degree of decentralization reached, is the extent of effective control given to the industrial enterprises, mainly in investment and the disposal of profits, as well as price and wage policies. At the same time, at least some of the countries are considering the possibility of decreasing the influence of rigid central planning on day-to-day operations. This would be accomplished by increasing the role of straight market criteria and supply-and-demand considerations, including the possible introduction of a free-market pricing mechanism, at least partially.

In some countries also, a still limited but increasing number of enterprises are being allowed to carry out foreign trade directly as it touches their own procurement and/or marketing requirements.

As a means of measuring the economic success of the enterprise, a special notion of "profit" has been introduced in a number of countries (roughly speaking, it is the difference between revenue and expenditures). However, the basis of accounting and calculation varies considerably from traditional Western concepts, and an administered price structure affecting both input and output makes this notion of profit appear rather artificial within our frame of reference.

Although profit has become a main criterion of entrepreneurial success, the greater power of decision given to the enterprises appears to have had little effect on the basis of economic activity—that is, on investment, price

This complacent registered yearling Hereford heifer has its ear tattoo examined by Alexi Tcherekaev (right), head of a Soviet team that selected 375 head of Herefords for shipment to the U.S.S.R. A Soviet veterinarian, Dr. N. F. Fomin (left), responsible for inspection, casts an appraising eye over the animal.

and wage policies. And the reform models have naturally been considerably modified and sometimes diluted substantially during the process of implementing them.

Recent studies of economic policy in the East European COMECON* countries show Hungary in the leading position in decentralization, followed by Romania and Bulgaria. The U.S.S.R. and Poland seem to show the greatest reserve about moving in this direction.

On the other hand, a possible trend toward more centralization cannot be excluded in view of the emergence of planning theories based on mathematical methods and computerization (planometric procedures). This system is now being used and experimented with extensively by East Germany. The U.S.S.R. is also trying to overcome the traditional drawbacks of any rigid centralized planning system by the introduction of data processing with computer monitoring and control over the total economic activity.

A second factor underlying a tendency towards a certain re-centralization is the increasing efforts at integration on the basis of industrial economic sectors within the COMECON* group of countries—a tendency which has gained strength, particularly since 1968. Broadly speaking, it may be said that COMECON integration in Eastern Europe means the co-ordination of the economic plans of each country. This would have to be achieved either by the introduction of unitary and strict planning for the whole area, or by a harmonization of the various national plans. As a number of the member nations move forward with their own national economic reform programs, however, it will become more and more difficult to integrate or harmonize them with those of the other countries.

Inter-Enterprise Industrial Co-operation:

a new trend in East/West economic activity

A recently published report on East-West industrial co-operation researched and published by the Economic Commission for Europe (ECE) tentatively defines industrial co-operation between East and West as agreements between enterprises which go beyond the straightforward sale or purchase of goods or services to include a set of reciprocal, mating operations in the development and transfer of technology, in production, and in marketing, extending over a number of years.

East-West industrial co-operation at both the enterprise level and in government-to-government agreements is becoming a major factor in the growth of East-West trade. In fact, the number, variety and ramifications of agreements between enterprises continue to increase. Projects that can be considered as simple forms of co-operation include joint operations in research, production, or sales which apply over a certain period of time, possibly for a settlement in money. More complex forms imply a far greater degree of inter-enterprise integration. One example would be a production arrangement whereby some of the output of a joint manufacturing project is delivered to one or other of the partners and incorporated into his own output, (for example, automotive components), especially when the share delivered is large in relation to the total output of the joint venture.

In the field of industrial production, the straight delivery of a turnkey factory, although it is a complex operation in itself, can be considered as involving only rudimentary forms of industrial co-operation. On the other hand, an arrangement whereby one partner delivers the technical knowhow and more sophisticated components of the equipment while the other supplies buildings, stock items and more standard machinery and equipment would involve considerably closer and longer-term co-operation.

In addition to straight production agreements, co-operation based on specialization in R & D as well as in marketing is also playing an increasing role in East-West trade exchanges and economic relations. Some examples are given below.

1. Technology and research. Today even the granting of patent licences or the transfer of knowhow often needs to be accompanied by technical assistance. This can in turn easily lead to a form of technical co-operation and, ultimately, a co-ordination of research operations for the improvement of existing products and the development of new ones.

2. Marketing and after-sales servicing. In this case, partners to the agreements on marketing use co-operation as a way of entering a new market in which they are not normally established. Agreements entailing after-sales service in one or other country tend to give this responsibility to the better-placed partner.

3. Joint tenders or sales in third countries. Combined efforts to develop

*Communist Economic Co-operation Agreement; the members are Bulgaria, Czechoslovakia, East Germany, Hungary, Outer Mongolia, Poland, Romania and the U.S.S.R.

At the Toronto airport, officials of Checkerboard Farms Limited, of Don Mills, Ontario, watch a shipment of turkey eggs being loaded for ultimate delivery to a Hungarian buyer. Last year shipments of hatching eggs to Hungary reached a value of $232,000. The only other customer for these in Eastern Europe was the Soviet Union, with purchases worth about $10,000.

markets in third countries—for instance, in developing countries, where one partner has established an advantageous trading position—have been described by the ECE as "one of the most successful fields of East-West co-operation in which numerous agreements occur".

According to the ECE study, Yugoslavia is by far the most frequent partner country, followed by Poland, Hungary and Czechoslavakia. On the Western side, Germany, Britain and France are most active in industrial co-operation. The industrial branches most frequently involved are engineering, transport equipment, chemicals, pharmaceuticals, electrical engineering and electronics.

A recent example of joint ventures of this type is provided by the British firm, Dunlop. On April 16, 1971, it signed an agreement in Belgrade with the International Investment Corporation for Yugoslavia, Fadip, a Yugoslav manufacturer, and Jugohemija, a Yugoslav foreign trade enterprise, to build and operate a joint venture company to make high-pressure hydraulic rubber hose in Becej, Yugoslavia. Dunlop is to finance 24 per cent of the cost of building the $5.5 million plant, Fadip's share will be 44.7 per cent, the IICY's 19.3 per cent, and Jugohemija's 12 per cent. Profits and the

→

This is the Husky 8—apt name for a tracked carrier that handles loads up to 45 tons and exerts a ground pressure of only 4.1 PSI when it is carrying a 30-ton load. The Russians have bought this model and one of 20 tons for use in mining, oilfields, and pipeline construction work. The Husky 8, made by Foremost in Calgary, has a cold-weather kit for low temperatures.

eventual risk will be divided among the partners in proportion to their share of the investment.

Governments of both Eastern and Western countries have generally been supporting and encouraging industrial and technical co-operation as another means of developing trade and other economic relations in both directions. Efforts are also being made to remove, or to alleviate the effect of, quantitative restrictions and other trade barriers on industrial co-operation. In Poland, for example, in the three long-term trade agreements concluded or extended in 1970 with France, Italy and West Germany, the principle was introduced that mutual deliveries involved in co-operation are not subject to quantitative restrictions and will be granted maximum privileges and facilities in the licensing procedure. So far, however, the possibility of customs and fiscal privileges, desired by the Eastern countries to facilitate trade resulting from industrial co-operation, has made little headway towards realization, although the problem is generally acknowledged as real.

In addition, the role of Mixed Commissions in the East-West inter-government trade and industrial co-operation agreements has been gradually changing from a body representing essentially the administrative apparatus, seeking solutions aimed at alleviating difficulties in the implementation of the agreements, to an institution consisting of members of industrial and trade, and even of financial, circles, along with government representatives. The recent Canada-U.S.S.R. Agreement on co-operation in the industrial application of science and technology is a prime example of the trend toward the direct responsibility of the business community in the operation of such agreements.

Trading Arrangements with Eastern Europe

Canada has attempted over the years to secure the widest and most favorable terms of access to the markets of Eastern Europe, and now has formal relations with all these countries except Albania and East Germany. Trade relations with three of these—Czechoslovakia, Poland and Yugoslavia—are based on non-lapsing prewar Conventions of Commerce, as well as on subsequent common membership in the GATT. Relations with the other four countries—the U.S.S.R., Bulgaria, Hungary and Romania—are based on bilateral renewable (generally every three years) trade agreements concluded first with the Soviet Union in 1956 and subsequently with the other countries during the 1960's. The following paragraphs summarize Canada's formal trading arrangements with East European countries.

Albania—There is currently no trade agreement with Albania and Canada does not grant most-favored-nation treatment to goods from this country.

Bulgaria—A three-year trade agreement concluded with Bulgaria on October 8, 1963, was renewed for a further three years from October 8, 1966. The renewal provided for the continued exchange of most-favored-nation treatment and, as with the first agreement, for the purchase by Bulgaria of Canadian wheat. Bulgaria also undertook to give first consideration, in fulfilling its import requirements, to a number of products in which Canada has demonstrated competitive export performance.

Czechoslovakia—Canada exchanges most-favored-nation treatment with Czechoslovakia on the basis of a prewar Convention of Commerce (1928) and on common membership in the GATT since its founding in 1948. Although a purchase undertaking for Canadian goods is not a feature of the trade agreement between Canada and Czechoslovakia, a long-term wheat agreement was signed between the two countries on October 29, 1963. This provided for the purchase of 44 million bushels of wheat over five years and this purchase has been completed in full.

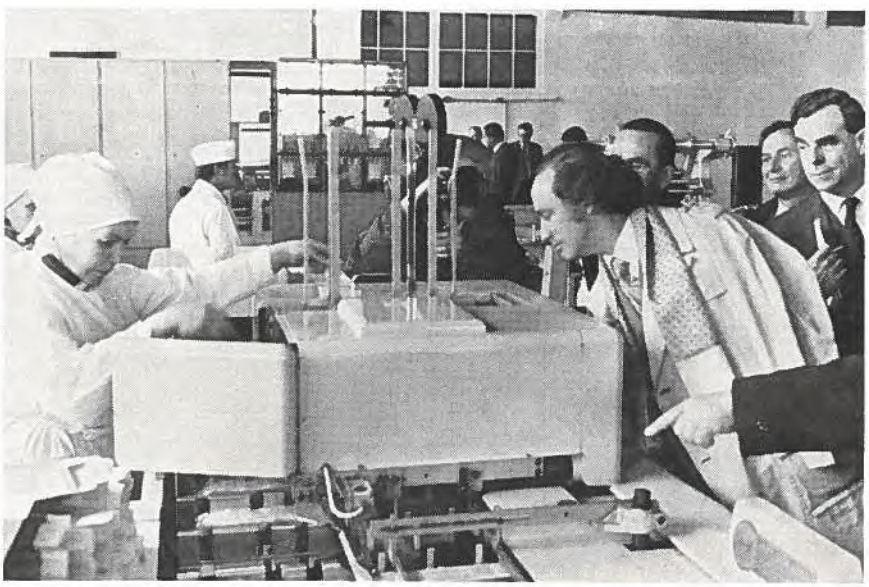
Hungary—Canada concluded a trade agreement with Hungary on June 11, 1964, similar to that concluded the year before with Bulgaria. The agreement provided for the exchange of m.f.n. treatment and included a Hungarian undertaking to purchase Canadian goods, including wheat. This agreement was renewed on August 9, 1968, and the renewal provided for Hungarian purchases of not less than $15 million worth of Canadian goods over the next three years.

Poland—The exchange of most-favored-nation treatment with Poland is based on a prewar Convention of Commerce (1935) and Poland's full accession to the GATT on October 18, 1967. Long-term wheat agreements were concluded between the two countries in 1963 and 1966. The current arrangements provide for Polish purchases of up to 44 million bushels of Canadian wheat over the period ending July 31, 1971.

Romania—Canada concluded a three-year trade agreement with Romania on March 22, 1968. The agreement provided for the exchange of most-favored-nation treatment and included an undertaking by the Romanians to purchase Canadian goods of their choice to a value of not less than $9 million over three years.

U.S.S.R.—The trade agreement between Canada and the Soviet Union, first concluded in 1956, was renewed on April 18, 1960, and every three years thereafter. The most recent renewal, covering the period to April 17, 1972, was essentially a simple exchange of most-favored-nation treatment. However, the Soviet grain-importing agency has agreed to look first to Canada in meeting any additional requirements for wheat to be purchased from abroad.

Yugoslavia—The exchange of most-favored-nation treatment with Yugoslavia is based on a prewar Treaty of Commerce and Navigation (1927) and Yugoslavia's full accession to the GATT on August 25, 1966.



Prime Minister Trudeau subjected fish-freezing equipment to a really close scrutiny when he visited this plant at Murmansk during his tour of the Soviet Union. Standing just behind him is J. H. Warren, Deputy Minister of the Department of Industry, Trade and Commerce, and on Mr. Warren's right is George Bain, columnist for the Toronto Globe and Mail. *Other members of the Canadian party are visible in the background.*

A Letter from Vienna

Mr. John Doe

Canada

Dear Sir:

To be frank, I am making a pitch in the hope that you will contact us in Vienna so that we can sell you on the merits of obtaining business in Eastern Europe through a Vienna-based "East/West agent".

Why Eastern Europe? Because this is a rapidly expanding industrial area where hard work and close customer relations can result in very large contracts and continued customer loyalty. The process of obtaining the first order takes time but the results and the experience gained in this fascinating part of Europe should challenge any businessman worth his salt! Besides, you can help us bridge the communications gap between most Canadian and East European businessmen.

Why Vienna? Of course it is not the only gateway to Eastern Europe; it is just the most important (and most beautiful) and will probably remain so at least for the foreseeable future. A famous Austrian Chancellor once said "the East begins at Landstrasse" (a downtown street in Vienna) and he was so right. You must remember that Vienna was until relatively recently the seat of an East European empire which has often been described as the first Common Market. Many of those spiritual ties still exist on the individual level. Austria has an entrée in Eastern Europe and its declared position of perpetual neutrality helps it to retain this. Many astute German companies, for example, use Austrian subsidiaries and salesmen to service the East European market. And Vienna, only 3½ hours by car from Budapest and about an hour's plane ride from most East European capitals, is relatively easy for East European trading officials to visit.

Here comes the pitch. Our office in Vienna has always realized that this city has a particular breed of cat known as the East/West trader. We have recommended a few good ones to Canadian firms. But not until recently have we had the time or manpower to make a serious effort to determine how many of the 100-plus traders are effective and to discover their product orientation and in which East European countries they specialize. However, in January of this year we were able to begin a program aimed at getting to know all of them, their strengths and weaknesses. I am pleased to report that our efforts are beginning to pay off.

Directors of some of the firms we have visited so far have explained their capabilities, giving examples of multi-million dollar export orders that have made our mouths water. Invariably they told us, to our embarrassment, that before meeting us, they had little idea of what Canada could offer. Now that we have begun to identify those firms with the required expertise and contacts, we would like to put them in touch with potential Canadian business partners.

Here is our appeal. If you are interested in the possibility of trading in Eastern Europe and would like to be put in touch with a Vienna-based East/West trading firm, please contact us for more information.

Here are some of the services such a firm may be able to offer you:

The normal services of an agent or representative.
A share of the booming business that West European firms enjoy.
A single point of contact for the large East European market.
An on-the-spot representative to look after your interests on a day-to-day basis in a particular country.
More frequent visits to East European contacts (a "must" in Eastern Europe).
Day-to-day co-operation with the Canadian Trade Commissioner in locating opportunities for your firm.
Translation of your literature and letters into the local or other acceptable language (often German).
Display of your products at the various East European fairs.
In-depth market surveys.
Promotion of your products with state foreign trading companies (the customer), the Ministry (sometimes the decision-makers), and the Institute (technical advisers to the Ministry).
Contact with end-users or technical people who specify.
Follow-up on deliveries.
Problem-solving on the spot.
Provision of short-term financing or arranging for financing with banks dealing in East/West trade.
Provision of technical services and holding of technical seminars (very effective).
The undertaking by themselves or arranging for compensation or switch trading.
Provision of intelligence on activities of the competition.
Provision of in-depth local knowledge and advice on methods of doing business.
Arranging for non-payment and/or technical risks insurance with firms specializing in this field.

Doing business in Eastern Europe is different and requires careful research, patience, hard bargaining, and a willingness to meet buyers on their own ground. But the payoff is usually commensurate with the required efforts. Why not let a Vienna expert who is a pro at the game help you? To get started, write us a letter saying that you are interested in finding out whether a Vienna-based East/West trader is the right prescription for your firm.

Yours sincerely,

Ed. Bobinski

Commercial Counsellor, Vienna

Bulgaria: Five Year Plan Sets Goals

Stress will be on stepping up industrial production; imported machinery of all kinds will be needed. Agricultural program calls for purchases of farm machinery, purebred stock, and food-processing equipment.

P. A. HOLTON
Assistant Commercial Secretary, Vienna

Bulgaria is a country of 8.4 million people who import over two billion dollars worth of goods per year. Although the gross national product per capita is relatively small, the rate of growth is one of the highest in Eastern Europe. Ambitious industrialization plans for the next five years will continue to require the import of capital equipment and technology.

The market, however, is not entirely an easy one for Canadian exporters to enter. Only about 10 per cent of total Bulgarian trade is carried on with developed Western countries, 5 per cent is reserved for the developing countries, and the remaining 85 per cent is conducted with socialist countries. The share of the U.S.S.R. alone is 55 per cent and this share is expected to increase. None the less, although the 10 per cent for Western countries will decrease to perhaps 8 per cent by 1975, it should continue to amount to over $250 million annually. Even a small fraction of this would represent a significant sale for the Canadian company with the needed product and with perseverance in marketing it.

Over the past few years some internal changes have taken place in the structure of industry. Individual enterprises have been combined into "Economic Amalgamations" encompassing an entire industry. Under this concept, the foreign trade organizations now work for the Amalgamation rather than directly for the Ministry of Foreign Trade. However, the MFT continues to retain control of policy. From the standpoint of the Government, the reorganization could be viewed as a continuing trend to decentralization, but from the viewpoint of the individual enterprise, its operations are perhaps even more closely controlled from above.

This is one of the busy downtown streets in the Bulgarian capital of Sofia, on a warm summer afternoon. Situated not far from the Yugoslav border, it has a population of about 900,000. It is also the headquarters for the commercial state enterprises through which all foreign trade, both export and import, is channelled.

Five Year Plan—This year Bulgaria is embarking on a Five Year Plan intended to guide the economy through 1975. National income is to increase by 47 to 50 per cent and per capita real income to rise by 25 to 30 per cent by 1975. This goal can only be achieved by greater production in every sector of the economy. Industrial production is to rise at an annual rate of 11 per cent and agricultural production by 5 per cent.

There is provision in the Plan for electricity generation to reach 30,000 to 31,000 million kwh. in 1975 (an increase of 54 per cent over the 1970 figure), and for the first atomic power station, with a capacity of 880 Mw., to be put into operation by the end of this five-year period. In 1975 rolled ferrous metal production is to be nearly double the 1970 figure, at 2.8 million tons. The main trend in the development of the petrochemical industry is toward increased production of ethylene, synthetic rubber, polyvinyl chloride, polyethylene and polystyrene. By 1975 the processing of oil will rise to 12 or 13 million tons a year, the production of mineral fertilizers to 1.15 million, of chemical fibers to 70,000 or 75,000, and of plastics and synthetic resins to 152,000.

The plan calls for a large increase in the production of electronic equipment, with emphasis on automation

→

and computer-related areas. Nine computer centers will be established this year and various forms of computer management systems will be introduced in nine Economic Amalgamations and 42 enterprises. Shipbuilding production will increase to 400,000 tons and output of metalworking machines and machine tools will rise 2.4 times.

To reach these goals, Bulgaria must invest heavily in manufacturing equipment of all types, ranging from steel rolling mills to equipment for printed circuit assembly.

In the forestry sector there are also opportunities. Today Bulgaria has 50 wood-processing enterprises; by the end of 1975 there will be only 39, but 25 will be equipped with new modern machinery. The same kind of concentration is scheduled for the pulp and paper industry.

Bulgaria is actively exploring for oil and minerals, both at home and in other countries. There has been interest expressed in geophysical equipment of all kinds and success in finding deposits will lead to demands for further equipment to exploit these.

Bulgaria's determined efforts to become an industrial country are producing results: here is one example— a plant that turns out tractors. Is is located in Karlovo, not far from Plovdiv. As part of its Five Year Plan, Bulgaria expects to have 136,000 tractors, in terms of 15 hp. units, at work in the agricultural sector by 1974.

