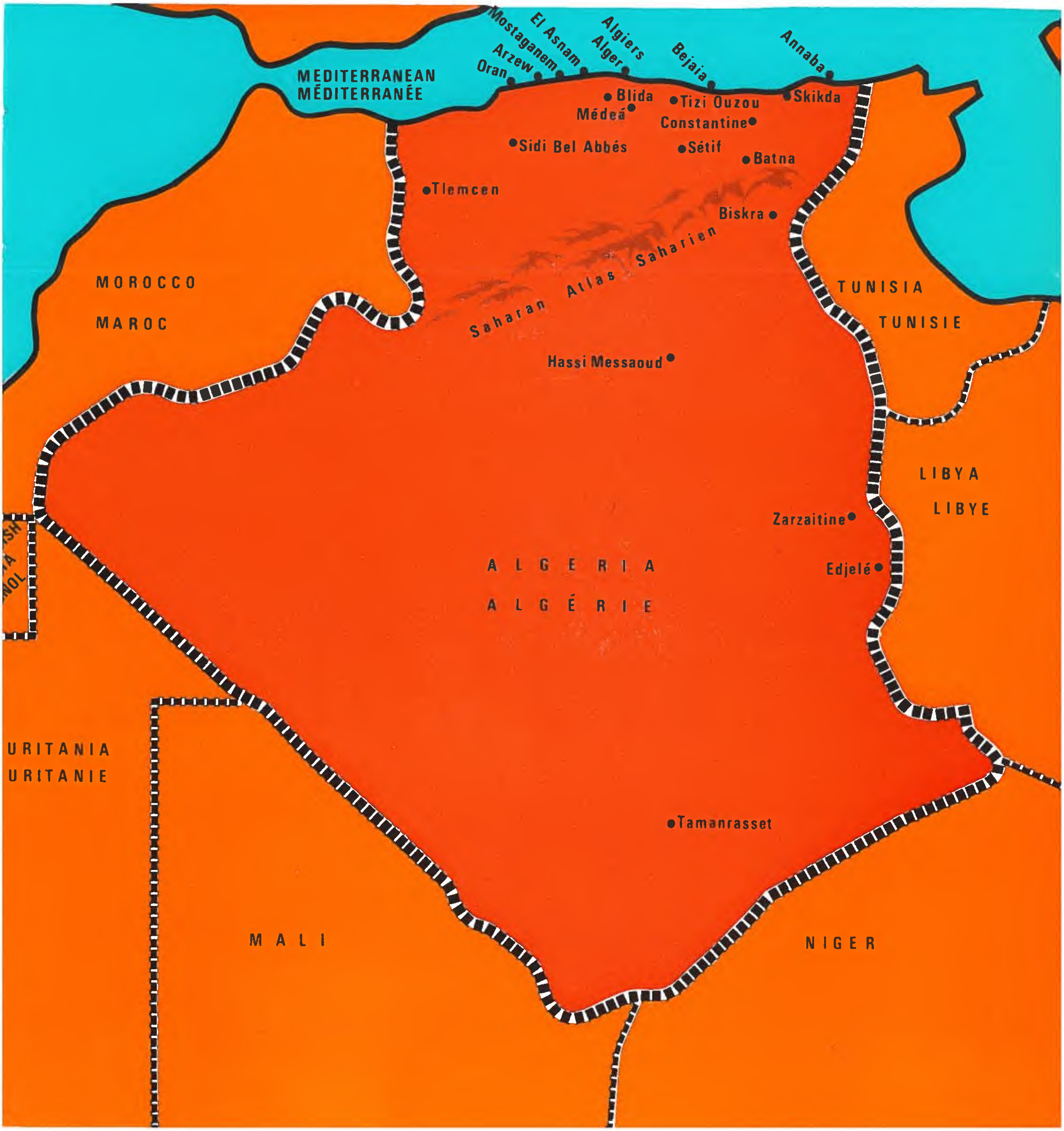
foreign trade

Algerian Business Begins in Algiers

Department of Industry, Trade and Commerce, Canada

August/71



Plywood Industry Takes Action

Faced with sharply declining export sales, the Canadian hardwood plywood industry requested the aid of the Department of Industry, Trade and Commerce to seek reasons for the decline and to suggest remedies.

Logical choice for a detailed investigation was the United States market, which takes 80 per cent ($5.3 million in 1968) of Canada's total hardwood veneer exports and 70 per cent of its hardwood plywood exports. Accordingly, late in 1970 the Department commissioned Sandwell and Company, Ltd., of Vancouver, a major forest industry consulting firm, to conduct a detailed study of selected segments of this vast United States market.

More than 90 per cent of total Canadian hardwood plywood exports is unfinished birch, which is used almost exclusively in the manufacture of furniture and other products. Most of the veneer exported is also used in further manufacturing. For these reasons, the study was confined to major components of the industrial market, i.e. furniture, kitchen cabinets, radio and TV cabinets, store fixtures and partitions and containers. It was possible to further refine the study by concentrating on the eastern United States where most of the production of these components is located—an area from which almost 70 per cent of the total United States value of factory shipments in 1967 of $3.4 billion was made.

A minimum of 90 interviews was established as the requirement for providing a sampling sufficiently representative to allow valid judgments to be made. Actually, data from 93 interviews were analyzed and tabulated. Based on the 1967 value of factory shipments, these interviews covered more than 25 per cent of the total United States markets selected for study.

Between 1966 and 1969, sales of hardwood veneer from Canada to the United States declined from about $30 million to $27 million, but this was attributable more to the general economic trend than to a significant loss of market share.

Plywood production provides more employment and generates higher dollar returns per unit than does veneer production. The field survey revealed that competition from other birch-producing countries and from the plastics industry was the main reason for the declining use of Canadian birch. Finnish and Japanese suppliers increased their combined share of the United States market from $25 million (total imports $30 million) to $37 million (total imports $40 million) in the period 1966 to 1969. In the same period Canada's sales fell from $5 million to $3 million. Japanese birch is used primarily for door skins and wall panelling but Finnish birch competes directly with the Canadian product in the industrial market.

Willingness to supply material cut to a specified size, lower prices, provision of technical representatives and the establishment of inventories at key locations in the eastern United States were all noted as reasons for using Finnish birch over Canadian. Also invariably mentioned was the Canadian industry's apparent lack of a consistent sales and service policy.

Keen competition from outside the plywood industry comes from plastics (solid and film), particleboard and print grain material. Polyvinyl chloride film, either in simulated wood grain patterns or in solid colors applied to particleboard, has made substantial gains in the industrial market, mostly at the expense of wood veneers and plywood. Hardboard, Asian plywood, and particleboard with a wood grain printed directly on the surface have also captured a portion of the market formerly enjoyed by Canadian hardwood plywood and veneers.

Despite the inroads made by competitive products, however, total apparent consumption of hardwood plywood in the United States rose from about $500 million to $580 million between 1966 and 1969. In the same period imports increased from $148 million to $248 million, or from about 30 per cent to 45 per cent of the total consumed.

The size and proximity of this market obviously place it high on the list of desirable markets for Canadian producers. The Department of Industry, Trade and Commerce is acting as the co-ordinating agency for a mission of leading Canadian hardwood plywood and veneer producers which is expected to tour the eastern United States this fall. The industry recognizes, however, that in order to maintain satisfactory sales volumes much more than a single selling mission is required. Flexibility in price, size of material, and experienced and continuous field representation are all recommended in the Sandwell report, which has already been released to members of the industry. It also suggests a single export sales organization for the whole industry, and the establishment of strategically located warehouses. These measures, the report claims, could lead to Canada's regaining a major share of this large United States market.

ALAN KENNY
Project Engineer
Sandwell & Company, Ltd., Vancouver

foreign trade

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In This Issue

If your ideas of Algerian geography are a bit vague, the map on our cover should help. So will the article on page 2, describing how to plan and carry out a pleasant and profitable trip to that country. The latest trade figures prove that there are real opportunities in the Algerian market; our exports rose last year to $19.1 million, from only $2.9 million in 1969.

This growing trade between the two countries and the technical assistance and aid program that Canada is sponsoring influenced the Government's decision, announced last March, to open an Embassy in Algeria. The Ambassador is expected to arrive in Algiers some time this fall, and a Trade Commissioner will take up his posting there in September. A new Algerian Ambassador has just arrived in Ottawa.

The Honourable Jean-Luc Pepin has become a world traveller in the cause of Canada's commerce and industry. This year he has led missions to the Soviet Union, to the Federal Republic of Germany, and, at the end of June, to the People's Republic of China. This latest one, from which he returned shortly before we went to press, received widespread coverage in Canadian newspapers and on radio and television. Our article on page 10, with accompanying pictures, discusses the mission from the official point of view and gives the complete text of the communique issued when it ended.

The Department has for some time been engaged in helping the furniture industry to find wider markets, particularly in the United States. A number of the Trade Commissioners stationed there will be attending the Montreal Furniture Mart (to run from August 15-19 at Place Bonaventure and the Queen Elizabeth Hotel) to make contact with Canadian furniture-makers who might wish to find United States customers. They will be bringing to the show 50 United States buyers, and a foreign buyers' lounge will be operated for their convenience. The picture story on pages 36 and 37 tells how one Canadian firm went about cultivating this market, with the help of the Trade Commissioner in Chicago.

PHOTO CREDITS: page 5, Spartan Aero Services: page 24, United Nations; page 44, Port of New York Authority; page 60, Red Stack of Seattle and Canadian National Railways.

Articles

Departments

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Algerian Business Begins in Algiers

If you want to capture a share of this growing market, pack your bags and head for Algiers. A Trade Commissioner will join the Embassy staff in September and can help you plan and carry through a productive business visit.

DOUGLAS LINDORES
Assistant Commercial Secretary, Paris

Much of Algerian prosperity depends upon its exports of petroleum products. This is a view of some of the installations at Hassi Massaoud, where crude oil was first produced on a commercial scale in 1958. There is a small refinery to supply Saharan markets; in the foreground, the photograph shows some separators and coolers.

Algeria is rapidly becoming an important customer for Canadian goods and services. As a result, an increasing number of Canadian businessmen are visiting the capital city of Algiers to examine this market at first hand. Until independence in 1962, Algeria had been a French colony for over 100 years. Even today, France retains a major share of the Algerian market and exerts a strong influence on its culture. Canadian interest in the country has been spurred by a growing aid program—mainly in the area of technical assistance—and by recent major sales of wheat, timber, and consulting and engineering services in a number of industrial fields.

Although Canada still accounts for a very small share of total Algerian imports, Algerian officials view Canada as a promising partner in its attempts to diversify its sources of supply. A politically moderate middle power with no imperialist ambitions or history, Canada also has the advantage of being able to work in the French language and to provide many of the most up-to-date benefits of North American technology.

Strategically located on the northern shore of Africa, with a coastline of 750 miles on the Mediterranean, Algeria has a total area of over 900,000 square miles and a population of 12 million. French nationals at one time accounted for over one million of the population but now number only about 80,000. French culture still plays a major role in the day-to-day life of the cities, although independence has naturally led to an emphasis on things Algerian.

The Algerian Government has faced a difficult reorganization problem since independence, and only within the last few years has the period of planning evolved into a period of action. Many new and ambitious national development programs today are under way. The officials of government departments and state corporations, though they are dedicated socialists, take a realistic approach to the economics of the investment projects.

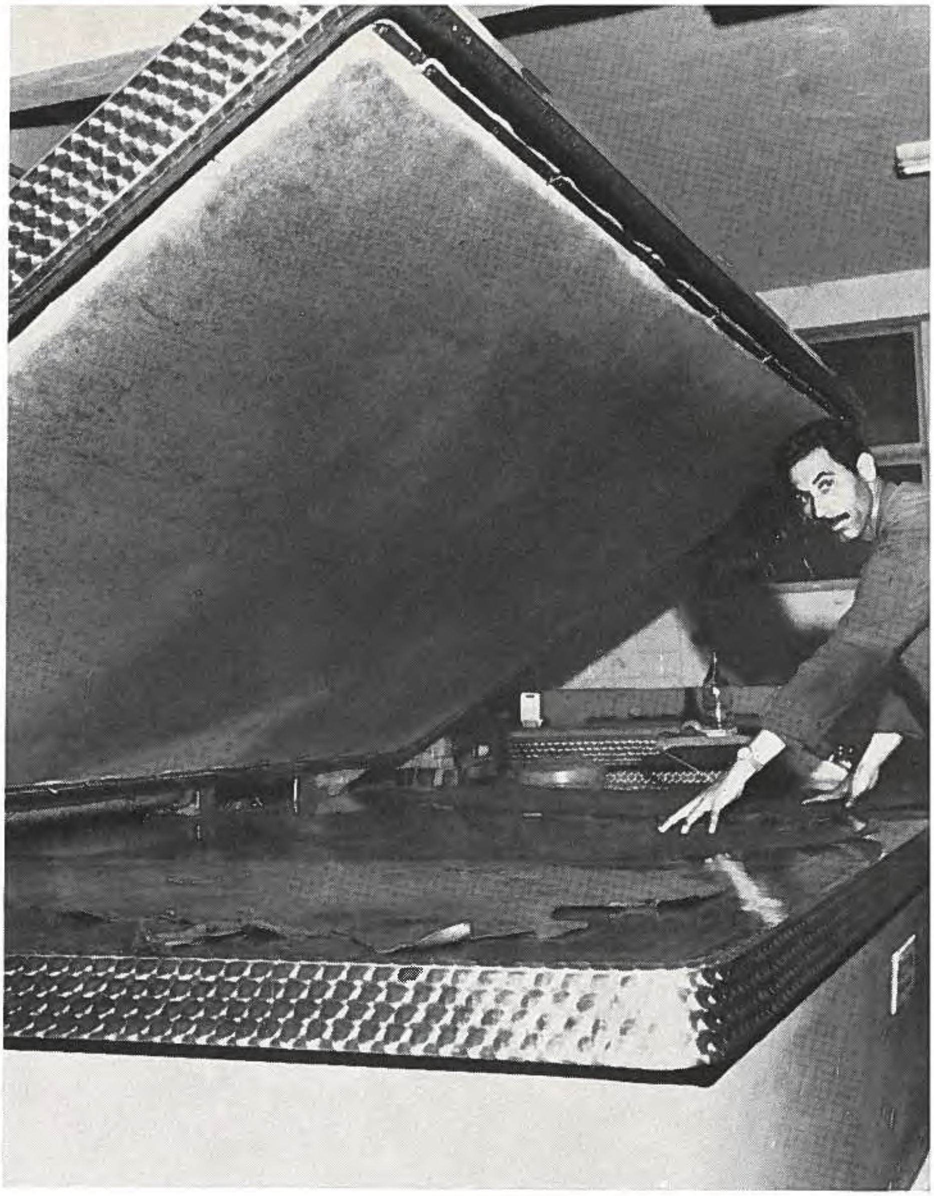
The principal city is Algiers. With a population of 1.2 million, it is the capital, the leading port, and a major industrial center. Although some say that the city has gone downhill since its French colonial days, it still has a prosperous air, with good restaurants, modern transportation equipment, and well-stocked shops. The second city is Oran (population 350,000), a major port and industrial center to the west of Algiers on the Mediterranean coast. The inland city of Constantine (population 250,000) continues to be a major administrative and communications center.

Before You Come—Before departing from Canada, a businessman should ensure that he obtains a visa from the Algerian Embassy in Ottawa. These visas are essential and should be applied for well in advance of the planned departure date. Health regulations require an international certificate of smallpox vaccination, and if you come by way of an Asian country, inoculation against cholera may also be demanded.

Hotel accommodation is difficult to obtain in Algiers and you should make reservations by mail, well in advance. We suggest that you yourself write directly to the hotel to ensure that your reservations are made and protected. Western businessmen tend to prefer either the Hotel Aletti, which is centrally located on the waterfront in downtown Algiers, or the Hotel St-Georges, with a more traditional atmosphere and located in a picturesque Algiers suburb. Although the Aletti is noisier and perhaps does not have the charm of the older St-Georges, it is generally more convenient for business calls and has the added advantage of being close to a number of good restaurants. If, as often happens, both the St-Georges and Aletti are full, there are a number of acceptable alternatives in the immediate vicinity of the Aletti. These include the Hotel Francois 1er, Hotel d'Angleterre, Hotel de Genève, and the Hotel d'Oasis. A single with bath in the better hotels is 90 to 100 dinars* per night.

Getting There—For businessmen going directly to Algeria from Canada, Paris is the logical transfer point for connecting flights. Both Air Algérie and Air France operate Boeing 727 aircraft on this run, and a visitor can choose from several flights daily. Several flights weekly are also available to Rome, Casablanca and Tunis for visitors arriving from or departing for points other than Europe. The one-way economy fare from Paris to Algiers is U.S. $82.10. Air Algérie also operates an internal service providing frequent flights to the major Algerian centers. Services to the secondary airports and aircraft charter flights are provided by the Société de Travail Aérien.

The Société Nationale des Chemins de Fer Algériens also provides both freight and passenger services and so do a number of state corporations involved in the operation of bus and trucking firms. Algeria has a railroad system totalling almost 3,000 miles and linking the major centers of Algiers, Oran, Bougie, Skikda, Annaba and Constantine. There are also special services to many of the country's mineral exploitation fields.



La Société Nationale des Cuirs et Peaux has a tannery at Djidjelli (one of the two in Algeria), where this worker is inserting skins in a leather press. This plant produces both upper and sole leather. Hides and skins are included among Algerian exports.

On Arrival—Visitors to Algeria usually arrive by air at Dar el Beida airport (formerly Maison Blanche), 12.5 miles from the center of Algiers. Air Algérie operates an airline coach service between this airport and its central offices next to the Hotel Aletti, on a regular schedule during the main aircraft operating periods. The charge for this service is five dinars. Should you prefer to take a taxi, the day rate will be 30 francs per person one way; this increases to 40 francs per person at night.

You are strongly advised to take advantage of the exchange facilities provided at the airport to obtain Algerian currency. Only the Banque Nationale d'Algérie can convert cash or traveller's cheques into Algerian dinars. Visitors are warned that they will be unable to change any money at their hotels and should obtain enough to pay their taxi fare, tips and other immediate needs. On arrival, each visitor will be given a currency exchange form on which he must declare all funds and traveller's cheques that he is bringing into the country. All exchange transactions will be entered on this form. In addition, the visitor will be given a form on which to record each individual transaction that he undertakes. Both the over-all currency exchange form and the individual transaction slips should be

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*There are 4.87 dinars to the Canadian dollar.

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Business Guide to Algeria

State Corporations

OAIC (Office algérien interprofessionnel des céréales)
7, rue Meissonier
Alger, Algérie
Tel: 66.38.14

Monopoly on the importing, exporting, and domestic marketing of wheat, barley, corn, rice and related commodities.

CNAN (Compagnie nationale algérienne de navigation)
2, Quai d'Ajaccio
Alger

State shipping corporation.

SNIAC (Société nationale des industries algériennes de la chaussure)
21, boul. Zirout Youcef
Alger
Tel: 63.72.88; telex: 91.046

Production of shoes.

SNCG (Société nationale des corps gras)
55, rue Ben M'Hidi Larbi
Alger
Tel: 63.30.85; telex: 91.739

Monopoly on the importing and marketing of fats and oils.

SNIC (Société nationale des industries chimiques)
4, boul. Mohammed V
Alger
Tel: 64.07.73; telex: 91.820

Monopoly on the production of chemical products, and in particular detergents, paints and varnishes.

SNMC (Société nationale des matériaux de construction)
17, rue Hamani
Alger
Tel: 63.97.65

Monopoly on the production of construction materials, including cement, bricks, and concrete forms.

SONATRAM (Société nationale de travaux maritimes)
135, rue Didouche Mourad
Alger

Recently formed corporation for the management of Algerian ports.

SN METAL (Société nationale de constructions métalliques)
4, boul. Mohammed V
Alger
Tel: 63.70.82

All aspects of the metalworking industry.

SNS (Société nationale de sidérurgie)
2, rue de Chenoua
Hydra-Alger
Tel: 60.15.44; telex: 91.819

Production of reinforcing rod, tubes and pipes, and cans.

SONACOME (Société nationale de constructions mécaniques)
18, ave. Claude Debussy
Alger
Tel: 66.39.94; telex: 91.800

All aspects of importing, manufacturing and marketing of mechanical equipment, including cars, trucks, agricultural machinery, machine tools, motorcycles, pumps, and industrial vehicles.

SONAREM (Société nationale de recherche et d'exploitation miniéres)
127, boul. Salah Bouakouir
Alger
Tel: 63.15.55; telex: 91.910

All aspects of the mining industry, including exploration, development, production and marketing.

SONATRACH (Société nationale pour la recherche, la production, le transport, la transformation et la commercialisation des hydrocarbures)
Immeuble Mauretanie
Boul. Colonel Amirouche
Alger
Tel: 64.76.80; telex: 91.790

All aspects of the petroleum industry, including exploration, research, production, transportation, refining and marketing.

SONIC (Société nationale des industries de la cellulose)
15, rue Hammani
Alger
Tel: 63.74.20; telex: 91.933

SNERI (Société national d'études de gestion, de réalisations et d'exploitation industrielles)
50, rue Khelifa Boukhalfa
Alger
Tel: 65.87.04; telex: 91.883

This organization acts as a consulting body to the other Algerian national corporations.

SNED (Société nationale d'édition et de diffusion)
3, boul. Zirout Youcef
Alger
Tel: 60.97.12

Controlling body for most Algerian publications and controlling agency for all paper imports.

GAIRLAC (Groupement d'achat d'importation et de répartition des laits de conserves)
7, Chemin des Glycines
Alger
Tel: 60.33.72

Responsibility for all imports of processed milk

OFALAC (Office algérien d'action commerciale)
40-42, rue Ben M'Hidi Larbi
Alger
Tel: 63.99.31

Agency responsible for the promotion of Algerian exports.

SONACOB (Société nationale de commercialisation de bois)
2, boulevard Mohammed V
Alger

Agency responsible for all imports of timber and wood products, such as plywood, particle board, etc.

SNCFA (Société national des chemins de fers algériens)
Boul. Mohammed V
Alger

Operation of the Algerian railway system.

ONAB (Office national des aliments du bétail)
25, boul. Zirout Youcef
Alger

Importing of feeds for the poultry and livestock industry, plus an increasing role in the actual production of poultry and meat products.

SONAGAZ (Société nationale de l'électricité et du gaz)
2, boul. Salah Bouakouir
Alger

Provision of gas and electricity.

SNNGA (Société nationale des galeries algériennes)
B.P. 150
Alger

Operates wholesale and retail chain and is responsible for the import of all consumer goods.

Government Departments

Ministère des affaires étrangéres
6, rue Claude-Bernard
Le Golf-Alger, Algérie
Tel: 60.47.43

Ministère de la défense nationale
Le Golf-Alger
Tel: 63.03.60

Ministère de l'agriculture
12, boul. Colonel Amirouche
Alger
Tel: 66.89.50

Ministère des postes et télécommunications
Rue des Sept-Merveilles
Alger
Tel: 63.70.30

Ministère des travaux publics
135, rue Didouche Mourad
Alger
Tel: 60.59.51

Ministère de l'éducation nationale
8, rue de Pékin
Le Golf-Alger
Tel: 60.56.90

Ministère de l'information
119, rue Didouche Mourad
Alger
Tel: 60.01.82

Ministère d'état chargé des transports
18, rue Beauséjour
Alger
Tel: 65.95.72

Ministère de la santé publique
52, boul. Mohammed V
Alger
Tel: 63.64.66

Ministère de l'industrie et de l'énergie
Le Colisée
Rue Ahmed-Bey de Constantine
Alger
Tel: 60.04.80

Ministère du tourisme
42, rue Khelifa Boukhalfa
Alger
Tel: 65.08.26

Other Useful Addresses

Hôtel Aletti
14, boul. Zirout Youcef
Alger, Algérie
Tel: 63.50.40

Hôtel St-Georges
24, ave. Souidani-Boudjema
Alger
Tel: 60.23.03

Agence de tourisme algérien
2, Place Ben Badis
Alger
Tel: 62.26.00

Air Algérie
1, Place Maurice Audim
Alger
Tel: 63.07.06

Air France
Immeuble Mauretanie
L'Agha-Alger
Tel: 64.87.86

Wagons-lits Cook
61, rue Ben M'Hidi Larbi
Alger
Tel: 63.20.12

Chambre de commerce et d'industrie d'Alger
6-8, boul. Anatole France
Alger
Tel: 62.70.44

Banque extérieure d'Algérie
6, boul. de Che Guevara
Alger

Banque nationale d'Algérie
8, boul. de Che Guevara
Alger

A Canadian businessman took this picture very early on a Sunday morning, close to the Hotel Aletti, where he was staying. It shows a promenade in Algiers, capital of the country and a city of more than one million people, situated on the narrow coastal plain that runs beside the Mediterranean coastline of the country.

retained and submitted to the currency control officials again on departure.

Algerian hotels can and will accept traveller's cheques (in payment of hotel accounts only), but international credit cards are not widely recognized or used and you should not depend on them for payment of bills.

Most visitors have to rely heavily on their hotel's switchboard for obtaining the addresses and telephone numbers of their contacts. In general, maps, telephone directories, and other printed information for your guidance are difficult to obtain in Algeria.

Making Business Contacts—The normal hours of work are from 8:00 a.m. until noon and from 3:00 to 6:00 p.m. This is subject to modification during the particularly hot periods of the summer and during the Moslem period of Ramadan. If possible, you should avoid making a business visit during Ramadan, which in 1971 will begin about October 20 and end on November 18. Since independence, many European holidays are no longer observed and foreign organizations operating in Algeria tend to follow local practice.

It is strongly recommended that visitors be fluent in French, as this is the working language of the great bulk of civil servants and executives of the state corporations. Virtually all imports and exports are now in the hands of the large number of state companies, with responsibility for particular product sectors. These corporations prefer to deal directly with their suppliers and normally will not conduct business through agents or distributors. They consider that after-sales service is not a major problem because they purchase in such large quantities that they undertake to provide this support themselves, or to call directly on factory personnel for special help when it is needed. As a result, the role of agents in Algeria is rapidly becoming less important.

