

foreign trade

Department of Industry, Trade and Commerce, Canada

Hustle Off to Buffalo

How the CCC
Aids Canadian Exports

Geographical Listing
for Exporters

January 16/71



Dipping into the Mail Bag

Years of sitting behind an editorial desk have taught us that there's just no sure way of gauging our readers' tastes and interests. When it comes to judging which articles or short notes will prove most useful to them, we are the first to admit that we are often wrong. The letters that come in prove it. Of course, like every other magazine, we realize that we have perceptive and well-informed readers when we make a really sad mistake. We still blush to recall that in a South American issue we gave Canada's exports to Paraguay as \$114 million and sales to Venezuela as only \$82 million. Plenty of letters about that!

Recent correspondence confirmed that our issue of November 21 on the Commonwealth Caribbean attracted a good deal of attention. But the letters that found their way to us (or to the Trade Commissioners in the area) proved that exporters wanted to exploit what were really the smaller markets in that area. One writer asked for the names of possible distributors in Belize, British Honduras, "who have facilities for warehousing", another asked for a list of local importer/distributors in the construction field in the Cayman Islands, a third wanted more specific information about the market for electrical teaching equipment for secondary schools and the university level

in Jamaica, and a fourth inquired about the pharmaceutical market, also in Jamaica.

Incidentally, we won a quote in the *Trinidad Guardian* of the sage advice that one of our staff writers gave in an article: "Products have to be sold, they have to be delivered, there has to be more than just adequate service. And to be sold, products must be promoted, either through trade fairs or personal contact."

Some time this fall we published a trade line saying that a Norwegian firm had signed an agreement with a Peruvian company to permit the latter to make a plastic fish crate under licence. Almost immediately we had requests for further information and duly passed them on to the Oslo office.

In an article on Australia printed in the December 5 issue we used a picture of sintered nickel briquettes being discharged from the furnace at the Kwinana nickel refinery. A letter from Canefco Limited tells us that it designed and supplied all the major alloy components for this machine, shipping "some 20 tons of alloy radiant tubes, rolls, combustion equipment and the mesh belt itself . . . one of the largest in the world".

This letter goes on: "We, from time to time, have newsworthy projects abroad and we would appreciate some pictorial coverage should you at any time be looking for articles/photographs for your publication." The answer to our correspondent, and to other firms with the same request, is that we do indeed like to receive good pictures and brief stories about interesting products being sold in world-wide markets. Preferably, these photographs should show products being shipped or actually in use—and whenever possible, look as though they were taken in a foreign country. Naturally, we can't promise that all pictures sent in will be published.

As for slightly exotic pictures, we well remember asking the Trade Commissioner in Sydney, Australia, some years ago for a picture of Canadian timber being sold or on display in Australia. The reply was one that sticks in our mind: "Short of taking a picture of a kangaroo on top of a pile of lumber, I am afraid that I cannot supply what you want". Obviously there was no complacent kangaroo nearby. But we still like a flavor of the exotic in our pictures when it's possible.

Speaking of pictures, the one on our cover shows not Buffalo, as you might think, but Sao Paulo, as an introduction to the article on page 5.

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The Hon. Jean-Luc Pepin, Minister
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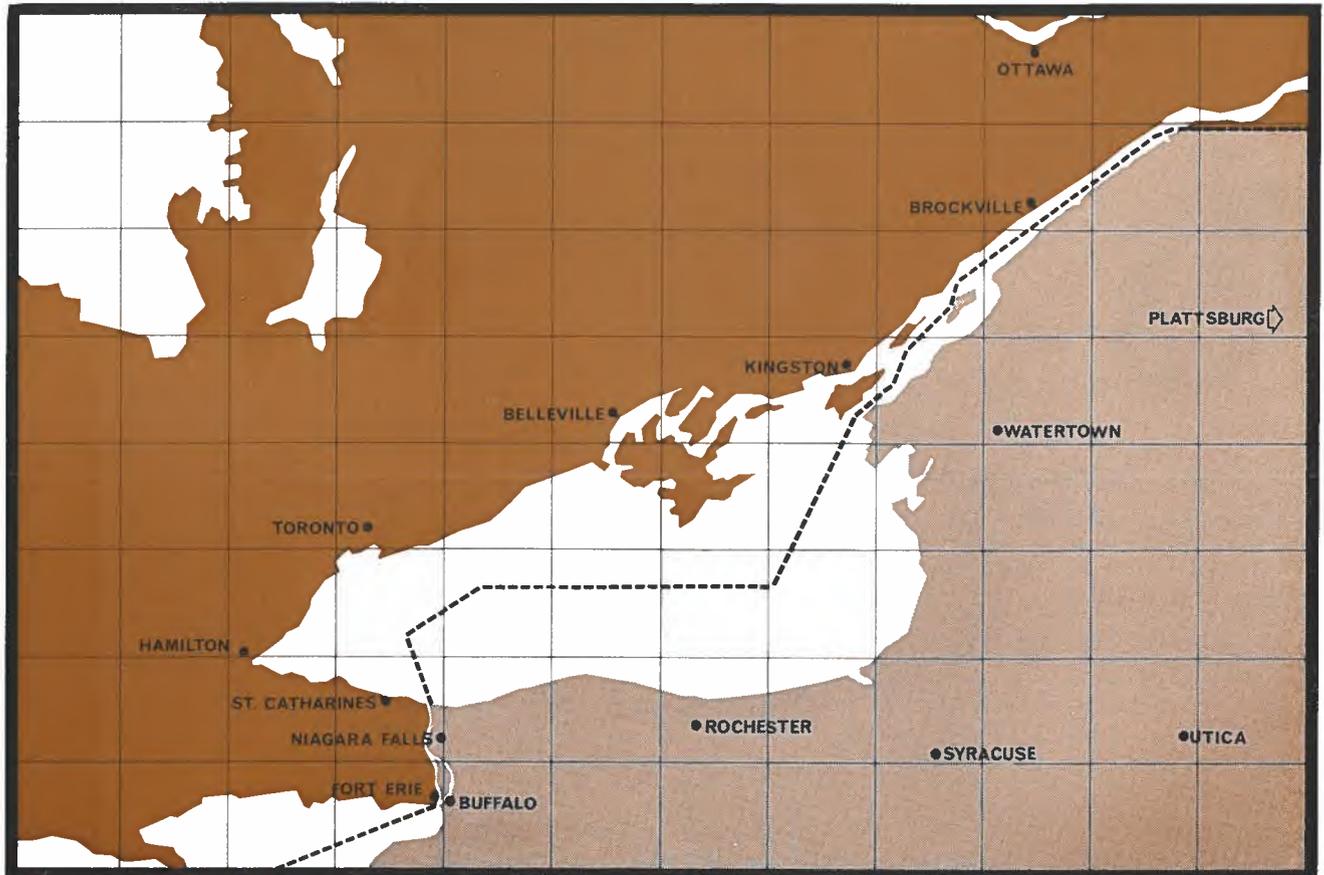
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Hustle Off to Buffalo