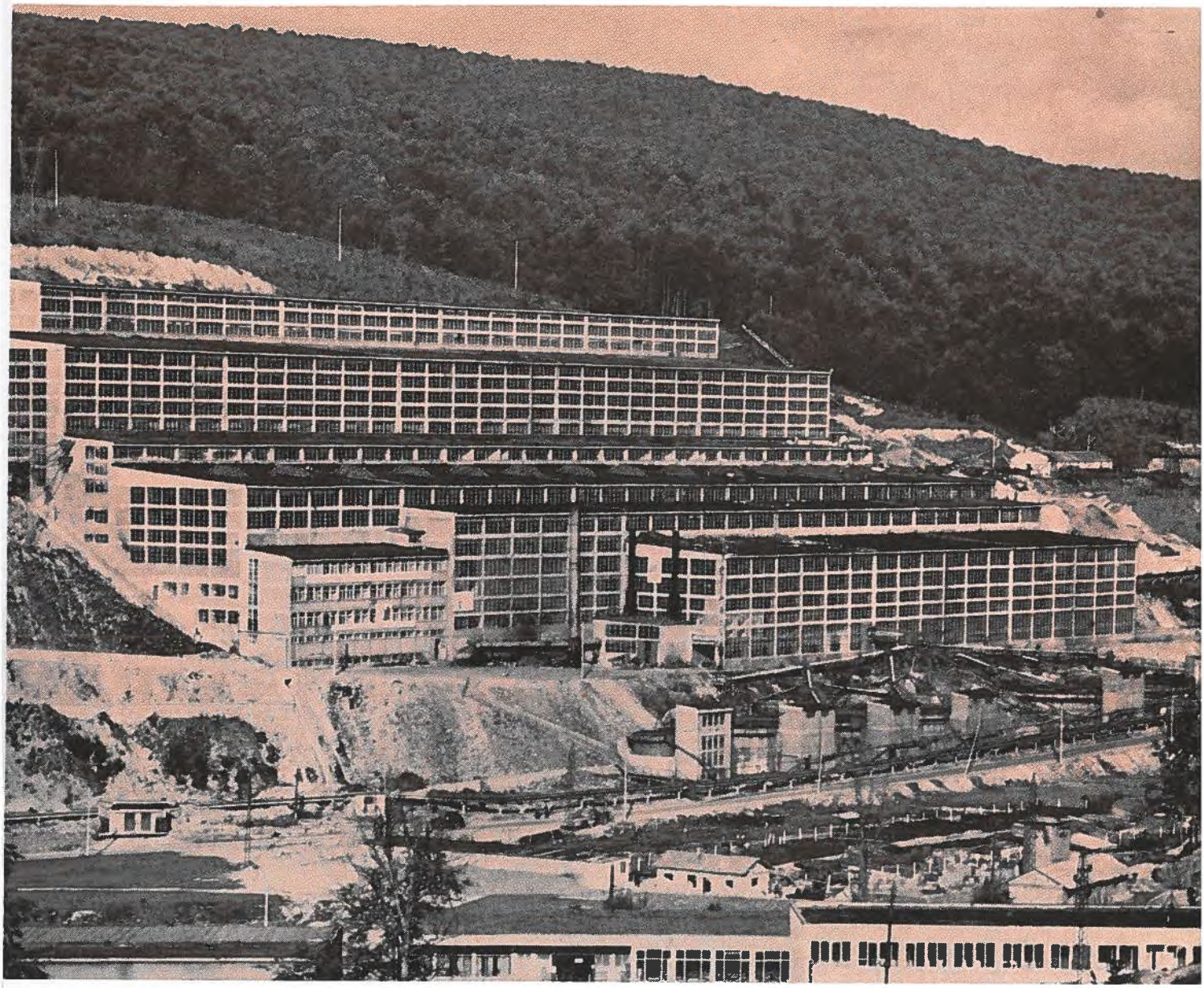
Agriculture—Agro-industrial complexes of 30,000 hectares are being formed, with two objectives in mind. First, this grouping together of several co-operatives or state farms will lead to increased mechanization and greater use of fertilizers and pesticides, and will facilitate capital projects for land improvement and irrigation. Second, some processing of agricultural produce will take place within the complex. This reorganization underlines the importance of the agricultural sector, which employs 38 per cent of the working population and supplies 46 per cent of exports.

Three major tasks are envisaged for these groupings. First comes a capital investment program leading to greater mechanization and irrigation. For example, by 1975 there will be 136,000 tractors (in terms of 15 hp. units) and 20,800 combines. It is hoped to raise labor productivity by 40 to 45 per cent. Second comes an increase in meat production. Over $25 million will be invested during the five years to raise annual production to 300,000 tons of meat and 77,000 tons of meat products. Large combines for fattening cattle and pigs and processing them will be constructed. To support these developments, fodder production will be increased to 4.35 million tons. Bulgarian breeders are pleased with the Canadian dairy cattle that are now improving their herds. Although artificial insemination has not yet been introduced, there should eventually be a market for semen. Third comes a comprehensive program promoting the scientific use of fertilizers and crop management.

These developments will lead to demands for modern food processing and packaging equipment to make Bulgarian products competitive in international markets and able to earn vitally needed foreign currency.

Foreign Trade—This has been the monopoly of 39 foreign trade organizations, each with the exclusive right to deal in specific commodities. Now, however, it is sometimes possible to deal directly with an Economic Amalgamation, but this is the exception rather than the rule. The Trade Commissioner is always ready to provide information on the organization that handles a particular product.

Canada's exports to Bulgaria in 1970 totalled $3.3 million, primarily wheat, although a good start was made in selling purebred dairy cattle and, sur-



The task of raising industrial production by 11 per cent a year up to 1975 will be aided by complexes like this one—a non-ferrous metals combine at Pirdop. This stress on industrial development increases the demand for imported machinery.

prisingly enough, dried vegetables. Canadian imports from Bulgaria reached only $1.1 million and consisted of food products, textiles, and more than 3,000 metalworking lathes.

As is typical in Eastern Europe, one of the major factors restricting trade is the chronic shortage of Western currencies. The company in the best position to take advantage of opportunities in Bulgaria is the one that is willing to take Bulgarian goods in partial payment, either for resale or for incorporation in its own products. There are several examples of machinery manufacturers taking back in payment the products made by their own machines.

Purchase of a licence to make a foreign product locally is another form of transaction that appeals to Bulgaria for the same reason. Or a favorable arrangement can often be made if the licensor takes back some of the resulting production in payment, perhaps to satisfy the requirements of some of his Western European markets. The Vienna Trade Commissioners can recommend switch traders and agents who are experienced in this kind of transaction and can help to organize such a deal.

Currently about 50 per cent of Bulgarian imports consist of machinery, 25 per cent of fuels and metals, 10 per cent of chemicals, and 10 per cent of organic raw materials. Comprehensive plans for further industrialization indicate that machinery will continue to hold the lion's share of import trade.

The great need for technology from the West will continue to provide the most promising opportunities for Canadian suppliers who can reflect Canada's proven industrial capability and export capacity.

Czechoslovakia Emphasizes Central Control

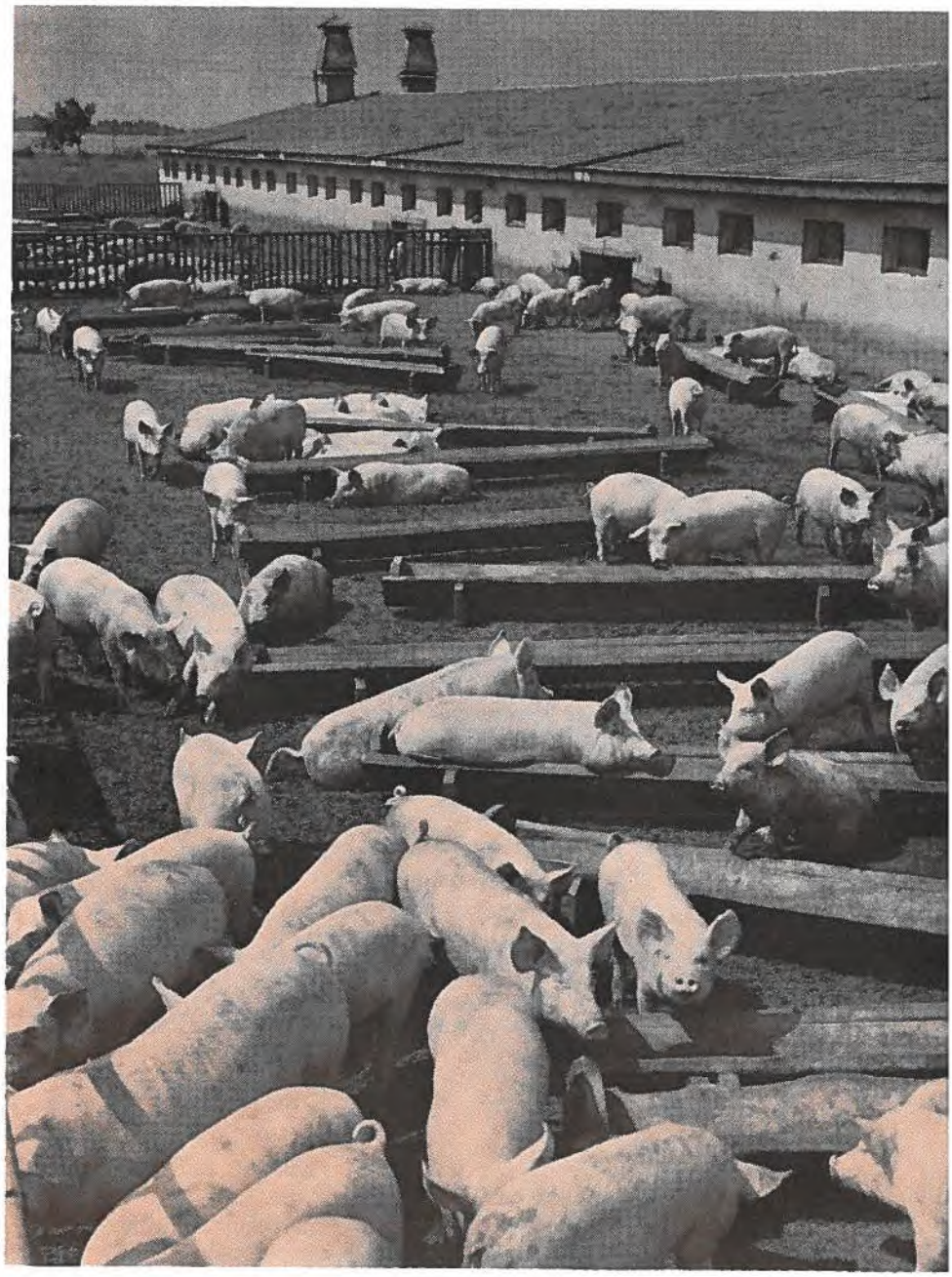
To consolidate economic development in vital areas and use resources more efficiently, the Czechs are returning to more centralized planning. On balance, trend of trade with Canada is up.

D. S. BAKER
Commercial Secretary, Prague

Both industry and agriculture face certain problems in Czechoslovakia and rationalization of the economy is the key to plans for 1971 and beyond. Last year saw the return to more centralized planning. The emphasis on central control has increased, with the aim of greater consolidation of economic development in vital areas. Although this means less latitude for the managers of enterprises, the planners are trying to avoid the rigidities that plagued their operations in previous years.

Industry—Industrial production rose by 7.7 per cent in 1970, a rate that actually exceeded the 6.5 per cent forecast in the State Plan. This rate was achieved despite shortcomings in some sectors of industry, including some branches of chemical production, crude oil processing, and industries turning out building materials, cellulose, paper, glass, china, and ceramics. In national industrial enterprises, labor productivity rose by 7.9 per cent. Wage increases were small and this, with a prohibition on price rises, helped to check inflationary tendencies. Building production went up by 7.5 per cent in 1970 over 1969, but still left much to be desired, because most of this increase stemmed from greater productivity of labor. In areas such as building planning, organization of work, etc., there is still plenty of room for improvement.

The rate of growth in industrial output this year is forecast at 5.3 per cent, with particular emphasis on the development of thermal and electric power, the chemical industry, some branches of the consumer goods industry, and building materials. The feeling is that Czechoslovakia is dissipating its resources and not achieving a proper



This farm at Bajc is said to be the largest one in Czechoslovakia, and the pigs that it raises do it credit. Agricultural production is still lower than the authorities wish and the need to increase the livestock population is recognised.

scale of production under the present industrial organization. The plan is not only to specialize in the limited industrial sectors mentioned above but also to reduce generally the range of products manufactured. Labor productivity will continue to be stressed; the present growth of the labor force is marginal. Moreover, the current use of raw materials leads to considerable waste. Greater control will also be exercised over the start of new construction; the completion of current and approved projects will be given priority.

Agriculture—Agriculture also has its problems; gross production in 1970 went up by only 1.3 per cent. The cow population continued to decline and large imports of meat were necessary. No statistics on the 1970 grain harvest have yet been published. Despite some bad weather, however, no serious problems are foreseen. The principal supplier of wheat, the Soviet Union, is expected to meet all Czechoslovakia's requirements.

This year, the plan is to raise agricultural production by 3 per cent and to stress the importance of grains management. The need to increase the livestock population is also recognized.

Foreign Trade—The state planners have called for significant increases in exports in 1971; at the same time, import growth is to be held down. Exports to non-socialist countries are to go up by 17 per cent, and those to socialist countries by 14 per cent. Most of Czechoslovakia's trade with the non-socialist world is carried on with Western European countries, particularly West Germany, Italy, France, Austria, Britain, and Scandinavia.

Trade with Canada—Trade with Canada does not bulk large; in 1970, our sales to Czechoslovakia totalled $6.8 million, and Czechoslovakia's imports into Canada nearly $28 million—or less than 3 per cent of the country's total trade with its principal European partners. Canadian sales to the Czechs consist largely of rapeseed, hides and skins, aircraft engines, and machinery; the Czechs sell us a fairly broad range of products, including textiles, footwear, steel products, machinery, sporting and recreation goods, and glass.

Opportunities for Expansion—Given the small penetration of Canadian exports in the Czechoslovak market, there is considerable scope for improvement. Canadian businessmen have problems that their European competitors do not encounter, such as distance from the market and the natural tendency of the Czechs to be much more aware of European than of North American products and technology. Despite all this, persistent effort has brought sales success to some Canadian companies. It generally takes time to obtain an order (up to two years for some products) but those willing to spend the time and effort usually reap the reward. Frequent personal calls on both the foreign trade companies and prospective end users are important. Where it is not feasible for a company representative to make these calls, an agent can be useful, especially one who is stationed in Vienna. Many agents there specialize in the problems and techniques of trading in Eastern Europe and make frequent trips to cover those markets.

It is hard to be specific about areas of opportunity for Canadian products. However, recent reviews indicate potential in the following fields: airport equipment; forestry and paper-mill machinery and equipment; some chemicals; special industrial production machinery; equipment designed to increase productivity of labor; grains (according to local crop conditions); cattle and poultry breeding stock and semen; special agricultural equipment; geophysical instruments and other scientific equipment; communications equipment and equipment to be used with Czechoslovak products (i.e. numerical control systems for machine tools).

Foreign exchange allocations limit what various enterprises can buy. (They have the allocations but actual purchasing is a monopoly of the foreign trade companies which perform this function on their behalf.) This is one reason for delays which sometimes puzzle Canadian suppliers; often a purchase must be approved and then fitted into the allocation for the *following year*. Unfortunately, it can also serve as a convenient excuse for not considering an offer ("We like it but we just don't have the foreign exchange.") This tends to over-emphasize the restraining influence of foreign exchange allocations and discourages newcomers to the market. Fortunately these problems can usually be overcome if the product really meets Czechoslovak requirements and sales are pursued aggressively and yet with patience. As in all markets, it is important to develop loyal customers and this takes time and effort.

Despite the problems of centralization and strong competition, Canada should be able to increase its share of the Czechoslovak market. We are becoming an important outlet for Czechoslovak products, although still a small one, and in turn, Czechoslovak trading officials are recognizing that they can fill more of their import needs in Canada and are showing increasing interest in what we have to offer. Our office in Prague will be pleased to do everything possible to help Canadian exporters to enter this market. Just contact the Commercial Secretary, Canadian Embassay, Mickiewiczova 6, Prague 6, Czechoslovakia. Phone: 327-124.

A Canadian Timberjack log skidder demonstrates its capabilities in a forest near Prague. Forestry is one of the areas that have potential for Canadian equipment.

Hungary into the 70's

Latest Five Year Plan provides for modernizing the textile industry, expanding paper production, and moving to new construction techniques. Livestock industry will also be expanded.

R. R. M. LOGIE
Assistant Commercial Secretary, Vienna

I dropped my one-forint* coin into the automatic turnstile. The high-speed escalator whisked me down below the level of the river, where the train bore me off silently and smoothly, yet with impressive acceleration. What a difference from the overcrowded trolleycars, squealing their way along the Danube embankment above!

The new Budapest subway, opened last year, is a good example of the modernization that is making itself felt in the ancient Hungarian capital. This modernization will continue through the next five years, and the Hungarian Five Year Plan for 1971-1975 provides some details on the forms it is expected to take.

Textiles—The Hungarian authorities were not satisfied with the development of the textile and clothing sector during the past five years, and plans for the future call for a major reconstruction of the industry. Several factories will be re-equipped completely and others will be scrapped entirely. The major emphasis will be on replacement of machinery classed as obsolete, which includes 50 per cent of the spinning machines, 80 per cent of the power looms, and 65 per cent of the finishing machines. Another goal is to double the use of synthetic fibers. For this modernization, some $60 million will be available for imports of machinery from Western countries, and a further $5.5 million is to be used for imports from socialist countries.

Pulp and Paper—Growth in this sector will be somewhat limited by Hungary's timber production, which amounted to six million cubic meters in 1970 and will rise by about 2 per cent per year through 1975. Per capita consumption of paper is expected to expand from 97 to 132 pounds over the next five years. It is difficult to be precise about the nature of the investments planned, because the Hungarian state paper company is undergoing a reorganization. Projects already set include corrugated board factories using Polish and British machinery, a tissue mill equipped from Finland, and a $100 million integrated corrugated mill at Dunaujvaros. The production of fiberboard and chipboard is to be increased considerably.

Within the framework of the Eastern European Common Market (COMECON), Hungary has been assigned the production of fine papers and papers used in making cables and capacitors to be supplied to the whole area. To solve its raw material problem, it may participate in a large pulp mill project in the Soviet Union.

Construction—The Hungarian construction industry has often been criticized as a major bottleneck, particularly in building factories, where delays have proved expensive. The new Five Year Plan calls for investment in all fields of $4.6 billion—a 50 per cent

It was in this pavilion at the Budapest International Trade Fair in May that 20 Canadian manufacturers exhibited their products to prospective buyers. The fair is an excellent place to contact the foreign trade corporations.

*One forint = Cdn.$0.092

increase over the previous plan—with the construction industry furnishing 60 per cent of the investment goods needed. Some 400,000 new dwellings are to be built, with an increasing proportion prefabricated. By 1975, 40,000 apartment units per year (double the present figure) will be produced in factories. A new plant turning out wooden houses has been opened using technology from Sweden, and more of these will be required. Prefabrication and modular construction techniques will be extended to hotels and office buildings. A "lightweight structure and construction program" is under way for agricultural, commercial, and industrial building. Total investment in the construction sector will reach about $400 million over the five-year period.

Livestock Raising—Livestock breeding was one of the chief problems in the last Five Year Plan. In the new plan, some $600 million will be invested in this sector. Cattle production is to increase by 11 per cent and Canadian breeding cattle have already been included in the program. Production of hogs for slaughter is to advance 30 per cent. More important than the increase in output is a fundamental conversion to large-scale livestock farming, moving away from the present pattern of two cows and a pig in the courtyard. Large-scale hog farms, expected to absorb half the investment allocated, will require mechanized feeding, ventilating and watering equipment.

Oil and Gas—Hungary will continue with the program to replace coal with hydrocarbons. The share of hydrocarbons in fuel consumption was 44 per cent in 1970 and should advance to 55 per cent in 1975.

Domestic Hungarian resources cannot supply all the oil and gas the country requires. By 1975, most of the oil and some natural gas will be imported from the Soviet Union via pipelines now under construction. Hungary is looking for other sources; it is drilling under contract in Iraq, and negotiating similar projects in Egypt, Libya and Nigeria. Payment is to be made in oil, which is to arrive in Hungary by a pipeline to be built from a Yugoslav port. It is also participating in a COMECON project to explore for gas under the Black Sea and the Baltic.

Conversion of Budapest pipe systems from manufactured gas to natural gas is proceeding and will require 2,000 kilometers of replacement pipe. A delegation from the Hungarian oil and gas monopoly visited Canada early this year to investigate Canadian equipment and technology.

Consumer Goods—The new plan will lay more emphasis on meeting a strong domestic demand for consumer goods, a demand which will be increased by the planned 5 per cent annual growth in per capita real income. More automobiles will be imported, principally from the Fiat plant in the U.S.S.R. Most consumer goods are supplied from domestic sources or other Communist countries; less than $60 million in consumer goods is imported from the West. Imports of Western consumer goods are expected to be restricted for some time to come.

Foreign Trade—About two thirds of Hungary's foreign trade is carried on with other socialist countries. In 1970, imports from the Western industrialized countries jumped by 43 per cent to over $700 million. It is expected that this level will be maintained, with only a small growth up to 1975. The principal Western suppliers are West Germany, Italy, Austria and Britain, each of which sold about $100 million worth of goods to Hungary last year.

Canada's trade with Hungary is developing steadily; our exports to Hungary rose to $7 million in 1970, compared with $3 million in 1969. Figuring largely among Canadian goods purchased were various types of wood pulp, copper scrap, eggs for hatching, skim milk powder, cattle hides, plastic and synthetic rubber, and magnesium. Further indication of our interest in the Hungarian market was the fact that 20 Canadian companies displayed their goods in the Canadian Pavilion at the Budapest International Fair that closed on May 31. Canadian purchases from Hungary totalled $9 million last year and covered a wide range of products.

Canadian exporters are well received in Hungary and the latest Five Year Plan provides a number of opportunities of which they could take advantage. Any company that is interested in exploiting some of these opportunities should write to the Commercial Division of the Canadian Embassy, P.O. Box 190, 1013 Vienna, Austria. From Vienna the Trade Commissioners make frequent visits to Hungary. Tell us about your products or the technology you wish to market and we shall try to assess your chances of success.

A new industry in Hungary is the manufacture of calculating machines in series. Here workers in a plant in Budapest make two types of EMG 830, one a process regulator and the other for problems connected with data processing.

Poland Rethinks Its Industrial Strategy

Industrial specialization and making use of the newest technology have become Polish objectives. Canadian companies could supply products useful in meeting these objectives.