Canadian businessmen should find making business contacts in Algeria both pleasant and rewarding. The Algerians are justifiably proud of their accomplishments since independence, and their dynamism may well make Algeria the leader of the Arab world, perhaps within a decade. Nevertheless, the demand for trained technical and administrative personnel in this rapidly developing country is very great, and the most efficient officers are normally saddled with an extremely heavy workload. It is thus likely that on many occasions your invitations to extend hospitality will be declined. When you do have the opportunity to entertain, remember that social conduct will be to some extent determined by the Moslem religion and that many Algerians will not drink alcoholic beverages. Official Algerian law prohibits the consumption of alcohol, but some Algerians do drink publicly, but always discreetly. In general, Algerian businessmen will not bring their wives to social functions and do not normally entertain in their homes, preferring to use restaurants and hotels.

Tipping in Algeria follows the general practice in Europe. Taxi-drivers expect a tip of 10 per cent of the fare and airport porters should receive 1 dinar 50 per piece of luggage. Remember that if you attend the cinema, the usherette expects a tip of 50 centimes for showing you to your seat. The service charge of 15 per cent is generally included in both hotel dining-rooms and restaurants, and if the diner leaves something extra, it is regarded as a bonus for exceptionally good service.

Taxis are reasonable and generally provide good service. The charge is 45 centimes per kilometer, with an initial charge of 1.10 dinars and with a 3-dinar minimum. During the evening hours from 8:00 o'clock on, a 50 per cent surcharge is levied. Drivers also add 30 centimes for each suitcase carried and 50 centimes for any particularly large object, such as a heavy suitcase or trunk.

Dining Out—Dining in Algiers is normally very pleasant. A leisurely meal is actually one of the more rewarding ways to fill the hours after eight in a city that offers little alternative evening entertainment.

Many of the better cafés and restaurants are located in the central part of the city close to the Aletti Hotel. Immediately opposite the hotel are the Café Anglais and the Café Le Berry, both of which offer good fixed price or à la carte menus at lunch and dinner. Fixed-price menus generally cost between 13 and 15 dinars and a further 50 per cent should be added for the good Algerian wine and coffee. Mineral waters are available in all restaurants and hotel dining rooms.

Laying an oil pipeline across the Algerian terrain is often a difficult business. The country now has four pipelines, one just recently finished, that take the crude oil to refineries within the country or to ports for export abroad.

Seafood is good, plentiful, and relatively inexpensive. Two of the favorite restaurants for this are Sinbad and Le Pêcherie, both of which are located close to the Place des Martyrs. For typically Algerian food, there is the El Baçour at 1, rue Patrice Lumumba. It offers a varied menu, including such North African specialties as a delicious pigeon pie in crisp pastry and topped with generous amounts of cinnamon sugar, chicken or lamb couscous, a variety of Algerian pastries, and giant trays of stems loaded with rich and flavorful Sahara dates. The dining-rooms in the Aletti and the St-Georges also offer fine food but at somewhat higher prices than the cafés in other areas of the city. Continental breakfast is available in the hotels for six dinars; breakfast "English style" is considerably more expensive.

When You Leave—On departure, remember that you must have your completed currency form and individual transaction slips to present to the currency control officials. You will be required to pay a 10-dinar airport tax and any excess Algerian currency can be converted, provided that you possess the forms mentioned above. We recommend, however, that to avoid possible complications on the changing of money at the airport, you calculate your required dinar expenditure carefully, and convert only the amount of money that you actually require to meet your needs.

The services that Canadian businessmen travelling in Algeria receive improved substantially with the recent opening of a Canadian Embassy in Algiers. An officer of the Trade Commissioner Service is expected to be there early in September to answer inquiries from Canadian businessmen about the market in Algeria and to assist them in planning and carrying out a business visit.

Belgium Adopts Value-Added Tax

The VAT became effective in Belgium on January 1, 1971, following EEC directives. In this article, our Brussels office explains the tax in detail, how it will be levied, and how it will be paid on imported goods.

L. A. CAMPEAU, Commercial Counsellor, Brussels

The Taxe sur la Valeur Ajoutée, or Value-Added Tax (VAT), was adopted in Belgium on January 1st of this year. The Enabling Act, dated July 3, 1969, was based on instructions and directives issued by the EEC Council of Ministers in 1967; Member States were required to introduce the VAT by January 1, 1970. Belgium and Italy were subsequently granted extensions. The EEC directives are binding for the Member States in respect of results to be obtained, but within the limits of the provisions and directives, each country was given a certain latitude in the form of application, rates, and exemptions during the transition period.

In Belgium the VAT has replaced the system of transaction (or "waterfall") taxes, characterized by their cumulative effect. It was virtually impossible to assess accurately the incidence of tax on the final consumer price of goods and services because at every stage in the economic process, tax was levied on tax-paid value in the preceding transaction. Thus the burden of tax varied with the number of transactions involved in marketing a product and therefore favored large integrated companies at the expense of smaller specialized firms. The tax was neither transparent nor economically neutral and, because of its complexity, the system was open to abuse.

The principle of the Value-Added Tax is the application to goods and services of a general tax on consumption exactly proportional to their cost, regardless of the number of transactions that take place during the process of production and distribution before delivery to the final consumer. The taxpayer—that is, each industrialist, trader or supplier of services—proceeds seemingly in the same way as under the preceding tax system. For each delivery of goods or services he debits his clients with the amount of VAT calculated on the delivered price at the rate applicable to the product or service. But before paying this sum to the Treasury, he deducts from the amount of VAT he has collected from his clients the total amount of taxes his suppliers have charged him for goods and services. The balance only is due to the Treasury—value added. The principle of deductibility means that at each transaction the tax levied on his expenditure, including overhead expenses, is refunded to the taxpayer. The result is that VAT, applied at a given stage in the economic cycle, is always deducted at the following stage, so that finally only the VAT levied on delivery to the consumer is totally paid to the Treasury. Because of this mechanism, known as deduction of tax on tax, the VAT has all the effects of a single tax on the final consumer, collected for the Treasury by manufacturers and distributors during the process of producing and marketing the goods or services. VAT is a tax that corresponds perfectly to the modern concept of indirect taxation—that is, equality and clarity. In other terms, the VAT is "neutral" and "transparent".

Because the VAT is a neutral tax, it does not follow that it has no economic effects. But the repercussions of the tax on economic conditions do not in any way affect conditions of competition. It is levied on all products and services, and each is taxed only once and on the basis of the final consumer price. VAT, because of its neutrality, permits the production and commercialization sectors a more liberal expansion, based on the sole requirement of productivity. In fact, because of the mechanism of deductions—the keystone of the system—the tax is levied on the final price in an equal amount, no matter how long the economic circuit or the number of transactions involved. Therefore, all enterprises are on a strictly equal footing, regardless of their structure or importance. Consequently the competitive position of small- and medium-sized enterprises, penalized under the previous system, is improved.

The tax is recoverable by means of offsetting and, if necessary, by repayment. Further, it does not contravene the rules of GATT, because the tax refund cannot be described as an export subsidy. Export trade will be further stimulated by exempting from VAT the activities relating to this trade—transportation and port activities; transit, customs and warehouse services; handling of goods and brokerage fees. In Belgium, where 40 per cent of industrial output is exported, this tax reform has considerable importance for export trade. Belgium exports to its EEC partners 70 per cent of total BLEU exports and 28 per cent of its industrial production. Moreover, the Belgian VAT legislation allows for partial tax exemption on domestic and foreign purchases where the taxpayer is involved in substantial export sales, either as a trader or manufacturer. This exemption is geared to the ratio of export sales to total sales transacted during the preceding year. The exemption may be 50, 75 or 90 per cent. The exemption of exports from taxation conforms to the principle laid down by GATT and the Treaty of Rome, whereby indirect taxes are to be levied in the country of consumption.

Goods bought in this shopping center at Woluwé, in the province of Brabant, Belgium, are now subject to the value-added tax. But each product or service is taxed only once, on the basis of its final consumer price. All enterprises are on an equal footing, regardless of their size or structure.

The abrupt transition from the former transmission tax system to the VAT has involved acute social, economic and budgetary problems. A transition period from one to four years has been deemed necessary to soften certain effects of the reform, and avoid serious economic disturbance. The Belgian Government considered this transition period imperative because the tax reform involved the manipulation of fiscal receipts to the extent of 7.5 per cent of the GNP, the transfer of the fiscal charge to the consumer level, and the refund to firms of approximately Cdn.$507 million of transmission taxes incorporated in existing stocks of goods, for which firms have always borne the prefinancing charge.

Without a certain spreading out, these different moves would have provoked either considerable price increases or an important budgetary deficit. For this reason, deductibility of VAT levied on exports will be only partial in 1971, to avoid undue stimulation of exports and consequent unfavorable repercussions on domestic prices. It is certain that the expansion of national revenue in Belgium is largely determined by the rise in exports, and it is thus evident that this expansion cannot be achieved at the cost of a lack of balance on the domestic market. Had the transmission tax been maintained in 1971, exports would have yielded Cdn.$183 million in taxation. It was not considered judicious to stimulate exports of this amount if, on the other hand, costs increased as a result of steep rises in internal prices, thus taking from the exporter the intrinsic advantage which VAT would have given. Until December 31, 1971, a special tax of 1.75 per cent is levied on exports. Provision is made, however, for exceptions; certain categories of goods are taxed at 0.30 per cent only, or at 0.50 per cent. It is estimated that this export tax will yield Treasury half the previous levy. The difference has allowed the Government to soften the impact on prices further by reducing considerably the charge which would have fallen on internal consumption.

Although exemption from tax of exports and new investments is an essential feature of the new system, to avoid double taxation the value-added tax on new investment purchases may not be deducted in its entirety until 1975. Reduction of taxation is progressive during the transition period. Under the previous system these goods supported, in general, cumulative taxes to the extent of 13 to 18 per cent. Had this charge disappeared entirely in 1971, it was feared that investors would have been tempted to delay their purchases of investment goods. This measure was therefore designed to avoid the adverse consequences of a possible halt in 1970, followed by an investment boom in 1971. However, the international and national cyclical trends have driven this aspect into the background; a steep increase in investment in 1971 seems unlikely in any case, because of the prospect of generally slower economic growth in Western Europe.

The most complex and the most important measure involved in the switchover to VAT was the method of deducting transmission taxes from the value of existing stocks, to avoid double taxation and price increases. The Treasury resorted to arbitrary methods based on the nature of the goods and the status of the taxpayer and on whether the stocks were purchased or produced. Rates for deduction varied according to the Customs tariff classification, because one of the yardsticks for estimates was the rate of tax on import and the amount of rebate on export. To prevent too large a drain on the Treasury and to discourage stockpiling in anticipation of increased prices, the refund of previous taxes is to be spread over twelve quarterly payments, the first one to be made in 1972. In the end, the whole operation was so complex that most traders attempted to liquidate their stocks during the latter part of 1970.

The first VAT Bill provided for four rates of taxation—6, 15, 20 and 25 per cent—the highest (together with France) in the Community. Due account had to be taken of the budgetary aspects of the tax, since indirect taxes represent one-third of the Budget and direct taxation is relatively low. However, following intense and continuing pressure from the consumer organizations, the Federation of Belgian Industries, the trade unions and the Opposition, the Minister of Finance decided to ease the passage of the VAT during the first year of application by reducing the standard rate from 20 to 18 per cent and by lowering the intermediate rate from 15 to 14 per cent. Further, a large number of essential goods and services were reclassified into the category taxed at the lowest rate of 6 per cent. The increased rate of 25 per cent applies, in principle, to goods which were previously liable to luxury tax, including passenger cars, yachts, furs, jewellery, radio and television sets, photographic equipment, etc. The lowest rate of 6 per cent applies to essential goods and services—foodstuffs, live animals, cereals, raw tobacco, ores, basic lumber, pharmaceuticals, gas, coal (provisionally), printed matter, detergents, agriculture, transport, hotels, restaurants and cafes, hairdressing and similar services, entertainment, etc. The intermediate rate of 14 per cent is levied mainly on fuels and power (except gas and coal), textile products, footwear, parking facilities, telecommunications, building and construction work. The standard rate of 18 per cent is applicable to the majority of commodities during 1971. Among the items exempt from VAT are: medical attention, rents from real estate, credit and deposits, education, and the services of notaries-public, lawyers and process servers.

VAT is due on all imports of goods and services made by a taxable or non-taxable person and is due on each transaction individually and not on a number of transactions over a certain period. It is paid by affixing stamps to the purchase invoice. The rate and basis for the VAT on imports are the same as for transactions within Belgium—an essential feature of the EEC directives. The taxable price should include the cost of normal packing, transport and insurance expenses, all commissions, taxes and customs duties, and any work which the buyer has had performed on the goods before their import. The previous system of import surcharges is abolished. Imports of goods declared in transit, or for warehouse storage, and imports made on a temporary basis before re-export, are tax-free.

VAT is extremely complex and expensive to levy, requiring a large number of highly skilled tax officials and accurate and complicated accounting and control procedures. Because many small retailers, traders and farmers in Belgium keep rudimentary or no accounts, special simplified systems have been worked out for these sectors that reduce bookkeeping and tax declarations to the minimum. Agriculturalists may opt for the normal system. In any event these are temporary solutions and will be abandoned progressively before the end of the transition period.

Selling to the Fast Foods Industry

Many factors have contributed to the growth of the fast foods industry in the United States—such as suburban living; the rapid growth of big cities; distances between homes, businesses, and recreation areas, and the greater number of working wives. Progress in food processing and technology has also played a part. So have new concepts in food service, such as microwave and infrared ovens, heating tunnels, automatic product feeders and assemblers, and newly developed deep fryers. New freezing techniques, temperature-controlled cabinets, heatshrinkable covers, and insulated aluminum foil trays have also helped.

This progress, and the growth in demand, means that foodstuffs, whether fish or fowl, meat or potatoes, fruit or vegetables, move in large quantities within the fast foods industry. Fast foods units require food, equipment, service, supplies and management. In each of these areas, there is opportunity for Canadians. Food, including candy, is the most obvious. But equipment (including ovens, fryers, slicers, and permanent fixtures) and service items (soaps, detergents, paper goods and plastics, china and glassware) also have excellent potential. Purchases of paper and plastic accessories run to millions of dollars, and Canadian suppliers should investigate these possibilities.

Some Canadian companies already share in this market. One packing house, for instance, supplies 50,000 pounds of whole beef per week to a leading food chain in Michigan. Another supplier is selling frozen french fried potatoes in truckload quantities. Buyers in the industry are always open to ideas about how to obtain better raw materials. Pasta products from Canada, for instance, are said by many to be superior to those made in the United States. Canadian fish, either fresh or salt water, is considered the finest. Fruit, meat and bakery products are in demand. The words "Product of Canada" on foodstuffs implies quality and acceptance in this market.

A recent article in *Frozen Food Age* contains sound advice for those who want to sell to fast foods operators. One is the need for standardization in processing and packaging of institutional (hence fast) foods supplies. Suppliers should provide complete written instructions for distributors, including percentage discounts, grades of meat or fish used, shipping requirements, etc. The percentage of each ingredient used, number of portions, and weights per package of each on portioned items should be supplied. Labels should include explicit directions for handling and serving, and instructions for reconstituting.

The Consulate at Detroit will be glad to help any Canadian firm that has either foods or equipment to sell to this industry. We can supply information and buying leads. Why not call us at 313-965-2811? That call may bring you new customers.

P. J. WRIGHT
Commercial Officer, Detroit

Canada Sends a Mission to China

The first Canadian mission ever to visit the People's Republic of China was headed by the Minister of Industry, Trade and Commerce and consisted of eleven representatives of industry and twelve of government.

A two-and-a-half hour meeting with Premier Chou En-Lai climaxed the six days that a Canadian Government Economic Mission, under the leadership of the Honourable Jean-Luc Pepin, Minister of Industry, Trade and Commerce, spent in the People's Republic of China. Between the arrival of the mission in Peking on June 29 and its departure from Canton on July 4, its 23 members held no less than 25 meetings with Chinese Ministers, with the seven state trading corporations, and with officials of the various economic Ministries. In fact, less than an hour after they reached the Chinese capital, mission members were hard at work. They kept up this pace until they departed for Hong Kong and home on July 4.

The members of the mission had been carefully selected. The eleven businessmen were chosen to represent the main Canadian fields of economic interest—agriculture, forestry, pulp and paper, mining, manufacturing, chemicals, commerce, banking, engineering, exporting and importing—and were drawn chiefly from the national associations active in each sphere. In addition to Industry, Trade and Commerce, four other government departments were represented, three of them by their Deputy Ministers. The Senate and the House of Commons each sent a delegate, and eleven members of the press accompanied the mission.

From the time that it landed at the airport at Peking to be greeted by the Minister of Foreign Trade, Pai Hsiang-Kuo, the mission followed a minutely organized program. The plan was that the industry members and officials from government departments with responsibilities in certain areas should meet with senior officers of the state trading corporation that most closely coincided with their interests. Senator McNamara and C. G. Munro, President of the Canadian Federation of Agriculture, for example, held discussions with the China National Cereals, Oils and Foodstuffs Import and Export Corporation. Similarly, F. F. Todd, President of the Mining Association of Canada, and J. Austin, Deputy Minister of Energy, Mines and Resources, talked with the National Metals and Minerals Import and Export Corporation and with the Vice Minister of Foreign Trade. They reported afterwards that there seemed to be excellent prospects for a two-way trade in metals and minerals, with Canada supplying a range of these products and China selling to us tin, tungsten, wolfram and antimony.

Mr. Austin also accompanied E. R. Rowzee, of the Canadian Chemical Producers' Association, to discussions with the Vice Minister of Fuels and Chemicals and with senior officials of the National Chemicals Import and Export Corporation. This was followed by another meeting between Mr. Rowzee and the corporation and by a talk with the Vice Minister of Light Industry. Meanwhile one of Mr. Rowzee's colleagues, Rene Leclerc, a past president of the Canadian Bankers' Association, was talking with officers of the People's Bank of China. Gerard Filion, President of the Canadian Manufacturers' Association, N. V. German, Vice President of the Canadian Chamber of Commerce, and E. C. Hill, Vice Chairman of the Canadian Export Association, called on the National Machinery Import and Export Corporation.

Throughout these and other discussions, mission members reported, there was considerable emphasis on two-way trade—on the opportunities for selling Chinese goods in Canada as well as marketing Canadian products in China. The Chinese recognized, however, that in this exchange there were certain sensitive areas, particularly textiles, and indicated that they had no wish to disrupt Canadian industry. Each side stressed that two-way trade could work to the mutual advantage of the peoples of both countries.

While businessmen were talking with the state trading corporations, the Minister of Industry, Trade and Commerce and some government officials were meeting with their opposite numbers in the Chinese Government, particularly the Ministers and Vice Ministers of Foreign Trade, Agriculture and Forestry, Light Industry, and Fuel and Chemical Industry.

Not all the meetings between the Canadians and their Chinese hosts were formal ones. At the end of the mission's first day in Peking, the Minister of Foreign Trade, Pai Hsiang-Kuo, entertained at dinner. At another time, the members were received by the Vice Premier of the People's Republic of China and were also his guests at dinner. (One member reports that his dexterity with chopsticks increased rapidly.)

The Canadians also did some entertaining. Mr. Pepin played host at a luncheon given at the Summer Palace and on Canada Day, July 1, the Canadian Ambassador, Ralph Collins, gave a reception at the Embassy residence. The Deputy Ministers of the various Departments also entertained at informal dinners.

An interesting departure from the strenuous schedule was a visit that Mr. Pepin and the mission members paid to Ching Hua University in Peking.

As a former university professor, the Minister enjoyed talking with university officials and with members of the various faculties.

The only real break from the day-long round of meetings and conferences came on July 1, when the mission was taken on a tour that included a walk along part of the Great Wall of China and visits to other famous attractions, such as the Ming Tombs, the Forbidden City, the Imperial Palace, and other points of interest.

When the four busy days in Peking ended, the mission flew to Canton. There the members had the opportunity of touring an agricultural commune, devoted mainly to the growing of rice and other grains, which has a population of 62,000. They saw something of the workings of the commune, including a small factory turning out bricks for communal use, the processing and packing of grains, and the arrangements made for the care of children. That evening the Revolutionary Committee of Canton entertained them at dinner.

On their return to Canada, all members of the mission stressed the friendly reception that they had received everywhere, and the intense interest they felt in their long audience with Premier Chou En-Lai, at which all members, including the press, were present.

At the conclusion of the mission, the following communique was released:

"Following the establishment of diplomatic relations between China and Canada on October 13, 1970, and for the purpose of promoting Chinese-Canadian relations in all spheres, a Canadian Government Economic Mission led by the Canadian Minister of Industry, Trade and Commerce, the Honourable Jean-Luc Pepin, paid a visit to the People's Republic of China from June 28 to July 4, 1971, at the invitation of Pai Hsiang-Kuo, Minister of Foreign Trade of the People's Republic of China.

"Represented on the mission were the Canadian Departments of Industry, Trade and Commerce; Agriculture; National Revenue; Energy, Mines and Resources; and External Affairs. Parliamentary representatives were the Honourable William Craig McNamara, Senator, and Ray Perrault, M.P. Canadian trade and economic associations were also represented. These included the national associations concerned with agriculture, forestry, pulp and paper, mining, manufacturing, chemical industry, commerce, banking, engineering, exporting and importing.

"This was the first Canadian Government delegation to visit the People's Republic of China. During the visit, Premier Chou En-Lai and Vice Premier Li Hsien-Nien of the State Council of the People's Republic of China met the mission on separate occasions

Members of the Mission

The Honourable Jean-Luc Pepin, Minister of Industry, Trade and Commerce

Industry

T. J. Bell
Canadian Pulp and Paper Association

G. C. L. Draeseke
President
Council of the Forest Industries of British Columbia

Gerard Filion
President
Canadian Manufacturers' Association

N. V. German
Vice-President
The Canadian Chamber of Commerce

J. L. Gervais
President
Canadian Importers' Association

E. C. Hill
Vice-Chairman
Canadian Export Association

E. G. Jorgensen
Vice-President, Director, Member of the Executive Committee
Association of Consulting Engineers of Canada

René Leclerc
Immediate Past-President
Canadian Bankers' Association

C. G. Munro
President
Canadian Federation of Agriculture

E. R. Rowzee
Canadian Chemical Producers' Association

F. F. Todd
President, Director
Mining Association of Canada

Government

Senator the Hon. W. C. McNamara

R. J. Perrault
Parliamentary Secretary to the Minister of Labour

J. H. Warren
Deputy Minister
Department of Industry, Trade and Commerce

R. C. Labarge
Deputy Minister
Department of National Revenue

S. B. Williams
Deputy Minister
Department of Agriculture

J. Austin
Deputy Minister
Department of Energy, Mines and Resources

F. R. Petrie
Director, Pacific, Asia and Africa Affairs Branch
Department of Industry, Trade and Commerce

J. Wilder
East Asia Division
Department of External Affairs

C. R. D. Kelly
Executive Assistant to the Hon. Jean-Luc Pepin

R. W. Burchill
Regional Co-ordinator, Asia and Oceania
Trade Commissioner Service
Department of Industry, Trade and Commerce

K. V. D. Gardner
Publicity Branch, Department of Industry, Trade and Commerce

93293—3

After being received by Premier Chou En-Lai in the Great Hall of the People in Peking, the mission members posed for this photograph. The front row includes Deputy Minister J. H. Warren (fourth from left); Senator W. C. McNamara; Madam Pai Hsiang-Kuo; Madam Pepin; Pai Hsiang-Kuo, Minister of Foreign Trade; the Honourable Jean-Luc Pepin; Premier Chou En-Lai; the Canadian Ambassador, Ralph Collins; Acting Foreign Minister Chi P'Eng-Fi; Madam Collins, and Ray Perrault, M.P.

(Left) Following a visit to the Imperial Palace, Monsieur and Madame Pepin (third and fourth from left) and Mr. Warren pose with their host and hostess, the Minister of Foreign Trade, Pai Hsiang-Kuo, and his wife. (Above) To the accompaniment of cups of tea, the Honourable Jean-Luc Pepin, with Madame Pepin, are deep in conversation with Chou En-Lai. In the background is the Premier's secretary. The audience lasted over two-and-a-half hours and the Premier and the Canadian Minister discussed a wide range of subjects of mutual interest. (Right) Some of the workers at the agricultural commune near Canton which the mission visited give its members a friendly greeting. They have just been given maple leaf pins by E. C. Hill (left), vice-chairman of the Canadian Export Association.

and had friendly talks with them. The mission held friendly and constructive talks with the Ministers of Foreign Trade, Agriculture and Forestry, and Light Industry, and with the Vice-Ministers of Metallurgical Industry, and Fuel and Chemical Industry. Mission members also held detailed consultations with leading members of the People's Bank of China, the China Council for the Promotion of International Trade, and the National Import and Export Corporations.

"Although Canada and the People's Republic of China are separated by a vast ocean, there exists a traditional friendship between the two peoples. The two countries have enjoyed important and friendly relations in the field of trade for many years.