... if you want to make sales in Northern New York State, with its ten million population with money to spend. The new Canadian Consulate in Buffalo can help you to test the market there.



J. H. BAILEY, Consul and Trade Commissioner, Buffalo

Within five miles of Fort Erie, Ontario, live more than a million consumers, with over \$4.5 billion to spend each year. By 1990 their disposable income is expected to have doubled. If we project the 1970 personal income figures for Buffalo to the entire northern part of New York State, the total for spending on consumer goods and services rises to over \$33.5 billion. This part of the state has a population of over 10 million and includes such major marketing centers as Rochester and Syracuse, in addition to Buffalo. It also contains other cities like Utica, Watertown and Plattsburg, all of which lie not far from the Canadian border. It was to

exploit this potential market that the Buffalo office of the Trade Commissioner Service was opened last April, with a senior and a junior Trade Commissioner on the staff and also a Commercial Officer.

How should Canadian exporters go about obtaining a share of the business in this area, with the aid of the Buffalo office? The first step is the logical one of determining whether your product can be accepted and sold in this highly competitive market. It must be of good quality, attractively designed and packaged, and competitively priced. The price should be a delivered, duty-paid

one, in U.S. dollars, but you should also work out the transportation costs separately. If you will send information about the product, sales literature, and if possible, a sample, we at Buffalo can do a quick preliminary assessment for you. Then it is up to you to do the followup.

If you believe, and we agree, that your product will appeal to consumers in this area and can be offered at a competitive price, the next move could be sending your export manager or some other member of the firm down to talk with the trade officers in Buffalo and then to make his own assessment of

One way for an exporter to enter this market is to take advantage of warehouse facilities for rapid filling of orders, such as those offered by a Canadian firm and pictured on the right.

the market. In our experience, this is the most successful approach. In fact, since the opening of the Buffalo office Canadian manufacturers who have used this method have succeeded in selling products like toys, plastic products, men's clothing, foods, and sporting equipment to importers here.

You can also ask your sales representative who covers the Niagara Falls/Fort Erie territory in Canada to slip over the border and come and see us. After all, practically all the sales centers in northern New York are close to Canadian manufacturing centers, as the map shows.

Canadians who set out to sell their products in this area have several things in their favor.



Major Department Stores in Northern New York

Buffalo

Adam, Meldrum & Anderson Co.
383 Main Street
Telephone: (716) TL3-4020
All departments; eight stores

L. L. Berger Inc.
514 Main Street
Telephone: (716) 856-5300
Women's ready-to-wear and accessories; three stores

Wm. Hengerer Co.
465 Main Street
Telephone: (716) TL6-6666
All departments; three stores

Hens & Kelly
478 Main Street
Telephone: (716) 852-5600
Most departments; seven stores

The Sample Inc.
1631 Hertel Avenue
Telephone: (716) TF6-1234
Clothing and furnishings; nine stores

Sattlers
998 Broadway
Telephone: (716) 894-2345
All departments; four stores

Rochester

E. W. Edwards & Son
144 Main Street E.
Telephone: (716) 546-5000
All departments; three stores

B. Forman & Co.
46 S. Clinton Avenue
Telephone: (716) HA6-2000
Clothing and furnishings; two stores

McCurdy & Co., Inc.
285 E. Main Street
Telephone: (716) BA5-3000
All departments; three stores