HOWARD R. WILSON, Commercial Secretary, Warsaw

A little bit of Canada in Poland. Shown here is the new Canadian Embassy in Warsaw. Designed in Canada, it was built by a Polish contractor with Polish materials, and was opened in July last year. The author of this article was posted there the following month as Commercial Secretary, charged with promoting Canado's sales to Poland.

At a time when Poland is reconsidering its basic economic priorities and the strategy to be followed in thrusting the economy fully into the scientific-technological revolution and onto a new plane of achievement, the Department of Industry, Trade and Commerce has opened a new trade office at the Canadian Embassy in Warsaw. As the photograph on this page shows, the Canadian Embassy itself is now located in a new, attractive building, the product of Canadian/Polish co-operation. It was designed in Canada, but built for the Canadian Government by a Polish contractor with Polish materials.

The principal reason behind the decision to open a resident trade office was the appreciation that Poland represents a $3.6 billion import market; $930 million represents purchases in Western developed countries. Canada's sales in 1970 of a little over $15 million, or 0.4 per cent of Poland's total imports, came nowhere near realizing the possibilities that this market has for us. Canada's exports to Poland over the past few years have been composed mainly of such basic items as wheat and barley, raw cattle hides, molybdenum and asbestos, with scarcely any market penetration by those highly manufactured products now so prominent among our total world exports and so important among Poland's imports from other industrial countries.

Poland's new economic strategy of intensive development is intended to concentrate investment and other productive resources in particular industrial sectors and, through this specialization, enable the country to become more competitive internationally. In the past, development was more broadly-based and designed at first to repair a war-damaged economy and later to create an industrial infrastructure that

would support a policy of industrial specialization. These earlier objectives have been broadly achieved, in the view of the Government, and the accent now is on the expansion or creation of those science-based industries which represent the new technology—such as the chemical, electronic and automation equipment industries. These industries as well as other more traditional ones—such as shipbuilding, machine tools and automobiles—will receive investment priority on the grounds either that Poland now enjoys some competitive advantage or believes that it can attain this.

Poland's more recent economic achievements have not, however, made this task of redirecting the economy any easier. Two successive poor harvests, indifferent industrial performance, and some inadequate policies resulted at the end of 1970 in a number of changes being made in broad social policy as well as in the ways by which intensive development would be pursued. Without downgrading the importance attaching to increased industrial specialization, the Government has also decided to redress what it considered an imbalance in the past between the production of consumer goods, including food products, and capital goods. Shortages of food, lack of sufficient accommodation, and poor quality consumer products are all acknowledged problems which are now being vigorously attacked through the introduction of more effective incentives in agriculture, more funds for the construction industry, and tighter controls on quality. Thus to some extent the economy is marking time which, in the very short term, will make sales a more difficult proposition.

One of the methods by which Poland hopes to make its policy of intensive development a success is what has been termed "industrial co-operation". This catch phrase can mean anything from an agreement between a foreign manufacturer and a Polish factory to transfer technology all the way to the full integration of production lines in the two countries, with joint marketing efforts in third countries. Industrial specialization demands that Poland either create or gain access to the latest advances in technological development. It is believed that not only does industrial co-operation give Polish industry this access, but because the emphasis in these arrangements tends to be longer-term, continuing access to new developments is more assured. Another important advantage from the Polish point of view is that exports are more easily achieved, particularly in instances where co-operation has led to Polish industry producing parts or subassemblies for shipment and later incorporation by the foreign partner into the final product.

From the point of view of the foreign partner, the advantages to be gained from this type of co-operation can include the income derived from licensing, the supply of competitively priced components, and assistance in establishing a presence in the other markets of Eastern Europe. This type of arrangement is receiving a great deal of emphasis in Polish commercial practice and can be, potentially at least, both a profitable and more easily travelled avenue for some members of Canadian industry to use in entering the Polish market. Most of Poland's new trade agreements with Western nations include provision for industrial co-operation activity, and a growing number of French, German, British and Scandinavian manufacturers are entering into these arrangements.

Industrial specialization means that much greater emphasis must be placed on exports. To facilitate this, Poland

A string of barges carrying iron ore leaves Szczecin for the long journey up the Oder River to Czechoslovakia. Poland has more than 2,800 miles of navigable inland waterways which carry about six million tons of freight a year.

has recently carried out a limited reorganization of its foreign trade institutions and slightly altered its method of conducting foreign trade. In the past, international trade was the sole responsibility of a group of approximately 40 state-owned foreign trade enterprises, each one of which specialized in the import and export of a particular group of products. These organizations, responsible to the Ministry of Foreign Trade, both marketed Polish products abroad on behalf of the Polish manufacturer and negotiated with foreign exporters for the purchase of equipment and commodities on behalf of the Polish end-user.

The Government now believes that this type of arms-length arrangement is no longer entirely appropriate for a policy of intensive development. Consequently, on January 1, 1971, most of the foreign trade enterprises dealing with highly manufactured products (but not those dealing with basic products such as raw materials) became part of the industrial organizations whose products they exported in the past. For example, METALEXPORT, previously an autonomous enterprise dealing in machine tools, is now administratively part of the Machine Tool Industry Combine. METRONEX, which used to deal in automation equipment and measuring apparatus, continues to do so, but only as a unit of the Automation and Measuring Apparatus Industry Combine.

These developments further the healthy trend of adjusting what can be sometimes a cumbersome system to the realities of business by making it increasingly easy for an exporter to discuss technical and commercial matters directly with the end user. It the past, many exporters to Poland legitimately complained that in too many instances the foreign trade system acted as a filter and hindered, rather than facilitated, meaningful discussions on technical matters. It was a source of much frustration to a businessman not to know whether his explanations on some relatively sophisticated aspect of his product would be effectively communicated to the manufacturing organization which needed his product. To the degree that this communication was faulty, the opportunities for sales were decreased.

For some products—such as raw materials or other standard-type commodities entering widely into international trade—dealing with the appropriate foreign trade enterprise is sufficient, but for highly manufactured products there can be no substitute for direct contact with the end user, whether this be a government Ministry, a scientific institute, or an industrial organization.

There are export opportunities for Canadian companies in a number of areas where our capabilities seem to complement Polish requirements and priorities. These areas include chemical apparatus and plant; electronic equipment, including particularly measuring apparatus and automation and process control equipment; packaging machinery for the food-processing and consumer goods industry; mining equipment for both extraction and exploration; scientific equipment, and airport equipment. Poland's plans for the establishment of an underground rapid transit system in Warsaw and the construction of new hotels may offer some opportunity in these fields within the next few years.

Poland can be a lucrative market but it is also a particularly difficult one. The potential Canadian exporter must first confront the preference Poland has for purchases within Eastern Europe, because of trade agreements and the fact that these transactions do not involve the use of convertible currencies. Second, he must deal with intense competition from Western European and Japanese manufacturers. Third, he must counter the fact that Polish foreign trade enterprises and industrial organizations know very little about Canada's manufacturing capabilities. Lastly, he must be prepared to exercise infinite patience as business transactions can sometimes take a great deal of time to consummate.

There can be no substitute for a personal visit to Poland, and it seems to be true that only occasionally is a manufactured product sold without one visit, or a number, being made. But as a first step—to determine the extent of the market and appraise the prospects—we suggest that the interested Canadian exporter write to the Commercial Secretary, Warsaw, providing approximately six to ten copies of product catalogues, as much technical information as possible, and an indication of f.o.b. Canadian prices. If, on the basis of this initial examination, an investment by the company of time and resources seems warranted, the Warsaw office will be glad to assist in making the necessary arrangements.

Correction

In the article on the Ministerial Mission to Germany that appeared in our June issue, Mr. Gerald Bruck, President of Bruck Mills Limited, Montreal, was incorrectly listed as President of G. & B. Automated Equipment Ltd., Downsview, and the name of R. E. Budai, who is the President of G. & B. Automated Equipment, was omitted. We regret this error.

Shipping Services to South America

In the table of shipping services that appeared in our May 22, 1971, issue, the Orient Overseas Line was omitted. This line, whose agents are Western Overseas Shipping Limited, of Vancouver, schedules monthly sailings from Vancouver to Rio de Janeiro and Santos in Brazil and to Buenos Aires. Netumar Line also sails between Great Lakes ports in season to all Brazilian ports.

Poland

Area: 120,000 square miles.

Population: 1970—32,589,000.

Climate: warm summers and cold winters.

Language: Polish.

Currency: zloty; 100 groszy = 1 zloty. The zloty is a non-convertible currency and is not used in international trade. The "foreign exchange" zloty, which is used solely for statistical purposes, is quoted at the rate of 1 zloty = Cdn. $0.2537. There are special exchange rates for tourists and businessmen, with the basic rate Cdn. $1.00 = 23.75 zlotys.

Weights and measures: metric system.

Electric supply: 50-cycle a.c. 380/220 volts.

Capital: Warsaw.

Principal cities: Warsaw (population in thousands) 1,308; Lodz 762, Krakow 583, Wroclaw 523, Poznan 469.

Chief ports: Gdynia, Szczecin, Gdansk.

Economy: since the war, has changed from being predominantly agricultural to industrial. In 1969 industry and construction accounted for 67 per cent of national income. The socialized sector, which includes both state-owned and co-operative enterprises, accounts for 82 per cent of national income.

Agriculture: supports 32 per cent of the population. Over 37.5 million acres are under active cultivation, of which more than half is in grains (rye, wheat, oats and barley) and about one fifth in potatoes. Livestock population includes 10 million cattle, 13 million pigs, 3 million sheep and 2.5 million horses. Over 80 per cent of all agricultural products comes from privately-owned farms.

Industry: important industries include iron and steel, coal, sulphur, shipbuilding, machine tools, automobiles, textiles and food products.

Poland's total imports: ($ million) 1969—3,210; 1970—3,608.

Poland's chief imports: ($ million) 1970—machinery and equipment 1,313, fuels and raw materials 1,726, agricultural products and foodstuffs 347, consumer goods 222.

Chief suppliers: ($ million) 1970—U.S.S.R. 1,361, East Germany 399.7, Czechoslovakia 310.4, Britain 190.8, West Germany 143.5, Hungary 138.5.

Value of imports from Canada: 1969—$6,554,117; 1970—$15,161,165.

Chief imports from Canada: ($ million) 1970—barley 6.6; wheat 3.9; asbestos 2.5; hides 0.7; molybdenum 0.3.

Total Polish exports: ($ million) 1969—3,142; 1970—3,548.

Chief exports: ($ million) 1970—machinery and equipment 1,230; fuels and raw materials 1,037; consumer goods 494; foodstuffs and agricultural products 381.

Chief markets: ($ million) 1970—U.S.S.R. 1,251, East Germany 328, Czechoslovakia 265, West Germany 188, Britain 152, Hungary 143.

Value of exports to Canada: 1969—$12.4 million; 1970—$12 million.

Chief exports to Canada: ($'000) 1970—fabrics 2,853; clothing and footwear 1,909; bed sheets 665; fruit, canned, frozen, preserved 662; bicycles and parts 493.

Prices: quote in U.S. or Canadian dollars, f.o.b. Canadian port and c.i.f. Baltic port.

Samples: must be declared on arrival and entry form produced on departure; bond and/or an undertaking to export samples within a stated period may be required.

Visa: visa is required.

Inoculations: not required.

Trade agreements: Poland is a member of GATT.

Official holidays: New Year's Day, Easter (two days), May 1st, Corpus Christi Day, National Holiday (July 22), All Saints Day (November 1) and Christmas (December 25 and 26).

Foreign exchange and import regulations: licences are issued by the Ministry of Foreign Trade and are required for all import and export transactions. Foreign trade is a state monopoly.

Documentation, tariffs, marking and labelling: consult Eastern Europe Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

Correspondence: English, German, French and Russian acceptable. Use airmail only; 15 cents each half ounce.

Advertising: direct all inquiries about advertising, direct mail posters, etc., to AGPOL, Foreign Trade Advertising Agency, Sienkiewicza 12, P.O. Box 136, Warsaw.

For detailed information on this market write to: Eastern Europe Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa K1A 0H5 or Commercial Secretary, Canadian Embassy, Matejki 1/5, Srodmiescie, Warsaw, Poland.

Romania Chooses Industrial Expansion

Guidelines for development until 1980 stress industrial expansion, define areas in which Canadians might compete. Move away from strict centralization has already begun.

E. L. BOBINSKI, Commercial Counsellor, Vienna

Looking like giant reels of cotton, these bales of aluminum wire are being checked by workers. Note the ingots stacked in the background. Romanian industry has expanded by 11.7 per cent a year on the average during the last five years.

The Canadian businessman visiting Romania for the first time will inevitably be impressed. He will be pleasantly surprised at Bucharest's wide streets and pleasant parks, its Arc de Triomphe, its restaurants and sidewalk cafes. He will observe the attractive architecture of the larger Romanian cities, the proud, polite and obviously intelligent people (to the North Americans they appear to combine the best traits of the Italians and Spaniards) and the youthfulness of most of the knowledgeable officials he will meet.

But the overwhelming impression the visitor will receive is of an industrial boom. Relying on a powerful natural resource base (except coking coal and iron ore) and pursuing the goal of a "rapid, complex, and many-sided industrialization", a once predominantly agricultural country is being transformed into a modern industrialized state.

Such projects as the great iron and steel complex at Galati, the tractor and truck plant at Brasov, the car plant in Pitesti (built in co-operation with Renault), the petrochemical concern at Borzesti, thermal and hydro power projects, including the Iron Gates complex on the Danube, (built jointly with Yugoslavia) have become the symbols of a new Romania whose key sectors—power, machine building and chemicals—can boast of growth rates during the past two decades ranging from 15-24 per cent per year. Steel output, for example, jumped from less than 300,000 tons in 1938 to 6.5 million in 1970 and power production from a mere 72

Industrial Goals of the Five Year Plan

Industrial Production—to increase by 75 per cent by 1975. Priority given to electric power, metalworking, machine-building, chemicals.

Power—industrial power supplies to increase by about 10 per cent per year. Most of power projects to be operative by 1975 already under construction. Additional transmission lines and distribution services to towns planned. Nuclear power stations to produce 1,800 to 2,400 Mw. to be built in next decade.

Steel—output to reach 10 million tons by 1975. Galati iron and steel combine to produce 5 million tons; coke works to be added to it. More alloy steels of high quality and greater range of steels and metal products to be made.

Machine-Building—output to go up by 11.5 to 12 per cent a year; will provide 70 per cent of equipment needed by investment plan.

Chemicals—over 250 new projects to be built by 1975. Production to go up by 85 to 92 per cent; emphasis on use of methane, petroleum products, and salt. Will become major exporting industry.

Mining—production to rise by over 34 per cent, with emphasis on coal, copper, aluminum. Output of coal to rise by 15 million tons. Better use of crude petroleum and natural gases planned by use of modern drilling equipment and technology. Opportunities for selling drilling, mining. and geophysical equipment, and pipe, and for surveying services.

Forest Industries—modernization of equipment stressed; priority given to greater output of particleboard, fiberboard, and greater range of furniture manufacturing.

Building Materials—to expand output at annual rate of 12 to 13 per cent. Significant increases in output of new building materials, prefabs, new types of cement, window glass, insulation materials, etc.

Light Industry—sixty new plants to be built; annual average expansion 7.5 per cent. Fabrics, knitwear, housewares and hardware to receive priority.

Staple Food Products—production to increase at average annual rate of 6.2 to 7 per cent. Canned vegetables and fruit for children, confectionery, meat paste, milk-based drinks to be made.

Transportation Equipment—railways to get roughly 1,600 additional passenger and 60,000 freight cars; 95 per cent of all engines to be diesel or electric by 1975. Tankers and high-capacity ore carriers to be added to the merchant fleet. Bucharest-Otopeni airport complex to be expanded.

million kwh. to 1,700 million during the same period.

Economic activities in Romania since 1957 have been directed by centralized long-term economic plans, with major emphasis on heavy industry. Except in the areas of iron ore, metallurgical coke, fertilizers and food production, the objectives of the Five Year Plan that ended a few months ago were reached and surpassed. Investment exceeded the planned target and national income rose by an average annual rate of 7.7 per cent. Industrial production, which increased at an average annual rate of 11.7 per cent, accounted for 60 per cent of national income in 1970. Agricultural production rose by 24 per cent over the five years, despite the poor harvest resulting from the 1970 spring floods.

Today a move away from strict centralization has begun, because of new conditions and the need for a more flexible system. Recently the first decentralization measures were announced. A new organizational structure for industry has been worked out in which industrial units are linked in groups of enterprises with a common area of activity. These new industrial groups are called "Industrial Centrals", "Industrial Groups" or "Industrial Combines". A Central comprises more than three industrial units, a Group usually has two or three units, and a Combine is a single very large unit, such as the Galati Steelworks. These Centrals are given a certain amount of freedom in production, market research, development planning and (theoretically) purchasing and marketing, both internally and externally. There are indications that some of the Centrals will evolve into the large-scale enterprises which Romania has hitherto lacked.

In practice, the Canadian business visitor will find that the foreign trade of all these Centrals, Groups and Combines is still carried out by foreign trade enterprises—most of which have in the meantime become responsible to the industrial Ministries. To make a sale, however, it may be necessary to convince not only the foreign trade enterprise (the customer because it signs the contract) but also key decision-makers. They may be technical planning officials of a Ministry, design institute or combine.

Romania has published guidelines for development over the period 1970-1980. These call for the continuing rapid transformation into a modern economy with a largely industrial base and an important but advanced agricultural sector, the more effective use of domestic resources and production facilities, and an increase in labor productivity. The accompanying box feature details some of the industrial objectives of the new Plan.

Agriculture will also receive attention because it will continue to be important for some time, especially for export. Over-all output is to rise by 28 to 31 per cent as against the previous Five Year Plan. Grain output is to increase to about 18.5 million tons in 1975 and livestock to 6.4 million head of cattle, 9.5 million pigs, 15 million sheep and 75 million fowl. There will be considerable farm mechanization to increase productivity. Some 1.5 million hectares of land will be irrigated and more fertilizers used—some 2 million tons in 1975, or 180 to 190 kilograms per hectare.

Canadian firms would do well to investigate opportunities for their products that the new plan provides. Some of the potential ones are coke, asbestos, pulp, hides, milk powder, dairy breeding stock, geophysical instruments, equipment for mining and for pulp and paper production, forest harvest-

→

ing and sawmilling, and for a wide variety of specialized industrial machinery. From experience we know there are many other possibilities waiting to be unearthed.

Foreign Trade—This is of growing importance. Romania's industrial development requires the import of machinery, equipment and raw materials, and these usually account for about 75 per cent of total imports. This pattern should continue over the next five years; the volume of trade is expected to increase by 40 to 45 per cent over 1966-70. Although Romania has traditionally had a trade deficit, there are indications that it may have turned the corner. At present 54 per cent of its trade is with the socialist countries and 40 per cent with the West. In 1970 imports from the advanced Western nations (West Germany, Italy, Britain and France accounted for 64 per cent of this trade) reached $650 to $700 million. By 1975 imports from the West should reach $1 billion a year.

Trade with Canada—Canadian trade with Romania has expanded since the signing of the first bilateral trade agreement in 1968, under which the two countries exchanged most-favored-nation treatment. Officials on both sides feel that the 1970 statistics (see table) can be improved upon. The Romanians have expressed interest in long-term supply contracts for blast furnace coke, pulp, iron ore and other metals and minerals, and have sent delegations to Canada for this purpose. At the time this article was being written, Canadian firms were negotiating potential multi-million dollar sales for a trisonic wind tunnel and a silicon steel strip mill. Last year Romania delayed its decision to purchase a Canadian nuclear reactor because of the economic effects of the 1970 floods, but it repeatedly stressed that this is merely a temporary postponement.

WHAT CANADA BOUGHT FROM ROMANIA

	1970 $
Foods	375,583
Textiles	2,750,597
Machinery	109,777
Furniture	273,386
Footwear	695,344
Other	880,815
Total	**5,085,502**

WHAT ROMANIA BOUGHT FROM CANADA

	1970 $
Live poultry	26,331
Skim milk powder	194,866
Hides	127,691
Asbestos	687,233
Wood pulp	195,810
Coke	1,446,552
Drilling machinery	535,890
Textile machinery	116,108
Optical instruments	63,710
Steel pipes and tubes	58,330
Other	49,260
Total	**3,501,781**

At first glance this looks like the Houses of Parliament in Ottawa. In fact, it is part of the industrial town of Jassy, with the Palace of Culture in the foreground.

Romanian enterprises are expected to increase their present share of the Canadian market. As their foreign trading enterprises are under pressure to earn convertible currency to pay for needed hard currency imports, Canadian firms hoping to sell their products in Romania may enhance their chances if they can make some arrangement within their organizations or with Canadian importers to help the Romanians market their goods in Canada.

In March of this year Romania published a new law regulating foreign trade. Of importance to the Canadian exporter is the fact that this legislation now allows for the setting up in Romania of joint companies in which foreign participation can be as high as 49 per cent. There are to be guarantees for the transfer of production and profits.

Early in 1971 another important decree was issued, legalizing the establishment in Romania by foreign companies of commercial offices and representatives. After receiving the blessing of the Romanian Chamber of Commerce and the Ministry of Foreign Trade, foreign firms may establish offices and staff them with foreign or local representatives. Or if they prefer, foreign companies can be represented by Argus, a new company to be established under the aegis of the Chamber of Commerce. Argus would represent the foreign firm in much the same way as advertising agencies handle a number of separate accounts.