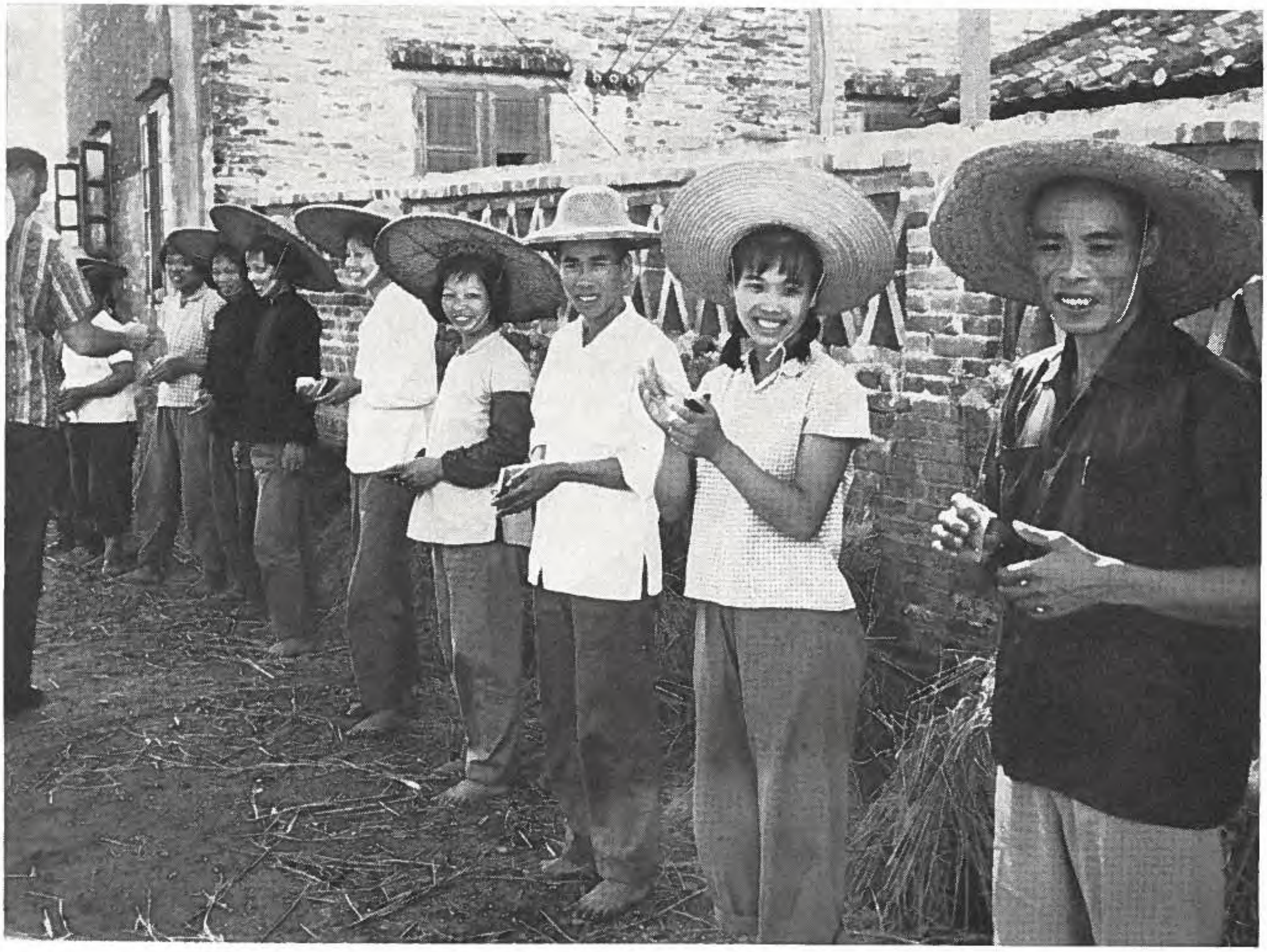
"The two sides agreed that with the establishment of diplomatic relations, trade, economic and other relationships would be expanded. Both countries shared the desire to build the above mentioned relationships on the foundation already established, recognizing that the further strengthening of trade and economic relations is an essential part of the development of Sino-Canadian relations as a whole. The two sides noted with satisfaction the many years of mutually beneficial trade in wheat between Canada and China. In accordance with Canada's wishes, China would continue to consider Canada first as a source of wheat as import needs arose.

"Minister Pepin invited Minister Pai Hsiang-Kuo to visit Canada with a Government trade delegation of the People's Republic of China. Minister Pai Hsiang-Kuo accepted the invitation with pleasure. The two sides look forward to more frequent exchanges of missions in specific fields such as metals and minerals, agricultural products, chemicals, machinery and equipment, and power production.

"In order to expand two-way trade, the two sides agreed that trade exhibitions would be held in each other's country in the near future. The two sides agreed that there should be periodic consultations between the two countries on the development of trade and economic relations.

"The friendly visit of the Canadian Government Economic Mission to China made positive contributions to the promotion of friendship between the peoples of China and Canada and the development of trade relations between the two countries."

NOTE: Readers who would like to have more information on trading with the People's Republic of China, plus a list of the state trading corporations and the products that each handles, should write to the Publicity Branch, Department of Industry, Trade and Commerce, for a copy of the booklet on China in the "Markets for Canadian Exporters" series.

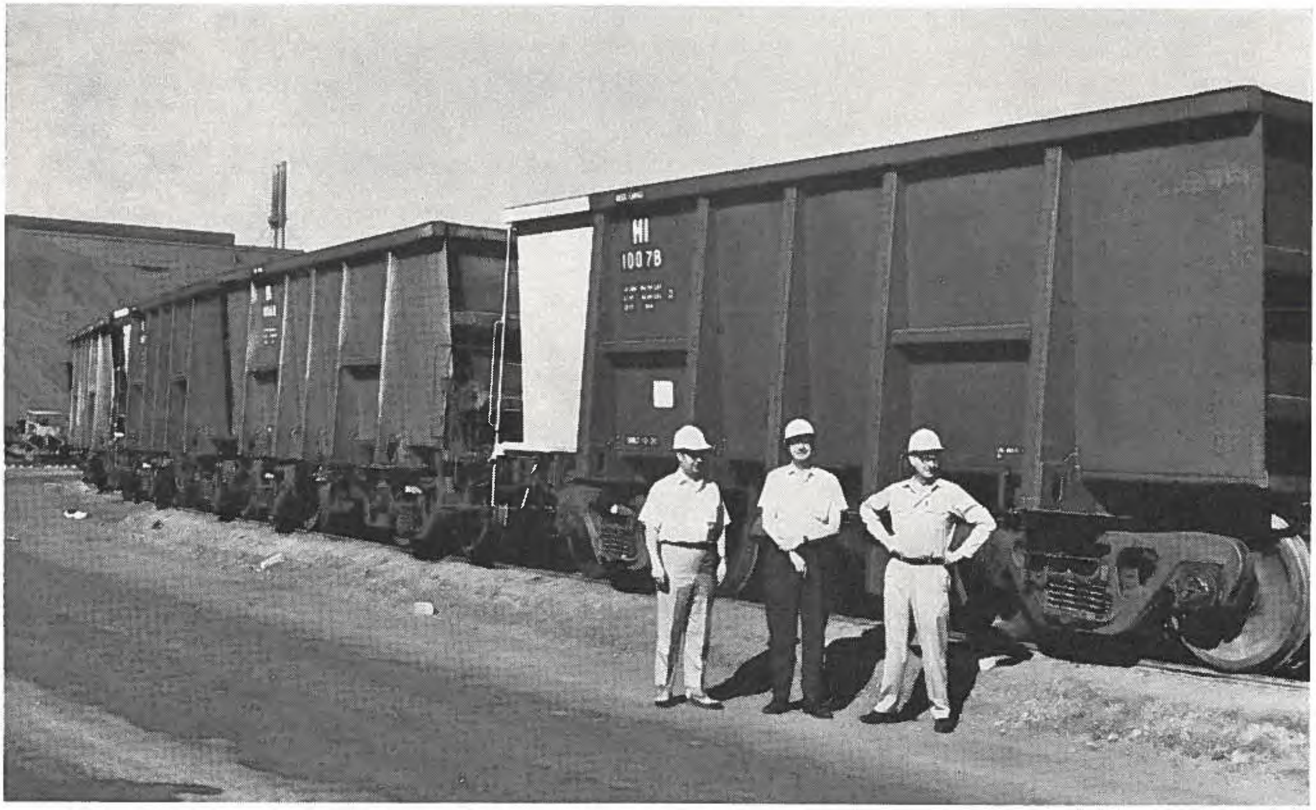


93293—3½

Western Australia Is Booming and Buying

Continued mining boom has brought rapid growth, heightened demand for machinery and equipment of many kinds and for consulting services. Joint ventures, manufacturing under licence also favored.

R. J. McGAVIN, Assistant Commercial Secretary, Melbourne



One Canadian product going into Western Australia is shown here—GT hopper railway cars sold to Hamersley Iron Pty. Ltd. Just finished inspecting some of the cars are (left to right) R. Butcher of National Steel Car Corp., Hamilton; K. F. Osmond, Commercial Counsellor for Canada, Melbourne; P. F. Giesking, also of National Steel Car Corporation, Hamilton.

Western Australia occupies one-third of Australia, or about the area of Quebec and Ontario combined. It contains approximately a million persons—7.7 per cent of the Australian population—concentrated in and around Perth, the capital city. It is about 2,500 miles from Sydney and Melbourne and this makes interstate trade, and to some extent communications, more difficult. These factors have not deterred Western Australian growth. In fact, during the 60's it moved from the slowest to the fastest growing Australian State and laid the foundations for even greater expansion during the 70's. It also has one of the most sophisticated container ports in the country, located between the heavy industrial complex of Kwinana and metropolitan Perth.

Table 1 presents some economic indicators of the boom in Western Australia and compares the growth of that State with total Australian growth in the period 1963-68.

Imports into Western Australia from fiscal year 1963-64 to 1967-68 rose from A.$122 million to A.$207 million; exports from the State rose from A.$287 million to A.$470 million during the same period. Canada, Western Australia's fifth largest foreign supplier, sold A.$3.9 million worth of goods to Western Australia in 1965-66 and sales rose to A.$7.5 million in 1967-68, or from 2.2 to 3.6 per cent of Western Australia's total imports during the three years. Canada's imports from Western Australia have risen from A.$1.2 million in 1965-66 to A.$3.6 million in 1967-68. Approximately half of our exports to this

State consists of sulphur and unroasted iron pyrites; newsprint, pulp and waste paper, motor vehicles and components also figure largely.

Western Australia's major commodity imports from foreign countries include petroleum and petroleum products; road motor vehicles and components; crude fertilizers; excavating, levelling, tamping and boring equipment for the mining industry, and power generation machinery. (See Table 2).

The biggest developments in Western Australia naturally center around the mining industry. Some 220 companies are now engaged in mining or in the search for minerals in Western Australia. Included among them are most of the powerful international mining corporations, using the sophisticated tools of modern mineral prospection and the skills of leading geologists, metallurgists and engineers from all over the world. Even so, vast areas of the State are still untouched.

It is estimated that minerals produced in Australia will be earning more than A.$2,000 million a year in export income by the 1980's, and almost half of this will come from Western Australia. Iron ore, nickel, bauxite, solar salt and potash, none of which was being produced for export before 1964, are expected to be earning $500 million a year in export income by 1975 and perhaps $1,000 million by the 1980's. The main Western Australian mineral product, iron ore, could be earning $700 million a year in the 1980's.

TABLE 1

ECONOMIC GROWTH INDICATORS IN WESTERN AUSTRALIA

Percentage increase 1963-68

	Western Australia	Australia
Population	15.4	9.9
Wage and salary earners	28.8	17.7
Retail sales	52.0	35.3
Personal income	66.0	45.1
Primary production	73.1	17.2
Secondary production	78.8	54.3
Savings bank deposits	78.9	57.9
Motor vehicle registrations	43.9	20.2

Some of the bigger mineral developments include the following:

Iron Ore—In the Hamersley iron province in Western Australia, the banded iron formations are among the largest in the world, covering about 7,000 square miles. Silica and carbonates have been leached away, leaving large zones of iron-rich residues which constitute the massive high-grade hematite deposits. It is said that Western Australia's capacity to supply iron ore is limited only by the world's ability to use it.

Heavy mining machinery and equipment and earthmoving equipment are being sought by the large iron ore firms. They also need rollingstock and specifically iron ore cars.

Nickel—Since the Western Mining Corporation Ltd. announced early in 1966 that it had found high-grade nickel sulphide ore in a drill hole at Kambalda, 36 miles south of Kalgoorlie, nickel has been the metal most sought after by prospectors. In 1969, Western Mining announced that it had proven reserves in the Kambalda area of 14.3 million tons of high-grade ore, averaging more than 3.6 per cent nickel. Western Mining plans to increase production at Kambalda to 160,000 tons of concentrates a year. At present, the Sherritt Gordon process is being used to produce concentrates at Kwinana. Other nickel-mining companies are also in the early stages of their operations in Western Australia and their feasibility studies list equip-

TABLE 2

WEST AUSTRALIAN IMPORTS FROM PRINCIPAL SUPPLIERS, 1967-68

	A$'000 Canada	Germany	Italy	Japan	Britain	United States	Other	Total
Chemical elements and compounds								
Inorganic	261	68	(a)	1,120	857	657	489	3,452
Organic	105	669	645	2,735	169	181	1,360	5,865
Crude fertilizers and crude minerals								
Fertilizers						758	9,036	9,794
Sulphur & unroasted iron pyrites	3,116					1,758	1,930	6,804
Fertilizers, manufactured	89	228		526	80	617	779	2,320
Iron and steel								
Bars, rods, angles, shapes, sections	16			32	203	11	151	413
Tubes, pipes and fittings		139	25	1,984	466	362	158	3,134
Electrical machinery, apparatus and appliances								
Electric power machinery and switchgear:								
generators	1	2		75	1,533	265	55	1,931
motors	(a)	25	1	235	599	145	9	1,015
other	(a)	160	94	144	990	152	538	2,079
Telecommunications apparatus	6	386	233	195	301	119	213	1,453
Other than electric								
Excavating, levelling, tamping and boring for earth, minerals or ores	99	112	28	970	1,015	6,111	209	8,545
Lifting, handling, loading, unloading		62	22	47	461	1,031	87	1,710
Power generating machinery:								
internal combustion engines	147	76	9	152	5,801	792	117	7,095
other	(a)	444			1,453	59	30	1,986
Paper and paperboard								
Newsprint	956						1,586	2,542
Other	77	37	1	105	185	49	320	773
Petroleum and petroleum products		11		10	105	218	33,651(b)	33,995
Pulp and waste paper	211					8	274	493
Timber		(a)			(a)	133	2,378	2,512
Transport equipment								
Aircraft and parts (n.e.s.)	10	(a)	2		157	211	1,046	1,426
Railway vehicles		27		10	81	1,789	24	1,931
Road motor vehicles and components	198	1,195	1,115	5,298	2,905	4,051	91	14,853
Road vehicles other than motor vehicles	2	456	9	128	42	58	16	711
All other commodities	1,775	3,341	1,575	6,874	10,970	15,430	10,343	50,308

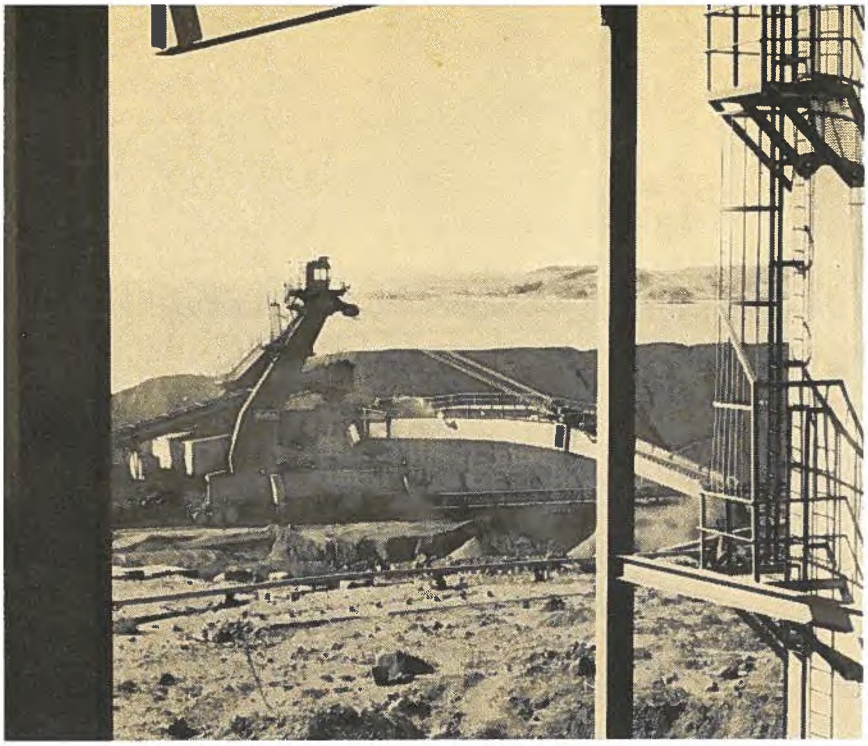
(a) Less than \$500

(b) Includes Iran \$6.44 million; Kuwait \$10.5 million; Qatar \$5.10 million; Federation of South Arabia \$2.58 million; Trucial States ,Muscat and Oman \$4.99 million.

ment and machinery requirements, from rollingstock, power generation and pumping equipment to all types of mining machinery and equipment.

Bauxite—The bauxite deposits occur on the western edge of the Darling Range and extend some distance inland and for about 200 miles north to south. It will take many years to assess their potential but deposits held by Western Aluminium are reported to contain more than 500 million tons of ore.

Amax Bauxite Corporation (a subsidiary of American Metal Climax) has entered into an agreement with the State Government under which it has an option to submit proposals for the construction of facilities needed for bauxite mining and alumina manufacturing. This would involve building a town, a port, and other facilities, as well as providing mining plant. The cost of these will be at least \$100 million.



This ore stacker at Dampier, a port on Australia's northwest coast, is working on ore brought from the giant Mount Tom Price mine near Pilbara. Most of it goes to Japan, Britain or parts of continental Europe under long-term contracts.

Oil and Gas—Including offshore areas, Western Australia has 600,000 square miles of sedimentary basins considered likely to have crude oil.

Western Australian Petroleum Pty. Ltd. (WAPET) struck oil with its first hole drilled at North West Cape in 1953. This discovery, which proved too small for commercial development, stimulated other oil-search ventures throughout the country. The next significant discovery was not made until 1964 at Barrow Island and Yardarino. Tests have since indicated that possibly 200 million barrels of crude oil could be recovered from the Barrow Island oilfield by water flooding. All this could mean an interest in Canadian offshore oil-drilling and exploration equipment and Canadian seamless pipe.

Gold—For a long time, gold was pre-eminent in the mineral economy of Western Australia and although the industry is struggling against rising costs and a fixed price, it still retains an important place. In 1971 gold will take fifth place, it is estimated, after iron ore, bauxite, nickel and petroleum.

Salt—Western Australia offers ideal conditions for the production of salt by solar evaporation of seawater or by harvesting from naturally occurring brines in salt lakes. There are plans by five salt producers or potential producers to invest some $30 million in plant and facilities. If these plans materialize, Western Australia will be one of the biggest industrial salt producers in the world.

Coal—Black coal is found in Western Australia in relatively small sub-bituminous deposits on the Collie River. These hydrous, non-coking deposits are the only source of coal in the State and currently yield about one million tons a year. The possibility of selling the coal to Japanese buyers is being investigated. Originally, all coal was won by deep mining, but open cuts now provide 60 per cent of production because of lower extraction costs. Of the 1,800-million-ton reserves at Collie, only 110 million are considered extractable, although more detailed drilling could increase this estimate. The future of the mining industry in Western Australia will be limited only by the extent of man's enterprise.

To gain maximum development from this boom, the Western Australian Government has negotiated agreements with the mining companies that require them to develop secondary and tertiary mineral processing industries. Coupled with this has been an increase in private investment from $111 million in 1963-64 to approximately $239 million in 1969-70.

Another major area of activity in Western Australia in addition to minerals is forestry. There is a large wood chip development in the southwest, where softwood plantations are to be harvested and the chips sent to Japan. All types of forest harvesting and wood chip mill equipment will be needed for this development, plus materials handling equipment at the site and at the proposed port in Bunbury.

There is a demand for experienced consulting firms and a few Canadian-based companies have already established operations in Western Australia or have associated themselves with Western Australian-based firms.

Manufacturing in Western Australia increased by 80 per cent between 1963-64 to 1968-69 and productivity now exceeds the Australian average. There is incentive to support local manufacturing and the Tender Board of Western Australia gives a 10 per cent advantage to goods manufactured in the State. Canadian firms would be well advised to consider manufacturing under licence or joint ventures with Western Australian firms.

Major items that Canadian firms could export to Western Australia include rollingstock, heavy mining machinery and equipment for open pit and underground mining, and support equipment for that industry. There is also a demand for complete mining towns, including everything from homes, roads, equipment for power generation and water supplies to miscellaneous hardware, etc., and educational equipment and facilities. (These mining projects are planned for years ahead.) In the near future, there will also be a need for forest products equipment for the developing wood chip industry.

Canadian Trade Commissioners from Melbourne visit Western Australia several times a year and can provide further details on and information about projects. The Melbourne office will also be glad to prepare itineraries for visits to Western Australian-based companies. Business trips to Australia should include Western Australia.

Automotive Parts: the Aftermarket

The Big Four in the automotive field buy parts to service the aftermarket to the tune of $6 billion a year. Duties are relatively low, new sources are welcome if they can meet the conditions, and repeat business is the rule.

Headquarters and administrative offices of General Motors in Detroit, a landmark for tourists. It was built in 1920.

W. B. SCHUMACHER
Vice Consul and Assistant Trade Commissioner, Detroit.

The Automotive Big Four are acutely aware of a manufacturer's responsibility to keep his products on the move by providing a ready stock of spare parts. But the Big Four interest in the aftermarket also stems from the realization that at the retail level the aftermarket makes up more than a third of annual retail automotive sales. Even at the wholesale level, the aftermarket parts industry's current sales are estimated at $6 billion a year, and are expected to rise to $9 billion by 1980. Although annual sales of service parts by each of the Big Four are not made public, GM alone is estimated to account for approximately 25 per cent of the total market and the Big Four together for about half of total United States sales of service parts.

What does this mean to Canadian auto parts manufacturers? Simply that by making the six calls listed in Table 1, a prospective vendor can cover accounts with a total buying power of over $3 billion—even though not all of these accounts may need your particular product or service. Each of these accounts stocks from 100,000 to 300,000 different part numbers and one or more of them could be considered prime targets and added to your regular calls in Michigan.

What about duty? OEM production parts from Canada enter the United States duty-free under the Automotive Products Trade Agreement, but service or aftermarket parts are subject to duty. Because of the Kennedy Round reductions, however, the duty on many items has been declining and there will

TABLE 1

AUTOMOTIVE SERVICE PARTS BUYING LOCATIONS

Company and Contact	Servicing
American Motors Corp. 14250 Plymouth Road Detroit, Michigan, 48232 Bruce Ludwig Manager, Service Department *Tel:* 313—493-2581	American Motors and Jeep dealers only
Chrysler Corp. Chrysler Parts Division 25999 Lawrence Avenue Center Line, Michigan *Mail:* P.O. Box 1718 Detroit, Michigan, 48231 Don Matzen Purchasing Manager *Tel:* 313—539-3000, Ext. 7058	All Chrysler and Plymouth dealers
Ford Motor Company Autolite-Ford Parts Division 29500 Plymouth Road Livonia, Michigan, 48150 Gil Burford General Purchasing Agent *Tel:* 313—427-3500, Ext. 531	All Lincoln-Mercury and Ford dealers, plus independent distributors
General Motors Corporation General Parts Division 6060 West Bristol Road Swartz Creek (Flint), Michigan, 48554 George Pamerleau Director of Purchasing *Tel:* 313—635-5344	Parts for GM vehicles to GM dealers only
AC Spark Plug Division 1300 North Dort Highway Flint, Michigan, 48556 B. T. Smith Director of Purchasing *Tel:* 766-3720	Service parts for all vehicles, to independent distributors and jobbers
GMC Truck and Coach 660 South Boulevard East Pontiac, Michigan, 48053 Bob Miller Manager, Purchasing *Tel:* 313—335-4111, Ext. 2186	Service parts for medium- and heavy-duty trucks

be a final reduction on January 1, 1972. Table 2 shows the rates of duty that apply to selected service parts, and prove that these are far from prohibitive on many items in which Canadian firms have capability. If your product is not among those listed, contact the Detroit Consulate for further information. Given below is background information on the major buyers of service parts listed in Table 1.

American Motors Corporation

Bruce Ludwig, manager of AMC's Service Department, pointed out that, like other automotive service parts operations, his group has no manufacturing capability within the division. As a result, it must rely on sister manufacturing divisions and outside suppliers to provide parts packaged and ready for market. Hence in-house packaging and finishing facilities are, although not a necessity, a valuable asset when seeking service parts business.

Sources for service parts are usually selected from among the suppliers of production parts. Where an item has come from several sources, the fact that your firm has turned out production parts does not necessarily mean that it will automatically have a chance to quote on the service requirements, unless you have called regularly on the service parts buyer so that he is aware of your firm and your interest in getting business. Service parts volumes are generally lower than those of production parts, but the trade can be profitable to qualified firms. Remember also that production parts can change with every model year, but a service part is required (in declining quantities) for approximately ten years. The successful vendor can expect to be the sole source of the item for the entire period if his performance is up to par.

The American Motors Service Department buys service parts for 5,000 AMC and Jeep dealers throughout the United States. It handles over 110,000 part numbers. Mr. Ludwig observed that, unlike the other Detroit-oriented automotive manufacturers, AMC's master distribution center is in Milwaukee, Wisconsin, which means Canadian vendors have a freight disadvantage not faced by suppliers from Illinois and Wisconsin. AMC tends to do more of its machining of service parts in-house, but nevertheless there is still considerable scope for Canadian vendors of a wide variety of parts.

Chrysler Corporation

The Chrysler Parts Division serves all the Chrysler Corporation franchised dealers. Since 1967, sales of parts to independent distributors have been handled separately by the Mopar Division, which supplies over 300 jobbers and 35 distributors, reaching an estimated 3,000 outlets for parts.