The Trade Commissioners based in Vienna who visit Romania regularly welcome the opportunity to make a preliminary investigation on behalf of Canadian firms. Why not write to them enclosing your product literature? Or if you are visiting Europe, perhaps they can accompany you to Bucharest (only $138 return from Vienna by air) where they could assist you in making the right contacts.

The U.S.S.R.: Progress and Problems

Five Year Plan that runs until 1975 suggests areas in which Canadians might sell machinery, raw materials, equipment or Western technology—if they can meet Soviet conditions.

R. H. GAYNER
Commercial Counsellor, Moscow

As a socialist country, centrally controlled and politically motivated, the U.S.S.R. presents a set of business conditions quite different from those encountered in most countries where Canadians do business. Yet in this enormous land mass, a major part of which enjoys weather conditions similar to those in Canada, and with its untapped natural resources, the U.S.S.R. offers a substantial potential market to many Canadian exporters.

The basic facts about the Soviet market are that its economy is the second largest in the world, its credit line is solid, and its need for foreign-made goods is growing. But it is an extremely difficult market in which to sell.

During the 24th Congress of the Communist Party held earlier this year, it was reported that "national income" (a statistical concept close to our gross national product, but excluding the value of services, apart from transport) in 1970 was 266.3 billion roubles*. From year to year the Soviet Union's foreign trade has expanded and has enjoyed a favorable balance (1968, imports 8.4 billion roubles, exports 9.5 billion; 1969, imports 9.3 billion roubles, exports 10.5 billion).

The Communist Party Congress was a major political event, when the present state of the Soviet economy was described and plans for the next five years of industrial activity were submitted and approved (the famous Five Year Plan).

Critical assessment of the stated levels of achievement in individual industries is difficult because the Soviet authorities do not give out complete and detailed statements and because often achievements are stated in terms of indices, the basis of which are not always clear. For example, it is not clear exactly what the budget allocations are for each industrial Ministry, nor what major undertakings will be developed in the five-year period. Nevertheless, the tone and emphasis in the directives and in the speeches during the Congress give ample indication of Soviet plans and priorities.

Not the sort of architecture you expect in the U.S.S.R.? This magnificent building is in the heart of Moscow and houses the Ministry of Foreign Trade and some 40 foreign trading corporations. The bridge piers may reassure the traditionalists.

The claim is made that, generally speaking, the last Five Year Plan met its targets in "the most important economic and social indicators". In certain sectors, however, there were problems. In 1966, for example, it was planned that in 1970 some 862 billion kwh. of electrical energy would be produced, but the actual figure was 740 billion. Cement production was planned to hit 100 to 105 million tons, but actual production was 94 million. But progress was made, many new records were established, and the national income is stated to have risen by 41 per cent during the last five years.

Western observers point to several critical problems in the Soviet economy and many of these were highlighted by Soviet leaders themselves during the Congress. For instance, both the General Secretary of the Party's Central Committee, Mr. Brezhnev, and the Minister of Agriculture, Mr. Matskeivitch, noted that the problems

(*continued on page 28*)

*Official exchange rate, one rouble equals $1.12.

Canadian Exports to E

	$,000 1969	1970
Live Animals		
Cattle, dairy, purebred		
Bulgaria		51
Hungary	20	310
U.S.S.R.	18	136
Cattle, purebred, n.e.s.		
U.S.S.R.	230	300
Baby chicks		
Bulgaria	1	
Czechoslavakia	6	6
Hungary	15	151
Romania		24
U.S.S.R.	3	
Mink		
U.S.S.R.	99	
Fur-bearing animals, n.e.s.		
U.S.S.R.	11	
Food, Feed, Beverages and Tobacco		
Milk powder, skim milk		
Hungary	153	847
Romania	221	195
Eggs, hatching		
Hungary	140	232
U.S.S.R.		10
Wheat, except seed, n.e.s.		
Albania	3,649	4,161
Bulgaria		3,250
Poland	2,297	3,937
U.S.S.R.	2,399	86,625
Potatoes, fresh, n.e.s.		
U.S.S.R.	86	43
Vegetables, fresh or chilled, n.e.s.		
U.S.S.R.	40	18
Sausage and similar meat casings		
Czechoslovakia		44
Poland		70
U.S.S.R.	149	63
Crude Materials, inedible		
Cattle hides, raw		
Czechoslovakia	853	682
Hungary	517	359
Poland	974	712
Romania		128
U.S.S.R.	645	1,223
Yugoslavia	293	229
Calf and kip skins, raw		
Czechoslovakia		6
Germany, East	75	17
Hungary	82	100
U.S.S.R.		344
Yugoslavia	20	73
Hides and skins, raw, n.e.s.		
Hungary	68	
Poland	60	23

	$,000 1969	1970
Fur skins, muskrat		
Germany, East	21	74
Alfalfa seed		
Hungary	2	
Poland		19
Clover seed, alsike		
Germany, East	53	
Poland		63
Flaxseed		
Czechoslovakia	1,089	949
Germany, East	1,256	
Wool and fine hair waste material, n.e.s.		
Hungary	17	110
Nylon fiber and waste		
Hungary	12	
Scrap iron and steel, n.e.s.		
Yugoslavia	389	420
Copper scrap		
Germany, East	340	155
Hungary	1,275	967
Yugoslavia	1,962	1,593
Brass and bronze scrap		
Germany, East	29	24
Yugoslavia	31	204
Copper alloy scrap, n.e.s.		
Germany, East	41	6
Molybdenum in ores and concentrates		
Czechoslovakia	132	
Poland	251	345
Asbestos milled fibers, group 3 grade		
Czechoslovakia	209	210
Hungary	111	108
Poland	268	
Yugoslavia	114	48
Asbestos milled fibers, groups 4 and 5		
Czechoslovakia	463	131
Poland	2,344	2,295
Romania	594	671
Yugoslavia	855	1,002
Asbestos shorts, groups 6-9 grades		
Czechoslovakia	134	109
Poland	20	242
Romania		17
Yugoslavia	21	44
Sulphur, crude or refined, n.e.s.		
U.S.S.R.		146
Textile rags, n.e.s.		
Hungary	39	73

	$,000 1969	1970
Fabricated Materials, inedible		
Leather, leather fabricated mat, n.e.s.		
Hungary	11	12
Furs, dressed, n.e.s.		
Czechoslovakia	26	32
Hungary	17	23
Poland	5	6
Wood pulp dissolving and special alpha		
Poland		52
U.S.S.R.	58	5,218
Yugoslavia	337	526
Wood pulp bl. sulphate paper grades		
Hungary		925
Romania		196
Yugoslavia	21	444
Wood pulp bl. sulphite paper grades		
Hungary		399
U.S.S.R.		576
Yugoslavia	154	2,255
Wood pulp, sulphite, unbl. strong		
Yugoslavia	375	734
Yarn and thread, of one man-made fiber		
U.S.S.R.		471
Yugoslavia	59	
Broad woven fabrics, mixed fibers		
Hungary		3
Romania	14	
Papermakers' felts, textile		
U.S.S.R.		68
Yugoslavia	19	47
Narrow fabrics		
Czechoslovakia	5	
Hungary	1	5
Poland	14	1
Knitted fabrics		
Hungary	21	
Textile fabricated material, n.e.s.		
Czechoslovakia	1	
Hungary	8	
Poland	3	5
Romania		4
U.S.S.R.	50	26
Yugoslavia	1	
Selenium		
Hungary	30	
Metallic salts of inorganic acids, n.e.s.		
U.S.S.R.	143	

Alcohols derivative
Hungar
U.S.S.R
Organic a and deriva
Poland
Plastic an rubber no
Albania
Bulgaria
Czechos
Hungary
Poland
Romani
U.S.S.R
Yugosla
Plastic film
Bulgaria
Czechosl
Sheet and n.e.s.
Hungary
Yugoslav
Aluminum shot, slabs,
Yugoslav
Copper, ref
Yugoslav
Copper bar shapes, n.e.
Poland
Yugoslav
Copper wir exc. insulate
Yugoslav
Magnesium
Hungary
Poland
Welding wir electrodes, s
U.S.S.R.
End Product
Indus. furna ovens and p
U.S.S.R.
Foundry equ parts, n.e.s.
Czechoslo
U.S.S.R.
General pur machinery a
Poland
Rock drilling machinery a
Romania
U.S.S.R.
Yugoslavia

Europe by Commodities

	1970
5	44
3	38
	50
5	
2	
3	8
5	139
1	19
2	323
6	
5	25
2	
	10
	1,100
2	
0	3,256
7	2,670
	77
	997
9	155
0	113
3	
23	
49	82
52	16
	85
3	
35	536
	25
35	22

	$,000 1969	1970
Mining and quarrying machinery and parts, n.e.s.		
Yugoslavia		36
U.S.S.R.	662	
Welding apparatus, equipment and parts		
Bulgaria	11	
Czechoslovakia	5	5
East Germany	8	
Hungary	6	34
Poland	3	16
Yugoslavia	2	
Saws, sawmilling machinery, equipment and parts		
U.S.S.R.	176	
Rubber working machinery, equipment and parts		
Czechoslovakia	12	2
Hungary	1	
U.S.S.R.		1
Construction maintenance machinery and parts		
Czechoslovakia	92	513
Poland		46
Yugoslavia	567	58
Chemical pharm. prod. machinery and parts		
Yugoslavia	6	
Textile industries machinery and parts		
Bulgaria		6
Czechoslovakia	315	397
Hungary		1
Poland	4	165
Romania	199	116
U.S.S.R.		6
Yugoslavia	10	
Special industry machinery and parts, n.e.s.		
Czechoslovakia		59
Hungary		5
Poland		2
Romania		1
Yugoslavia		8
Agricultural machinery and parts, n.e.s.		
Yugoslavia		6
U.S.S.R.	11	
Trucks and chassis, commercial, n.e.s.		
U.S.S.R.	5	
Yugoslavia	37	
Other motor vehicles, n.e.s.		
U.S.S.R.	1,182	793
Parts and accessories for motor vehicles, n.e.s.		
Czechoslovakia	1	3
Poland		4
U.S.S.R.	131	167
Yugoslavia	2	9

	$,000 1969	1970
Aircraft engines and parts		
Czechoslovakia	166	613
Yugoslavia	224	36
Aircraft assemblies, equipment and parts, n.e.s.		
Yugoslavia	14	1
Radio transmitting-receiving units		
Romania	18	
Yugoslavia		11
Air conditioning and refrigeration equip. and parts		
Poland	10	
Electric lighting fixtures and parts		
Poland	18	1
Electricity-measuring instruments and parts		
Czechoslovakia	18	8
Bulgaria	5	
East Germany		11
Hungary	5	
Medical and related instr., equip. and parts		
Czechoslovakia		137
Poland		3
Yugoslavia	43	
Lab. optical instr. equip. and parts, n.e.s.		
Czechoslovakia	18	25
Albania		2
Hungary	9	4
Poland	69	5
Romania	70	64
U.S.S.R.		2
Yugoslavia		38
Fur goods, apparel		
Hungary	7	73
Poland	6	3
U.S.S.R.	3	1
Yugoslavia		8
Skates, ice		
Bulgaria		1
Czechoslovakia	1	28
East Germany	1	13
Hungary		34
Poland		1
U.S.S.R.	2	1
Yugoslavia	15	51
Biological products for humans		
Czechoslovakia	12	14
Hungary	1	
Poland		1
Veterinary medicines, feed supplements		
U.S.S.R.		7

	$,000 1969	1970
Medicinal and pharmaceutical prod. n.e.s.		
Czechoslovakia	3	14
Poland		7
U.S.S.R.		11
Yugoslavia		2
Stationery and paper office supplies, n.e.s.		
Yugoslavia		7
Buttons, needles, pins, notions and parts		
Czechoslovakia	10	36
Hungary	5	12
Poland	7	7
Romania	14	1
Yugoslavia	2	23
Shipping containers, paper, and parts, n.e.s.		
Poland	107	51
Shipping containers, plastic, and parts		
Czechoslovakia		6
Hungary	19	6
Poland	8	14
Romania	16	24
Yugoslavia		1
Containers, closures and parts, n.e.s.		
Hungary	30	
Poland		1
Special Transactions—Trade		
Contractors' equipment and tools		
Czechoslovakia	12	3
U.S.S.R.	40	30
Shipments of less than $100.00 each		
Czechoslovakia	3	4
Hungary	2	2
Poland	5	3
U.S.S.R.	81	57
Yugoslavia	3	3
Total sales of products listed		
Albania	3,655	4,163
Bulgaria	101	3,308
Czechoslovakia	3,649	4,070
Germany, East	1,824	289
Hungary	2,854	6,215
Poland	6,530	8,246
Romania	1,193	2,300
U.S.S.R.	9,025	96,573
Yugoslavia	7,974	15,042

Total sales including all other products, in 1970 were, in thousands of dollars; Albania 4,163; Bulgaria 3,328; Czechoslovakia 6,872; Germany, East 376; Hungary 6,888; Poland 15,161; Romania 3,502; U.S.S.R. 101,553; Yugoslavia 26,917.

(*continued from page 25*)

connected with agriculture cannot be resolved in a year or two, or even in five. The Minister of Agriculture took things a step further and ticked off the Ministries supplying material and equipment to agriculture for their failure to furnish enough of the right kind of goods.

Although the Russians are naturally optimistic about their future, there are some symptoms which, if not corrected, could damage economic growth. The directives of the Five Year Plan call for an increase in national income of 37 to 40 per cent in the next five years, in industrial output of 42 to 46 per cent, in agricultural output of 20 to 22 per cent, and in real per capita income of 30 per cent. Foreign observers, however, point out that the forecast rate of growth in agriculture is down from that of the previous five year program, that such targets as the one for tractor production (1.7 million) is lower than the target for the previous five-year period, and that according to figures released by the Soviet authorities, the productivity of capital is declining.

Problems of managerial inefficiency in industry were discussed during the Party Congress. On the one hand, the validity of using concepts of profitability in judging the efficiency of an operation has been amply demonstrated, but on the other, Soviet Communist theory cannot allow the play of market forces to replace central planning. Great hope is placed in computers, because they will permit more detailed forward planning, using a type of input-output planning.

Everyone admits that there are problems in the Soviet economy: shortages of many consumer goods, short-falls from planned targets, slower rise in productivity, and so on. The major question is whether these problems can be overcome. If so, the Soviet Union presents a long-term growth market. If not—if present methods and theories being used to resolve problems in the Soviet economy are not adequate—then it will not present so attractive a market. But there are many indications that a more pragmatic approach will develop as necessary. There is evidence of a willingness to buy Western technology, rather than attempt to develop domestically on parallel lines. Certainly the authorities today recognize the needs and aspirations of the people more sensitively and positively than in the past. Thus is seems logical to argue that even if the Soviet market does not enjoy the growth planned for it over the next ten to fifteen years, it will still be a substantial market—one where Canadian entrepreneurs should find a good deal of scope.

The Soviet Five-Year Plan

	Production 1970		Planned 1975
Electric power	740	billion kwh.	1,030–1,070
Oil	349	million tons	480–500
Natural gas	198	billion cubic feet	300–320
Coal	624	million tons	685–695
Steel	116	million tons	142–150
Plastics and synthetic resins	1,672	'000 tons	3,457
Chemical fibers	623	'000 tons	1,050–1,100
Pulp	5,110	'000 tons	8,490
Paper	4,185	'000 tons	5,560
Cement	95	million tons	122–127
Motor cars	344	'000 units	1,200–1,300
Other motor vehicles	572	'000 units	800
Tractors	458.5	'000 units	575
	29.4	millions of hp.	53
Combines	99.2	'000 units	138
Refrigerators	4,140	'000 units	6,686
Fabrics	8.9	billion square meters	10.5–11
Agriculture			**% average annual increase**
Grain	96–98	million tons	15.7–17.7
Meat	14.3	slaughter weight million tons	2.7
Milk	92.3	million tons	11.8
Eggs	46.7	billion	10.9
Wool	464.0	thousand tons	67
Raw cotton	6.75	million tons	0.65

Planned increases in certain industries are given without accompanying actual production figures. Some are shown below:

Percentage over five years

Ferrous metals 28
Non-ferrous metals 40
Rubber 70
Fiberboard 180–190
Computers 160
Programmed lathes 250
Household chemicals 90

What, then, are the plans for industry and agriculture in the next five year period? The accompanying table gives some of the major industrial production figures for 1970 and planned targets for 1975.

Areas of interest to Canadians are those involved in exploration for, and extraction and processing of, natural resources, plus sales of raw materials, machinery and equipment. The Soviet

Production Ministries and planners are most interested in Canadian capabilities and there is good reason to believe that this market is becoming more accessible to us. Despite statements during the Congress to the effect that efforts to develop foreign trade would emphasize exchanges with other Communist countries, it is evident that Soviet exporters are anxious to sell in Western markets and that those responsible for production in many fields are looking for the import of Western technology and equipment.

If you are involved in the marketing of machinery, equipment or raw materials used in almost any industrial process, and particularly any of those mentioned in this article, you owe it to yourself to look into the Soviet market. Russian ways of doing business are quite different, as is explained in two other articles in this issue, but if you are successful the market is enormous and the Russians have a good reputation for sticking to the terms of their contracts.

Have you checked the Soviet market? If not, why not write to the Commercial Division of the Canadian Embassy, 23 Starokonyushenny Pereulok, Moscow, and ask us for a reading on the acceptability of your process, product or service in the U.S.S.R. It is a big market and will be here for a long time to come.

The clue to this picture is the samovar. What does it show? Workers picking tea, a long way from the backbreaking job it used to be—and still is in some countries. This scene is on the State plantation at Ochkhamur in Georgia. Georgia grows 94 per cent of the entire tea crop in the U.S.S.R., as well as most of the tangerines and lemons. It is also renowned for its grape wines, tobaccos and essential oils, and its mineral waters. It has a number of popular health resorts.

The Canadian-Soviet Technological Agreement:

how it can help the businessman

R. H. GAYNER, Commercial Counsellor, Moscow

Technological exchange—what does it mean? Who is involved? How does it work? Can it be useful to the businessman?

It is generally accepted in the U.S.S.R. that the more access it has to Western technology, the sooner (or perhaps better) its industries can supply the increasing expectations of the Soviet consumer and the demands of Soviet industry. In most of the West, it is generally accepted that selling today's technology betters one's ability to be in the forefront of tomorrow's.

The Canadian-Soviet Technological Exchange Agreement (TEA) means that both sides recognize they have something to gain in talking to one another about methods and equipment in use today and planned for tomorrow. In this particular agreement at this particular time, it is probable that Canadians have more to show and tell the Russians than vice-versa. What we hope to get in return is money for our equipment and/or knowhow. The Russians hope to learn as much as possible as cheaply as possible, and to sell equipment and processes of interest to Canadians.

Often a company with a new idea to sell can't get past the trading organization responsible for the import of that company's line of products. The response to a new idea is too often: "There is no requirement for this type of equipment". Naturally, because no one else has had the idea. The promise held out by the exchange agreement is that through its workings, the Canadian will be able to show his new idea to the potential user directly.

Who is involved? On the Canadian side, private businessmen and government officials. The officials are there because the Agreement is between governments, but the people who will make the Agreement mean something are the businessmen. Throughout negotiations on the Agreement, the Canadian team made it plain that for us there had to be business potential in the technological exchange—or our business community would not be interested. Industry, Trade and Commerce Minister Pepin said: "This Agreement must give us the opportunity for our two countries . . . to exchange goods". His Deputy Minister, J. H. Warren, after noting that, in Canada's market economy, the function of government is to establish the framework within which businessmen make the decisions, expressed the hope that "this new Agreement might prove significant in developing trade in the general area of sophisticated goods".

Working Groups Set Up—How does it work? Under the terms of the Agreement, the range of Canadian and Soviet industrial activity was surveyed and six areas of common interest identified—areas where technological information could usefully be exchanged and in which Canadians can hope to do business. This was done by a Mixed Commission, led on the Canadian side by the Honourable Jean-Luc Pepin, and on the Soviet side by L. N. Efremov, Deputy Chairman of the U.S.S.R. State Committee for Science and Technology. It was then decided that Working Groups would be established, covering each of the identified industrial activity areas:

1. Architecture, building materials and construction
2. Forest-based industry
3. Non-ferrous metals industry
4. Electric power industry
5. Oil industry
6. Gas industry

The function of these Working Groups is to establish programs of activity leading to the exchange of technological information. These may include missions, seminars, visits or training programs, or almost any activity which may lead to Canadian and Soviet citizens getting together to discuss industrial applications of technology. The Canadian and Soviet members of each Working Group will meet, agree to a proposed program, review past activities, and report their progress to the Mixed Commission.

How to Participate—Participation in these programs is open to anyone who can contribute to or benefit from the activity. Thus, if your company produces sawmilling equipment and you believe your product or systems would be of interest to the U.S.S.R., your first step should be to contact the secretary of the Forest-Based Industries Working Group (see attached list of Working Group Chairmen and Secretaries). The next step would probably be an investigation of immediate Soviet interest. Perhaps this will be so great that you will be asked at once for technical information and negotiations will start without having to go through the Working Group. But if the initial reaction is lukewarm and a better opportunity to describe the product or system to the Russians seems to be necessary, then the Canadian side of the Working Group will place the subject on the agenda for its next meeting. From this, a program of activity is established which will permit you to enter into direct contact with possible users of your equipment or system.

Should progress still be unsatisfactory, the Canadian side of the Working Group reports this to the next annual meeting of the Mixed Commission, so that your proposal is reviewed at the highest level.

It will naturally be necessary for Canadian firms and businessmen to receive Soviet technologists and managers in their turn.