Don Matzen, purchasing manager, observed that since most production parts are multiple-sourced, the Parts Division generally chooses its vendors from among the approved production sources. For machining sources, however, production purchasing often follows the lead of the service parts group. This is because the latter frequently buys fully machined parts when the production part was purchased unmachined and finished in-house. Foundries supplying unmachined production castings will get a good reception and will be referred to Chrysler-approved machining sources. According to Mr. Matzen, the Chrysler parts group is constantly looking for additional suppliers. The only exception is the die casting area, where the swing to plastics has left the parts group with more good sources than there is work.

TABLE 2

SELECTED TARIFF RATES—AUTOMOTIVE SERVICE PARTS

	Per cent Tariff rate as of: Jan. 1/70	Jan. 1/71	Jan. 1/72
Engine Parts			
Unmachined cast iron (except malleable) parts	1	0.5	Free
Pumps for liquids (except diesel fuel injection pumps)	7	6.0	5.0
Other engine parts (spark ignition engines)	5.5	5.0	4.0
Other engine parts (compression ignition engines)	7.0	6.0	5.0
Electrical System			
Sealed beams, lamps and electrical lighting equipment for automobiles (except spot lights)	5.5	4.5	4.0
Alternators, generators, voltage regulators and starter motors	5.5	5.0	4.0
Fans, blowers and parts thereof	9.5	8.0	7.0
Electrical switches, relays, fuses and parts	12.0	10.0	8.5
Body, Chassis and Interior			
Body stampings, bumpers and parts, hubcaps and wheel-covers	5.5		
Wheels for pneumatic tires, radiators, mufflers and tailpipes	5.5	5.0	4.0
Hinges, fittings and mountings	5.5		
Furniture and parts for M.V.'s	5.5		
Springs for M.V. suspension	5.5		
Other springs	13.0	11.0	9.5
Unmachined cast iron parts (except malleable)	1	0.5	Free

Like the purchasing managers for the other automotive service parts divisions, Mr. Matzen said that he is reluctant to re-source work that requires extensive tooling (castings, forgings, stampings, plastic parts, etc.) because of the heavy cost involved in transporting the tooling and modifying it to fit the new source's production equipment. Cost notwithstanding, it is occasionally necessary to re-source such jobs, either because of non-performance by a supplier or when in-house capacity is required for current model production. In addition, when tools are to be reworked and used in the succeeding model year, the service parts must choose between making an all-time buy or locating a suitable source to produce annual requirements from short-run tooling—a good area for further marketing efforts by qualified Canadian firms.

Tooling is almost always owned by the automotive company and is consigned to the vendor, who is expected to store and maintain it until otherwise directed. Mr. Matzen pointed out that the quickest way to get out of the service parts business is to use this proprietary tooling to produce parts for an unauthorized customer, such as a competitive automotive manufacturer, independent parts manufacturer, or distributor.

Ford Motor Company

The Autolite-Ford Parts Division buys service parts for Ford Motor Company automotive products and distributes them through all franchised Lincoln-Mercury and Ford dealers, plus independent jobbers and distributors. According to Gil Burford, general purchasing agent, the only deterrent to his division's expanding its Canadian purchases is that Canadian vendors rarely call! Mr. Burford, an ex-Canadian, pointed out that the lower volumes demanded in service items would be ideal for many of the smaller Canadian firms that would be swamped by a typical production order. Of particular interest to his division are firms that want to specialize in service parts and design into their production facilities the flexibility required to respond to the numerous short-run requirements of the service business.

Mr. Burford observed that, although the number of parts and the quantities purchased differ considerably, the service parts buyers have high standards for vendor service and performance. Non-delivery according to schedule or a vendor's inability to meet emergency requests will not shut down an assembly plant—as it will when production parts run short—but it can result in some unhappy customers with vehicles that won't go. The service parts buyer is caught between the high penalties associated with excess inventory and the cost to customer goodwill of a parts shortage. Like the competition, Ford has established an elaborate computer system to ease this complex demand-distribution problem, but reliable and flexible suppliers are indispensable.

What do these buyers look for in a prospective supplier? Speaking for all the service-parts buyers, Mr. Burford observed that 2,000 to 3,000 suppliers may already be doing business with his division. To get the buyer interested, a prospective supplier must convince him that the firm can make the buyer's job easier, that it can produce parts of the required quality at competitive prices, and above all, that its representative will be around when the buyer needs him. There is only one way to accomplish this, and that is through a regular program of calls.

When the buyer is convinced of a company's interest and feels that the firm has manufacturing capabilities that could be useful, you are assured of an opportunity to quote. Be certain that your quotes are in a convenient form for the buyer—that is, duty-paid, in United States funds, f.o.b. his warehouse, or whatever he has specified. Submission of competitive prices will make the potential supplier eligible for an inspection of his plant made by representatives of purchasing, engineering, and quality assurance. The purpose of the visit is to ensure that your firm has the capability to conform to the automobile company's standards.

On the quality side, the survey team asks such questions as:

1. Does the source have a quality control program?

2. Does it have a system for material control of all purchased material?

3. Does the source have in-process inspection, final inspection, outgoing audit?

4. Are gauges and instruments used for assuring that the part meets specifications?

5. Is there a program to correct conditions when non-conforming material could be or has been shipped?

6. Is there documentation covering procedures, job instruction, and test records?

Source reliability covers a number of areas such as financial condition, labor climate, past performance, stability of pricing, technical and managerial competence, quality of account servicing, and adequacy of back-up capacity in relation to the size of the job. Do you feel your firm could stand up to this kind of scrutiny? Automotive vendor standards are high and rising, but so is the sales potential for qualified companies willing to work under pressure and on tight margins.

General Motors Corporation

(a) The General Motors Parts Division was only established in March 1969 and at that time began the big task of sorting out the service parts requirements of the five General Motors car divisions. GMPD is now responsible for keeping all franchised GM dealers stocked with parts, a job that involves some 300,000 part numbers supplied by about 3,000 vendors and sister manufacturing divisions.

According to George Pamerleau, director of purchasing for GMPD, the timing is ideal for new vendors to approach his buying staff. "We've gotten our house in order, now we're ready to seek out new suppliers to improve the level of service and quality we provide our customers, and to do this we encourage the addition of new competent suppliers to our team."

Since GM is the most integrated of all the auto companies, it is not surprising that allied manufacturing divisions supply it with a considerable part of its needs. This does not imply that it is a "closed shop"; in fact, the opposite is true because outside suppliers frequently secure service parts contracts that were previously filled by other GM divisions. The reason? Either the GM manufacturing facilities, designed for high-volume production, require much more set-up time for the shorter-run service parts than outside sources and hence become non-competitive, or the allied manufacturing division can no longer produce the items because of space limitations or because the productive capacity is required for production-type parts. Frequently the latter situation arises with very little notice, and the qualified supplier who is on hand stands an excellent chance of getting the work. That's another reason for making regular calls.

The buyers of GMPD are interested in working with suppliers to achieve cost reductions without sacrifice of quality. Do you have any suggestions about better ways to manufacture an item, better packaging, shipping or consolidation programs? If so, why not drop out to Flint as soon as possible. One idea that the Parts Division will be working on is the sourcing of families of parts with one supplier. This concept could mean sales and profits for the aggressive Canadian firm willing to apply thought and short-run manufacturing expertise.

(b) AC Spark Plug Division

The AC Spark Plug Division supplies vehicle parts to independent jobbers and distributors as well as OEM production parts to GM car divisions. It is also a major supplier of manufactured service parts to GMPD. On that basis, a call on AC could be considered a triple-header because the same buyers purchase components and sub-assemblies for all three categories of parts. The AC purchasing lobby often looks like an airport terminal, so whenever possible make an appointment before you call.

(c) General Motors Truck & Coach

Because of the relatively short runs involved in heavy and medium truck purchasing compared with the typical GM car division, GMC Truck & Coach is a bit of an orphan in the GM monolith. The GMC production buyers also buy service requirements. Hence service parts contracts are often used to test a new supplier before giving him a production contract. Although the volumes of truck service parts are very low, it can be a good place to start and can certainly lead to bigger and better things.

TABLE 3

VENDOR INFORMATION

Vendor's name, address and telephone number

Name, address and telephone number of local representative if applicable

Date established

Size of plant

Number of employees

Principal products

Location of plant(s)

Description of production facilities and equipment

Transportation facilities

Approximate annual sales volume

List of three representative customers

Financial and credit rating

What now? If you have been supplying production parts to one or more of the Big Four but haven't been getting the service business (or as much of it as you would like) come down and visit the appropriate contact indicated in Table 1 as soon as possible. While you are in the area, it certainly would be to your advantage to call on the other service parts buyers to determine possibilities for your firm. Come prepared with a simple but comprehensive statement of facts concerning your company (see Table 3) to assure thorough consideration. The buyer may wish to retain it as a reference, so bring copies. Photographs of your manufacturing facilities and samples of previous work your firm has done are also useful.

Do you feel that you could use some help in your approach to this market? Remember that the staff of the Canadian Consulate in Detroit is prepared to provide it. Looking for an agent? Want additional information about service parts sales? Customs problems? Information on other prospective customers? Give us a call—we are as near as your telephone.

Markets for Educational Equipment

Colombia

The Government is spending millions on schools and equipment, but it is a complicated though worthwhile market. This article tells you how to find your way around it.

ADOLFO AMADOR, Commercial Officer, Bogota

There are 22 million people living in Colombia, 20 per cent of whom are illiterate. Of the primary school age children, 28.4 per cent cannot attend school because there are no places for them—and Colombia has one of the highest birth rates in Latin America. The Ministry of Education, which gets 10 per cent of the national budget, had a deficit of $42.3 million (847 million pesos) at December 31 last year.

Obviously, strong measures are required. The Government has realized this and embarked on a series of large-scale educational projects that should provide many opportunities for Canadian suppliers.

Colombia's school system is organized on primary, medium (secondary), and higher levels, and contains both private and government schools. Government schools are maintained by national, provincial and municipal governments, with official funds. Private schools, both secular and religious, are often subsidized to some degree by the Government.

Outside this academic system, there are other schools dealing with fundamental education, community development, technical training, and improvement courses at secondary level. These last are directed by the Servicio Nacional de Aprendizaje (SENA).

The major opportunities for Canadian manufacturers of educational supplies and equipment lie with the government institutions under the Ministry of Education's control that are described below.

Instituto Colombiano de Construcciones Escolares (ICCE). The primary project of the ICCE is to construct and equip 19 comprehensive secondary schools to provide space for 80,000 students. The total cost of this is estimated at U.S.$15.2 million, of which U.S.$7.6 million has been provided through a loan from the World Bank, with the rest coming from the ICCE budget. The cost of the educational equipment to be imported has been estimated at U.S.$3.04 million, which will cover such things as separate laboratories for each science subject, language laboratories, office practice rooms, and workshops for each engineering subject. Provision will be made for the use of instructional TV. Tenders for equipment for the first and second stage of this project were called, and some were successful. A third stage of the project is planned for completion in 1973, with a total cost of between U.S.$4 and $5 million. Total resources for ICCE are Cdn. $13,370,000 this year and, for 1972, $16,770,150.

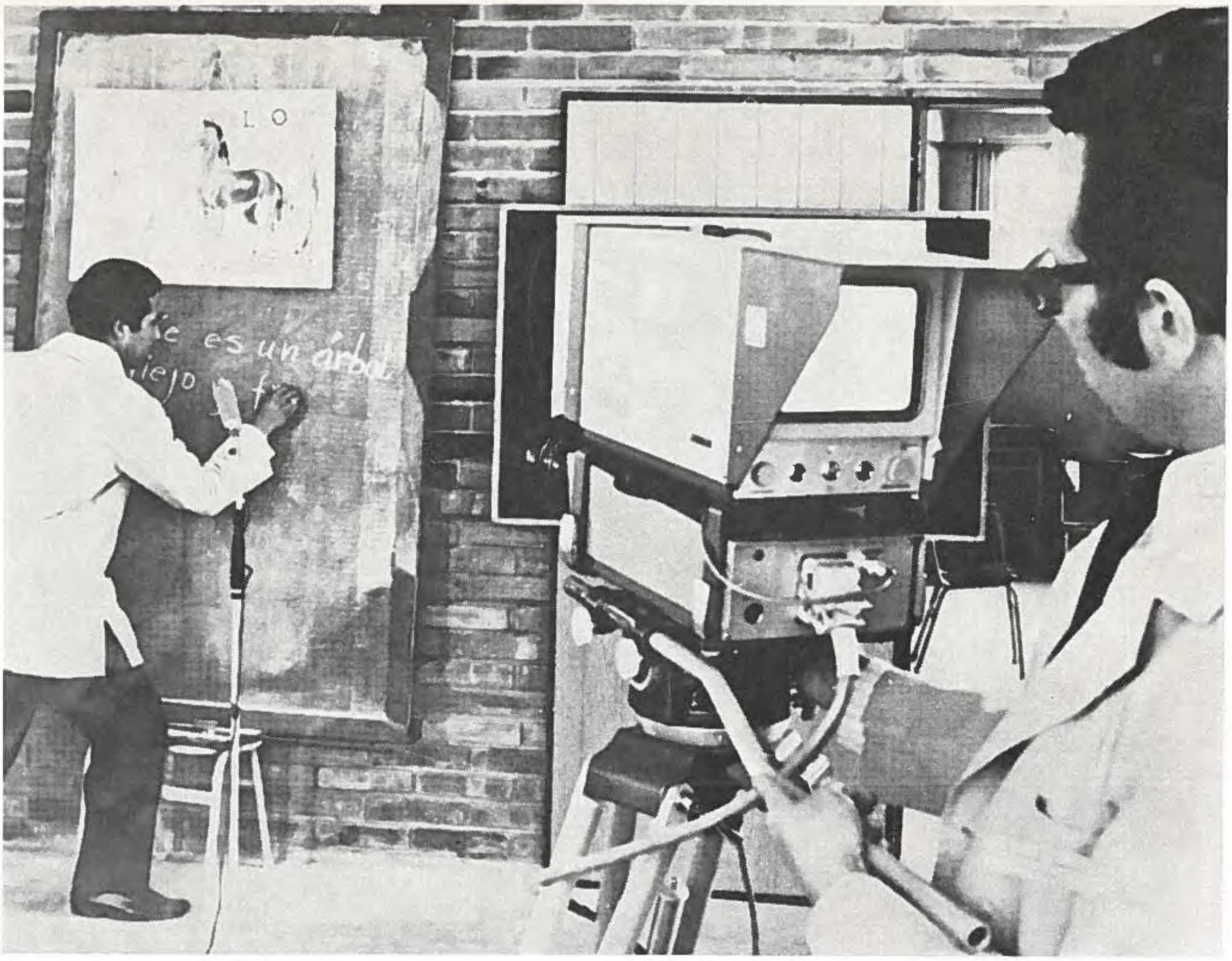
Servicio Nacional de Aprendizaje (SENA). The Colombian National Apprenticeship Training Service is a technical educational organization that is considered by other Latin American countries as a pilot project. It gives basic training in activities such as hotel operation, foundry work, graphic arts, building construction, agriculture, business administration, the textile industry, commercial fishing, the bakery business, and machine operation, etc. In 1970, SENA graduated 185,386 worker-students, and it expects to graduate 337,262 this year from the 125 centers and programs it has established throughout Colombia.

SENA is financed by a special tax amounting to 2½ per cent of the total payroll of all private industries and commercial establishments, plus one half per cent of the total payroll of government entities. In 1971 this will amount to $2,827,000. But since most of this organization's centers and programs are now fully equipped, its budget has been cut for next year.

Instituto Colombiano para el Fomento de la Educacion Superior (ICFES). This organization is responsible for supplying technical assistance and educational equipment to all government universities, except the Universidad Nacional, but including national, provincial and municipal universities. It assumes the same responsibility for all post-secondary establishments already in operation in Colombia, including the 19 built, organized and equipped by ICCE. Post-secondary establishments are comprehensive schools whose students have completed at least four years of secondary education, compared with the students in the SENA centers, who require only primary education. ICFES students receive technical training to prepare them for jobs as technicians at a higher level than students from SENA. The budget for ICFES this year is $5,812,500, and for next year will rise to $8,160,500.

Universidad Nacional. This is a completely independent state university that does its own buying. It is centralized in Bogota and has faculties in medicine, engineering, veterinary science, dentistry, chemistry, psychology, economics, sociology and law. It is financed directly by the Government, with a budget this year for educational supplies and equipment of $2.5 million and $1.5 million next year.

Instituto Colombiano de la Juventud y el Deporte. This organization is responsible for the development of phys-



If you can't cram more children into the schools, then you may have to take the class outside by means of the television screen. Here a lesson is written on the blackboard and recorded by TV camera for an unseen audience. Colombia is trying hard to speed up its educational program and needs all types of sophisticated teaching equipment, including laboratories for teaching science and languages, workshop equipment for each engineering subject, and office practice rooms.

ical training and sports, and buys the needed equipment in this area. Its budget this year is $1.5 million, but next year will be only $550,000.

Instituto Colombiano de Cultura. Activities for this group consist of promoting cultural activities connected with the theater, arts, museums and libraries. It has $500,000 to spend this year and $650,000 next year.

In addition to these government organizations, all state universities and post-secondary schools have their own purchasing departments—as do the private and government schools below the post-secondary level. A local agent who knows conditions in Colombia is thus a necessity. This representative must have credentials authorized by the Colombian Consul in Canada permitting him to register with purchasing agencies. Without this registration, he cannot participate in tenders—rather a handicap when you consider that all purchases for government educational organizations are made through public tenders. Suppliers of laboratory and other sophisticated equipment should ensure that they appoint firms with after-sales service facilities.

Apart from official schools, there are 22 private universities, 2,372 private secondary schools and 5,866 private primary schools. A survey of these establishments shows that they prefer to buy directly from a local distributor as the need arises, and not through tender. The Canadian manufacturer of educational equipment and supplies should look for a distributor who is supply-minded.

Generally speaking, local industry can keep pace with demand for furniture and office equipment, but science and language laboratories, educational TV, office practice rooms, workshops for engineering subjects, and other sophisticated equipment offer good possibilities for Canadian suppliers and manufacturers who are well-represented in this market.

Interested Canadian companies should write to the Commercial Division of the Canadian Embassy, Calle 58 No. 10-42, P. 4, Apartado Aereo 53531/2, Bogota, Colombia. We will be glad to establish initial contacts with suitable local agents or distributors for you.

Mexico

By 1980 there will be an estimated 40.6 million Mexicans—more than half the population—under the age of 19. Official stress is on educating this growing youth population. This means a good market for modern educational equipment.

GEORGES E. BÉLANGER, Senior Commercial Officer, Mexico, D.F.

James P. Ewell, a Canadian mining engineer working for the FAO in Mexico, examines a sample from a silver mine in the State of Oaxaca. The young Mexican boy is probably wondering if he really does have a vocation for mining. Vocational training programs rate high among the Government's priorities for education and are actively helped by industry.

Education is making rapid progress in Mexico, where expenditures on it in 1970 totalled about U.S.$850 million. By 1980, the figure should reach U.S.$2 billion.

Mexico's population is growing by 3.5 per cent per year, reaching 51.8 million in 1970; 28.9 million were less than 19 years of age. If the current growth rate is maintained, the Mexican population will reach 60.8 million in 1975, and projections indicate 72 million by 1980. About 40.6 million of them will be under 19 years of age.

At present, Mexico must create some 600,000 jobs each year to keep the growing urban labor force employed. During the 1970's, the requirement will rise to 800,000 new jobs a year.

To help economic expansion and the growing number of young people, the Mexican Government is concentrating on building up educational facilities to train the work force of the future more efficiently.

The Mexican Ministry of Public Education (Secretaria de Educacion Publica) is using television to help raise the level of education and to extend educational facilities to the most remote parts of the country. A recent federal law requires commercial television outlets broadcasting in Mexico to relinquish 12.5 per cent of their total air time to government educational programs. In addition to this time made available on commercial stations, the Mexican Government has its own radio and television facilities for educational program material. Production and distribution facilities are the responsibility of the Direccion de Educacion Audiovisual. Material prepared by that office is transmitted over 250 radio stations and 25 television outlets throughout Mexico.

Initial efforts at audio-visual educational programming have been aimed at the grammar school level and at aiding the Government's literacy campaign. The literacy program, broadcast over radio and television by the Ministry of Public Education (SEP), brought 4.5 million requests for related printed materials. The SEP estimates that 78 per cent of students following the radio and television campaign used the printed supplements and of these, close to 97 per cent learned to read.

The Direccion de Educacion Audiovisual, with an annual budget of U.S.$1 million, has also transmitted primary school programs and a vocational training service to television viewers. These programs are intended to complement classroom teaching.

Primary school facilities have been expanded to handle 8 million children in 1970 and will be able to handle 13 million by 1980. Some 27,500 new teachers are to be trained in the next two years: 135,000 new teachers will be on the job by 1980.

School construction is booming as well. Plans are for 14,700 new classrooms by the end of 1971 and 56,400 by 1980. Secondary school (high school) facilities will increase during the 1970's, because enrolment should rise from the present one million students to some 2.5 million in 1980.

The Government is emphasizing vocational education, starting in the primary grades. Special aptitude charts for all students are to be introduced to help direct them into vocational courses or into higher education. Industry has offered its unlimited co-operation in the form of plant visits to help students select careers during their formative years.

Probably the most effective application of educational TV in Mexico has been government-produced high school programs, the first such approach to higher education in Latin America. High-school-level educational programming began in January 1968 through the facilities of Channel 5 in Mexico City and was transmitted to "teleaulas"—rural school television classes—in hundreds of remote places throughout the country. Through the end of 1970, an estimated 26,500 students had participated in these televised high school classes. Textbook material for use in conjunction with the television programs is available at a nominal cost of 10 pesos (80 cents U.S.), within reach of even the most modest of incomes.

Aside from the government-run educational television, several complex closed-circuit television systems are now in operation at the large universities of Mexico, including the National University of Mexico City, the National Polytechnic Institute, and the universities of Tamaulipas, Guadalajara and Monterrey. The American High School and the Irish Institute, both in Mexico City, have their own closed-circuit television systems in operation. Basic closed-circuit television systems are used as an audio-visual classroom aid in numerous Mexican high schools, teacher training schools, and technical vocational schools.

The Mexican Social Security Institute has installed a closed-circuit cablevision system connecting its 32 clinics throughout Mexico City. Training programs for the Institute's 63,000 employees are broadcast, dealing with preventive medicine, hygiene, and nutrition and child care, among other subjects. General cultural films are also widely shown. Institute programs so far have been produced using the facilities at Channel 8 and at Telesistema Mexicano, two of the large commercial operations in Mexico City. However, the Institute hopes to have its own studio and production facilities soon.

At present, the local market for closed-circuit television systems is estimated at U.S. $500,000 annually. Equipment made by some 34 companies is now being distributed in Mexico.

At last count, in 1967, Mexico had 30 industrial vocational schools offering vertical and horizontal programs in industrial finishing, weaving and textiles, the garment trades, industrial design, electricity, automotive trades, motors and transformers, electrical transmission and industrial electrical maintenance, machinery, soldering and welding, and numerous other programs.

Vocational schools offer programs for students from 15 to 40 years of age. Training lasts 40 weeks, of which the first 1,200 hours are covered by initial trade applications. Further specialization is possible in most fields.

The Mexican demand for educational equipment is likely to keep on growing, as educators try to keep pace with the expanding requirement for trained and well-educated workers.

The best opportunities for educational equipment sales in Mexico lie in the audio-visual field. This includes educational television equipment, language laboratories, frame projectors, electrical and electronic laboratories for intermediate and advanced classes, and precision measuring equipment. There are also potential opportunities for machine tools, lathes and metal-cutting machinery.

Canadian suppliers of educational equipment should register their firms with the Mexican Ministry of Public Education and other government purchasing bodies, supplying these potential customers with lists of equipment and services available.

The Commercial Division of the Canadian Embassy in Mexico City has prepared an extensive market booklet entitled "Educational Systems in Mexico", listing government purchasing offices and manufacturers' agents, and giving tips on selling educational equipment to this market. This booklet has been supplied to a wide segment of Canadian manufacturers of educational equipment. If you would like a copy, write to the Commercial Counsellor, Canadian Embassy, Apartado Postal 5-364, Mexico 5, D.F. or to G.W.J. Rahm, Chief, Tourist, Hospital and Educational Equipment Division, Department of Industry, Trade and Commerce, Ottawa.

Jade Is Canadian Too

O. MARY HILL, Editor, *Foreign Trade*

"I always thought that jade was bright green," I said, looking at a tiny carved beaver and an equally tiny seal lying on the desk in front of me. "But these are darkish green."

"They're jade all right," said Oscar Messerer, founder and owner of B.C. Gem Supply of Vancouver. "It is nephrite, one form of jade; the jade that is used in the Orient is the only other form, jadeite."

Besides the beaver and the seal, all ready for some tourist to buy for a charm bracelet, I was looking at cut and polished jade stones of various shapes and sizes mounted on cardboard, and at sample cases that held rings, brooches and bracelets made of or set with jade. These he carries with him on his forays into foreign markets.

A native of Austria, Oscar Messerer came to Vancouver in the early 1950's. Inventive by nature, he designed a machine to grind and polish precious and semi-precious stones to any shape automatically. In one test this machine handled 120 stones an hour, compared with the 20 an hour that a skilled craftsman can turn out by hand. With a larger production, Mr. Messerer became interested in wider markets, especially for jade stones. But there was one obstacle: it was hard to obtain Canadian jade in large enough quantities. His solution was simple but rather costly—he bought a nephrite mine on an 8,000-foot mountain near Lillooet, and built a 17-mile road into it. There, from May to October five or six miners are hard at work, and they produce enough nephrite to keep Mr. Messerer's plant busy throughout the year. About 20 to 25 per cent is the yield of finished stones from the raw nephrite blocks.