This example illustrates one way the Agreement could work for a businessman who supplies an industry covered by an already established Working Group. There is no intention that these should be the only Working Groups; one in the transportation field is already being considered. If you would like to discuss the possibility of setting up another Working Group, contact Dr. Sidney Wagner, General Director of the Office of Science and Technology, Department of Industry, Trade and Commerce, 112 Kent Street, Ottawa, Ontario K1A 0H5. This Office is responsible for general co-ordination of Canadian activities under the Agreement and Dr. Wagner or one of his colleagues will be happy to discuss the situation with you.

Anyone interested in marketing a high-technology product or process in the U.S.S.R. should bear the Agreement in mind. It is not a vehicle that everyone can use or that everyone needs. To get a reading on your market potential, the simplest step is to contact the Commercial Division, Canadian Embassy, 23 Starokonyushenny Pereulok, Moscow, U.S.S.R. This office will discuss your product with the responsible buying organization and the industrial Ministries and advise you on the next step. You should always be prepared to visit the market.

Will working through the Working Groups slow down the pace of product promotion and contract negotiation, or impede a businessman's freedom to deal directly with his Soviet buyers? Definitely not. There is no intention that anyone already following up buyer interest, whether or not this was first developed through the Working Group, should limit his Russian contacts to those that the Working Group arranges. The Agreement and its Working Groups have been established to help, not hinder, Canadian businessmen.

Working Groups under the Technological Exchange Agreement

Architecture, Building Materials and Construction

Chairman
Gerald B. Williams
Senior Assistant Deputy Minister
Department of Public Works, Ottawa.

Secretary
John A. Dawson
Chief, Construction Division
Department of Industry, Trade and Commerce, Ottawa.

Forest-Based Industry

Chairman
C. R. Silversides
Chief, Logging Development
Forest Management Institute
Department of Fisheries and Forestry, Ottawa.

Secretary
K. Vanderven
Industrial Development and Production Officer
Pulp and Paper Division
Department of Industry, Trade and Commerce, Ottawa.

Non-Ferrous Metals Industry

Chairman
Dr. J. Convey
Director, Mines Branch
Department of Energy, Mines and Resources, Ottawa.

Secretary
P. C. Slinn
Non-Ferrous Metals Division
Department of Industry, Trade and Commerce, Ottawa.

Electrical Power Industry

Chairman
E. W. Humphrys
Senior Electrical Adviser, Energy Sector
Department of Energy, Mines and Resources, Ottawa.

Secretary
A. R. Potts
Industrial Development Officer
Electrical Division
Department of Industry, Trade and Commerce, Ottawa.

Oil Industry

Chairman
G. M. MacNabb
Assistant Deputy Minister
Energy Development
Department of Energy, Mines and Resources, Ottawa.

Secretary
A. E. LeNeveu
Head, Petroleum and Organic Chemicals Division
Department of Industry, Trade and Commerce, Ottawa.

Gas Industry

Chairman
A. D. Hunt
Assistant Deputy Minister
Department of Indian Affairs and Northern Development, Ottawa.

Secretary
A. Chiperzak
Chief, Machinery Branch
Department of Industry, Trade and Commerce, Ottawa.

The Canadian Government's hope is that, through the Agreement, a new and progressive form of co-operation has been established not just between the two governments, but between the Canadian business community and its potential customers in the Soviet Union.

Your Business Visit to Moscow

Moscow's where the action is and you must go there if you want to do business. Your visit can't be a casual affair, but it can be pleasant if you know about and comply with the regulations.

JAMES D. WELSH, Commercial Secretary, Moscow

Looking a bit like Ottawa, with its bridge, canal and historic towers, this is Moscow. Visitors to this control center of the world's largest country will be interested in the Kremlin, which lies just beyond the dark wall in the middle of this picture, as well as in business prospects. Beyond the Kremlin sit government buildings and domed churches.

Moscow is the commercial center of the largest country in the world, and a visit to Moscow can open the door to a market of over 240 million people.

It is staggering to realize that the whole Soviet economy is regulated from this one city. Every plant, every state farm, every apartment block, every retail store looks to Moscow for its directives. The Russian people are proud of the progress made through central planning. They are quick to point to the economic gains since the Communist revolution, and especially since the great destruction and loss of life suffered during the Second World War.

This economic progress is creating substantial commercial opportunities for energetic exporters. But one point cannot be over-emphasized—all business is done in Moscow and if you too want to do business, you must come here.

A business visit to the Soviet Union is not something you can decide upon on the spur of the moment. If you just happen to come, you cannot expect to write any orders. The most you can get out of such a trip is a few contacts for follow-up later. All purchases are made in accordance with a pre-established program of planned imports and as the result of a detailed study of competitive suppliers.

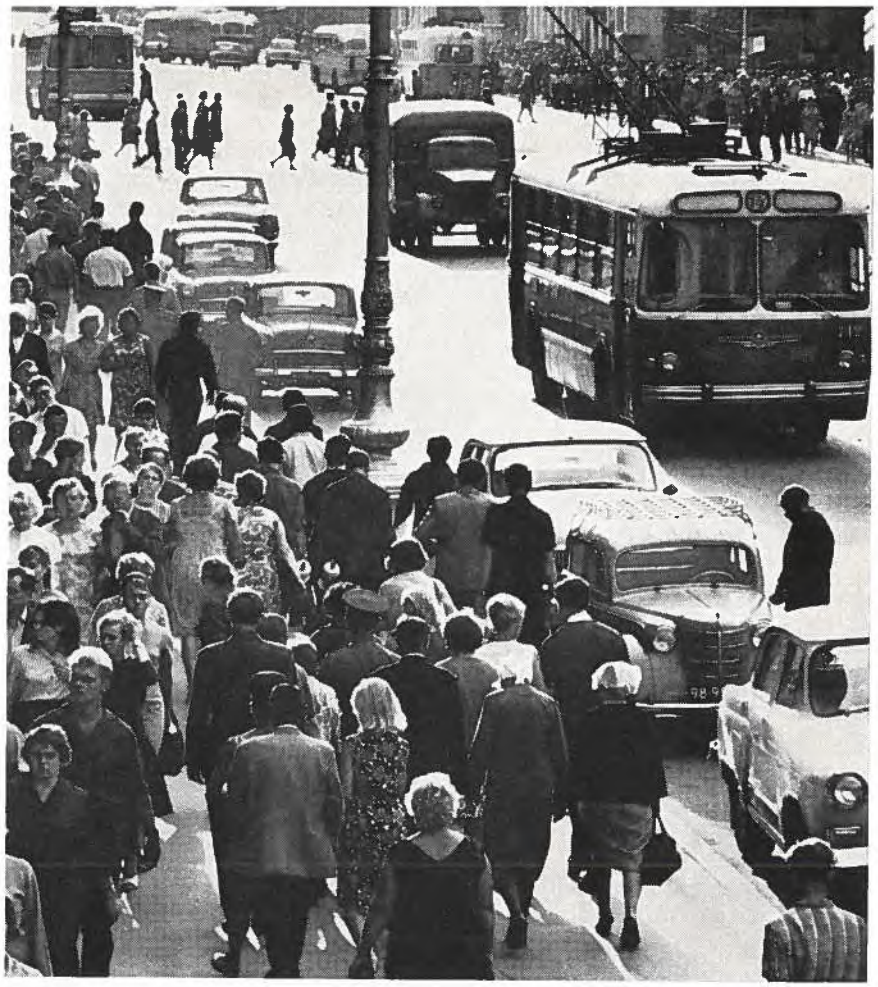
Businessmen who have been successful in the Soviet Union emphasize that their dealings required patience and persistence. From the article on page 35, "Promoting Sales in the

U.S.S.R.", you will see that considerable preparation and analysis of opportunities are essential.

Intourist Does It—Your visit to the Soviet Union will almost certainly be arranged through Intourist, the state travel agency. In fact, unless you are travelling as the guest of a Russian organization, you must make your bookings through Intourist. The normal visitor's visa applies to businessmen and tourists alike. Special permission to hold commercial discussions is not required.

International flights to the Soviet Union land in Moscow; from Canada there is a weekly service by Air Canada and Aeroflot, state airline of the U.S.S.R. Many major international airlines have service to Moscow from most European capitals.

Intourist, it should be mentioned at once, is much more than just a travel agency. It operates hotels in all the major centers open to foreigners and through its visitor service bureaus located in the hotels, looks after all normal visitor comforts. From the moment you arrive, in fact, Intourist in some form will be your constant companion.



On the broad Nevsky Prospekt, Leningrad's answer to Yonge Street or St. Catherine Street, rush hour doesn't start until 6 p.m., the official leaving time for office workers. Canadian visitors to the Soviet Union will also find their days meticulously organized by the official state travel agency, Intourist.

Procedures on Arrival—During a business visit to Moscow, you will want to avoid delays and misunderstandings as a result of not knowing the system. There are certain procedures that every visitor to the Soviet Union goes through on arrival and there are occasions when, until you adjust to this different approach to life, these 'goings-on' can be quite unsettling.

On arrival at Moscow Sheremetevo Airport, the first checkpoint is medical inspection. Make sure that you have your inoculation booklet and the inoculations are up to date. If they are not, you can expect a long wait while senior medical staff is summoned and consulted on what to do with you. They may let you into the country anyway or give you the inoculations again, whether you actually need them or not.

The next step is passport control. If your flight has been full or you arrive in mid-afternoon, (i.e., about 4:30 p.m.) you can expect to wait up to a half-hour in line before your passport can be checked. You should note the entry date written on the visa document. Never try to come in before the entry date; the headaches are not worth it. In the event of a mistake in this entry date, procedures vary greatly, depending on what your business is in the Soviet Union and whom you are planning to see. You will probably be sent to the In-transit Hotel at the airport and remain there until the legal entry date arrives.

Almost everyone manages these first two steps without encountering problems. Once you are through Passport Control, the Intourist sign stares you in the face and you show the people in charge your valuable Intourist voucher. There is also a small customs form to complete. You will be wise to account accurately for all your valuables and money. (The important point is to make certain on your departure, when you complete a similar form, that you are not taking out more valuables than you brought in and that you have receipts for all foreign exchange you have sold.) You then pick up your baggage and go through Customs—a procedure which can be as easy or as complicated as anywhere else in the world.

Getting a Lodging—Having passed Customs and assuming that you have a first class or de luxe Intourist voucher, a car should be laid on to take you to your hotel. You may find it a bit curious not to know the name of your hotel before you arrive. Do not worry—if you have first class or de luxe vouchers you will probably be in one of the four Intourist Hotels in the center of the city. These are the Rossiya, sometimes called the "Comrade Hilton", a huge, rather modern-looking 6,000-bed city within a city; the National or the Metro-

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pole, two older establishments with some charm, and usually better service; or the new Intourist Hotel, a modern well-appointed building that is rapidly becoming the best tourist hotel in Moscow.

Your room in the hotel will depend on your voucher; first class basically means a bed-sitting room and private bathroom; de luxe gives you a separate sitting room and possibly a television and small refrigerator. The more important feature of de-luxe accommodation is the use of a car and driver for three hours a day and an interpreter for one hour.

There's a businessman's de luxe at the same price that provides a car and driver for six hours without an interpreter. Businessman's de luxe is the way to travel. De luxe vouchers also permit you to choose among all Moscow restaurants—a decided advantage when the food in one hotel becomes a bit monotonous.

You should make a point of inquiring about all the services included in your voucher. (You can be quite certain that no one is going to volunteer this information.) Intourist people will also change dollars into roubles. We suggest that you buy a minimum of roubles, because you will find most of your expenses will be in dollars; gift shops, for instance, deal only in convertible currencies. It is imperative to remember to do all money changing at official exchange bureaus. Unless your business is to get a firsthand look at the Siberian salt mines, never exchange your money on the street with Russians.

Dining Out—Most Russians look on restaurant meals as occasions to drink and eat over an extended period and restaurant service reflects this time sense. In other words, do not expect to have a meal in less than two hours. Breakfasts can be faster, but it is a minor meal in the Russian way of life and usually eaten in small cafeteria-like establishments scattered through the hotel. The price of your meal includes meal coupons. Often you will use these all up before the end of your stay and it is necessary to buy additional ones, especially if you order wines or extra courses at a meal.

There is not much opportunity or need to entertain in Moscow. Your contacts at the buying organizations do not make a practice of accepting invitations until they are close to concluding a contract. Entertainment in the night-club line is predictably limited but there is marvellous ballet and opera. In the summer, when the sun sets very late, there are amusement parks, and all year round there are sports attractions. Tickets for all these events can be obtained through the Intourist desk at your hotel.

It is surprisingly easy to get around in Moscow and you will find other visitors and the small Canadian community here ready to help you pass the evenings pleasantly. But if you expect a long stay, bring some good books.

Electric trolley-buses line up near two of Moscow's top tourist hotels. The old National Hotel (foreground), still enjoyed by visitors from Western countries, contrasts sharply with the modern Intourist Hotel standing proudly behind it.

Promoting Sales in the U.S.S.R.

It's different and it's sometimes difficult—but you can learn the techniques of making your products known.

JAMES D. WELSH
Commercial Secretary, Moscow

Most of the recognized forms of product promotion are available to you in the Soviet Union, with one important proviso—you must do it yourself.

It is not possible to appoint a Russian national to represent your interests and although there are a few registered foreign business offices in Moscow, their services are not generally available to Canadians. They are based on the substantial and well-established commercial relations of large European or Japanese corporations.

The highly centralized structure of the Soviet economy makes it relatively easy to identify the areas to which the major thrust of your promotion effort should be directed. A government Ministry responsible for a particular industry in the Soviet Union is not primarily a supervisory or regulatory body but is comparable to a large industrial corporation containing all production, distribution and development functions. These production Ministries are specialized by industry or commodity and are responsible within national planned directives to deliver to the state-specified outputs. These Ministries are your potential customers.

Ideally, you should be able to go to them and to their operating enterprises and offer your products, but in the somewhat cumbersome Soviet system they do not do their own foreign buying. Between you and your customer is one of a number of foreign trading organizations* working under the Foreign Trade Ministry. These foreign trade corporations have exclusive responsibility for all international trade and are, in effect, the contact point for all exporters and importers wishing to do business with the Soviet Union. The problem, particularly with a new product or idea, is getting beyond the trading organization to the customer.

Like most large cities, Moscow is building up and spreading out, as shown by these high-rise developments along pleasant Kalinin Prospekt. The past is not ignored, though, as this little onion-dome church in the foreground shows.

Before deciding on the degree of your promotion activity, you should try to discover whether your product is included in the annual and five-year economic plans. All foreign trade takes place within these plans and only goods included in the foreign trade plan may be purchased abroad during a given period. If your product is not in the plan, there is no business. The general outlines of the foreign trade plans are widely published but the specific information contained is not. The Commercial Division of the Canadian Embassy in Moscow will try to obtain a "reading" on your product before you make a definite commitment.

Given this general framework, it is obvious that the "purchasing agent" should at least be made aware and kept aware of your company. Often it is enough to forward approximately 20 copies of your sales literature to the trading corporation, with the request that it distribute these to potentially interested clients—that is, the Ministries. This is the minimum you can do to register your interest.

A serious decision to seek sales should go beyond this stage and reach the staff of the Ministry who have an input into purchasing decisions. In this way you can ensure that your company is considered when the Ministry draws up its requests to go to the trading corporation.

Assuming that you have registered your interest with the approriate

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*For a selected list of these organizations and the products each handles, see pages 37 and 38.

Foreign Specialized Exhibitions in the U.S.S.R.

1971, July-October

ROLLINGSTOCK
Moscow, July 1-20

ATTRAKCION '71—Modern amusement-park equipment and theater and entertainment installations technique.
Moscow, August 10-31

OVOCSEVODSTVO '71—Modern equipment for mechanization of work in vegetable growing.
Moscow, August 18-30

SVETOREKLAMA—Modern equipment for producing illuminated signs and advertisements and examples of such signs.
Moscow, September 2-11

TESTMASHPRYBOR—Instruments for scientific tests for the strengthening of materials and structures.
Moscow, September 28-October 7

SYSTEMOTECHNIKA—Means for mechanization of engineering and managerial work.
Leningrad, October 6-17

1972

Laboratory equipment for testing dyes, pigments, optical bleaches and auxiliary substances for the textile industry.
Moscow, January

Equipment for the baking, confectionery and canning industries, and for the mechanization of technological processes in the food industry and packaging equipment.
Kiev, March-April

KONTEINERISATSIA—Modern methods and equipment for container transport.
Leningrad, May

SPECTR '72—Spectroscopic research instruments.
Minsk, June

INTERIMPULS '72—Scientific instruments and equipment for the recording of short-term processes.
Moscow, September-October

OPTICA '72—Scientific instruments and equipment used in optical mechanics.
Moscow, November-December

ELECTRONMASH '72—Technological, control and measuring equipment for production and control of integral diagrams.
Moscow, November-December

foreign trade corporation and are satisfied that your goods have high priority in planned purchases, what are the best means of becoming known to the people who make purchase recommendations?

Advertising, Seminars—Advertising in Russian technical journals is a not-so-obvious but useful step. These journals cover almost every field of industry and they are widely read by technical people. The Commercial Division of the Canadian Embasssy can help you place advertising material through Vneshtorgreklama, the foreign trade publishing house in Moscow.

Seminar presentations and demonstrations of equipment are also possible and although they may be somewhat more difficult to organize here than in many other countries, they have proved an effective way of establishing important contacts and presenting a company's message.

An accompanying article draws attention to a new and very encouraging development in Canadian/Soviet relations—the recent agreement on the industrial application of science and technology. We are optimistic that this agreement will encourage wider direct contacts with Ministry officials and even the managers of individual enterprises.

Trade Fairs—An existing technique that has already proved worthwhile for several Canadian firms is participation in trade fairs.

Every year the Soviet Chamber of Commerce organizes a number of international trade exhibitions and foreign specialized exhibition 'Salons' (see list opposite). These exhibitions are held at the request of various Ministries and are intended to acquaint Russian specialists with what is available from abroad. The permitted material content of the exhibitions reflects high-priority import requirements.

The Salons even require prior approval of the exact content of the exhibit to ensure that the products to be shown are of definite commercial interest.

These are selling shows and, with adequate preparation, you can be quite certain everything you exhibit will be sold. The value of these shows for establishing market contacts is unequalled. The trade exhibition is unique in bringing together the exporter, customer and purchasing agent at a time when specific purchasing interest is known. Straightforward do-it-yourself promotion could hardly hope for a better combination of circumstances. If your product line fits any of the shows listed in the accompanying box feature, we highly recommend participation.

Establishing a market position in the Soviet Union requires some necessary adaptation of standard promotion techniques. Considerable patience and perseverance are also much needed. The rewards for well-founded long-term commitments, however, are excellent and certainly worth the trouble.

Selected List of State Trading Corporations in the U.S.S.R.

V/O Aviaexport
Smolenskaja-Sennaja 32/34
Moscow-200, U.S.S.R.

President, B. I. Kharchenko

Aircraft, helicopters, aircraft engines, aircraft units, aircraft instruments, electrical equipment, radio navigation aids, control and testing apparatus, aircraft spare parts, ground equipment for maintenance and servicing of aircraft and helicopters. Also provides for training and retraining of foreign specialists at Soviet civil aviation school.

V/O Avtoexport
Smolenskaja-Sennaja Pl. 32/34
Moscow-200, U.S.S.R.

President, V. M. Petrov

Passenger cars, motor coaches, gas engine and diesel engine lorries, special-purpose vehicles, trailers, motorcycles, motor scooters, bicycles, garage and repair equipment.

V/O Exportljon
ul. Arkhitektora Vlasova 33
Moscow B-420, U.S.S.R.

President, V. A. Sobolev

Cotton linter, flax and flax tow, hemp and hemp tow, wool, rayon and acetate yarn, woollen, silk and staple fabrics; cotton thread; natural silk, cotton, flax and hemp waste and also waste from the production of chemical fibers.

V/O Elektronorgtekhnika
Smolenskaja-Ploshadi
Moscow, U.S.S.R.

President, Y. H. Kislenko

Exports and imports electrical equipment, specifically computers.

V/O Exportles
Smolenskaja-Sennaja Pl. 32/34
Moscow-200, U.S.S.R.

President, V. N. Akkuratov

Exports coniferous sawn goods, plywood, softwood logs, pulpwood, fiberboard and chipboard; furniture; wood pulp and paper of various grades. Imports paper of various kinds, pulp, cardboard, paper.

V/O Exportkhleb
Smolenskaja-Sennaja Pl. 32/34
Moscow-200, U.S.S.R.

President, N. A. Belousov

Wheat, rye, barley, oats, maize, rice, flour, groats, oilseeds, oil cakes, oilseed meal and other grain and fodder products.

V/O Licensintorg
Ul. Kakhovka 31
Moscow-461, U.S.S.R.

President, V. A. Salimovsky

Handles operations involved in sale of licences for Soviet inventions in all fields of industry and undertakes to render licence purchasers skilled technical assistance, transfer of knowhow and technical documents in accordance with the terms of licence agreements; purchases licences for foreign inventions and scientific and technical improvements in all fields of industry: buys and sells machines, equipment, material and manufactured goods delivery of which as prototypes and samples is stipulated in terms of licensing agreement.

Enjoys broad opportunities in soliciting services of scientific research organizations and industrial enterprises in variety of industries and of prominent specialists and scientists in solving technical problems involved in fulfilment of its obligations.

V/O Machinoimport
Smolenskaja-Sennaja Pl. 32/34
Moscow, U.S.S.R.

President, V. N. Novikov

Power engineering, electrotechnical, mining and ore dressing, drilling, hoisting and hauling, pumping and compressing equipment, railway rolling stock, oil refining equipment, industrial fittings.

V/O Mashpriborintorg
Smolenskaja-Sennaja Pl. 32/34
Moscow-200, U.S.S.R.

President, M. Vasilyev

Wire and radio communication equipment, electric and radio measuring instruments, measuring instruments and automatic devices, meteorological instruments, aerological, oceanographic and hydrological instruments and equipment, general purpose computers, typewriters, photographic and motion picture equipment, radio/T.V. sets, optical-mechanical instruments.

V/O Metallurgimport
Smolenskaja-Sennaja Pl. 32/34
Moscow-200, U.S.S.R.

President, N. P. Maksimov

Geophysical equipment.

V/O Medexport
Ul. Kakhovka 31
Moscow-461, U.S.S.R.

President, M. V. Vasilyev

Various preparations (antibiotics, vitamins, sulphonamides, etc.), pharmaceutical raw materials for manufacture of medicines; medical equipment, surgical machines; wide assortment of medical instruments; vaccines and serums.

V/O Prodintorg
Smolenskaja-Sennaja Pl. 32/34
Moscow, U.S.S.R.

President, V. D. Alekseenko

Food products of animal origin and also sugar and vegetable oils.

V/O Prommashimport
Smolenskaja-Sennaja Pl. 32/34
Moscow, U.S.S.R.

President, N. I. Melnikov

Equipment for cellulose, paper and cardboard factories; equipment for manufacture of corrugated cardboard and packaging materials.

V/O Promsyrioimport
U1. Arkhitektora Vlasova 33
Moscow 420, U.S.S.R.

President, U. L. Brezhnev

Pig-iron, ferro-alloys, steel billets, steel shapes and sections, special steel, cast iron tubes and steel pipes, gas cylinders, hot-rolled and cold-rolled strips, steel wire/rope, nettings, etc.

V/O Raznoimport
Smolenskaja-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

President, E. F. Monakhov

Non-ferrous metals and alloys, rolled stock, foils and powders, cables, wires and cable fittings, natural/synthetic rubber, cars, buses, tractors and farm machines, etc.

V/O Raznoexport
Kalijaevskaja U1. 5
Moscow, U.S.S.R.

President, A. A. Malinin

Portland cement, special types of cement, window glass, polished/patterned glass, marble and granite in blocks, gypsum rock, mica, perlite, asbestos cement articles, soft roofing, radiators, facing tiles, sanitary goods, household refrigerators, washing machines, vacuum cleaners, etc. Also musical instruments, sports gear; sewn and knitted goods; ready-made leather goods; matches and match sticks.

V/O Sojuzplodoimport
Smolenskaja-Sennaja Pl. 32/34
Moscow, U.S.S.R.

President, L. S. Panchenko

Fresh, dried and quick-frozen fruits and vegetables, canned fruits and vegetables, juices, wine materials, liquors, soft drinks, tea, coffee, various flavorings and spices, children's food, and other vegetable foodstuffs.

V/O Sojuzpromexport
Smolenskaja-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

President, B. Z. Nikolaenko

Coal, coke, anthracite, chrome and iron ores, asbestos and products thereof; mineral fertilizers; graphite; refractories; sodium sulphate; precious metals and other raw materials as well as jewellery, amber and silver articles, natural and synthetic quartz.

V/O Sojuzpushnina
U1. Kuibysheva 6
Moscow 12, U.S.S.R.

President, V. M. Ivanov

Furs, brushes, hides and skins; natural and imitation leather; skin dressing waste; down and feathers; glue, bone and watch oil. Holds three fur auctions a year in Leningrad—(January/July/October); sells goods from warehouses in Moscow, Leningrad, London, Stockholm and Paris.

V/O Soyuzchimexport
Smolenskaja-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

President, V. G. Molodtsov

Products of basic chemistry; gases and elementary substances; weed killers; dyes and textile auxiliary products; photographic chemicals, etc.

V/O Stankoimport
Smolenskaja-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

President, I. M. Maslov

Metal cutting and woodworking machine tools; forging/pressing/rolling equipment; diamond tools; hand-operated electric and pneumatic tools; ball and roller bearings, etc.

V/O Sudoimport
Smolenskaja-Sennaja Pl. 32/34
Moscow-200, U.S.S.R.

President, L. A. Razin

Dry-cargo, liquid cargo and refrigerated seagoing ships; fishing vessels; hydrofoil ships; ship's equipment; diesel engines; pumps; compressors. Imports sea-going and river vessels; fishing craft, etc.

V/O Technoprominport
Smolenskaja-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

President, V. P. Dashkovich

Equipment for light, polygraphic, cable making, glass, meat and dairy, confectionery and lighting engineering industries; equipment for building materials industry; equipment for mills and elevators and also for packing medicines and vitamins.

V/O Tractoroexport
Smolenskaj-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

President, P. A. Critchin

Exports and imports wheeled and caterpillar tractors, various farm and road-building machines, special equipment, appliances and instruments for repairs and technical servicing.

V/O Techsnabexport
Smolenskaja-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

Vice President, L. M. Andreev

Instruments and installations for nuclear research and dosimetry, for industrial control with use of isotopes, radiological instruments for medical purposes, instruments for detecting radioactive ores; industrial X-ray equipment; radiological medical equipment; transport protection equipment, etc.

V/O Techmashimport
Smolenskaja-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

President, V. I. Besemertny

Equipment and machines for chemical and oil-refining industry, for production of basic chemical products, for organic synthesis, for manufacture of chemical fibers and plastics, synthetic rubbers, rubber and rubber goods, lacquers and paints, plant protection means, equipment for manufacturing plastic goods and refrigerating equipment.

V/O Vneshposyltorg
Smolenskaja-Sennaja Pl. 32/34
Moscow 200, U.S.S.R.

President, I. S. Plakhotin

Cars, motorcycles, scooters, bicycles, household refrigerators, vacuum cleaners, etc; guns, etc.

U.S.S.R.

Area: 8.64 million square miles, stretching 5,500 miles east-west and 2,700 north-south.

Population: 241.7 million (January 15, 1970).

Frontiers: border on 12 countries—Norway, Finland, Poland, Czechoslovakia, Hungary, Romania, Turkey, Iran, Afghanistan, Mongolia, People's Republic of China and North Korea.

Climate: continental, with hot summers and very cold winters.

National state: a Union of 15 Republics.

Language: Russian. Each of the Republics (except Russian Soviet Federal Socialist Republic) has its own official language as well as Russian.

Capital: Moscow.

Principal cities: (population, January 15, 1970)—Moscow 7.1 million; Leningrad 4 million; Kiev 1.6 million; Tashkent 1.4 million; Baku 1.3 million; Kharkov 1.2 million; Gorki 1.2 million; Novosibirsk 1.2 million; Kubyshev 1.0 million; Sverdlovsk 1.0 million.

Chief ports: Baltic Sea—Kleipedi, Leningrad; Black Sea—Odessa, Novorossisk, Batumi; Pacific Ocean—Vladivostok, Khabarovsk, Nakhodka; Arctic Ocean—Murmansk, Arkhangelsk.

Currency: rouble (100 kopeks). Official exchange rate: 1 rouble equals Cdn.$1.12 (May 12, 1971). Soviet currency may not be taken into or out of the U.S.S.R. It is illegal to sell foreign currency to a Soviet citizen.

Official holidays: January 1; March 8 (International Women's Day); May 1 and 2 (Labor Day); May 9 (Victory over Germany Day); November 7 and 8 (Revolution Day); December 5 (Constitution Day).

Working hours: Ministries and foreign trading corporations generally 9:00 a.m. to 5:00 p.m. All government offices on strict five-day week.

Weights and measures: metric system.

Electricity supply: 127 and 220 volts AC at 50 cycles.

Economy: total state control exercised over all economic activity and all enterprises grouped under pertinent All-Union or local Republic Ministries. Central planning agency sets growth rates by Ministries and industrial branches. All prices remain strictly state administered. The latest Five Year Plan places more emphasis on increasing the production of consumer goods.

Agriculture: all agriculture state-owned or collectivized. U.S.S.R. is short of meat products and lacks high quality and variety of fruit and vegetables. In spite of large imports of wheat during years of poor harvest, it remains a net exporter of grains.

Conditions of trade: all foreign trade handled by approximately 40 specialized state trading organizations. These are the only organizations that may import or export commodities on behalf of Soviet industry.

Total U.S.S.R. imports: 1969—9.3 billion roubles.

Chief imports: (billion roubles) 1969—machinery and equipment 3.5, garments and clothing .65, ships and ships' equipment .5, ferrous metals .4, textile raw materials and semi-finished items .4.

Chief suppliers: (billion roubles) 1969—German Democratic Republic 1.46, Poland 1.01, Czechoslovakia 1.00, Bulgaria 0.88, Hungary 0.65, Romania 0.40.

Value of imports from Canada: 1969—$9.1 million; 1970—$101.5 million.

Chief imports from Canada: ($ million) 1970—wheat 86.6, wood pulp 5.8, cold rolled sheet steel 4.0, hides and skins 1.6, motor vehicles and parts 0.9.

Total U.S.S.R. exports: 1969—10.5 billion roubles.

Chief exports: (billion roubles) 1969—machinery and equipment 2.36, ferrous metals 1.06, rolled ferrous metals 0.67, wood products 0.65, non-ferrous metals 0.51.

Chief markets: (billion roubles) 1969—German Democratic Republic 1.57, Poland 1.08, Czechoslovakia 1.00, Bulgaria 0.88, Hungary 0.63, Cuba 0.56, Romania 0.43, Japan 0.32.

Value of Canadian purchases from U.S.S.R.: 1969—$12.3 million; 1970—$9.1 million.

Chief Canadian purchases: ($ million) 1970—fabrics 1.9, raw sugar 1.7, gem diamonds 0.8, cotton 0.7, plywood and hardwood 0.7, fur skins 0.7.

Foreign exchange and import regulations: import licensing and import duties are the responsibility of the state trading organization placing the contract; thus the Canadian exporter is not affected. However, foreign trading organizations must have the necessary foreign currency before they can import.

Quotations: offers in U.S. or Canadian dollars (or other hard Western currencies) equally acceptable. Quotations should be calculated f.o.b. Montreal unless a c.i.f. price is specifically requested. This permits U.S.S.R. to make its own shipping arrangements.

Samples: duty is not payable on samples, provided they are declared on entry and listed by the Customs. Confirmation of re-export or sale to authorized foreign trade corporation must be given in due course.

Visas: visas must be obtained before arriving in the U.S.S.R. A business or tourist visa may be obtained from the Soviet Embassy, Ottawa.

Import controls, documentation, customs tariffs, marking and labelling: follow instructions of the importer.

Correspondence: major Western languages acceptable, although use of Russian facilitates and speeds exchanges.

For detailed information on this market write to: Eastern Europe Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa, Ontario, or Commercial Counsellor, Canadian Embassy, 23 Starokonyushenny Pereulok, Moscow, U.S.S.R.

Philadelphia Consulate Makes a Move

The Canadian Consulate in Philadelphia, opened ten years ago, has built up its services to the Canadian business community so effectively, (in addition to its consular, immigration and information functions) that it has had to find larger quarters. A few weeks ago it moved to Suite 1310, Pennwalt Building, 3 Parkway, Philadelphia, Pa. 19102, (telephone: 215-561-1750), in the heart of the city's business district. Canadian exporters who are interested in markets in eastern Pennsylvania, southern New Jersey, Delaware, Maryland, the District of Columbia, and Virginia will find the Consulate staff at the address above, ready to advise and help them.

Robert V. N. Gordon, Consul and Trade Commissioner in Philadelphia, discusses the agenda for the day with Pierre J. Gosselin, Consul and Trade Commissioner, in Mr. Gordon's new office.

In the attractive Maple Leaf Room, a setting for informal conferences and displays, Mr. Gosselin (back to camera) chats with Courtney B. Chick, Jr., manager in Philadelphia for the Canadian Government Travel Bureau, and Regina Siembora, Bureau secretary.

Wanted: Manufacturers

This information is intended to promote additional manufacturing in Canada. Further material on items listed is for prospective Canadian manufacturers only. No responsibility is assumed for claims or statements made. Address inquiries, quoting item numbers, to: Industrial and Trade Enquiries Division, Department of Industry, Trade and Commerce, Ottawa, K1A 0H5 Canada.

Design transfer system

British company offers under licence the Canadian rights to its design transfer system which provides high quality, economical facsimile reproductions of wood grain, linen and other continuously printable patterns on wood, metal, plastic, hardboard, etc. The process can be used with simple machinery or with semi- or fully-automatic equipment. The special paper needed will be provided by the licensor. Steps in the process include cleaning the product to be covered, applying adhesive, placing the design transfer paper face down in the adhesive, stripping off the backing paper and coating the surface with appropriate lacquer. Literature available. **Item 2418**

Epoxy coating and bonding agents

American firm offers under licence the Canadian production and marketing rights to its line of several water-based epoxy resin coating and bonding agents. One of the types of coating is claimed to be equivalent to two or more coats of paint and to have a life expectancy five times greater than competitive coatings. It is said to be flexible, chip-proof and ideal for gutters, driveways, patios, etc. Another type can be mixed with cement or plaster for filling, levelling and sealing, and, with appropriate aggregates, for repair of masonry walls, stairs, etc. This type can be used in combination with colored ceramic granules to provide a seamless, non-skid surface for patios, sun decks, floors, etc. It is claimed that the finished surface never needs waxing and is virtually impervious to scratches, dents and stains. A heavy waterproof type of coating can be used as an underlay for floors, and for coating water tanks, basements and swimming pools. Literature available. **Item 2419**

Ball valves, lubricated plug valves

French firm offers under licence the Canadian manufacturing and marketing rights to its line of ball valves and lubricated plug valves in a wide range of materials, types and designs. The balls are made of carbon or stainless steel. For special uses they can be coated with stellite, hastelloy, or colmonoy. The plugs are of cast iron or hardened steel and treated with a special coating of molybdenum disulphide which considerably reduces the coefficient of friction and ensures perfect tightness. The plugs also can be coated with hard chromium, stellite, hastelloy, teflon, etc. Literature available. **Item 2420**

Reversible window

United States inventor offers the Canadian manufacturing rights and the Canadian and United States marketing rights to his reversible window which he claims has advantages over other types now on the market. Unlike other vertically reversible windows, the sash, without crossing the inner sill, can be reversed on a secondary set of pivots so that the glass can be cleaned on both sides from inside the room. This feature also provides full window space for an emergency exit. The window has wide, compressible weather-stripping between the sash and the outer face of the stationary frame which compresses even more under pressure. As a result, as wind pressure increases, the unit becomes more weathertight. Literature available. **Item 2421**

Automatic machining center

British company seeks Canadian licensee to manufacture and market its automatic machining center. The position of three axes—longitudinal, traverse, and vertical—is automatically controlled by punched-paper tape input to the control console, as are the tool change sequences, spindle speed selection, feed selection to all three axes, and the coolant supply. Automatic control of one or two rotary tables can be provided if required, and so can manual switching. Literature available. **Item 2422**

Sprayed asbestos insulation

British firm is seeking licensing arrangements with Canadian companies for its process to form sprayed asbestos insulation coating on equipment, buildings, storage tanks, etc. The material consists of asbestos and a hydraulic binder which is applied by a special machine provided by the licensor. The insulation provides protection, thermal insulation, condensation control and acoustic correction. Literature available. **Item 2423**

Rail/highway vehicle

United States company offers the exclusive Canadian manufacturing and marketing rights, and will negotiate certain export rights, to its rail or highway vehicle designed primarily as a switching unit. The vehicle weighs 7½ tons and is claimed to have a tractive force comparable to a 25-30 ton diesel locomotive. It is rated at 19,650 pounds maximum tractive force, with a starting drawbar pull on level track of 1,533 tons and a road or rail speed of up to 60 mph. The unit can rotate 360 degrees and has a radial drawbar projected outward for proportionate weight transfer. Because it is relatively light, the vehicle is extremely versatile and can be used as a snow plough, crane, etc. Literature available. **Item 2424**

Hydrofoil pleasure craft

Scottish development agency offers the Canadian production rights and the North and South American marketing rights to its hydrofoil pleasure craft. The 22-foot boat has a cruising speed of 30 knots and a maximum speed of 40. It stands 2 to 2½ feet clear of the mean waterline and can be operated, it is claimed, in large waves. The struts and foils retract to permit operation in shallow water also. The Canadian licensee will be provided with manufacturing drawings, design and other technological assistance. This craft has not yet been commercially produced. Literature available. **Item 2425**

Vehicle control system

British firm seeks a Canadian licensee to manufacture and market its system for controlling vehicle movements. This electronic device is designed to control any function in which information transferred into digital form and first displayed needs to be revised or updated according to a desired pattern. Particularly suitable for the base control of radio cabs, police cars, ambulances and delivery trucks, the system could be extended to industrial process control, hotel booking, etc. Literature available. **Item 2426**

Orthopedic posture seat

Canadian designer of a lightweight moulded portable posture seat offers its Canadian and United States manufacturing and marketing rights to a Canadian company. This patented seat provides support to the lower back and therefore is claimed to be ideal for truck and bus drivers, aircraft pilots and others who travel long distances, and for office workers. The seat can be made of plywood or plastic. Literature available. **Item 2427**

Plastic bucket package for two-component products

Netherlands firm offers under licence the Canadian manufacturing and marketing

rights to a new plastic bucket for packaging two-component products. An injection moulded bucket of conventional size and design is closed by inserting in it a second smaller bucket which, in turn, is closed by a flat lid. The main advantage is that two components can be placed in the same package without becoming mixed and the correct mixing ratio prescribed by the manufacturer is ensured. Literature available. **Item 2428**

Swim fins

American inventor of a universal swim fin for the hands as well as the feet offers it for manufacture in Canada. The fin, which floats, is made of polyethylene either by injection moulding or by stamping from sheet. One size fits everyone and the fins can be used as beach sandals and for paddling rafts, surfboards, etc., in addition to a swimming aid. It is claimed that the Canadian licensee will receive an immediate order from the patent holder for approximately $5,000 worth of fins for the United States market. Literature available. **Item 2429**

Earth anchor

American developer of a unique anchor for use on all types of surfaces—shale, concrete, asphalt, rock—offers it for manufacture under licence in Canada. The anchor barrel of steel tubing contains steel tube or rod tentacles which are pressure projected into the surface in a predetermined radial pattern. The number and size of the tentacles is limited only by the size of the barrel. The tentacles deflect around any solid object they encounter and continue on their original path. Twin-stage tentacle projections at dual levels are employed in extremely rocky areas. Literature available. **Item 2430**

Classroom teaching device

United States corporation seeks a Canadian licensee to manufacture and market its portable mechanical device which scans data punch-in cards, checks correctness of answers to single or multiple choice questions, and summarizes the results. The apparatus can be operated manually. The developers claim that it speeds the learning process by providing the student with an immediate response and the teacher with a continuous analysis of the progress of each individual student and of the class as a whole. Literature available. **Item 2431**

Electric stove with metal heating plate

Canadian inventor wishes to license the Canadian production and marketing rights to his electric stove with a metal heating plate. The main purpose of the invention is to provide an electric stove with a plate covering and protecting the electrical elements. Another purpose is to provide a heating plate supported by refractory plates arranged so that air can circulate between the refractory plates and around the electrical resistances. This prevents over-heating of the elements and also allows recovery, through heat exchange, of the heat stored in the refractory plates. Continuous air circulation also keeps the heating plate hot long after power has been shut off. Literature available. **Item 2432**

Export Opportunities

The inquiries listed below come from several sources, including various Branches of the Department in Ottawa and the Trade Commissioner Service posts abroad. Exporters should correspond directly with the companies or agencies mentioned, using the addresses given. The Department of Industry, Trade and Commerce cannot assume any responsibility for trade negotiations that exporters may enter into with these firms, nor can it vouch for their commercial standing.

Adhesives

DENMARK—Lyma Limfabrik I/S, a Danish firm, would like to contact Canadian suppliers of one-component polyurethane adhesives for lamination of polyethylene, polypropylene, polyamide, PVC, PVDC and MSAT-cellophane mutually and/or against themselves. The firm is also interested in Canadian producers of hot melt based on EVA copolymers. Contact Lyma Limfabrik I/S, Industribyen, 2640 Hedehusene, Denmark.

Canned vegetables and fruit

BAHAMAS—Canadian suppliers of canned vegetables and fruit for use in hotels and restaurants are sought by Bahamian firm specifying No. 10 institutional cans. Contact Stanley V. S. Albury Ltd., P.O. Box 45, Nassau, Bahamas.

Chocolates, gift-wrapped, and canned fruit juice

HONG KONG—Hong Kong firm wants Canadian supplies of chocolates in gift-wrapped boxes, also canned fruit juice. Contact: Stephen Watt, manager, Victoria Trading Company, 717 Shaw's Building, Nathan Road, Kowloon, Hong Kong.

Chocolate and confectionery

HONG KONG—Canadian suppliers of chocolate and other confectionery wanting a Hong Kong market are invited to contact Hock Tai Hong, 1006 Yau Yue Bank Bldg., P.O. Box 3499, Hong Kong, attention Timson Lam Sou Ham, general manager.

Cotton sheets

BAHAMAS—The chief purchasing officer of a Nassau hospital seeks quotations from Canadian manufacturers of unbleached cotton (calico) sheets for hospital use. Contact: Chief Purchasing Officer, Princess Margaret Hospital, P.O. Box 358, Nassau, Bahamas.