By 1965, he was ready to try out the market across the border and as a start exhibited at the California Gift Show in Los Angeles, displaying some of his jade stones and made-up jewellery. Getting orders proved fairly easy but when these were dispatched, the parcels were confiscated at the border. The reason? The United States Customs refused to believe that this was jade that originated in Canada. To them, all jade stones suitable for jewellery were presumed to originate in China and therefore came under the Foreign Assets Control Regulations. It took a number of months to find a solution but eventually the United States Government accepted a suggested procedure for certifying the origin of the jade that B.C. Gem Supply was shipping. Even now, every parcel that goes out from the plant to a United States customer must include a certificate of origin.

After his successful appearance at the Los Angeles Fair and once the problem of origin was solved, Mr. Messerer found no difficulty in getting American customers. Today he sells in a number of United States cities, including Providence, New York, Los Angeles and San Francisco. Twice a year he undertakes a selling trip to the United States, after asking the Trade Commissioners stationed in some of the posts there to make appointments for him with dealers in semi-precious stones and with manufacturing jewellers. In Canada, he also markets synthetic and precious stones but his production so far has not been large enough to seek markets for these abroad.

Selling jade stones and jewellery in the United States is much like selling in Canada, but going farther afield, and especially to the Far East, is another matter. But here too he works on his own. Once a year he makes a 21-day world tour; a typical itinerary is Toronto—Tokyo—Hong Kong—Bangkok—New Delhi—Tehran—Beirut—Vienna—Frankfurt—Amsterdam—Winnipeg—Vancouver. How does he cover all that ground in three weeks? Simple—he keeps business appointments all day and flies all night; often he can cram in six appointments a day. In some cities, such as Beirut, one firm alone may offer him sufficient business. To some companies he sells finished jewellery or finished stones (the Keio department store in Tokyo, for instance), and to others, nephrite in its unfinished state as the raw material for carvings.

A helicopter drops supplies at the nephrite mine, near Lillooet, from which the company recovers jade. Mining goes on from May to October and from the nephrite mined there the recovery rate of finished stones is about 20 to 25 per cent. Bought in 1968, the mine is 8,000 feet above sea level.

Because he works so largely on his own, Oscar Messerer tries to simplify export procedures as much as possible. To look after export documentation, including the necessary certificates of origin, he employs a Vancouver freight forwarder with world-wide connections. Most of his shipments, because they are light in weight and high in value, go by air, though he also uses parcel post when it is convenient. His terms are always f.o.b. Vancouver.

Additional markets? Yes, he is looking for them. For example, he planned to participate in a jewellery fair in New York, this summer, one of the largest in the world. He now employs 15 to 20 people and hopes shortly to install a computer that will control cutting and polishing operations, expand production further, and make it possible to supply more customers in more countries with jade from B.C.'s mountains.

Foreign Commercial Representatives in Canada

ARGENTINA

Economic Counsellor's Office
Embassy of Argentina
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AUSTRALIA

Commercial Counsellor and Australian
Government Trade Commissioner
Australian High Commission
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Ottawa K1P 5B4
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Australian Government Trade Commissioner
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Telex: 01-26583

Australian Government Trade Commissioner
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Phone: 684-1177
Telex: 04-507580

AUSTRIA

Austrian Embassy
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Telex: 013-3290

Austrian Consulate
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Calgary
Phone: 283-6526

Austrian Consulate
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Halifax
Phone: 423-7593

Austrian Trade Delegate
630 Dorchester Blvd. W.,
Montreal 101
Phone: 866-1103

Austrian Trade Delegate
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Toronto 103
Phone: 363-3677

Austrian Trade Delegate
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Vancouver 2
Phone: 683-5808

Austrian Consulate
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BELGIUM

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Consul General of Belgium
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BOLIVIA

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BRAZIL

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The British Trade Commissioner
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Phone: 424-0481
Telex: 037-2421

The British Trade Commissioner for
the Atlantic Provinces
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Halifax
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Telex: 014-422634

The Senior British Trade Commissioner
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Telex: 012-6437

The British Trade Commissioner
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Regina
Phone: 527-6459
Telex: 031-2360

The Senior British Trade Commissioner
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Phone: 362-4401
Telex: 022-9531

The Principal British Trade Commissioner
Bank of Nova Scotia Bldg., 4th Floor
602 West Hastings St.
Vancouver 2
Phone: 683-4421
Telex: 045-1287

The British Trade Commissioner
Monarch Life Bldg., 4th Floor
333 Broadway Ave.
Winnipeg 1
Phone: 942-3151
Telex: 035-465

BULGARIA

Bulgarian Trade Commission
1550 Maisonneuve Blvd. W., Suite 210
Montreal 107
Phone: 935-7494
Telex: 05-24235

BURMA

Embassy of the Union of Burma
Royal Trust Bldg., 2nd Floor
116 Albert St.
Ottawa K1P 5G3
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CAMEROON

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CEYLON

Commercial Secretary, High Commission
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Telex: 013-3668

CHILE

Commercial Counsellor
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Consulate General of Chile
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Montreal 109
Phone: 932-8100

Consul of Chile
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CHINA, People's Republic of

Commercial Counsellor
Embassy of the People's Republic of China
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COLOMBIA

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Consul General of Colombia
1500 Stanley St., Suite 320
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Consul of Colombia
67 Yonge St., Suite 726
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Vice-Consul of Colombia
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CONGO (Kinshasa)

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COSTA RICA

Honorary Consul General of Costa Rica
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CUBA

Cuban Trade Commissioner
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CZECHOSLOVAKIA

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Montreal 109
Phone: 849-5391
Telex: 01-20315

Royal Danish Consulate
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Toronto 181
Phone: 927-5661

Royal Danish Consulate
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Telex: 04-508835

DOMINICAN REPUBLIC

Consul General of the Dominican Republic
5464 Victoria Ave.
Montreal 252
Phone: 738-1068

EASTERN CARIBBEAN COMMISSION (Leeward and Windward Islands)

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Phone: 489-0910

Honorary Consul of Ecuador
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EL SALVADOR

Consulate General of El Salvador
52 Frontenac, Place Bonaventure
Montreal 114
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FINLAND

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Consulate of the Federal Republic of Germany
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Consulate General of the Federal Republic of Germany
National Trust Bldg.
325 Howe St.
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Phone: 684-8377

Consulate of the Federal Republic of Germany
421 King St. N.
Waterloo, Ontario
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Consulate of the Federal Republic of Germany
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Consulate of Mexico
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Assistant Trade Commissioner for Mexico
159 Bay St., Suite 217
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Consulate of Mexico
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MONACO

Consul General of Monaco
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NETHERLANDS

Commercial Counsellor
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Telex: 013-3109

Netherlands Consulate
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Edmonton
Phone: 424-8380

Netherlands Consulate General
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Montreal 113
Phone: 866-4875

Netherlands Consulate General
10 King St. E.
Toronto 210
Phone: 364-5443

Netherlands Consulate General
475 Howe St.
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Phone: 684-6448

NEW ZEALAND

New Zealand Government
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Telex: 05-268831

New Zealand Government
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409 Granville St., Suite 615
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NORWAY

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Royal Norwegian Consulate General
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Consul General of Norway
Royal Norwegian Consulate General
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PAKISTAN

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PANAMA

Consul General
Consulate General of Panama
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Consul General of Peru
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Honorary Consul General of Peru
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Honorary Consul of Peru
71 St. Peter St.
Quebec 2
Phone: 529-0711

Honorary Consul of Peru
559 College St.
Toronto 130
Phone: 921-5561

Honorary Consul of Peru
436 Main St.
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Honorary Consul General of Peru
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Philippine Consulate General
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POLAND

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Polish People's Republic in Canada
1500 Stanley St., Suite 315
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PORTUGAL

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Consulate General of Portugal
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Université Laval
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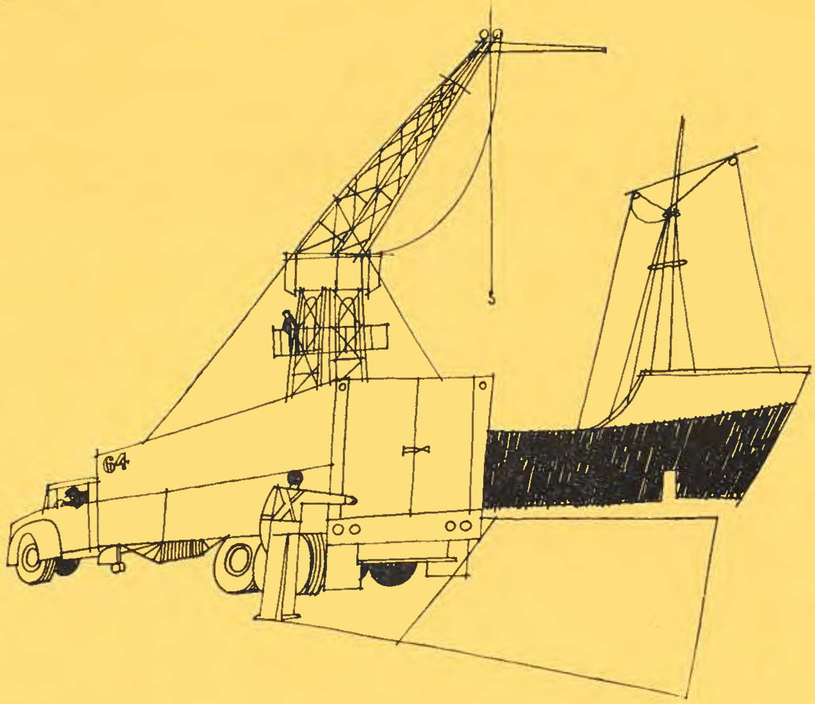
Phone: 524-6596

Honorary Consulate of Portugal
King's Bridge Court, Apt. 2D
St. John's, Nfld.
Phone: 726-6958

Consulate of Portugal
159 Bay St., Suite 520
Toronto 1
Phone: 366-3816



Consulate of Portugal
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Honorary Consulate of Portugal
233 Portage Ave., Suite 238
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Montreal 114
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ROMANIA

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SOUTH AFRICA

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

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Trade Commissioner for Sweden
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1177 West Hastings St.
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Phone: 685-1288
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Phone: 932-7181

Consul General of Switzerland
100 University Ave.
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Consul of Switzerland
1130 One Bentall Centre
505 Burrard St.
Vancouver 1
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Consul of Switzerland
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257 Smith St.
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Tanzania High Commission
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THAILAND

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TRINIDAD AND TOBAGO

Trinidad and Tobago Trade Commissioner
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TURKEY

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Consul General of the United States
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Consul General of the United States
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Quebec 4
Phone: 522-7089

Consul General of the United States
King's Bridge Rd.
St. John's, Nfld.
Phone: 726-4524

Consul General of the United States
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Toronto 100
Phone: 366-3551

Consul General of the United States
Burrard Bldg.
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Vancouver 5
Phone: 685-4311

Consul General of the United States
6 Donald St.
Winnipeg 13
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January-June 1971

Show of the Month

Sales worth $703,000 in just nine days is an impressive amount of business. The eight Canadian exhibitors at the German Industries Fair in Hannover last April chalked up this amount. In addition, nearly $6.8 million is expected to come in in orders over the next 12 months as a direct result of participation in the fair.

The Hannover Fair is considered to be the largest industrial fair anywhere. This year there were 5,768 direct exhibitors (237 more than last year), of which 1,208 were foreign—from almost every major industrial country in the world. Visitors were counted from 109 countries, the largest numbers coming from Denmark, France, the Netherlands, Sweden and Switzerland. Others came as members of government and business delegations, with strong interest shown by Bulgaria, Czechoslovakia, Hungary, Poland and the U.S.S.R.

The eight Canadian companies that exhibited under the auspices of the Department of Industry, Trade and Commerce were:

Westinghouse Canada Limited, Hamilton

Consolidated Computer Limited, Toronto

Electrovert Manufacturing Co., Ltd., Montreal

Integrated Lighting Canada Limited, Montreal

Microsystems International Limited, Ottawa

Simtec Industries Ltd., Montreal

Trench Electric Limited, Toronto

Hawker Siddeley Canada Ltd., Vancouver

Four provinces—New Brunswick, Quebec, Ontario and British Columbia—also took part in a section of the fair, International Treffpunkt.

Industry, Trade and Commerce Minister Jean-Luc Pepin (right) emphasizes a point in conversation with Stanley Diamond, Director of International Operations for Integrated Lighting Canada Ltd., during his visit to the Hannover Fair. More than 600,000 persons visited the fair this year, and the Canadian firms exhibiting received about 860 serious inquiries regarding their products and established 12 agencies.

Mr. Pepin visited all the Canadian stands at the exhibition. Above, he talks with T.C. Tucker, sales manager of the Electronics Systems Division of Westinghouse, who explains his company's products. On the right he is seen talking with Horst G. Schirmer, manager for Microsystems International in Germany. On Mr. Pepin's right is Louis M. Davies, the company's public relations manager for Europe. This year the Canadian exhibits at Hannover were divided among six separate buildings, depending on the product displayed. This offered excellent opportunities to see competitive lines.

Promoting Canadian Furniture...

ZEN BURIANYK
Consul and Trade Commissioner,
Chicago

This story could begin with that oldest of phrases, "once upon a time". Once upon a time, then—or, say, last winter—I attended the Canadian Furniture Mart in Toronto. There I met a representative of Sheres Furniture Co. Ltd. of Ville d'Anjou, Quebec, looked at his line, and suggested to him that he might find the United States market worth exploring. The pictures show, in order, what happened next, right up to the successful showing of Sheres' products in the Canadian Consulate in Chicago.

Sheres now expects to sell $200,000 worth of furniture in the United States market this year— and that's a minimum figure. If you too make furniture and would like a broader market, there are several steps that you can take right now. Send pictures of your furniture, brochures, and price lists to us at Chicago or to any of the other United States posts of the Trade Commissioner Service. Calculate these prices in U.S. dollars, with duty and customs brokerage fees included. (The United States Division of the Department of Industry, Trade and Commerce in Ottawa can help you to establish the rate of duty.)

Once officers at any one of the Consulates have this information, they can carry out an initial market survey and let you know what the potential is. If it is good, plan to visit the area and pick a good local representative. Don't leave the selling to your own sales people alone: they don't have the contacts. Get into the market to stay, give it time and attention, and like Sheres, you'll see results.

A

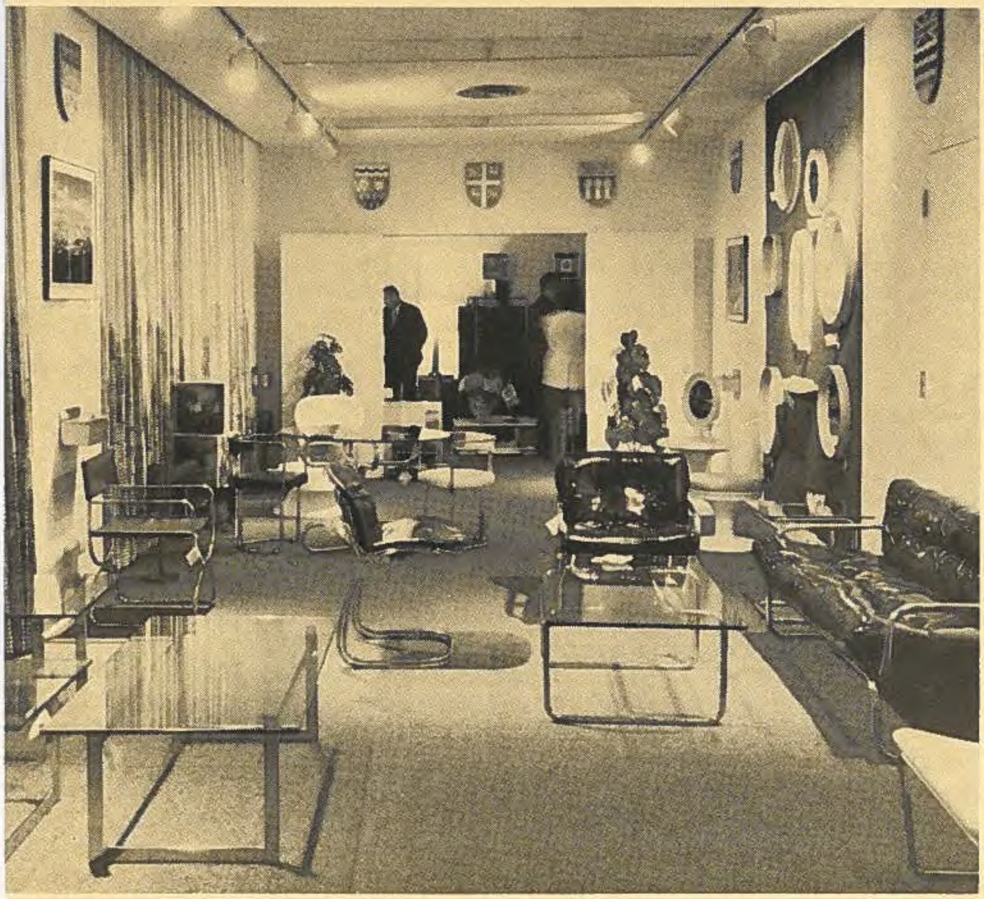
B

A *This is where Sheres and I met—at the Canadian Furniture Mart in the Automotive Building at the CNE in Toronto, January 10-15, 1971. It's an excellent place to make contacts of this kind as I soon discovered.*

B *Armed with photographs, catalogues, and price lists for the Sheres line, sent to me by the firm, I set out to visit a number of retail buyers in Chicago. They liked the designs and felt that the prices were competitive. (That's me on the left, telling a furniture buyer about the Canadian models and getting him interested.)*

...for American Homes

D



E

C Canadian sales manager for the Quebec firm, T. Sheres (left), came down to the Consulate in Chicago and interviewed a number of representatives who might consider taking on his line. Here he answers questions about it. Later he came to an agreement with one of these representatives.

D To make a " kickoff " presentation in the Chicago area, I proposed that we show the Sheres line at a prestige display in the Maple Leaf Room at the Consulate and invite certain buyers to come and see it. Here one of these buyers examines some mirrors as company and Consulate personnel stand by to answer his questions.

E This picture shows the Maple Leaf Room to better advantage—and also some of the modern, attractive living-room furniture that Sheres manufactures. Other Canadian companies are free to make use of this space, which includes two rooms and covers 1,000 square feet, to put their products on display and invite buyers in.

Puerto Ricans Like Imported Furniture

Canadian furniture manufacturers should consider the growing market in Puerto Rico. Single "mueblerias" and chains are the principal buyers, though even domestic manufacturers often import furniture to meet local demands.

CARLOS COLON, Commercial Officer, San Juan

Puerto Rico is the largest furniture market in the Caribbean, with sales at the wholesale level estimated to total $76 million per year. In 1969, in fact, the island imported furniture worth some $35 million, more than was imported into Canada in that year.

The Puerto Rican furniture market holds interesting possibilities for Canadian manufacturers. The public has a great deal of purchasing power and the local furniture industry is fragmented and often inefficient. This means that the off-island supplier has numerous sales opportunities open to him.

In fiscal 1969-1970, Puerto Rico's total net income was about U.S.$3.8 billion, an increase of 11.6 per cent over the year before. Puerto Rico is not poor, with a per capita annual income of about $1,400, or more than $5,300 per family.

The 2.7 million people of Puerto Rico last year spent $578 million on durable goods, including automobiles, furniture and appliances. Retail sales of household furniture have increased by more than 50 per cent in the last ten years; during that period, the sale of domestically-produced furniture declined by 15 per cent.

The consumer market for furniture will probably continue to grow, with an increasing demand for better design and quality, despite a possible slowdown in economic activity, which is tied to that on the United States mainland.

Retail sales of furniture on the island total some $123 million annually, with

This furniture store in San Juan displays its goods on the sidewalk. Note the refrigerator doors carefully taped—so that they won't be used as garbage receptacles? Some of the local chain stores are outselling branches of United States firms.

54 per cent of the demand met by local manufacturers. These local furniture-makers would like a larger share of the market, but they have been unable to overcome certain obstacles.

For example, in the early 1960's, raw materials were a problem for the industry. Manufacturers could not afford to purchase these in large quantities, so they were forced to buy at retail, thus placing themselves at the mercy of wholesalers who had limited supplies of required sizes and qualities on hand.

Associated with this problem were Puerto Rico's inadequate production experience, plus a lack of modern machinery and management capability. As a result, island consumers built up a preference for imported furniture, which offered better design and craftsmanship.

This has resulted in a unique market situation in which domestic manufacturers also import furniture to meet demand. It is estimated that if present trends continue, Puerto Rico furniture imports will exceed $82 million by 1980.

The marketing system is fairly standard. Distributors and manufacturers sell most of their production through

PUERTO RICO FURNITURE IMPORTS 1969

	U.S.$'000
United States	
Medical and parts	1,394
Bedsprings	255
Stuffed furniture and mattresses	356
Wooden household	14,350
Upholstered household	3,289
Tubular porch and lawn	904
Household metal	3,132
Convertible sofas	101
Household n.e.s.	163
Office, wooden	547
Filing cabinets	925
Metal office desks and parts	1,417
Metal office chairs	886
Other metal office and parts	1,057
For public buildings	670
Laboratory	348
Counters and lockers	2,488
Other furniture	2,431
	34,713
Other Sources	
Bentwood	128
Chairs, wood	445
Furniture, wood	482
Parts of wood	259
Not specified	167
	1,481
Total	**36,194**

CANADIAN EXPORTS OF FURNITURE TO PUERTO RICO

	1968 $	1969	1970
Commodity			
Furniture, wooden, household, not upholstered	131	27,219	41,000
Furniture, household, upholstered	0	13,971	121,000
Office furniture, wooden	3,848	13,210	31,000
Office furniture, n.e.s.	10,588	0	30,000
Furniture and fixtures, n.e.s.	2,016	7,105	41,000
Total	**16,583**	**61,505**	**297,000**

Furniture Outlets in Puerto Rico

Major Manufacturers and Distributors

Commonwealth Furniture Company
P.O. Box 68
Catano, Puerto Rico 00632

Fabrica Mudafort
GPO Box 917
San Juan, Puerto Rico 00936

Modern Rattan Furniture
Duarte 229
Hato Rey, Puerto Rico 00919

Major Importers and Distributors

Better Quality Furniture

Antillas Furniture Manufacturing Co.
Francia 461
Hato Rey, Puerto Rico 00919

Fabrica de Muebles Dimas, Inc.
Francia 513
Hato Rey, Puerto Rico 00919

Orbay y Cerrato
998 Munoz Rivera Avenue
Rio Piedras, Puerto Rico 00923

Rattan Specialties, Inc.
Highway No. 1, Km. 14.1
Rio Piedras, Puerto Rico 00926

Sears de Puerto Rico, Inc.
Calle Coll y Toste
Hato Rey, Puerto Rico

J. C. Penney's
Plaza Las Americas
Hato Rey, Puerto Rico

Other

Muebles Baco, Inc.
GPO Box BG
San Juan, Puerto Rico 00936

Dimarc Distributors, Inc.
GPO Box 3605
San Juan, Puerto Rico 00936

Najera Sales Corp.
P.O. Box 2775
Rio Piedras, Puerto Rico 00928

Pacific Sales
Matadero Road
Puerto Nuevo, Puerto Rico

Valle Toledo Distributing Corp.
P.O. Box "N"
Hato Rey, Puerto Rico 00919
(also manufacturers' representatives)

Major Mueblerias Chains

Best Price Company, Inc.
655 Figueroa Street
Santurce, Puerto Rico 00908

Mueblerias Marquez
P.O. Box 485
Caguas, Puerto Rico 00626

Mueblerias Mendoza
P.O. Box 1277
Cayey, Puerto Rico 00634

Empresas Tartak
Ponce de Leon Ave. 1409–Stop 20
Santurce, Puerto Rico

small furniture stores called "mueblerias", some of which have gradually branched out into chains. The chain stores, with greater buying power, are now using modern techniques. Some supply single-store operations outside their groups as well as buying for their own retail stores.

Some of the muebleria chains, including Mueblerias Mendoza, Mueblerias Marquez, and Empresas Tartak, have used sophisticated techniques so well that they have captured large parts of the local market.

These chains cater mostly to the low and middle income groups and stock top-selling styles, such as Mediterranean, Spanish, and Contemporary. Their store and showroom facilities have developed to such a size that they now outsell the major chain outlets located in Puerto Rico, such as Sears and Penney's.

During the past few years, the muebleria chains have imported large quantities of furniture from the continental United States because Puerto Rican customers are becoming more conscious of quality and design. In addition, manufacturers are increasing their stocks of imported furniture to supply the growing demand of retailers for variety and prompt delivery.

Manufacturers in the United States benefit from duty-free entry into Puerto Rico since the island is part of the United States and uses the United

This Puerto Rican showroom looks much like any furniture store to be found in Canada and gives an indication of the type of merchandise that is selling there. Nearly half the annual sales of $123 million are of imported furniture, with tubular and garden styles also being much in demand.

States tariff system. For a Canadian firm dealing in Puerto Rico, tariffs are the same as if the firm were selling to the continental United States.

The most important marketing periods for household furniture in Puerto Rico are before Christmas and before Mother's Day.

The appeal of imported furniture has been enhanced by the advent of containerized shipping to the island, providing prompt delivery and reducing breakage and claims.

As well, given the quantities being ordered, United States manufacturers working through local agents are prepared to offer attractive credit arrangements to larger dealers, such as 30, 60 and 90-day terms. As a consequence, there is a chain of distribution which makes retailers who cater to the low and middle sectors of the market competitive.

While these sectors are the most important, there are also a number of large stores appealing to more quality-minded clientele. Most of these stores are owned by manufacturing firms which use them as retail outlets. They supplement their lines with imports as long as these do not compete with their own products.

With the right merchandise and competitive prices, there is little problem in selling to the large and growing Puerto Rican market. During the past two years, this office has been actively interested in promoting sales of Canadian furniture, and we hope that this article will encourage more Canadian firms to respond with sales literature and price lists.

It is best to send us a complete set of sales catalogues, including cubic measurement per item, plus prices drawn up on f.o.b. New York or Newark, N.J. (These ports are the terminal points for container shipping facilities to Puerto Rico.)

Prices should include United States customs duties and be in United States funds for minimum orders of container-load quantities—2,000 cubic feet or more.

Send this information to our San Juan office, and we will be pleased to approach potential customers or representatives on your behalf. Our address is: Canadian Consulate, 1606 Pan Am Building, Hato Rey, Puerto Rico 00917.

The Post Office Says . . .

Parcel Post to Cuba

The Cuban postal authorities have now agreed to accept gift parcels as well as commercial parcels, subject to the following conditions:

Commercial parcels must be clearly marked "Commercial Parcel" either on the wrapper or Customs Declaration.

Non-commercial and personal items (gift parcels) must be accompanied by a consular invoice certified by a Cuban Consul (there are Consulates in Ottawa, Montreal and Toronto). Gift parcels without consular invoices will be confiscated by the Cuban authorities. Parcels are exempt from this requirement if they contain only pharmaceutical products that are ethical, or if they are going to international agencies with offices in Cuba, to representatives of foreign firms there, and to foreign technicians working in Cuba. Those sent to representatives of foreign firms and foreign technicians must be addressed to the Cuban national organizations to which the firm or technician is attached in order to be exempt.

Cuba prohibits or restricts the import of many products and senders of parcels should find out from the Cuban authorities before posting whether the contents are admissible.

Mail to the People's Republic of China

The Post Office again is urging Canadians to be sure that their mail to the People's Republic of China is addressed correctly. Letters addressed to China, Continental China, or Mainland China may be returned by the Chinese postal authorities. The correct name of the country is the People's Republic of China, and it is the only one that the postal authorities will accept.

Another point: mail to the capital city must be addressed to Peking. The older names or spellings, such as Pekin or Peiping, are not acceptable.

One Way to Sell in West Africa

The big trading companies with head offices in Western Europe control much of the commerce in West and Central Africa. Here is information about how they operate and advice on how best to approach them.

JACQUES FILION
Assistant Commercial Secretary,
Abidjan

One of the most important trading companies operating in Ivory Coast is the Compagnie Française en Côte d'Ivoire, or CFCI. It is a subsidiary of the Unilever group. It has successfully introduced Timberjack log-skidders, and is currently negotiating actively with a number of other Canadian suppliers.

A large part of the trade between Africa and Europe remains in the hands of big commercial companies, most of which have their head offices in Paris, London, Manchester, Lisbon or Brussels. They are said today to control about 25 per cent of the industrial firms, 50 per cent of retail sales, and 60 per cent of the export and import trade of tropical Africa, excluding Northern and Southern Africa.

These companies have invested in industries for processing local raw materials, in textiles, and in the light industries that supply local markets. In the main cities of Africa they operate retail stores, specializing in food products, textiles, hardware, building materials, motor vehicles, light and heavy industrial plant, domestic electrical appliances, other electrical and electronic products, and chemical products. In addition to retail stores, they operate wholesale establishments through which they supply small local retailers with imported goods. To have your product line represented by one of these companies is to ensure yourself of excellent distribution throughout tropical Africa. When it comes to consumer goods, however, instore promotion of a new product does not always get close attention.

A good example of a trading company active in West Africa is La Compagnie Française de l'Afrique Occidentale. It began operations over 50 years ago as a small distributor of household goods. Since then, it has spread throughout French-speaking Africa and has acquired several businesses in France. The company has approximately 4,000 employees, of whom over one half are Africans. Within African countries, CFAO has distributed and serviced International Harvester Company's line of trucks, farm machinery and light industrial and construction equipment for nearly 50 years. The company also distributes such other items of automotive and construction equipment as Gallion motor graders, Hyster compactors and fork-lift trucks, Poclain equipment, and Morris trucks (BMC). It also represents Hanckel, Peugeot in Liberia, and Hanomag in the Ivory Coast.

In addition to these products, the company has a large general trade in household goods and supplies, and a plant for assembling bicycles. It sells air conditioners, elevators (Otis), and telephones (ITT offshoot) and participates in operating textile factories and breweries. In France the company operates 16 supermarkets, motor and cycle distributorships and sells artificial furs and carpets. It also sells data processing services because it has excess time on its computers.

One of the trading companies that is active in Commonwealth West Africa and in Southern Africa is Blackwood Hodge Ltd. It is the world's largest distributor of earthmoving equipment and has sales and servicing facilities in the following African countries: Sierra Leone, Liberia, Ghana, Nigeria, Congo, Angola, South Africa, Rhodesia, Zambia and East Africa. The company recently commenced selling Canadian-built motor graders for Dominion Road Machinery Co. Ltd., log skidders for Timberjack, and off-highway

Multinational Companies in West and Central Africa

In the French-speaking countries

Société Commerciale de l'Ouest Africain (SCOA)
7, rue de Teheran
Paris 8

Building materials, electrical domestic appliances, motors, machinery, chemical products, industrial plant, food and beverages, automobiles, textiles

Davum Outremer
(technical research, equipment and distribution)
22, boulevard Gallieni
Villeneuve-la-Garenne
France

Machinery, industrial plant, building materials

Compagnie Francaise de l'Afrique Occidentale
7, place d'Iena
Paris 16

Food and beverages, automobiles, textiles, chemical products, machinery, industrial plant, electrical domestic appliances, building materials

Société Hamelle Afrique
280, boulevard Gallieni
Paris 7

Industrial plant, machinery, motors, automobiles

Jeumont Schneider
5, place Rio de Janeiro
Paris 8

Electrical and electronic equipment, machinery, industrial plant

Compagnie du Niger Francaise (CNF)
(associate of the Unilever group)
157, boulevard Haussmann
Paris 8

Industrial plant, automobiles, electrical and electronic equipment

Compagnie Optorg
5, rue Bellini
92 Puteaux, France

Industrial plant, machinery, automobiles, electrical and electronic equipment, hardware

Union des Comptoirs d'outre-Mer (UNICOMER)
96, avenue de Suffren
Paris 15

Machinery, industrial plant, electrical and electronic equipment, chemical products

Société J. A. Delmas & Cie
17, rue Vauban
Bordeaux, France

Industrial plant, machinery, electrical equipment

Société Commerciale de Materiel Industriel (SOCOMI)
164, boulevard Haussmann
Paris 8

Industrial equipment

Société d'Equipement pour l'Afrique (S.E.A.)
22, rue d'Aumalle
Paris 9

Industrial equipment, machinery

Siemi-France
69, quai Valmy
Paris 10

Industrial plant, machinery

English-speaking companies

John Holt & Co. (Liverpool) Ltd.
India Building
Liverpool 12 OQF

Mr. Meadows; Tel.: 051-236-8881

Automobiles, industrial plant, food, electronic and electrical equipment

The United Africa Company Ltd.
(an associate of the Unilever Group)
P.O. Box 1, United Africa House
London SE 1

Mr. Buckle

All commercial sectors

Paterson Zochonis (U.D.) Ltd.
60 Whitworth Street
Manchester 1

Industrial plant, electrical equipment, motor vehicles

G. B. Ollivant Limited
Lancaster House
71 Whitworth Street
Manchester MA 6LX

Textiles, industrial plant, motor vehicles, food

Paterson, Simons & Co. (Africa) Ltd.
67 Upper Thames Street
London E.C.4.

Mr. Waller

Building materials, industrial plant

Richard William King Ltd.
United Africa House
Blackfriars' Road
London SE 1

Industrial plant, electrical equipment

Blackwood Hodge Limited
25 Berkeley Square
London W1

Earthmoving equipment, motor graders, log skidders, other machinery

Other companies

I.P.T.C.
Industrial Products Company Ltd.
Oth Marstrabe 8
Zurich, Switzerland

Electronics and industrial plant

Sait Electronics
66, Chaussee de Ruisbrale
Brussels 19, Belgium

Electrical and electronic equipment

quarry trucks and loaders for GM Terex. In addition to these newly acquired Canadian products, the firm has been selling a wide range of well-known European- and United States-built machines for many years. These companies include General Motors (earthmoving trucks and scrapers), P & H Harneschfeger, Barber-Greene, Raygo Inc., Warner and Swasey, Gradall, Cummins Diesel and International Harvester.

The company's headquarters are in London, England, and although product sourcing is co-ordinated through London, each distributorship has considerable influence on the decisions about the products to be carried.

The head office of a trading company normally orders from suppliers, makes payments, looks after claims and the signing of agency contracts, and carries on general correspondence. It thus controls and co-ordinates the operations of its agencies in the African countries. Purchasing agents at head office buy for each commercial sector corresponding to the specialty stores established in Africa. Thus, if you want to contact the head office in an effort to promote your product, you should write to the purchasing agent for the sector to which your product belongs.

A general manager for the company is appointed in each country where it has specialty stores and he co-ordinates the activities of these stores. The general manager and the store managers together are able to influence the head office in the signing of a contract of representation with a company, especially in places where the trading company has extensive operations, as in Nigeria, the Ivory Coast, and Congo-Kinshasa. They know the special needs of the market and can quickly assess the commercial potential of your product.

A company considering selling its product to one of the trading companies may well ask what is the best way to begin—with the head office or with the local outlet. There is no one answer. The degree of influence of the local manager varies from country to country and also from company to company. Normally, the smaller the country, the more the local distribution outlet depends on the decisions made by head office. But no matter how much influence the local manager has, the final decision in most instances must be approved by the head office.

This means that the Canadian who wants to get into the West African markets through a trading company has to cover the decision-makers in Paris, Brussels or London, but he should also come to West Africa and visit at least a sample number of the outlets here. Whether it is better to visit the head offices first and then the African outlets is a moot point, though it is often useful to say to a local manager, "When I was in Paris, I talked with the purchasing agent in the sector that includes my product."

A company is apt to assume that if one of the trading companies with representatives in a number of West African countries takes on its product, it will be distributed in all those countries. This is not necessarily so. A trading company may represent one auto-maker, say, in the Ivory Coast or Senegal, and a different one in Kinshasa or Accra. A newcomer should therefore make sure just how much coverage he is getting and in what countries.

How strong is the European influence in these trading companies? Does it mean that it is almost impossible to introduce Canadian goods through these European firms? Experience has shown that if the Canadian can present a product that is newer in design, advantageous in price, or of better quality, the trading companies will consider it seriously. They are good businessmen, after all, and want to get the best possible value for their money.

A good example of working with both head office and local distribution outlets is that of Timberjack, a division of Eaton Yale & Towne, which makes log skidders in Canada. This firm tried both approaches to the trading companies. First, its representative negotiated a contract of representation with the Compagnie du Niger Français (CNF) at its head office in Paris, covering the Ivory Coast, Gabon and Cameroon. The Timberjack representative also visited the CNF outlet (known as CFCI) in the Ivory Coast that specializes in the sale of technical plant, to make sure of the quality of the after-sales service. This representative was also introduced by the Canadian Commercial Secretary in Accra, Ghana, to the general manager of the Blackwood Hodge (Ghana) Agency, already mentioned, which showed interest in the log skidder. The local manager brought his influence to bear on the head office in London to have a contract of representation for Ghana signed, and this was done. Shortly afterwards, the Blackwood Hodge Agency (Nigeria) also received its first log skidders.

How to contact the companies—
Send the Canadian Trade Commissioners in Abidjan, Lagos, or Kinshasa booklets and detailed literature on your products, together with an indication of prices f.o.b. St. Lawrence or Great Lakes ports. We will inform you speedily whether or not rival products are being sold in our territory. We will also be able to tell you the names of the companies with some interest in your product and make recommendations about the advisability of a visit to Africa and/or to the head offices of the companies in Europe.

The Trade Commissioners in Abidjan, Lagos and Kinshasa are now working very closely with their counterparts in the London, Paris and Brussels offices of the Trade Commissioner Service on trading company matters. One person in each of these European offices now carries responsibility for liaison with the trading companies and with their T. C. colleagues in Africa and there is a constant flow of information between the African and the European posts. With their help, it may be possible for a Canadian firm eventually to make a simultaneous presentation in London, say, and in Lagos.

The Trade Commissioners will gladly make appointments for you with the purchasing managers in the European head offices of the multinational companies listed in the box feature or with local representatives.

The Port of New York Authority – Builder and Buyer

D. H. LEAVITT, Consul and Trade Commissioner, New York

The twin towers of the new World Trade Center (page 45), being built by the Port of New York Authority, already are pushing their way up to dominate the New York City skyline, long before their 1973 completion date.

At 1,350 feet, the Trade Center towers will be the tallest buildings in the world, 100 feet higher than the Empire State Building. The Center, set on a 16-acre site in lower Manhattan, is intended to provide a central location for government agencies and private firms involved in foreign trade through New York.

The Port Authority was created in 1921 by the governments of New York and New Jersey. It has since built piers, docks, airports, bridges, tunnels and other facilities worth a total of almost $2.1 billion. In 1962, the two states directed the Port Authority to construct the World Trade Center on a self-supporting basis.

The livelihood of some three million people—one in every four persons in the metropolitan New York City area—is generated by the flow of commerce through the Port of New York. The World Trade Center is intended to maintain and increase this flow.

The two towers are surrounded by four smaller buildings in a complex which will also include commuter parking and a rapid-transit railway terminal. Two architectural firms worked on the project, one dealing with aesthetics and the other handling practical design.

Some of the problems facing extremely high buildings—steel costs, the space used for elevators, and the washing of windows—were solved in interesting ways. The high price of steel was lessened by the use of extra-strong (and thus less) steel and a design which has the exterior walls of the towers bearing most of their weight.

This is one of the new rapid-transit cars built for the PATH railroad, which will have its terminal in the World Trade Center Plaza. One Canadian company recently succeeded in obtaining an order for 46 of these cars from PATH.

The great need for elevators was met by dividing each tower into three zones, with "local" elevators serving the zones and three cars apiece in most of the towers' 104 shafts. In these shafts, one car will operate from floor one to floor 43, another from 44 to 77, and a third from 78 to 110. Express cars with room for 55 passengers will stop only at the junctions between the zones and at the top floor. This solution has enabled the architects to keep elevator space within the buildings to 13 per cent, compared with 23 per cent in most buildings.

The elevators are to carry as many as 250,000 passengers daily, with computers linked to the system keeping the longest trip anywhere in a tower to a maximum of about two minutes.

Each tower is to have 21,800 windows made of tempered glass eight times as strong as regular glass, proof against powerful gusts of wind. Maintenance will be carried out by an automatic washing system that will move down tracks built into the sides of the towers. Each minute, the system will be quick enough to wash down five windows in its track.

The New York World Trade Center is planning a sophisticated World Trade Information Center as part of its operation. This center will identify and provide access to the data of government, private and semi-private information agencies, and an automated index will provide for the inquirer a list of the best information sources available for handling a particular need. There will also be a service to assist in matching tenants of the building with visitor interests. In addition, as headquarters of the World Trade Centers Association, the Port Authority is to be the focus of a Trade Center network of information exchange, with each new Center adding data on the information resources of its region to the inter-center file.

More than 700 tenants have already contracted for 90 per cent of the available space in the Trade Center. One of the tenants is to be the New York office of the Ontario Department of Trade and Development.

The Port of New York Authority is a buyer as well as a builder, with annual purchases amounting to $15 million and covering everything from nails to electronic equipment to heavy machinery. Purchases are based on 700 active bid lists covering 36 major categories and numerous sub-categories.

Exporters wishing to be included on one or several of these bid lists should contact John D. Gaskin, Supervising Buyer, Port of New York Authority, 111 Eighth Avenue, New York, N.Y. 10011.

Not all companies will be considered on every occasion: competition, difficulty of obtaining goods, and the size of the order will dictate whether overseas companies are considered on any particular bid call.

Besides purchases made by the Port Authority itself, the related PATH (Port Authority Trans-Hudson) Railway has a separate purchasing office. A Canadian firm recently obtained an order to supply 46 new rapid-transit cars for PATH. Interested firms should contact Allen Goodrich, Purchasing Agent, PATH, 30 Church Street, New York, N.Y. 10005.

The New York World Trade Center will look like this when it is completed. The twin towers will each be 110 stories high and will house primarily government agencies and private firms involved in foreign trade. It is being built on a 16-acre site in lower Manhattan and around it will be a five-acre open plaza containing four low-rise buildings, two of which will be used for exhibits and special trade shows.

Japan Buys More Wood Products

The young in Japan are taking to bowling, and to furnishing their homes in Western style. Result: a new market for Canadian wood products.

S. G. HARRIS
Commercial Counsellor, Tokyo

When a hundred million people with money to spend adopt a new fad or fashion, the results can be spectacular. Canadian exporters of certain wood products have already proved the truth of this statement.

Bowling is a good example. The ten-pin bowling game was introduced to the Japanese by the United States armed forces after the Second World War. For a long time, it remained the foreigner's pastime, played mainly in military bases and camps. It was largely ignored by the Japanese public, too busy rebuilding a demolished country and a shattered economy to be bothered with frivolous games. Early in the 1960's however, bowling centers began to appear and the game suddenly caught on. Almost overnight, bowling seemed tailor-made for the Japanese. With more money to spend, Japanese young people began to seek new leisure pursuits and a year-round indoor game that took little space and offered operators an appealing profit was a natural. New alleys were installed in multi-lane bowling centers across the country. From a start of a few hundred alleys in 1964, the game expanded to over 26,000 alleys in August 1970 and about 7,000 new lanes are set up each year. The end is not yet in sight.

This popular bowling alley in Japan is floored with maple bedstock that came from Canada, and which is used in about one third of the Japanese alleys. Very little maple lumber is produced domestically and the way is open to imports.

Predictions are that by the time the rate of new installations begins to taper off, perhaps in two or three years' time, there will be a large replacement market for lanes. Canadian suppliers of maple bedstock will then be able to continue their sales to this lucrative market.

Other Canadian companies have developed a lucrative business in Japan in bowling pins. Many of the bowling equipment suppliers have set up joint venture companies with the Japanese or have made licensing arrangements in that country.

Little maple lumber is produced in Japan and Canadian exporters have had virtually a free hand in develop-

JAPANESE IMPORTS OF FURNITURE

Commodity no. and product	Source	Value and per cent of market 1967 $'000,000	% of total	1968 $'000,000	% of total	1969 $'000,000	% of total
821-011 Chairs and other seats and parts thereof, covered with leather							
	Total	0.2		0.1		0.3	
	Denmark		28.9		23.2		18.7
	Italy		23.2		29.0		30.2
	Norway		5.5		10.9		21.1
821-019 Chairs and other seats and parts thereof, n.e.s.							
	Total	0.7		1.0		1.2	
	United States		40.9		52.6		45.9
	Germany		11.4		14.7		5.5
	Canada		6.0		3.5		—
821-091 Other furniture and parts thereof, of kwarin, tuge, tagayasen, rosewood, red sandalwood and ebonywood							
	Total	0.2		0.3		0.5	
	China		73.8		65.9		60.9
821-092 Other furniture and parts thereof, of wood, n.e.s.							
	Total	0.5		0.5		0.9	
	Britain		29.6		4.2		7.9
	Italy		18.0		12.0		16.5
	China		9.0		13.2		12.5
	United States		5.4		19.2		2.3
	Taiwan		6.0		8.5		9.8
	India		2.5		6.7		7.8
	Denmark		3.0		6.1		9.1
Total imports, including all others		2.2		2.6		3.8	

ing this new business. The demand has, in fact, been so strong that a small business has sprung up importing second-hand alleys from Australia. The Canadians have supplied fully-machined maple bedstock for about one third of the alleys currently in the country. Besides this, two Canadian companies have successfully introduced their brands of bowling alley pins to the Japanese market and, with replacement sets required every nine to twelve months, this business too should continue almost indefinitely. Domestic manufacture accounts today for less than 10 per cent of the demand for bowling alley pins. The remainder is imported from Canada and the United States.

The bowling alley installation business is dominated by the bowling equipment suppliers, most of whom have set up joint ventures or have made licensing arrangements in Japan. These equipment suppliers, in turn, rely on a number of independent firms to install their machines and lanes, using imported lumber. Bowling pins, on the other hand, are imported by a variety of large and small trading companies and are offered direct to the bowling alley operators on a replacement basis.

Truck Decking

Looking into additional opportunities for Canadian hardwood, we have found considerable interest in truck body and container decking. At present, this business uses almost entirely imported apitong, a type of tropical mahogany. This is imported rough and finished in Japanese mills. The demand for a better quality decking comes from the industry, which not only would prefer the glue-laminated oak and maple materials used commonly in North America but also find that overseas customers are insisting on these better materials. Our investigation of the market reveals that although the tariff rate on fully-finished glue-laminated lumber is 20 per cent, it can be imported duty-free if the ocean containers and some of the truck bodies are eventually exported. This is an area that Canadian suppliers are investigating closely and we have every hope of considerable business developing in this material in the near future.

Furniture

Traditionally a Japanese home required little furniture in the Western sense of the word. Chairs were unknown as the Japanese preferred to sit on the soft tatami (straw mat) floor and at night sleep on a thin mattress laid out on the tatami and rolled up and placed in a cupboard in the daytime. In recent years, with the trend to larger houses and more space, many of the types of furniture commonly used in Western homes have been introduced and this fashion seems to be becoming popular. Upholstered furniture for the living room, dining room suites, and even beds and mattresses are becoming common in the better class Japanese homes.

To supply this obvious demand, a number of foreign firms have entered into joint ventures to manufacture their furniture designs in Japan and some of these firms have set up assembly plants and finishing operations for imported components from European and North American sources. There is still, however, a need for imports of the high-fashion, high-priced lines which can be filled directly by shipments from foreign countries. The table gives some indication of the present imports into this market.

Other Components

There is also a continuing market for rough hardwood dimension stock for making special components, sporting goods, billiard cues, etc. With the Japanese love of wood and wooden finishes, there is a market for almost any wood with an attractive grain and odour. Hardwood flooring in parquet designs is popular and fine-grained lumber and plywood panels are much appreciated. For decorative use, Canadian Douglas fir plywood has found a niche in the Japanese market and other Canadian woods with similar decorative grains could be sold here.

If you or your firm are in this business and want to export your products, we hope that you will give Japan some study. It is a new, affluent and expanding market and we feel that it may be a good one for you. Let us know your interest and we will do our best to help you.

International Loans

CIDA helps Belize bananas

A $600,000 grant from the Canadian International Development Agency to the Government of Belize will be used to buy and ship Canadian roadmaking equipment to build a road for transporting bananas. The 17-mile road will run over swampy terrain from the plantations to the wharf at Riversdale on the coast. The road is expected to help materially the development of the banana industry in the southern part of the country.

Aid for Nicaraguan port project

Canada is providing the equivalent of nearly U.S.$2.5 million for a port expansion project that will help to open up a relatively isolated part of Nicaragua. The project is located at El Bluff, a small port on the southeastern Atlantic coast of Nicaragua, and at Rama, the first commercial center upstream on the Escondido River. It will involve dredging the access channel and inner harbor at El Bluff, constructing small waiting berths, and building a pier for barges in Rama. The project also includes final design and supervision services.

The port project is part of an over-all program known as the Rama Plan to colonize and develop the comparatively isolated southeastern Atlantic area of the country. The Nicaraguan Government has instructed the Banco Nacional to give high priority to the development of this coastal region. Special attention is being given to the agricultural sector, especially livestock and fishing.

Projects totalling U.S.$49.5 million are planned or being implemented in the region, including cultivation, fisheries development, livestock breeding and forestry industries. The Rama-El Bluff port complex is expected to handle both the export and local traffic resulting from these projects.

The port complex forms part of a general transportation system planned for the region. Some parts of it, such as the road connecting Rama with the Inter-American Highway system, have already been completed.

The Canadian funds are being provided by the Canadian International Development Agency through the Inter-American Development Bank, under arrangements which were first established in 1964. At that time, $10 million was provided to the Bank to administer on Canada's behalf. Subsequent contributions have increased this to a total of $60 million.

$15 million CIDA loan for Indian oil exploration

The Canadian International Development Agency has granted India a $15 million loan for oil and gas exploration and development. This is CIDA'S first major commitment to this important sector of the Indian economy. It will enable Canadian suppliers of machinery, equipment and services to help in developing vitally needed energy resources.

Indian crude oil production will reach approximately 13 million tons by 1975, but consumption is expected to total about 35 million tons, necessitating large imports and a drain on scarce foreign exchange reserves. India has therefore placed a high national priority on the development of its own oil and natural gas resources and the Indian Oil and Natural Gas Commission has been made responsible for exploring all sections of the country. Surveys have indicated large areas where oil and gas may be found.

The loan provides a line of credit for the next five years, during which the Commission will be able to issue tender calls to Canadian suppliers of equipment and services.

Brazil tackles education

Brazil is giving high priority to the improvement and expansion of its educational system to maintain economic growth. Only 5 per cent of students at the upper secondary level are enrolled in agricultural and industrial schools, an inadequate number for the country's needs. The World Bank has therefore granted Brazil a loan equivalent to U.S.$8.4 million to help further technical education.

The project includes the construction of and equipment for one new upper secondary agricultural school and extensions to seven others. These schools will offer post-secondary specialized training. Two upper secondary industrial schools will be extended, five new centers for operational engineers built and equipped, and an existing center extended.

The project, to cost $21 million and to be completed by 1975, will also provide technical assistance in the form of specialist services and overseas fellowships.

World Bank helps Finnish road project

Finland is getting a U.S.$13 million loan from the World Bank Group to improve its road network to handle the rapid increase in passenger and freight traffic. The project for which the loan will be used will cost an estimated $33 million and consists of two parts: construction of a 14-mile section of a four-lane divided highway between Tattariharju and Jarvenpaa, (including five interchanges and 22 miles of approach roads), and paving of about 565 miles of existing roads.

The divided highway section is part of a planned 90-mile expressway between Helsinki and Lusi, a village 25 miles north of Lahti, the fourth largest city in Finland. The loan will cover the foreign exchange cost of the project, which is expected to be completed by the fall of 1973.