Clothing and shoes

HONG KONG—A Hong Kong import firm seeks contact with Canadian suppliers of women's and children's wear, women's handbags, and women's and men's shoes and printed polyester/cotton T-shirts. Contact: Fortune Impex Ltd., 1106 Yu Sung Boon Bldg., 107-111 Des Voeux Road C., Hong Kong.

Consumer Goods

HONG KONG—An established import firm seeks Canadian sources of supply for its consumer goods department. Sought are domestic appliances (including freezers, washing machines, and refrigerators); and home entertainment appliances, (including radios, tape recorders, and record players). Contact: Reiss, Bradley and Co., Ltd., 701-704 Realty Building, P.O. Box 78, Hong Kong, attention M. J. Newson, managing director.

Corrugated paper and paper board

BAHAMAS—A Nassau firm would appreciate receiving quotations c.i.f. or f.o.b. Miami from any Canadian paper board or corrugated paper manufacturer. Contact H. Skates, Bahamas Paper Co. Ltd., Box 1648, Oakes Field, Nassau, Bahamas. For follow-up, send a copy of any correspondence to Commercial Secretary, Canadian High Commission. P.O. Box 1500, Tobago Road, Corner Trafalgar Road and Knutsford Blvd., Kingston 10, Jamaica.

Crab meat and frozen cod

BAHAMAS—A Bahamian firm seeks quotations from Canadian suppliers of crab legs and sections, also skinless, boneless frozen cod. Contact Harblenham Ltd., P.O. Box 1041, Nassau, Bahamas.

Dried yeast

HONG KONG—An import firm would like to contact Canadian suppliers of dried yeast for the baking industry. Contact: Lam Yin-Pui, manager, Man Wah Trading Company, 1101 Canton House, 54-56 Queen's Road Central, Hong Kong.

Engineering goods

HONG KONG—The engineering department of an established importing firm seeks Canadian sources of supply for the following goods: electrical and electronic equipment, including electric cables, motors, motor control gear, transformers, switchgear, measuring instruments, and telephone systems. Contact M. J. Newson, managing director, Reiss, Bradley and Co. Ltd., 701-704 Realty Bldg., P.O. Box 78, Hong Kong.

Fashion fabrics and wearing apparel

HONG KONG—An import firm would like contact with Canadian suppliers of fabrics and wearing apparel. Contact: David S. C. Chan, Rainbow and Co., 19-21 Jordan Road, Third Floor, Flat "B", Kowloon, Hong Kong.

Food-processing equipment

PORTUGAL—A Portuguese firm would like to get in touch with Canadian manufacturers of food-processing equipment used in dehydrating and fast freezing of fruits and vegetables, and processing and canning tomatoes, potatoes, and small vegetables, such as peas, green beans, baby beets and mushrooms. Contact: CAIA, Companhia Alentejana de Industrias Alimentares Sarl, Box 20, Elvas, Portugal.

Furs

NETHERLANDS—A Dutch importer of furs would like to contact important Canadian fur exporters, particularly those specializing in export of mink tails. Contact: Kamchatka Furs NV, 69 Keizersgracht, Amsterdam, Netherlands.

Fur-type fabrics

HONG KONG—The Hong Kong import firm, Prakash Textiles, 5 Glenealy, 6/F "B", P.O. Box 15504, Hong Kong, invites contact from Canadian suppliers of fur-type fabrics. Correspondence should be addressed to Lal J. Thadani.

General import goods

HONG KONG—A large Hong Kong importing firm with several departments, including engineering, industrial supplies and consumer goods, seeks Canadian supplies of sundry import goods not falling within other departments for its general import department. Contact: M. J. Newson, managing director, Reiss, Bradley and Co. Ltd., 701-704 Realty Building, P.O. Box 78, Hong Kong.

Glass bottles

BAHAMAS—A Bahamian distilling firm requires clear glass (flint) bottles of various sizes and quantities. The annual requirements are for 20,000 dozen bottles of 6 2/3 oz. (imperial) size; 10,000 dozen bottles of 13 1/3 oz.; 8,000 dozen bottles of 26 2/3 oz. Samples of the bottles desired are available on request from Bahamas Distillers Ltd., P.O. Box 6340, Nassau, Bahamas.

Glucose powder

HONG KONG—An import firm wants to contact Canadian suppliers of glucose powder in 100-lb. multiwall paper bags. Contact: T. C. Tse, proprietor, Metropolitan Company, 1 Heard Street, Hong Kong.

Hospital equipment

BAHAMAS—Canadian suppliers of laboratory microscopes, demineralizers, autodilutors for hemoglobin determination, test tube agglutination viewers, centrifuges, and electrically operated beds are invited to send brochures and price lists to the Administrator, Rand Memorial Hospital, P.O. Box 71, Freeport, Grand Bahama Island.

Industrial supplies and hardware

HONG KONG—The Industrial Supplies and Hardware department of a Hong Kong import firm seeks contact with Canadian sources of supply for industrial consumables such as asbestos and PTFE packings and jointings, bearing metals, ferrous and non-ferrous articles, tools, alloy steels, structural steels, insulating compounds, and chemicals. Contact: M. J. Newson, managing director, Reiss, Bradley and Co. Ltd., 701-704 Realty Building, P.O. Box 78, Hong Kong.

Jewellery

JAMAICA—Jamaican firm seeks Canadian supplies of Canadian-made jewellery, bangles, chains and rings. Contact Michael W. Falconer, director, Eagle Falcon Trading Co., Ltd., P.O. Box 6, Whitfield Town P.O. Jamaica.

Light construction materials, interior decorating materials

THAILAND—A Thai firm involved in contracting work and importing is interested in receiving descriptive brochures and price lists on light construction material and interior decorating materials. Contact: Managing Director, Panya Mitr Co., Ltd., 15 Soi Chaiwatana, Vudhagas Road, Thonburi, Thailand.

Office furniture

BAHAMAS—A Nassau firm would like to receive literature on and c.i.f. prices for desks, chairs, file cabinets and other office equipment. Contact Stan Ryan, Office Specialties Ltd., P.O. Box 191, Nassau, Bahamas.

Pet supplies

HONG KONG—Import firm seeks contact with Canadian sources of pet supplies, including dog leashes, choke collars, combs and brushes, and toy rubber balls. Contact: W. C. Lam, C. Vetapet and Company, 46 Sun Chun St., Causeway Bay, Hong Kong.

Pine logging contract

AUSTRALIA—A large softwood holding firm desires applications for a contract covering logging of some 30 million super feet of radiata pine per year. The firm wishes to engage in a long-term contract, with a possibility of others as well. Foreign contractors will be considered seriously for this operation, said to be the largest such contract ever let in Australia. For details, contact the Commercial Counsellor for Canada, Princes Gate East Tower, 17th Floor, 151 Flinders St., Melbourne 3000, Australia.

Rattan

JAMAICA—Kingston firm seeks Canadian supplies of rattan to be used in furniture. Contact: A. Robinson, Office Furniture Ltd., 21 Oxford Road, Kingston, Jamaica.

Sheep fencing and wire

ST. VINCENT, WEST INDIES—A diversified firm seeks contact with suppliers of sheep fencing in 100-foot rolls, two and one-half feet high, also plain wire in rolls for lacing sheep fencing to poles. Pertinent information and prices c.i.f. St. Vincent should be sent to W. J. Abbott, managing director, W. J. Abbott and Sons Ltd., P.O. Box 124, Kingstown, St. Vincent, West Indies. Copies of correspondence should go to the Commercial Division, Office of the High Commissioner for Canada, P.O. Box 1246, Port-of-Spain, Trinidad.

Steel plates

INDIA—The Indian firm Beas Purchase Organization has floated tender Number 1198/26W/BSL/PR/56530 for 1,971 metric tons of firebox quality plates conforming to ASTM-A.517/67A Grades B and F. The tender closes July 22, with the purchase being financed under IDA credit. Prospective bidders should contact Beas Purchase Organization, Talwara, Punjab, India and/or Commercial Counsellor for Canada. P.O. Box 11, 13 Golf Links Road, New Delhi 1, India.

Steel shovels

TRINIDAD—A Port-of-Spain firm would like contact with a Canadian supplier of steel shovels. Prospective suppliers should send c.i.f. quotations on square mouth and round mouth shovels, sizes No. 4 and No. 5, with wooden "D" grip handles, to Felix R. Bello, manager, Felix R. Bello and Co., 18/20 Pembroke St., Port-of-Spain, Trinidad. For follow-up, copies of correspondence should be sent to the Commercial

Division, Office of the High Commissioner for Canada, P.O. Box 1246, Port-of-Spain, Trinidad.

Telex network

IRAQ—The Director General of Posts, Telephones, and Telegraphs Administration (PTT) of Iraq is inviting bids for the supply, installation and maintenance of the first stage of a telex system for Baghdad. The project is to include telegraph apparatus, telex exchange and automatic error correcting (ARQ) equipment and auxiliary gear. Tender documents, in triplicate, must be obtained from the accountant of the PTT Administration, Al-Jamhoriya St., Baghdad, for ID. 15 (approx. Cdn. $42) which will not be refunded. These documents are not available to embassies. A refundable Iraqi bank guarantee amounting to ID. 3,000 (approx. Cdn. $8,500) must accompany all tenders. The tender period ends August 17, 1971. The project is to cost some $2.25 million, with the first stage estimated at some $225,000. Tenders should be accompanied by a letter of capacity of the company bidding on the project and a list of similar projects it has executed. The Ministry of Communications has announced it will not be bound to accept the lowest or any tender, but has stated that it will give special consideration to those offering a relatively short completion period. The specifications, drawings, and general conditions of contract can be viewed at the PTT Project Department, Salihiya, Karkh, Baghdad.

Tunafish

JAMAICA—A Kingston firm seeks c.i.f. quotations on supply of 100 cases of number 5 cans (6½ oz.) of solid white albacore chunk tuna in natural brine. The firm has an annual requirement of 180 cases. Delivery of the initial 100-case order is to be immediate. Contact: A. Lionel Levy, managing director, Levy and Salmon Ltd., P.O. Box 11, Kingston 8, Jamaica. Cable address: Lesam-Jamaica.

Water tank

BAHAMAS—A Bahamian firm seeks quotations from potential suppliers of a galvanized or glass rain-collection tank with a minimum capacity of 25,000 gallons. Contact: Bahamas Distillers Ltd., P.O. Box 6340, Nassau, Bahamas.

Agencies Wanted

Copper tubing, hard- and soft-drawn

TRINIDAD—A firm expanding into the sale of industrial instruments and general industrial supplies would like to represent Canadian suppliers of soft- and hard-drawn copper tubing. The agency would maintain a stock of tubing on hand. Contact: Arnold G. Mendes, managing director, Process Equipment Co. Ltd., P.O. Box 166, San Fernando, Trinidad, W.I.

Food products, exercise books, toilet paper

ST. KITTS, W.I.—A firm of agents and distributors in St. Kitts would like to represent Canadian suppliers of the following goods: evaporated milk, salted fish, pickled pork, pickled mackerel, flour, ice cream cones, toilet paper, exercise books. Contact: W. B. Hutchison and Co. Ltd., P.O. Box 362, Basseterre, St. Kitts, W.I. For follow-up, send copies of correspondence to the Commercial Secretary, Canadian High Commission, P.O. Box 1246, Colonial Building, 72 South Quay, Port-of-Spain, Trinidad.

Shingles

JAMAICA—Kingston firm would like to represent manufacturers of shingles made of cedar or redwood. Contact: L. Levy, Levy and Salmon, 23 2nd St., Newport West, Kingston, Jamaica.

Sitka spruce, louvered panels, wooden doors and shutters

SWEDEN—A large Swedish firm serving as commission agent throughout the country would like to represent Canadian makers of sitka spruce (mast quality), as well as louvered panels, doors and shutters made of wood. Those interested may contact Firma Karl I. Lundgren, Hallstenshagen 41, S-421 56 Vastra Frolunda, Sweden. Copies should be sent, for follow-up, to the Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Kungsgatan 24, S-104 40 Stockholm, Sweden.

Bedroom furniture

UNITED STATES—A United States manufacturers' representative would like to add a line of bedroom furniture, fully dustproof and wholesaling for between $200 and $300 for a four-piece basic set. Canadian firms interested in this offer should contact the Canadian Consulate, 1400 Main Place, 396 Main Street, Buffalo, N.Y. 14201.

(Note: The following information has been received from our New York office, with the advice that firms making contact with agencies listed below and wanting follow-up should send copies of correspondence to the Deputy Consul General (Commercial), Canadian Consulate General, 680 Fifth Avenue, New York, N.Y. 10019.)

Asbestos

UNITED STATES—New York firm of export agents selling outside North America would like to represent Canadian asbestos producers. Contact: A. Fletcher, executive vice-president, C. Tennant, Sons, and Co., of New York, 100 Park Avenue, New York, N.Y. 10017.

Automotive, truck and diesel parts

UNITED STATES—A firm of export agents selling to the Far East, North Africa, Europe, the Middle East, and South America wants to represent Canadian manufacturers of automotive, truck, and diesel parts. Contact: E. Verzano, president, Jessam Industrial Export Co., 180 Broadway, New York, N.Y. 10038.

Auto Parts

UNITED STATES—A New York export agent wants to represent Canadian auto parts manufacturers in South America particularly Colombia. Contact G. Brunet, president, G. Brunet Company, 120 Wall Street, New York, N.Y. 10005.

Botanical crude drugs

UNITED STATES—An export agent selling outside North America wishes to represent a Canadian supplier of botanical crude drugs and a Canadian producer of wheat flour. Contact: W. Bernstein, president and secretary, William Bernstein Co., Inc., 15 Park Row, New York, N.Y. 10038.

Chemicals, pigments

UNITED STATES—A firm of export agents selling primarily outside the United States would like to represent Canadian producers of barytes and barium salts, calcined magnesite, sodium chlorate, and arsenic trioxide. The firm would also like to represent Canadian manufacturers of pigments. Contact: A. H. Davis, president, Mundus Chemical Products Corp., Suite 615, 52 Broadway, New York, N.Y. 10004.

Housewares

UNITED STATES—Export agents selling outside the United States want to represent Canadian housewares manufacturers. For information, contact: W. A. Bogas, president and treasurer, C. J. Dreifuss Inc., 140 Cedar St., New York, N.Y.

UNITED STATES—J. T. Tighe, president of Vanderburgh and Co., Inc., 11 Broadway, New York, N.Y. 10004 reports his firm eager to represent Canadian makers of housewares. Vanderburgh and Co., is a firm of export agents specializing in sales to Central and South America.

Steel mill machinery

UNITED STATES—Matko Sales Corp., a firm of export agents interested in representing Canadian producers of steel mill machinery, invites contact from such firms. Matko Sales sells in Australia. Contact: A. A. Hatovsky, president and treasurer, Matko Sales Corp., 11 Broadway, New York, N.Y. 10004.

Tinplate

UNITED STATES—A firm of export agents specializing in sales to the Far East, Europe, the Middle East, South America and North America would like to represent a Canadian producer of tinplate. Contact: E. Verzeano, president, Jessam Industrial Export Co., 180 Broadway, New York, N.Y. 10038.

Trade Lines

Bulgaria modernizes food industry

Bulgaria's latest Five Year Plan (1971-75) makes provisions for increased integration of agriculture with the food industry. Mechanization and basic reconstruction will be carried out in more than 20 enterprises. The plan envisages improved technology for mechanized production of things like sausages and cheese and the introduction of the latest developments in microbiology for the production of new varieties of high-quality food products—Vienna

Romania plans fleet, harbor expansion

The Romanian merchant fleet is expected to be nearly doubled during the period 1971-75 to 94 vessels with total capacity of 1.365 million dwt. The additions to the present fleet of 53 are to include oil tankers, cargo vessels, refrigerated ships and oil-product carriers. Harbor development and modernization of existing facilities will also be undertaken. The anticipated new capacity at Constanta will include 3,500 meters of wharves, a 93,000-square-meter warehouse, and 35 new cranes—Vienna

Romania signs metal deals

Romania's state trading agency, Metalimport, has concluded deals that will provide for the export of 6,000 tons of reinforcement steel to Lebanon, West Germany and Yugoslavia, and 1,200 tons of aluminum to Britain. Included in the deals is the import of 32,200 tons of hot-rolled strip from Belgium and France, and 17,400 tons of sheet from Japan, Italy, France, Belgium and West Germany. Metalimport will also import more than 2,200 tons of assorted steels from Britain, Austria, France and Switzerland, 1,000 tons of ferro-manganese from Austria, and 600 tons of electrolytic copper from West Germany and Britain—Vienna

West Germans use more mixed grain

Last year's production in West Germany of mixed feeds containing grain increased by a fifth over 1969 to 9.7 million metric tons, primarily because of a higher demand from pig and poultry producers. The amount of grain processed into mixed feeds rose to 3.6 million metric tons, including 1.12 million of wheat. This was more than double the amount processed in 1969. Processing of corn increased by 8 per cent to 1.4 million metric tons—Bonn

Swedish paper mill to increase production

Munksjo AB, one of the largest paper mills in Sweden, is investing $6 million in its sulphate plant and $2 million in its paper mill. Sulphate pulp production will be increased from 65,000 to 100,000 metric tons a year. The paper mill will be modernized and capacity increased. Munksjo AB, established in 1862, employs approximately 2,300 and annual output is worth approximately $40 million—Stockholm

Europe to build atom smasher

The member countries of the European Organization for Nuclear Research (CERN) have now agreed to finance the construction of an atom smasher on the Swiss-French border near Geneva. It will measure almost 1.4 miles in diameter and will accelerate protons to an energy level of 300 billion electron volts (300 bev.) and eventually reach 1,000 bev. The world's most powerful atom smasher at present is at Serpukhow in the Soviet Union, and generates 76 bev. The one at Batavia in the United States may achieve 500 bev. some time next year.

The cost of the CERN atom smasher is estimated at U.S.$290 million. West Germany will contribute 24 per cent, Britain 22.2, France 20.5, and the rest will be paid by Italy, Sweden, Holland, Belgium, Switzerland, Austria and Norway—Berne

Dutch ports busy in 1970

A total of 31,867 ocean-going vessels carrying an aggregate 123,911,012 net registered tons entered the Port of Rotterdam in 1970, officials report. In the previous year, 32,033 vessels entered the port carrying a total of 104,322,724 n.r.t.

The Port of Amsterdam reported both more vessels and larger total tonnage in 1970, with 7,986 ocean-going ships and 15.8 million n.r.t.; in 1969, the totals were 7,954 vessels and 15.2 million n.r.t.—The Hague

Yugoslavia to produce magnesite from sea water

A Yugoslav company will produce high quality sinter-magnesite from sea water at a factory to be built on the south Adriatic coast of Yugoslavia. Production is expected to reach 100,000 tons by 1974. The company is already the largest producer of sinter-magnesite in the country—Belgrade

Yugoslav auto-maker builds new plant

The Yugoslav automobile manufacturing company, Crvena Zastava, is building a manufacturing and assembly plant in Kragujevac which is expected to bring

the company's total yearly production to 200,000 cars by 1973. Technical plans have been provided by FIAT of Italy, a partner. The plant will occupy 125,000 square meters and is being built by Yugoslav engineers and contractors. By 1973 Crvena Zastava's annual total production will be valued at U.S.$400 million—Belgrade

French butter stocks decline

During 1970, French stocks of butter and skim-milk powder decreased to the lowest figure in more than three years. Butter stocks, including estimates of those privately held, were 69,132 metric tons at December 31, 1970, compared with 149,514, 172,810 and 103,366 metric tons at the end of 1969, 1968 and 1967 respectively. Stocks of skim-milk powder at the same dates were 113,370, 208,144, 219,770 and 134, 755 metric tons—Paris

Single-serving dessert/snacks good sellers

On the market just 18 months, single-serving dessert/snacks reached a sales total of U.S.$40 million in 1970. Some retailers reported their sales grew by 150 per cent, though a growth of 20 or 25 per cent was about average. The foods offered include several flavors of pudding, as well as fruits such as applesauce or diced peaches. Most are packed in peel-top cans; some come in baby-food jars. The dessert/snacks are aimed at "brown-baggers" who carry lunches from home, at picnickers, and at sportsmen. Retailers report that sales of standard-sized containers of similar foods have not suffered, largely because of the higher per-serving price of the single-portion packs—New York

Venezuelan rail line proposed

A railway system linking San Cristobal on the Colombian border with the industrialized Guayana area has been proposed by the Venezuelan Railway Institute, a government-operated entity. The system proposed would pass through the Caracas area and branch lines would give access to agricultural areas and to phosphate deposits at Riecito—Caracas.

Foreign Tariffs and Trade Regulations

Australia

The Australian Government recently announced that, commencing May 18, 1971, the temporary sliding scale of import duty on vegetable oils will no longer be in effect.

Under the new arrangement, rapeseed oil will be subject to a General Tariff of $95.00 per ton and a Preferential Tariff of $65.00 per ton.

Previous to May 18th, in addition to the regular rates of duty, all imports were subject to a sliding scale duty when the f.o.b. price per gallon was below one dollar. The regular duties were 40 cents per gallon under the General Tariff and 26.7 cents per gallon under the Preferential Tariff.

The new duties per ton are approximately equal to the previous duties per gallon.

Brazil

We have been informed that the following products can enter Brazil duty free until February 15, 1972.

Wood pulp of the following types: mechanical or semi-mechanical; chemical, sulphate unbleached and bleached; chemical, sulphite unbleached and bleached.

Parings, waste and scrap articles of paper and paperboard unfit for use.

The normal duties are 20 per cent on sulphate and sulphite pulp, and 55 per cent on the other items.