Venezuela Opens Up Its Forests

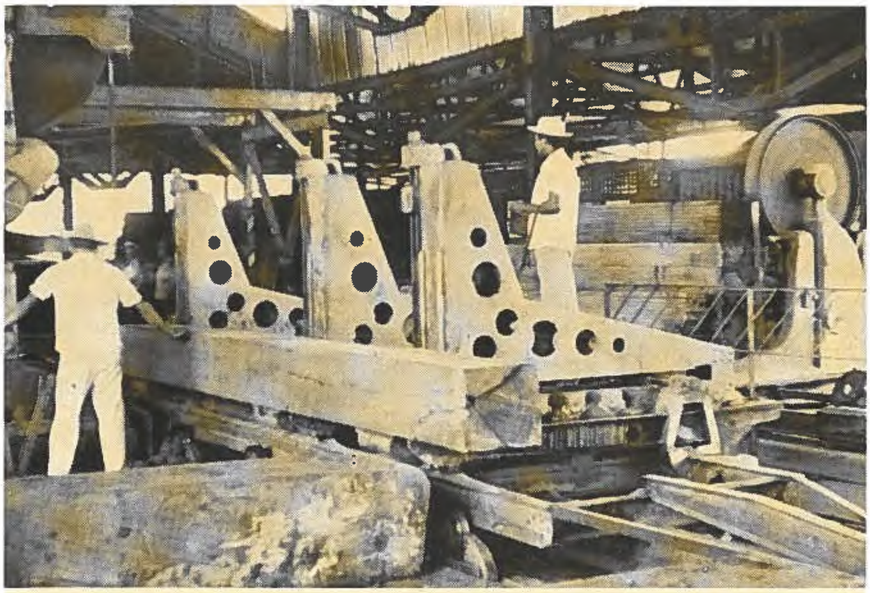
Now is the time to get in on the ground floor of the infant forest industry, where opportunities already exist for Canadian sawmill equipment and wheeled and tracked skidders.

J. M. VINCENT
Assistant Commercial Secretary,
Caracas

Venezuela has more than half of its total territory, or approximately 180,000 square miles, covered with forest. Seventy per cent of this lies in the eastern Guayana region, a zone almost entirely unexploited. Next in importance are the western states of Barinas, Apure, Tachira, Merida and particularly Estado Zulia. As in most tropical countries, the forests are mixed and there are no uniform stands of trees of the same species. This makes exploitation difficult and costly.

But despite these natural timber resources, the contribution of the forest to Venezuela's GNP is minimal—out of all proportion to its potential. Up to the present, forestry exploitation in Venezuela has been handicapped by low capital investment per unit of production, unsuitable equipment resulting in low productivity, excessive waste, low-quality products, lack of technical and trade expertise, and poor profits.

There are two principal factors in this situation: lack of foreign competition and the absence, until 1969, of government long-term forest management policies. The lumber industry has had virtually an unlimited sellers' market since 1960, when sawmill owners were granted customs protection. Licences



This photograph shows a typical Venezuelan sawmill. In the open shed, a simple two-way carriage is used to carry the logs to the band saws in the mill.

As can be seen in this picture, the log is turned by hand on the carriage, with the help of an A-frame crane on the truck. These trucks are often used in place of skidders to carry logs from the forests and in sawmill operations, partly because there is no other suitable equipment, and because labor is readily available and cheaper.

are required for the import of wood and lumber, but none has been issued since 1964. Consequently, local lumber is expensive—according to FAO statistics, it costs double the price of Canadian sawn lumber. The absence of government long-term management policies meant also little security of tenure. This naturally stopped any inflow of capital investment to make the industry viable.

But in March 1969 legislation was passed permitting the granting of harvesting rights for up to 50 years, thereby giving reasonable tenure. And in February 1970 the first concession with long-term rights (40 years) was granted by the Ministry of Agriculture to a Venezuelan company, Empresa Contraenchapadas Tachira, within the Ticoporo reserve in Barinas. The concession covers approximately 106,200 acres. An industrial complex, composed basically of a sawmill with an annual capacity of 12,000 square meters and a plywood plant with annual capacity of 9,000 square meters, is now under construction there.

The next area to be opened up will probably be the Guayana region, which contains 92 per cent, or approximately 27 million acres, of all the forest reserves in Venezuela. At present, only 10 per cent of the commercially useful timber in this region is being used. Studies completed by the FAO in 1969 concluded that the establishment of a pulp mill in the Guayana region would be economically feasible, particularly in the Imataca forest reserve which covers about 7.9 million acres. This region also has a supply of hydroelectric power, good communications, an existing infrastructure and ample water.

In 1965, a management unit was granted to Corporacion Venezolana de Guayana (CVG), a semi-autonomous government entity, but there has been virtually no exploitation. A completely integrated forestry complex has been considered for a number of years, although the latest proposal, advanced in mid-1970, envisages only a pulp and linerboard mill complex, in which CVG will have the majority interest. It is possible that construction will start in the linerboard mill this year, with the pulp plant (35,000 metric tons annual capacity) later. If the project does develop, it will be the first forest harvesting project using modern techniques in Venezuela.

Three other concession areas have been mapped out in the Imataca reserve and various investors from Venezuela, Europe and North America have indicated interest in establishing a forestry complex in them.

Venezuela is rapidly becoming self-sufficient in some paper products. There are seven principal manufacturers who dominate the local market, satisfying almost all of Venezuela's requirements for sanitary, wrapping, printing and writing papers, linerboard and corrugating medium and cardboard. But there is still a large gap—Venezuela must import almost all its pulp and newsprint. In 1969, imports of pulp totalled almost U.S.$15 million and newsprint U.S.$10.5 million, of which Canada supplied $2.2 million and $7.6 million respectively.

There are also significant imports of specialty papers such as offset, bond, manifold, tabulating card index paperboards, milk carton stock, and wallpapers. These imports are declining, however, and the mix is constantly changing as local producers expand their range of products.

Only 23,000 metric tons of pulp are produced annually in Venezuela, all of it bagasse pulp. The effect of the Guayana region pulp mill on imports is not likely to be felt for several years

VENEZUELAN IMPORTS OF FORESTRY EQUIPMENT

	U.S.$'000 1967	1968	1969
Woodworking machinery and parts (including mechanical saws, sawmill equipment, lathes etc.)			
West Germany	1,280	970	851
East Germany	18	—	8
Austria	6	46	91
Belgium and Luxembourg	68	59	77
Czechoslovakia	16	2	103
United States	500	605	507
Spain	81	247	72
France	41	33	59
Netherlands	13	24	5
Italy	958	1,444	1,629
Portugal	32	8	56
Britain	39	64	21
Sweden	80	16	28
Switzerland	35	99	5
Others	12	26	11
Total	3,179	3,643	3,523
Paper industry machinery, accessories and parts			
West Germany	382	797	665
Colombia	22	—	—
United States	1,806	2,111	1,371
Spain	15	4	14
France	74	27	12
Netherlands	21	49	138
Italy	256	66	11
Britain	45	64	126
Sweden	102	12	4
Others	3	323	85
Canada	—	37	225
Total	2,726	3,490	2,651
Papermakers' felts			
West Germany	1	3	10
Canada	261	367	389
United States	86	59	56
Spain	1	—	—
Italy	3	2	—
Portugal	1	5	—
Britain	2	12	24
Sweden	80	89	119
Others	—	28	23
Total	435	565	621

and may, in fact, increase imports of long-fiber chips in the initial stages in order to improve the quality of the pulp.

A newsprint mill is still some years away because only short-fiber hardwoods are available in Venezuela. Reforestation of the Guayana region, however, with fast-growing long-fiber Caribbean pine will provide a basis for a newsprint mill in some 10 to 15 years. It is also worth noting that the Venezuelan consumption of newsprint is approaching 80,000 metric tons, almost to the point where a mill to satisfy domestic demand becomes justified.

Apart from the proposed pulp and linerboard project, opportunities for Canadian manufacturers of pulp and paper industry equipment are not very good because two of the larger paper producers have recently purchased paper machines from the United States. No other significant expansions are contemplated. Possibilities for the sale of papermakers' felts (Canada already supplies over 60 per cent of the Venezuelan market) will continue strong.

As all this shows, Venezuela's forestry industry is still in its infancy and large-scale opportunities cannot be expected, except possibly for the new concessions to be awarded. Most logging operators are not strong financially and use labor-intensive logging and sawmilling techniques. A market does exist, however, for all mill equipment, from the simplest type of conveyer rolls and burners to edgers and band saws. Furthermore, if a Canadian manufacturer of modern equipment could interest only a few of the more progressive sawmill operators in better equipment, he would stand an excellent chance of getting in on the ground floor of a small-scale revolution in the Venezuelan forest industry.

There is also great interest in Canadian wheeled and tracked skidders; these would enable Venezuelan operators to extend their present three-month logging season into the long rainy season lasting from April through November.

To date, Canadian companies have not participated in the growing market for forestry equipment, as the attached table shows. Competition is, of course, strong and manufacturers of American chain saws and Belgian sawmilling equipment have obtained a large proportion of the business. The representative of one Belgian manufacturer, for example, claims to have his principal's equipment installed in 140 sawmills in the country.

An active local representative is a must and now is the time for Canadian manufacturers to firm up arrangements for sales to the Venezuelan market. With aggressive promotion, we can exploit our world-wide reputation for forestry expertise in Venezuela. The Caracas office of the Department of Industry, Trade and Commerce will be pleased to assist Canadian exporters in every way possible.

Trade Lines

Air-pollution analysis a large United States market

The United States' requirements for air-pollution analysis instrumentation can be expected to be worth $60 million to $80 million annually by 1980, according to a recently released survey prepared by a Cambridge, Mass., consulting firm—Boston

Swiss consultants get Sierra Leone contract

The Swiss consulting engineering firm of Motor-Columbus AG, Baden, will make an extensive study of the electric power supply in the West African republic of Sierra Leone. Working under the United Nations Development Program, the company will analyze present and future demand for electric power and study the possibility of constructing hydroelectric and thermal power plants—Berne

New industries to open in Iraq

Several new industrial plants are expected to go into operation in Iraq this year. A pulp and paper project, designed by the Canadian consultants, Stadler Hurter International Limited, is expected to start operations during the first quarter of 1971. A $30 million chemical fertilizer complex at Basra, designed by Chemico and built by Mitsubishi of Japan, will be inaugurated in April. The complex comprises the following plants: ammonia 200 tons a day, urea 160 tons a day, ammonium sulphate 420 tons a day, and sulphuric acid 325 tons a day. A $20 million glass factory and a household refrigerator plant are among other important projects for the current year—Beirut

Singapore port busier than ever in 1970

A record 42.4 million tons of cargo were handled at the Port of Singapore during 1970, compared with 38 million the year before and 36 million in 1968. Most of the traffic was in mineral oil, a total of 32.5 million tons last year. General cargo accounted for nearly nine millions tons. Singapore is now the fourth busiest port in the world—Singapore

New York plans biggest convention center

Plans have been announced to build the largest convention and exhibition center in the United States above the Hudson River piers between 44th and 47th Streets in New York. At the same time, plans were disclosed to build a U.S.$31 million passenger ship terminal immediately north of the center. The City of New York has already committed $26 million and the Port of New York Authority has agreed to put up $5 million for the passenger ship terminal, which is expected to be completed within two years. It is hoped that the convention center and terminal will generate $70 million a year in new business for the city—New York

New zinc electrolysis plant for Belgium

One of Belgium's leading non-ferrous metals producers, the Société de Prayon S.A., is building a new zinc electrolysis plant at Ehein, near Liege. The plant, which is to start operating in mid-1972, will have an annual production capacity of some 50,000 tons—Brussels

Barcelona hosts chemical industries fair

The annual Spanish chemical industries fair will be held in Barcelona this year, running from October 14-24. The fair is considered important by Spanish firms and buyers. A new section this year will be devoted to pharmaceutical products and related goods, including chemists' furnishings and fittings, sanitary and public health equipment, orthopaedic appliances, dietetic foods and medicines, veterinary products, optical and hearing aids, medical formulae and galenic preparations. Canadian firms wishing further details can contact Expoquimia 71, Avda. Ma. Cristina, Palacio No. 1, Barcelona 4—Madrid

Foreign Tariffs and Trade Regulations

Brazil

The following tariff changes were recently announced by the Brazilian Customs Policy Council:

Resolution 1011 creates a new item:
Tariff Item 84.17.14.00—Liquid nitrogen refrigerating containers including internal accessories and apparatus for maintaining ampoules of semen for the transport or the preservation of frozen semen—duty free.

Resolution 1024
Tariff Item 38.05.02.00—Distilled tall oil—to be allowed to enter free of duty for one year beginning June 25, 1971.

Resolution 1028
Tariff Item 40.02.99.01—Artificial rubber of polybutadiene-styrene type (SBR)—a quota of 5,000 tons to be admitted free of duty.

Resolution 1029
Tariff Item 29.11.35.00—Vanillin-methyl-proto-catechnic aldehyde—a base price of U.S.$5.50 per kilogram for the calculation of customs duty has been established.

Chile

Central Bank of Chile Circular 1508 imposed, effective April 27, a prior deposit of 10,000 per cent on approximately 600 items on the Permitted Import List. The deposit applies to general imports and to capital goods imports with long-term payment terms. The list covers items in most sections of the customs tariff, including chemicals, machinery and electrical equipment. Goods imported by or for the Government of Chile and goods imported from LAFTA countries are not subject to the prior deposit.

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

Costa Rica, Honduras

The Governments of Costa Rica and Honduras have introduced new regulations for foreign exporters and their agents or distributors. The regulations of both countries restrict the ability of foreign principals to terminate agency agreements.

Copies of translations of Decree No. 50 published in the *Official Gazette* of Honduras No. 20,201, October 16, 1970, and Decree No. 4684, dated November 30, 1970, published in *La Gaceta* of Costa Rica, December 4, 1970, are available from the Latin America Division, Office of Area Relations.

Honduras

The Government of Honduras, by Resolution No. 23 dated January 13, 1971, and published in *La Gaceta* No. 20,277 of January 16, 1971, has introduced new regulations in imports and exports of merchandise. A registry of importers and exporters has been created under the supervision of the Direccion General de Economia y Comercio. The Resolution also contains a list of articles which may be imported on credit with previous authorization from the Central Bank of Honduras, and a list of items which require the prior approval of the Bank even if they are imported on a cash payment basis.

A translation of Resolution No. 23 and the list of items which require prior authorization in Spanish are available from the Latin America Division, Office of Area Relations.

Spain

The Spanish Minister of Commerce has declared that the prior deposit requirement on goods imported into Spain expired on June 30, 1971, and will not be renewed.

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.

Absorption-type household refrigerators

NIGERIA—A large integrated firm operating in Nigeria is seeking a source of supply for absorption-type refrigerators for household use. Interested Canadian firms may contact J. Stark, RAC Manufacturing Assembly Plant, P.O. Box 35, 7 Creek Road, Apapa, Lagos, Nigeria.

Chemical powder fire extinguishers

SWEDEN—The largest manufacturer of fire extinguishers and accessories in Sweden wants to complete its sales line with a two-pound chemical powder extinguisher. The firm, which controls 70 per cent of the fire extinguisher market in Sweden, is interested in obtaining two types of chemical powder for extinguishers, similar to the United States-made Ansul Purple K and Ansul Foray types. Contact: AB Svenska Tempus, Box 32015, S-126 11, Stockholm, Sweden. For followup, send copies to Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Kungsgatan 24, S-104, Stockholm, Sweden.

Dishwasher for medical equipment for operating room use

SWEDEN—A large Swedish importer of medical and hospital equipment is eager to locate a Canadian supplier of dishwashers for medical equipment to be built into the walls in operating rooms. The appliance should have two doors, one inside the room and one outside, and it should clean equipment and instruments before they are taken out to the central sterilizing department. Contact: Per Appelqvist, president, AB KIFA, Fack, 171 20 Solna, Sweden. For follow-up, send copies of correspondence to: Commercial Counsellor, Canadian Embassy, P.O. Box 14042. Kunsgatan 24, S-104 40, Stockholm, Sweden.

Equipment used in metal sintering; presses and re-presses; sintered metal parts

BRAZIL—Sao Paulo firm seeks supply sources for sintered metal parts, especially those used by the automotive industry; equipment used in metal sintering; and presses and re-presses (calibrating equipment). Contact: Dr. Roberto Alfred Petzold, technical director, MANCAL S.A. Industria e Comercio de metais em Po, Caixa Postal 11796, Sao Paulo, SP-Brazil.

Free-port goods

VENEZUELA—The Venezuelan Government has recently approved free port facilities for the Island of Margarita. An island firm is interested in representing Canadian manufacturers of whisky and other liquors, textile fabrics, giftware, clothing, optical goods, household electric and electronic appliances, and all goods commonly sold in free ports. If interested, airmail literature and prices to Denis Bourne, Intra Mar Ca, Apartado 90, Porlamar, Isla de Margarita, Venezuela. For follow-up, send copies to Commercial Counsellor, Canadian Embassy, Apartado 62302, Caracas 106, Venezuela.

Frozen vegetables

JAMAICA—Jamaican firm seeks supplier of frozen vegetables in consumer packages. Interested exporters should write direct to Earl Chin Loy, JHG Mapp (Successors) Ltd., 2A East Avenue, Kingston 13, Jamaica.

Greeting cards, paper toys and paper products

BRITAIN—A Winchester firm wants sources in Canada of greeting cards, paper toys, and paper and light cardboard products that can be sold by mail order. Contact: C. McKechnie, CM Printing Services, 45A Jewry St., Winchester, England, enclosing product information and prices. Copies of correspondence may be sent, for follow-up, to: Minister (Commercial), Canadian High Commission, One Grosvenor Square, London, W1X, OAB, England.

Hospital and medical equipment

SWEDEN—A firm importing hospital equipment and specializing in accessories and equipment for intensive care and narcosis wants to contact Canadian manufacturers of disposable hoses to be used between tracheal tubes and narcosis equipment and also those useable between tracheal cannulae and respirators. The hoses should be made either of paper or of plastic. All varieties of couplings for use in this field are also of interest, as are orthopedic instruments. The firm, established in 1951, deals with hospitals throughout Sweden. Contact Sten Gibeck, president, Louis Gibeck AB, Box 35, 13012 Alta, Sweden, and for follow-up send copies of correspondence to Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Kungsgatan 24, S-104 40 Stockholm, Sweden.

Industrial machinery

MEXICO—Mexican firm with ten years' experience and large modern plant facilities wants industrial and other lines for manufacture in Mexico with sales to domestic and international markets. The firm names no specific product sought, but would prefer industrial machinery. It is currently manufacturing Rolls-Royce engines of from 50 to 400 horsepower. The firm is prepared to study all inquiries for market evaluation and potential, and would consider joint ventures and/or licensing arrangements. Contact: Moto Equipos S.A., Alemania 14, Colonia Parque San Andres, Mexico 21, D.F. Attention: S. W. R. Hickman, general manager, and/or the Commercial Counsellor, Canadian Embassy, Apartado Postal 5-364, Melchor Ocampo 463, 7th Floor, Mexico 5, D.F., Mexico.

Industrial safety equipment

ICELAND—Reykjavik firm seeks Canadian suppliers of industrial safety equipment. Contact: G. Steindorsson, Velsmidjan Dynjandi Ltd., Skeifan 3, P.O. Box 1343, Reykjavik, Iceland.

Kraft paper for bags

LEBANON—A well-known firm operating in Lebanon would like to contact potential Canadian suppliers of kraft store-bag paper in reels. The firm would like quotations c. & f. Beirut or Lattakia for 1,000 tons with the following specifications: 36 grs/sq. m. of 63, 70 and 80 cms.; 34 grs/sq. m. of 23, 28, 40, 45 and 56 cms.; reel diameter 60/65 cms.; core 7/7.5 cms. The 1000 tons are required for the firm's three paper bag factories in Iraq, and is interested in importing additional quantities—as much as 4,000 or

5,000 tons—for other Iraqi producers of paper bags. Contact Toufik K. Shakarchi, director, Al Firdaws Trading and Contracting Co., Post Box 1546, Beirut, Lebanon. Cable address: KAROMA, Beirut.

Kraft paper for drums

BRAZIL—A Sao Paulo firm wants source of supply for 30 to 40 tons per month of kraft paper for use in the production of drums. The specifications are 200 to 300 grams per sq. m. Contact Dr. Jose Fresnot, president, FIBRATAM S.A. Usina de Tambores de Fibra, Rua 7 de Abril, 277-8th Floor, Sao Paulo, SP—Brazil.

Laboratory equipment

SWEDEN—The largest firm now distributing hospital equipment and supplies in Sweden, which is also the joint purchasing organization for all county councils in the country, wants to find suitable suppliers of laboratory equipment, particularly glassware, to be used in hospital laboratories. Contact: Bertil Anfelt, Landstingens Inkopscentral (LIC), 171 83 Solns, Sweden. For follow-up, send copies of correspondence to: Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Kungsgatan 24, S-104 40, Stockholm, Sweden.

Laboratory equipment, ophthalmic goods

BRAZIL—Canadian firms interested in supplying laboratory equipment, including microscopes, spectrum-photometers, pH-meters, analytical scales and laboratory centrifuges, and/or ophthalmic goods, ophthalmic examining equipment and diagnostic equipment to Brazil are invited to contact Thomas M. Cohn, Director, ADGA S/A Comercio e Importacao, Caixa Postal 1288, Sao Paulo, SP—Brazil.

Linseed and rapeseed

DENMARK—Firm wants to contact Canadian firms able to supply linseed and rapeseed in shipments of 1,000-2,000 tons at a time. Contact: Jens Sorenson of Carl Sorenson, 5700 Svendborg, Denmark.

Medical equipment

DENMARK—The Danish firm Fa. Seelen would like to contact Canadian manufacturers of electrocardiogram apparatus run by batteries and makers of anti-decubitus mattresses with electric pumps, with a view to importing said products into Denmark. Contact: Fa. Seelen, 7500 Holstebro, Denmark.

Poplins, suede, linings for pile fabrics

ICELAND—Icelandic firm invites offers from Canadian suppliers of poplins, linings for pile fabrics, and suede skins for use in clothing. Contact: Arne Jonsson, Belgjagerdin h.f., Bolholti 6, Reykjavik, Iceland.

Red cedar shingles, machine-grooved

LIECHTENSTEIN—A firm in Liechtenstein requires machine-grooved red cedar shingles. Interested Canadian firms may contact Normco AG, P.O. Box 14811, 9490 Vaduz, Liechtenstein.

Slide viewers

SWEDEN—A large import firm supplying materials and equipment for schools, universities and other educational institutions throughout Sweden wants to contact a Canadian manufacturer of viewers for slides two inches square. The viewing screen should be approximately six inches square, and the unit powered by 220 volt current. Contact: G. Rohrbeck, AB Skrivrit, S-191 88 Sollentuna, Sweden. For follow-up, send copies of correspondence to Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Kungsgatan 24, S-104 40 Stockholm, Sweden.

Sliding shutters for steel casting ladles

WEST GERMANY—German firm would like to contact a Canadian manufacturer of sliding shutters (pneumatic and hydraulic) for steel casting ladles. Object is a licensing agreement for fabrication and distribution in Germany. The German firm is also prepared to consider an agreement for distribution alone. Send literature to: Consul General and Senior Trade Commissioner, Canadian Consulate General, Koenigsallee 82, 4 Duesseldorf 1, West Germany.

Steam-generating plant, turbo-alternator plant

BAHRAIN—The Department of Development and Engineering Services of the Government of Bahrain is inviting bids until Sept. 4, 1971, for the manufacture, supply, testing, packing, delivery, erection, commissioning and maintenance for 12 months of a plant to be installed in Bahrain under the following contracts: Contract 2398/10: Steam Generating Plant, comprising one, or alternatively two, 450,000 pounds-per-hour steam generating units suitable for natural gas firing, each with superheater, outlet conditions of 625 P.P.i.g. 860 degrees F complete with economiser, draught plant, H.P. and L.P. steam and water pipework and other accessories. The first unit must be completed by July 1, 1974.

Contract 2398/11: Turbo-alternator plant, comprising one, or alternatively two, 25,000 kw steam turbo-alternator units having a maximum pass-out steam quantity of 220,000 pounds per hour at 35 P.S.i.a. stop value conditions 600 Psig. 850 degrees F with general auxiliary and control of instrument equipment. First unit must go into operation on July 1, 1974. A short precis describing the extent of each contract is obtainable from the consultants: Messrs. Preece, Cardew, and Rider, Paston House, 165/167 Preston Road, Brighton BNI 6AF, England. Tender documents can be obtained from the same source.

Tractors for city use

SWEDEN—A Swedish firm which imports lawn mowers, garden equipment, gear boxes, transmissions and auto accessories wants a source of supply for 20-25 horsepower tractors for various city uses. Tractor should be equipped with power take-off in front and rear, with both front and rear tires having the same dimensions. The firm would prefer units with four-wheel drive. Contact: AB E. Fleron, Box 155, S-201 21 Malmo, Sweden, Attention: Ragnar Carlsson, sales manager. For follow-up, send copies of correspondence to the Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Kungsgatan 24, S-104 40 Stockholm, Sweden.

Textiles, clothing

BELIZE—H. Bhojwani of the Manhattan Store, P.O. Box 513, Belize City, Belize, seeks a Canadian source of textiles, women's wear and men's wear.

Wood and additional material and equipment for bowling alleys

SWEDEN—A Stockholm firm wants to locate Canadian manufacturers or exporters of wood for use in building bowling alleys. The specific material desired is planed spruce and maple, but the firm is also interested in obtaining additional material and equipment for use in setting up bowling alleys. Contact: K. E. Ohlsson, president, Husproduktion, S:t Eriksgatan 72, 113 20, Stockholm. For follow-up, send copies of correspondence to: Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Kungsgatan 24, S-104 40, Stockholm, Sweden.