Panama

Panamanian Decree No. 90, dated March 25, 1971, introduces new requirements for travelling salesmen and sales agents. A travelling salesman (sales representative of a foreign company) entering Panama to do business must obtain an identification card authorized by the Ministry of Commerce and Industry and registered in the Commercial Register. He may do business in Panama only through a local agent or a representative legally established in the country and duly authorized to conduct such business. Violators of any of the regulations will be subject to fines.

Identification cards can be obtained (Chapter 7, Article 38) from the Department of Commerce, Ministry of Commerce and Industry, Panama, by presenting (1) passport or identity card, (2) good conduct certificate from police authorities in the travelling salesman's country of residence, (3) U.S.$4.00 for fiscal stamps and (4) two passport photographs.

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 Toronto, Winnipeg, Regina, Edmonton, Vancouver—
Regional Office, Department of Industry, Trade and Commerce

In Windsor, Ontario—
Greater Windsor Industrial Commission

In all other centers—
the local Board of Trade, Chamber of Commerce, or Industrial Commission

Australia

K. F. Osmond, Commercial Counsellor in Melbourne:

Montreal: September 16-17
Toronto: September 18-24
Vancouver: September 25-29

Ivory Coast

J. Filion, Assistant Commercial Secretary, Abidjan:

Montreal: August 1-3

United States

D. A. B. Marshall, Consul and Senior Trade Commissioner, Cleveland:

Vancouver: July 22-27

W. J. Millyard, Consul and Trade Commissioner, New Orleans:

Winnipeg: July 16-19
Regina: July 20
Edmonton: July 22-23
Vancouver: July 28-30

Temporary Duty in Ottawa

Trade Commissioners on temporary duty in Ottawa may be contacted through the Trade Commissioner Service, phone 996-3080 (area code 613).

D. B. Browne
Assistant Commercial Secretary
London, England
July 8-14

M. B. Bursey
Commercial Counsellor
Stockholm, Sweden
August 12-18

G. M. Deyell
Assistant Commercial Secretary
London, England
July 19-23

J. Filion
Assistant Commercial Secretary
Abidjan, Ivory Coast
July 26-30

K. R. Higham
Consul and Trade Commissioner
Boston, Massachusetts
July 12-16

J. A. Langley
Consul and Assistant
Trade Commissioner
Dallas, Texas
August 16-20

R. C. Lee
Consul and Assistant Trade Commissioner
Dallas, Texas
August 16-20

R. M. Logie
Assistant Commercial Secretary
Vienna, Austria
July 18-24

D. A. B. Marshall
Consul and Senior Trade Commissioner
Cleveland, Ohio
July 29-August 3

W. M. Maybee
Consul and
Assistant Trade Commissioner
New Orleans, La.
July 18-24

R. R. Parlour
Commercial Counsellor
Bonn, Germany
July 9-15

J. L. Swanson
Trade Commissioner
Hong Kong
August 16-20

J. G. M. Tardiff
Consul and
Assistant Trade Commissioner
Cleveland, Ohio
July 19-23

J. J. Y. Trepanier
Assistant Commercial Secretary
Beirut, Lebanon
August 11-20

C. J. Van Tighem
Minister (Commercial)
London, England
July 26-30

In Territory

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

Bolivia

Trade Commissioners from the Lima, Peru, office visit Bolivia approximately every two months.

Bulgaria, Hungary, Romania

Trade Commissioners in the Vienna, Austria, office make frequent visits to these countries.

Cyprus

An officer from the Tel Aviv, Israel, office visits Cyprus approximately every two months.

Dominican Republic, Haiti, Virgin Islands

Trade Commissioners from San Juan regularly visit the Dominican Republic, Haiti and the Virgin Islands.

Finland

A Trade Commissioner from the Stockholm, Sweden, office visits Helsinki once a month for about a week, except during July and August.

South Korea

Trade Commissioners from the Tokyo, Japan, office visit the Republic of Korea (South Korea) approximately every two months for a week.

Turkey

Trade Commissioners in Ankara visit Istanbul frequently.

Businessman's Bookshelf

How to Find Out about Exporting

Norman Burgess' little paperback-sized book, put out by Pergamon Press in Britain, could be subtitled "Everything You Always Wanted to Know about Exporting But Never Knew Where to Find". He doesn't tell you a thing about exporting—but he knows where you can find out and he fills 262 pages with sources of printed information.

Though most of his emphasis is on Britain and materials available there, his listings are fairly exhaustive, and include many North American publications, among them *Foreign Trade*. Burgess is fond of the Dewey Decimal System of library classification, and heads his chapters with the various Dewey listings.

Listings include general reference books, those that give information on various parts of the world, and sources on exports of particular products. As noted above, most of the references are to materials printed in England, but many of these are available in Canadian libraries and other works cited are of North American origin.

Order from: Pergamon of Canada Ltd., 207 Queen's Quay West, Toronto 1, Ontario. 262 pages. Hard cover edition $6.35, soft cover $4.75.

Golden Guide to South and East Asia

The first-time traveller to remote or exotic places really isn't interested in the subtleties of being a tourist in, say, Nepal. He wants to know how to get there, how to get back, and how to survive in between. On his second trip, perhaps he'll decide that the western view from his hotel is better than the scenery on the east side. The first time, though, he's more concerned about what food to eat, how not to insult the nationals, and how to avoid bureaucratic knots.

The Golden Guide is written and edited with an understanding of this situation, with sympathy for the worried Westerner headed east. It is hard to beat as a guide for the tourist or business traveller to the Asian countries. It covers 27 of them—from Bhutan and Brunei to Taiwan and Thailand, with a style that is comprehensive yet not overpowering, detailed but readable.

The style is personal and conversational, written by experts who give the reader the benefit of their own mistakes and problems. The usual information is there: customs, currency, climate, costs, language, methods of travel, lodgings, food, border crossings, possible problems and how to avoid them. There are maps of most major cities and many photographs, some in color, which are well-integrated with the text.

The advice is sensible and carries authority, as in the article "Overland to India", which concludes: "Finally, some assorted tips. Think very hard before committing children under teenage to what can prove a nightmare for them and you. . .Pepsi Cola is undoubtedly Iran's unofficial national drink. . .Consular staff are not money lenders, pawnbrokers, or free ticket agents. . .Do not carry a gun. Take a whistle and a walking stick, just in case. Never, never get angry with border officials. . . Miniskirts are definitely not appreciated in most parts of rural Asia. . .Beware of stone-throwing in Eastern Turkey. . ."

Cautions are offered in a matter-of-fact way: the assumption of editor P. H. M. Jones (also a contributor) is that tourists are bound to have problems, but forethought and a cool head will solve them.

There's no nonsense. If the food in a given city is terrible, the Golden Guide says so. If the residents of a certain city are outgoing, or sensitive, or violent, the guide is quick to state the situation.

In a section dealing with Cambodia, the prospective motorist is warned that due to wartime problems "In mid-1970, motoring was absolutely unsafe anywhere".

The Golden Guide to South and East Asia is everything a guide should be—personable, knowledgeable, and frank.

Published by the Far Eastern Economic Review, available through Charles E. Tuttle Inc., Rutland, Vermont, U.S.A. and Tokyo, Japan. 500 pages. $3.80.

Guinness Book of Records

Whatever one man does, another will try to do it faster, higher, longer, deeper, louder or better. Whatever the fastest, highest, longest or best may be, it's probably in the Guinness Record Book.

Norris and Ross McWhirter, a pair of Englishmen, have been publishing their compendium since 1955. Their original aim was to help resolve friendly arguments. In the 16 years since, they've produced some five million copies in 12 languages and 17 editions.

The latest edition, a richly illustrated and colorful volume, notes that the world record for non-stop talking is 138 hours, set in 1967 by an American speaking in

England. Readers of *Foreign Trade* aren't expected to take a run at that mark, but public speaking is a part of business, and the Guinness book can be a valuable aid to those who enjoy a light touch in a business talk.

The records are closely authenticated, and the McWhirters add their own wry asides to items they find interesting; an entertaining addition to your business or personal library.

Published by Guinness Superlatives Ltd., 2 Cecil Court, London Road, Enfield, Middlesex, England. 317 pages. 18s.

Phillips' Paper Trade Directory of the World 1971

Phillips' weighty little directory provides an international index of firms engaged in the paper and converting industries and allied trades. Most of the book is taken up with this universal listing of manufacturers, grouped by countries.

The listings include company names, business addresses, officers, equipment, types of goods manufactured, capacity, annual production and foreign outlets. As well, in this British book, there are separate listings of British manufacturers in several areas of production.

The book includes 200 new company listings, along with tables of new metric paper sizes (given both in metric and imperial measures) and metric-imperial conversion tables.

There is a list of company groupings in the British paper trade and converting industry, plus a cross-reference list of subsidiaries and associated firms. Interesting inclusions are a glossary of trade terms in six languages and a list of British watermarks and the manufacturers using them.

Published by S. C. Phillips and Co., Ltd., Alliance House, 50-51 Fetter Lane, London E.C. 4. England. 768 pages. $18.60.

Canadian Trade Index 1971

To be trite, this book, which makes an annual appearance, needs no introduction to the Canadian businessman. Yes, it costs $36.00, but where else will you find the names of firms turning out products in close to 10,000 classifications? Where else can you track down exactly what industries are located in Drumheller, Alberta, or Stanbridge Station, Quebec? Where else can you find the names of the executives, foreign branches or representatives, brand names of products, etc., for more than 13,000 manufacturing firms? For good measure, there's an introductory section on "Export Methods and Services", including a comprehensive list of technical abbreviations used in foreign trade and exchange transactions. The index of products is also given in French.

Published by the Canadian Manufacturers Association, 67 Yonge Street, Toronto 215, Canada. $36.00.

Venezuela Buys Canadian Furs

The market potential for furs in Venezuela is relatively small by North American standards. But though the weather during the daytime in Caracas is warm, the evenings are cool, especially from November through January, and a fur piece can be used. Fur imports in 1968, including madeup garments, raw pelts and artificial furs, amounted to approximately $450,000.

The market, which is principally in Caracas, is made up of about 400,000 potential customers with the money for luxuries. Main suppliers to the market in 1968 were the United States, Spain, Norway, Italy, West Germany, Canada (with under a 5 per cent share of sales) and Peru.

In Caracas, where there are approximately 10 fur shops, 12 luxury stores carrying fur lines, and several department stores which feature small exhibits of furs, the demand is mainly for mink in various colors and combinations, blue and silver fox, beaver, and a small range of fun furs. While there is some market for full-length coats, the most popular fur pieces are scarves, stoles and capes. Some stores buy only finished garments; others also order raw furs to be designed and finished locally.

The prime months for selling furs to Venezuela are November and December and Canadian companies seeking to enter this market should ensure that their promotion efforts begin well in advance of this time. After taking the first step of establishing a buyer-distributor or a representative, Canadian suppliers next should be prepared to offer their knowledge of promotion and sales techniques as a means of demonstrating their support. Currently Venezuelan furriers have not done much to attract the attention of potential customers.

Canadian firms interested in the Venezuelan market should write to the Commercial Counsellor, Canadian Embassy, Apartado del Esta 62302, Ave. La Estancia No. 10, Ciudad Commercial Tamanaco, Caracas, Venezuela. The Commercial Department will assist by recommending reputable local agents, offering further information on the market, and helping in the co-ordination of shows directed at increasing sales of Canadian furs in Venezuela.

CARLOS BENKO,
Commercial Officer, Caracas.

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 .98. **To convert column two, *divide* by .98.**

Country and Currency	Value of foreign currency unit in Canadian dollars at June 10	Canadian dollar in foreign currency units
Algeria Dinar	.2053	4.87
Argentina Peso (free)	.2448	4.08
Australia Dollar	1.1555	.87
Austria Schilling	.0410	24.39
Bahamas Dollar	1.0234	.98
Belgium and Luxembourg Franc	.0206	49.26
Bermuda Dollar	1.0234	.98
Bolivia Peso	.0860	11.63
Brazil Cruzeiro (official free)	.1977	5.09
Britain Pound	2.4761	.40
British Honduras Dollar	.6078	1.64
Burma Kyat	.2149	4.65
Ceylon Rupee	.1719	5.82
Chile Escudo (bank rate)	.0866	11.55
(free)	.0714	14.01
China, People's Republic of Renminbi	.4125	2.42
Colombia Peso (fixed)	.0518	19.31
Congo (Kinshasa) Zaire	2.144	.46
Costa Rica Colon	.1545	6.47
Cuba[1] Peso	.....	.....
Czechoslovakia Koruna	.1421	7.04
Denmark Krone	.1366	7.32
Dominican Republic Peso	1.0234	.98
Ecuador Sucre (official)	.0409	24.45
El Salvador Colon	.4094	2.44
Fiji Dollar	1.1815	.85
Finland Markka	.2437	4.10
France, Monaco, etc.[2] Franc	.1852	5.40
Franco-African Republics[3] Franc	.0037	270.27
French Pacific[4] Franc	.0102	98.04
Germany D Mark	.2916	3.43
Ghana New Cedi	1.003	1.00
Greece Drachma	.0341	29.33
Guatemala Quetzal	1.0234	.98
Guyana Dollar	.5884	1.69
Haiti Gourde	.2047	4.86
Honduras Lempira	.5117	1.95
Hong Kong Dollar	.1689	5.92
Hungary Forint (official)	.0921	10.85
Iceland Krona (official)	.0116	86.21
India Rupee	.1371	7.29
Indonesia[5] Rupiah	.0027	374.22
Iran Rial	.0131	76.41

Country and Currency	Value of foreign currency unit in Canadian dollars at June 10	Canadian dollar in foreign currency units
Iraq Dinar	2.8656	.35
Ireland Pound	2.4761	.40
Israel Pound	.2924	3.42
Italy Lira	.0016	617.66
Jamaica Dollar	1.2381	.81
Japan Yen	.0028	354.73
Kenya Shilling	.1412	7.08
Korea, Republic of Won	.0032	317.08
Lebanon Pound (free)	.3173	3.15
Malaysia Dollar	.3343	2.99
Mexico Peso	.0819	12.21
Morocco Dirham	.2056	4.86
Netherlands Florin	.2881	3.47
Netherlands Antilles Florin	.5427	1.84
New Zealand Dollar	1.1588	.86
Nicaragua Cordoba	.1462	6.84
Nigeria Pound	2.8376	.35
Norway Krone	.1439	6.95
Pakistan Rupee	.2149	4.65
Panama Balboa	1.0234	.98
Paraguay Guarani (free)	.0081	123.46
Peru Sol (free)	.0236	42.37
Philippines[6] Peso (free)	.1594	6.27
Poland Zloty (fixed basic rate)	.2537	4.01
Portugal & Colonies[7] Escudo	.0356	28.09
Saudi Arabia Riyal	.227	4.45
Sierra Leone Leone	1.508	.66
Singapore Dollar	.3273	3.05
South Africa Rand	1.4463	.69
Spain & Dependencies Peseta	.0147	68.03
Sweden Krona	.1982	5.05
Switzerland Franc	.2504	3.99
Syria Pound (free)	.219	4.57
Thailand Baht (free)	.0496	20.16
Trinidad & Tobago[8] Dollar	.5117	1.95
Tunisia Dinar	1.9494	.51
Turkey Lira	.0682	14.66
United Arab Republic Pound (official)	2.3539	.42
United States Dollar	1.0234	.98
Uruguay Peso (free)	.0041	243.90
Venezuela Bolivar (official free)	.2278	4.39
Yugoslavia Dinar (official)	.0682	14.66

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

4. New Caledonia, New Hebrides, French Polynesia.

5. Exchange rate at December 9, 1970.

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.

Plants Will Flourish on Canadian Knowhow

Agricultural researchers in Martonvasar, a town in Hungary not far from Budapest, are watching a building go up that will house their phytotron center.

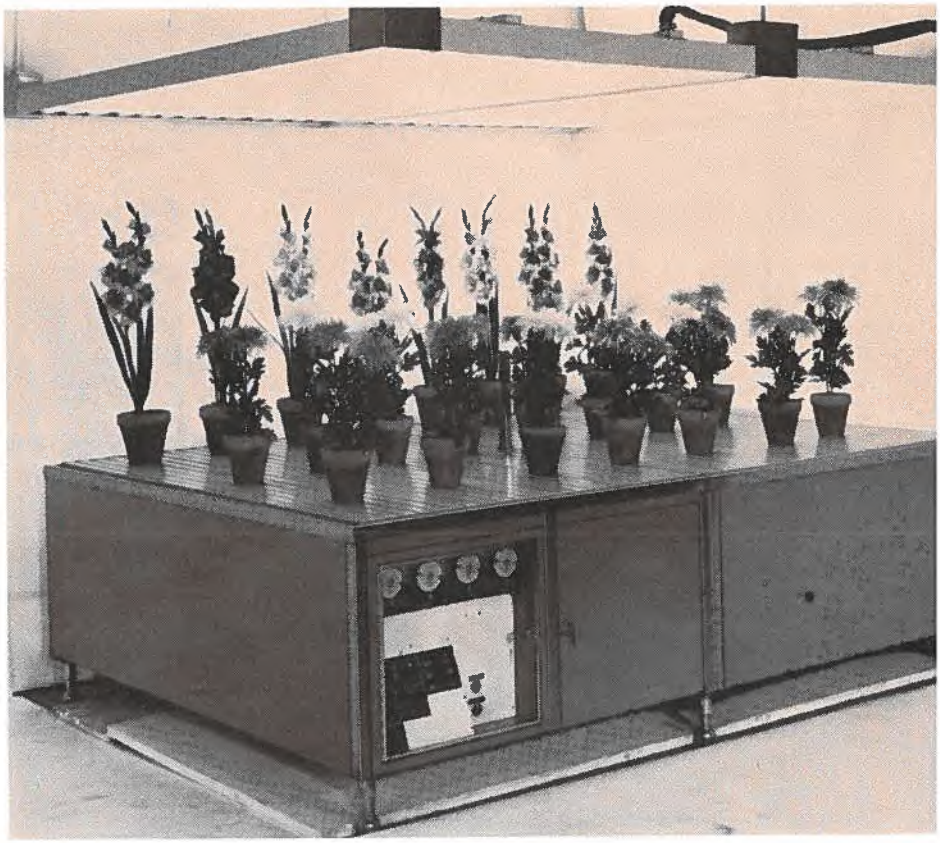
What's a phytotron? It consists of a number of "growth chambers" in which plants can be raised and in which temperature, humidity, the flow of air, and the intensity of light can be rigidly controlled. They are used to carry out experiments in plant growth and to study genetic problems.

The growth chambers that will go into this Hungarian phytotron are being made in Winnipeg by a Canadian firm, Controlled Environments Limited. Forty-four of them will eventually be shipped to Martonvasar, to a total value of nearly half a million dollars. The same firm is also making sales to a number of other Eastern European countries.

The success of Controlled Environments in obtaining business in the socialist countries illustrates what the experts on Eastern Europe keep saying: these countries are interested in technical equipment and are eager to profit from Western knowhow. It also illustrates that getting orders calls for time and patience, but the results are worth the effort.

R. H. Taylor, president of the Winnipeg firm, told "*Foreign Trade*" that he first heard of the Hungarian plans to set up a phytotron in 1967. The tip came to him from a British firm that had been selling seed processing, drying and sorting equipment in both Eastern and Western Europe for many years. The contact thus initiated led to Controlled Environments appointing this London company as its exclusive agent throughout Europe, to sell for it on commission and function as its London office.

This agent got in touch with the Hungarians and briefed them on the equipment that his Canadian client could supply. Towards the end of 1969, the director of the Agricultural Institute in Hungary, a well-known scientist in his own right, came to Winnipeg to inspect the growth chambers. This visit convinced him that the Canadians had the type of equipment he wanted, but a great deal of negotiation was still to come. The British agent made six or seven trips to Budapest to discuss the deal and Mr. Taylor himself went to Hungary three or four times. Finally, in August 1970, basic agreement was reached on the purchase of 44 growth chambers and on August 31st the contract was signed.



This controlled environment growth chamber is of the type included in a recent sale to Hungary by a Winnipeg firm, Controlled Environments Ltd. Plants such as these are placed in the chamber and walls are closed tightly around it, enabling researchers to control rigidly temperature, humidity, air flow, and light intensity. The Hungarian customer bought 44 of these chambers.

Next, one of each of the five models to be supplied had to be made and the Hungarians came to Winnipeg to see and to approve these models. Shipment of the chambers began last month and will be completed by October. Then engineering supervisors from Controlled Environments will arrive in Martonvasar in January or February 1972 to supervise installation. The phytotron will begin to function in April 1972—about five years after the Winnipeggers first got word of the Hungarian plans.

The firm has also obtained other small orders in Eastern Europe but, says Mr. Taylor, "once the Hungarian project has been installed, it will be a real show piece and Eastern Europeans everywhere will want to have something like it."

Show of the Month

Canada took part in the Budapest, Hungary, International Trade Fair May 21-31. It was the second consecutive year of Canadian participation in the fair, and 20 Canadian firms displayed their products, services, and capabilities. At top left, Andrew Stevens (white shirt) of McPhar Geophysics Ltd. talks with an interested Hungarian business visitor among displays of McPhar equipment. At top right, Robson G. Head, Assistant Deputy Minister (Operations) in the Department of Industry, Trade and Commerce, inspects the J. K. Smit and Sons International Ltd. display of diamond-drilling equipment. With him are Roy Leck (center) and Robert Parsons (right) both of Smit and Sons. Hungarian visitors to the fair are shown (bottom right) outside the Canadian pavilion, which housed the 20 firms' displays and also included a government-staffed information booth.

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