Service to Iceland

Our Oslo office has recently informed us that the Iceland Steamship Company of Reykjavik has decided to make a trial call at Halifax about August 16, using the vessel M/S *Selfoss*. If there is sufficient freight, the company is prepared to consider making firm scheduled calls at Halifax in the future. A direct shipping service of this kind from Canada to Iceland should help more Canadian exporters to enter the Icelandic market. The Halifax agents for the Iceland Steamship Company are Warren Ltd., 1695 Hollis Street.

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.

Sailboats

British firm offers the Canadian production and marketing rights to its line of 16 ft. glass fiber sailboats which combine the qualities of a safe general-purpose boat with those of a well-designed, all-weather racing boat. Because of their high ballast ratio—200 lb. plate and 142 lb. lead ballast—they are almost impossible to capsize, even in high winds. The sails are of 5½ oz. terylene. One model has a forward shelter and another can be used as a motor launch. The British licensor will provide the moulds. Literature available. **Item 2433**

Hermetically-sealed sliding doors

Netherlands firm offers under licence the Canadian production and marketing rights to its hermetically-sealed sliding doors. The doors hang from a unique rail system that guarantees easy and smooth operation. If desired, they can be made fully automatic with a pneumatic cylinder and four-way valve arrangement controlled by photoelectric or ultrasonic signals. The doors can be used on deep-freeze, refrigeration and gas storage installations, and also as smokeproof fire doors, balcony, and hospital operating room doors. It is claimed that they have a number of advantages over swinging and other sliding doors. Literature available. **Item 2434**

Temperature controls, granulated material dryer

West German manufacturer offers under licence the Canadian production and marketing rights to its line of temperature control instruments and automatic granulated material dryers. The line includes single-circuit water-based and oil-based units for temperature control of tools for injection moulding and die-casting, injecting cylinders, extruders, etc. The main advantage claimed for the temperature control instruments is that the transmission liquid is kept in continuous circulation between the instrument and the object to be tempered. Excess heat is removed by an automatically regulated supply of fresh water or by cooling oils. The granulated material dryer guarantees the even degree of dryness required for moisture-sensitive plastics. All instruments are mounted on castors. Literature available. **Item 2435**

Structural system

Netherlands firm offers under licence the Canadian manufacturing and marketing rights to its structural system for pallet racks, industrial and office partitioning, raised floors, shelf brackets and other metal frame construction. The company claims that its system differs from others because the fittings, nuts and bolts are completely recessed within the channel. Another advantage is that attachments can be made at any point along the channel, thus eliminating drilling and welding. Literature available. **Item 2436**

Horizontal plate filter

United States company offers under licence the Canadian manufacturing rights to its horizontal plate filter for use in the chemical, food, brewery and other processing industries. Because of its unique design, the filter is said to be competitive with cartridge filters used with machinery. It consists of a stack of horizontal plates in a shell; the plates have cavities in their upper sides covered with a filter cloth. The top face of the unit is coated with a filter cake. The liquid to be filtered is introduced into the shell around the plates and the filtrate is removed from the plate cavities. The manufacturer claims that this design permits finer filtration at lower cost and the interruption of flow without damage to the filter media. Licensor can provide marketing facilities. Literature available. **Item 2437**

Incinerator

Danish firm seeks Canadian licensee to manufacture and market its incinerator, designed especially for hospital waste. This type of incinerator is suitable for hygienic, sterile, odorless and soot-free destruction of organic waste from hospitals, dead animals, domestic, commercial and industrial waste, plastic and rubber waste, etc. The unit's large doors facilitate loading and ash removal. The complete incineration provided by a primary and a secondary combustion chamber ensures a minimum volume of residue. The ash is sterile and there is no air pollution. Literature available. **Item 2438**

Tree stumper

United States inventor offers a licensing arrangement to a Canadian manufacturer to produce and sell his tree stumper attachment for tractors. This equipment consists of a large carbide-tipped cutting blade supported by a frame mounted in the rear. The blade is driven by the tractor's power takeoff and can cut stumps to six inches below ground level at 525 rpm. The attachment fits most tractors equipped with a three-point hitch. Literature available. **Item 2439**

Automatic self-igniting heater

British firm is seeking a licensing arrangement with a Canadian company to manufacture and market its patented self-igniting heater, designed primarily to prevent frost damage to crops. The heater ignites automatically when the temperature drops to a predetermined level; its output is from 36,000 to 38,000 BTU per hour. The heater is claimed to operate on low-cost fuel oil without smoke; capacity is two gallons and consumption two gallons per eight hours. Literature available. **Item 2440**

Data verification system

British firm offers a Canadian manufacturer the Canadian production rights and the world-wide non-exclusive marketing rights to its data verification system, which consists of a reader, electronic logic, power supply, programmer and device to produce the required output media. The system is generally used to transfer handwritten or typewritten information to computer readable language and, in the process, to verify and validate the accuracy of the transfer. Its chief advantage is claimed to be increased data processing accuracy in reduced throughput time. Literature available. **Item 2441**

Surface alloying process

German firm offers under licence the Canadian rights to a patented electrical process for surface alloying. Advantage claimed for the process is the rapid application of the coating, which lends itself to fully automatic production lines and programs and the use of relatively cheap, non-temperable or non-alloyed basic materials. The coating materials consist of special metals and hard metal powders, including tungsten carbide, titanium carbide, and also nitrides and carbides normally used for the production of hard metals. X-rays indicate that the coating is not only a type of metal welding but an alloy of basic and coating materials formed on the surface. Coating thickness ranges up to .008 inch per application. Literature available. **Item 2442**

Containers

Australian company offers under licence the Canadian manufacturing and marketing rights to a container with a new concept—the lid is placed inside the container instead of on the outside. The lid can be pressed down upon the surface of the contents at any level, thus dispelling the air within the container and preventing air coming in from the outside. The principle can be applied to either plastic or glass containers. The inventor claims that only containers employing this concept can be guaranteed to keep the contents in the original condition until used. Literature available. **Item 2443**

Reinforcing grid system

Canadian inventor offers under licence the Canadian rights to his patented, improved and simplified system for the efficient, economical placement of reinforcing steel rods, conduit cables, etc., in concrete floors or walls. The system can also be used in laying piping for skating and curling rinks, highways, etc. The inventor claims that no special tools or skills are necessary. Literature available. **Item 2444**

Oxygenated organic compounds

Scottish government-sponsored research and development agency is seeking a Canadian industrial partner to exploit an invention and to investigate new technology in the production of oxygenated organic compounds from olefins and oxygen. Invention relates to direct oxidation of ethylene or propylene in a slurried bed reactor system, and then reaction of the resulting oxide with an appropriate liquid medium containing a catalyst to produce such oxygenated materials as unsaturated esters, glycols and glycol ethers. Experimentation has led to methods of selectively forming vinyl acetate or acetaldehyde from ethylene and oxygen without the production of carbon dioxide. Continuous pilot plant capable of operating at up to 10 atmospheres pressure is available for development work. Literature available. **Item 2445**

Garbage pail

Canadian firm seeks Canadian licensee to manufacture and market its kitchen step-on garbage pail. A box of linked plastic garbage bags is stored in the base of the pail and the bags are pulled up one at a time through a slot in the bottom. Each bag as it is pulled up is stretched over the top of the pail and then, when it is full, is sealed with a tie and removed, pulling the next bag into place. The licensee will have the option of various design styles. Literature available. **Item 2446**

Adjustable chair

Canadian inventor offers under licence the Canadian manufacturing and marketing rights to an adjustable chair designed primarily for therapeutic purposes. The position of the seat can be changed without changing the position of the back, and the arm-rests remain level in all positions. A folding model made of metal tubing and plywood and a non-folding upholstered wooden model are available. An adjustable and foldable leg holder may be used with either model. Literature available. **Item 2447**

Pipe-stem

United States inventor is seeking a licensing arrangement with a Canadian manufacturer to produce and market his new stem for tobacco pipes. The pipe-stem has a vent leading downward from a moisture trap in the smoke passage to a grooved portion on the exterior of the stem. A disposable material is applied externally to the stem over the moisture vent within this groove. A claimed advantage of the invention is that it keeps the shank and bowl of the pipe free of sludge. Literature available. **Item 2448**

Electric shaver and manicuring set

Canadian inventor offers under licence the Canadian manufacturing and marketing rights for his electric shaver with manicuring attachments. It is claimed that this device may be used as a regular shaver for men or for shaving women's legs, cutting hair from ears and nose, etc. The shaver contains a flexible fan for cooling and getting rid of hair. The manicuring attachments include a nail file, cutter, polishing felt, sandpaper, and circular brush. Literature available. **Item 2449**

Kuwait Diversifies Its Industry

Kuwait has made tremendous political, economic and social progress in the 25 years since oil was discovered. It is a major oil exporter with annual receipts of more than $1 billion and with proven reserves second only to Saudi Arabia. It has the highest per capita income in the world.

The major objective now is to maintain the momentum of development and to accelerate productivity of capital and labor by creating new industries. Industry, it is hoped, will become the country's second contributor (after oil) to the gross national product.

Under a ten-year program spanning 1970-80, the Government is making available cheap land and utilities (sharing where necessary in the joint capital investment with the private sector) and is providing low-interest loans. Decisions have been taken to set up a cement plant and a factory to make vehicle batteries.

Feasibility studies are going forward for a steel rolling mill, an aluminum smelter, a pharmaceutical factory, a dry-cell battery plant, and a wood-wool factory. There is also a possibility of manufacturing air-conditioning units. Other proposals being considered include plants for manufacturing tin containers, soaps, detergents, and canned foodstuffs.

The fishing industry will be modernized—the Government has already started on a program to build modern trawlers—but agricultural development is handicapped by the dry climate and poor soil. Irrigation and hydroponics are two areas on which the Government will concentrate.

The Government, however, is not concerned only with industry. It also has plans to improve education, health services, the water supply, electric power, communications, airports and seaports. Low-cost housing is also under study.

The cost of these programs under the 1970-80 plan is estimated at more than $3 billion. As this is less than one third of the estimated income over the same period, the Government is optimistic about the plan.

There are no import restrictions and customs duties are minimal. Such ready access promotes intense competition and price is decisive. But the quality and reliability of Canadian goods have over the years built a reputation that augurs well for the future. Canada is an established supplier of automobiles, white goods, newsprint and oilfield equipment, and of consulting engineering services. But our share of imports is still very small—$1 million out of the $650 million worth of goods bought abroad last year. It will improve only if our export community shows a greater interest in doing business in this area—Beirut

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

H. J. Horne, Commercial Counsellor, Sydney:

Toronto: September 6-9
Montreal: September 10
Winnipeg: September 13
Edmonton: September 14
Calgary: September 15
Vancouver: September 16-17

K. F. Osmond, Commercial Counsellor in Melbourne:

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

Britain

G. M. Deyell, Assistant Commercial Secretary, London:

Vancouver: September 1-3
Calgary—Edmonton: September 7-9
Toronto: September 10-15

France

G. W. Doucet, Commercial Secretary (Agriculture), Paris:

Lethbridge: August 16
Edmonton: August 17
Vancouver: August 18-19
Toronto: August 20

The Netherlands

D. H. Cheney, Commercial Counsellor, The Hague:

Toronto—Hamilton: September 14-17
Winnipeg: September 20-21
Edmonton: September 22
Vancouver: September 23-24
Montreal: September 27-29

United States

R. V. N. Gordon, Consul and Trade Commissioner, Philadelphia:

Halifax and district: August 13-15

Venezuela

J. M. Vincent, Assistant Commercial Secretary, Caracas:

Montreal: August 22-24
Toronto: September 8-11

Temporary Duty in Ottawa

Trade Commissioners on temporary duty in Ottawa may be contacted through the Trade Commissioner Service, phone 996-7231 (area code 613).

D. S. Armour
Consul and Trade Commissioner
Hamburg, Germany
September 20-October 8

A. B. Brodie
Trade Commissioner
Glasgow, Scotland
September 1-8

R. A. Bull
Commercial Counsellor
Dublin, Ireland
August 30-September 3

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

D. H. Cheney
Commercial Counsellor
The Hague, Netherlands
September 5-12

R. Frenette
Assistant Commercial Secretary
Bonn, Germany
September 7-17

B. A. Gagosz
Consul and Trade Commissioner
Manila, Philippines
August 23-27

H. J. Horne
Commercial Counsellor
Sydney, Australia
August 25-September 7

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

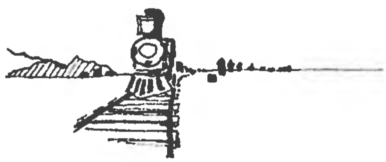
R. C. Lee
Consul and Assistant Trade Commissioner
Dallas, Texas
August 16-20

K. F. Osmond
Commercial Counsellor
Melbourne, Australia
September 9-15

J. C. Poole
Assistant Commercial Secretary
Brussels, Belgium
September 2-10

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

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



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 July 12	Value of Canadian dollar in foreign currency units
Algeria Dinar	.2053	4.87
Argentina Peso (free)	.2331	4.29
Australia Dollar	1.1546	.87
Austria Schilling	.0410	24.39
Bahamas Dollar	1.0231	.98
Belgium and Luxembourg Franc	.0206	49.26
Bermuda Dollar	1.0234	.98
Bolivia Peso	.0859	11.64
Brazil Cruzeiro (official free)	.1942	5.14
Britain Pound	2.4742	.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	.1544	6.48
Cuba[1] Peso	....	....
Czechoslovakia Koruna	.1421	7.04
Denmark Krone	.1364	7.33
Dominican Republic Peso	1.0231	.98
Ecuador Sucre (official)	.0409	24.45
El Salvador Colon	.4093	2.44
Fiji Dollar	1.1811	.85
Finland Markka	.2436	4.11
France, Monaco, etc.[2] Franc	.1856	5.38
Franco-African Republics[3] Franc	.0037	270.27
French Pacific[4] Franc	.0102	98.04
Germany D Mark	.2923	3.42
Ghana New Cedi	1.0027	1.00
Greece Drachma	.0341	29.33
Guatemala Quetzal	1.0231	.98
Guyana Dollar	.5884	1.69
Haiti Gourde	.2046	4.90
Honduras Lempira	.5116	1.95
Hong Kong Dollar	.1668	5.99
Hungary Forint (official)	.0921	10.85
Iceland Krona (official)	.0116	86.21
India Rupee	.1370	7.30
Indonesia[5] Rupiah	.0027	374.22
Iran Rial	.0131	76.41

Country and Currency	Value of foreign currency unit in Canadian dollars at July 12	Value of Canadian dollar in foreign currency units	Country and Currency	Value of foreign currency unit in Canadian dollars at July 12	Value of Canadian dollar in foreign currency units
Iraq Dinar	2.8648	.35	**Peru** Sol (free)	.0236	42.42
Ireland Pound	2.4742	.40	**Philippines**[6] Peso (free)	.1594	6.27
Israel Pound	.2923	3.42	**Poland** Zloty (fixed basic rate)	.2537	4.01
Italy Lira	.0016	617.66	**Portugal & Colonies**[7] Escudo	.0356	28.09
Jamaica Dollar	1.2371	.81	**Saudi Arabia** Riyal	.227	4.45
Japan Yen	.0029	344.83	**Sierra Leone** Leone	1.508	.66
Kenya Shilling	.1412	7.08	**Singapore** Dollar	.3273	3.05
Korea, Republic of Won	.0032	317.08	**South Africa** Rand	1.4452	.69
Lebanon Pound (free)	.3172	3.15	**Spain & Dependencies** Peseta	.0147	68.16
Malaysia Dollar	.3342	2.99	**Sweden** Krona	.1980	5.05
Mexico Peso	.0819	12.21	**Switzerland** Franc	.2492	4.01
Morocco Dirham	.2055	4.87	**Syria** Pound (free)	.219	4.57
Netherlands Florin	.2869	3.45	**Thailand** Baht (free)	.0496	20.36
Netherlands Antilles Florin	.5425	1.84	**Trinidad & Tobago**[8] Dollar	.5116	1.95
New Zealand Dollar	1.1580	.86	**Tunisia** Dinar	1.9488	.51
Nicaragua Cordoba	.1462	6.84	**Turkey** Lira	.0682	14.77
Nigeria Pound	2.8376	.35	**United Arab Republic** Pound (official)	2.3532	.42
Norway Krone	.1440	6.94	**United States** Dollar	1.0231	.98
Pakistan Rupee	.2149	4.65	**Uruguay** Peso (free)	.0028	354.73
Panama Balboa	1.0231	.98	**Venezuela** Bolivar (official free)	.2280	4.39
Paraguay Guarani (free)	.0082	121.95	**Yugoslavia** Dinar (official)	.0682	14.77

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.

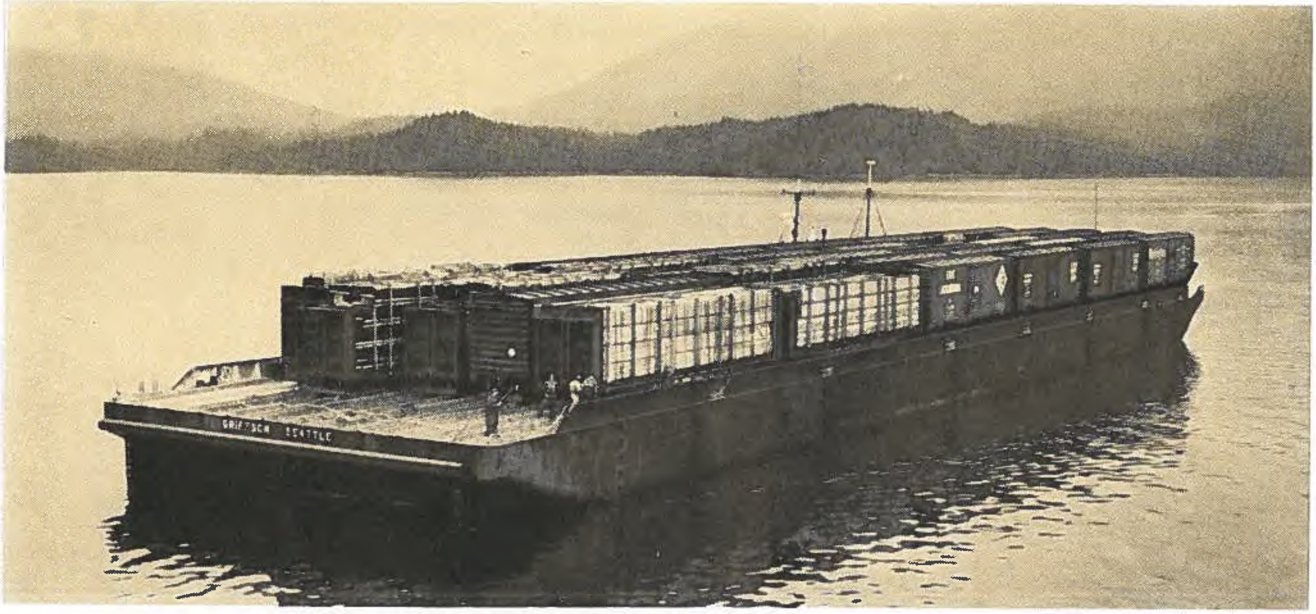
6. Exchange rate in Philippines on floating basis with daily quotations by banks.

7. Approximately same rate for Portuguese territories in Africa.

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

Transporting Goods to Alaska

DONALD HODGSON, Commercial Officer, Seattle



The Canadian National's Aquatrain barge, the Griffson, *can take 30 loaded railway cars on its trip between Prince Rupert and Whittier, Alaska. During periods of heavy traffic a sister barge, the* Griffco, *is added. Trips take place about every 10 days. The Aquatrain was established in 1962 to link the continental rail system with Alaska.*

The importance of investigating transportation costs before doing business in Alaska cannot be over-emphasized. There are numerous transport alternatives available—rail, water, highway, air, or combinations thereof. Canadian exporters should check them out carefully, well in advance of shipping deadlines.

Numerous railways, pool car operators, steamship, tug and barge firms, truckers and air freight operators (commercial and charter) offer services for handling various commodities. These commodities include military supplies, mobile and modular homes, food and other perishable products, liquor, building materials, heating and ventilating equipment, hardware, trailers, boats, automobiles, trucks, buses, snowmobiles, cranes, oil-drilling and other heavy equipment, machinery of all sorts, apparel, furniture, iron and steel, animal feeds, piling, dynamite, household goods, bulk cement, and petroleum products, including LPG.

In 1969, according to *Waterborne Commerce of the United States* (put out by the Department of the Army), freight traffic moving into Alaskan harbors totalled some 843,000 tons of foreign imports, plus shipments from the United States mainland of some 5.8 million tons. The biggest single category was petroleum products. Most goods destined for Alaska move through Puget Sound ports and especially Seattle, which remains the dominant link in trade with Alaska.

Alternatives for carload shipments from Canada to the 49th State by rail and water are:

1. CN Aquatrain from Prince Rupert, B.C., every ten days.

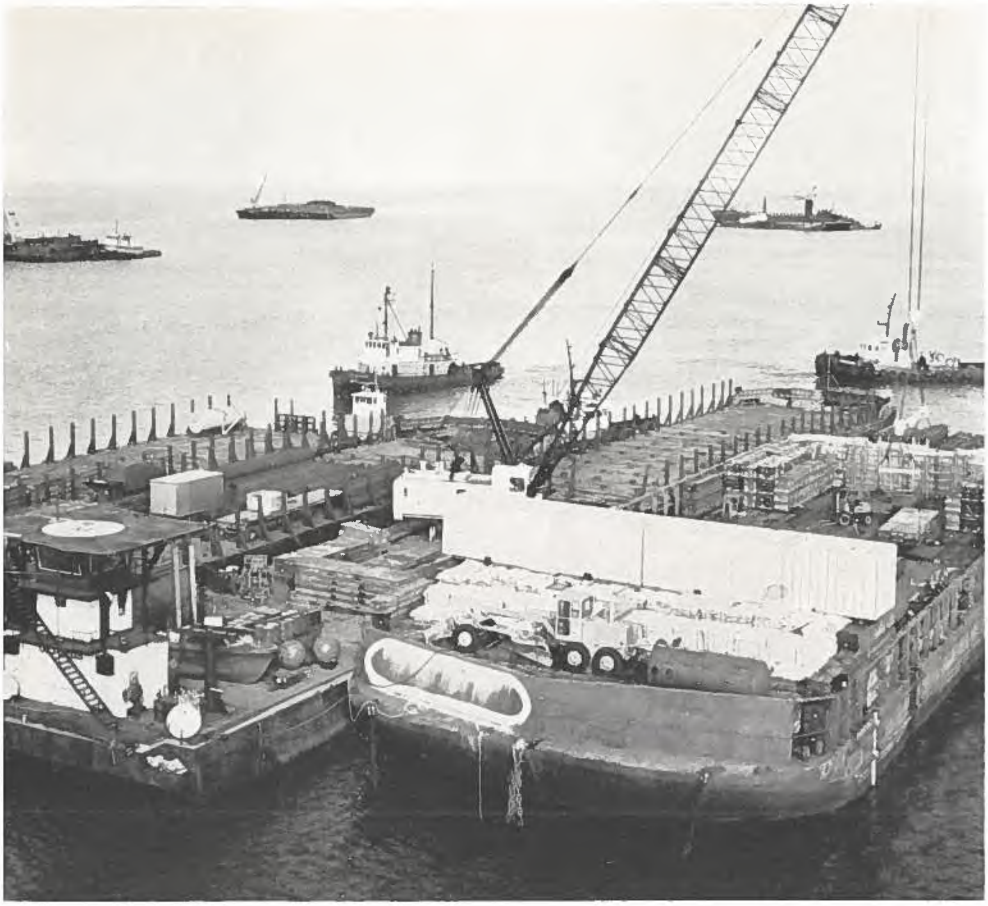
2. Alaska Hydro-train from Seattle every Tuesday and Friday night.

3. Alaska Trainship Corporation from Delta, B.C. (near New Westminster), every Thursday night. This service, however, is generally restricted to carload traffic originating in the British Columbia lower mainland or which is road-hauled by Burlington Northern Railroad and its connections.

The first two offer tug and barge service, and the last is an enclosed steamship operation. All three use water routes to Whittier, Alaska, with the over-all in-transit time required 3½ to 4½ days. The Alaska Railroad unloads the rail cars and transports the merchandise to Anchorage, Fairbanks, or other destinations in Alaska.

Special United States services for less-than-carload-lot shipments by sea include at least 14 freight forwarders competing for the business into Seattle, with some of them offering through rail-car service from Boston, New York and Chicago. At least one of them has a co-load agreement with a Seattle firm which permits movement of goods to Alaskan destinations on through bills of lading. A number of shipments are consolidated at Seattle and turned over to the various carriers involved for onward movement to Alaska. Carloads of consolidated shipments move by Alaska Hydro-train to Whittier, and from there by Alaska Railroad to Anchorage and Fairbanks, where an independent firm takes over distribution as required.

Some freight forwarders offer containerized service out of Seattle on a number of commodities, including



In the top photo here, barges are seen unloading at Prudhoe Bay in Alaska. These have come down the Mackenzie River route, the most economical way to ship goods to Alaska's North Slope. During winter months, goods are stored at Hay River, railhead from Edmonton, until the Mackenzie is free of ice. In the bottom photo, the Puget Sound Tug and Barge Company's Alaska Hydro-Train is seen on its way from Seattle to Whittier loaded with rail cars, trucks and private vehicles.

refrigerated shipments to various points in southeast and western Alaska. One firm has twice weekly service into Anchorage.

Other routes include highway transport service over the Alaska Highway, LCL service by rail or truck to Prince Rupert for furtherance by Alaska State Ferries, and the Winter Road beyond Fairbanks for shipments destined for the North Slope.

The Mackenzie River Route to Prudhoe Bay is the most economical route to Alaska's North Slope. Shipments move by rail through Edmonton to Hay River in the Northwest Territories, where they are transferred to barges for the journey down the Mackenzie River in the summer season.

There's big business to be done over the years in Alaska. Canadians will find it a tough competitive market, but should not be put off by transport problems. It is just as easy for Canadian shippers as for American—Canadians are closer, don't forget—and better than for most countries.

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