National Clothing Co.
159 E. Main Street
Telephone: (716) 453-3800
Clothing; four stores

Sibley, Lindsay & Curr Co.
250 E. Main Street
Telephone: (716) 232-7700
All departments; six stores

Syracuse

The Addis Co.
449 S. Salina Street
Telephone: (315) HA2-7121
Clothing and furnishings; three stores

C. E. Chappell & Sons Inc.
205 S. Salina Street
Telephone: (315) 474-1231
Most departments; four stores

Dey Brothers Co.
401 S. Salina Street
Telephone: (315) GR4-2711
Most departments; five stores

E. W. Edwards & Son
220 S. Salina Street
Telephone: (315) GR4-5981
Most departments; two stores

Flah & Co.
419 S. Salina Street
Telephone: (315) HA2-2221
Women's clothing and accessories; four stores

L. A. Witherill
300 S. Salina Street
Telephone: (315) HA2-2111
Most departments; two stores

1. The people in northern New York know Canada and Canadian products. Many thousands of them have cottages or summer homes in Canada, and thousands more pour across the border to shop in Montreal or Toronto. In general, Americans here are friendly towards Canadians and things Canadian and therefore basically receptive to offers from our country.

2. The larger stores (those in Buffalo, Rochester and Syracuse are listed in the accompanying box feature) are keen to offer imported goods to their customers because the word "imported" carries a special appeal. And where can store buyers find imports closer than in Canada? In this day of mass production and mass merchandising in the United States, customers find it refreshing—and are even willing to pay more—to come across something different in their local department store. Some local importers insist on exclusive rights to market a Canadian product and often the potential volume of their orders warrants meeting this demand.

3. Proximity. A buyer over here can replenish his stocks by simply phoning his Canadian supplier, at a minimum cost and without loss of time. These goods can be dispatched to reach him quickly. After all, Buffalo is only two hours from Toronto and Plattsburg is within an hour of Montreal. In spite of this proximity, and in spite of the quick clearance of goods through U.S. Customs that can be arranged by using an efficient customs broker in this area, there are some products and some occasions that demand the carrying of stocks locally. There are excellent warehouses available in Buffalo, and some of the warehouse companies will not only store your products but also can arrange drop shipments, invoice your customers, bank the receipts, and offer other services. One large warehouse alone numbers over 35 Canadian firms among its clients.

4. Advertising. If your product is being advertised on radio or television in Canada, then many potential customers in this upper part of New York State are probably already familiar with it. So why not exploit this familiarity by making your products available to them? Many Americans like to listen to Canadian stations and we have actually received telephone calls in the

Buffalo office from people who wanted to know where they could buy the products advertised on the air.

It is true that a number of the department stores in this region are affiliated with buying offices in New York City and do attend market weeks there. None the less, they do their buying independently, and making the rounds of department store buyers in the main cities in northern New York, away from the crowded, noisy metropolis, is the best way of marketing your products. One of our Trade Commissioners who studied this area some months ago suggested that these calls be made in advance of the big market weeks in New York City, and then followed up when these weeks are over. He also quoted a vice-president of one of the major Upstate stores as saying, "We've seen French, British, Italian and Irish vendors. Why not Canadian?"

The major cities that the Buffalo office covers are Buffalo itself, with a population of 600,000; Rochester, with a population of 320,000, and Syracuse, with a population of 220,000. What are they buying? practically the whole range of Canadian-made consumer products, with the emphasis on shoes, men's and women's clothing, toys, hockey sticks, archery equipment, and boats. But the opportunities do not stop there. We are also selling plastic bearings and plastic containers, steel, machine shop facilities, educational equipment, hand tools, paper products, furniture, valves, and electronic equipment. It is the variety of commodities that the market is accepting that has pushed our sales in northern New York up to a bit over \$200 million.

We hope that this brief outline of the market potential in the area that the Buffalo office covers will arouse the interest of Canadian manufacturers who are thinking of getting into the export business or who want to extend their markets. If you are one of them, begin by spending six cents on a letter to us or place a telephone call (it could cost a little more than one dollar). Our address is: Consul and Trade Commissioner, Canadian Consulate, 1400 Main Place, 396 Main Street, Buffalo, New York 14201. The telephone number is Area Code 716, 852-1247, and the telex is 9-1329 (DOMCAN-BUF). We shall look forward to hearing from you and serving you.

Six Million Dollar Castings Market

There are at least 50 companies in the industrial counties on the United States side of the Niagara River that buy metal castings. There are, of course, other companies that obtain their castings from their "captive" foundries—Chevrolet, for example, casts thousands of engine blocks in its plant in Tonawanda. But a recent survey shows that nearly half of the castings purchased in the Niagara-
Buffalo industrial complex comes from suppliers outside this area, and that the value of these "imports" is nearly \$6 million a year.

Gray iron castings top the list, with a 1969 value of \$2,098,000. Thirteen firms buy this type. Next come aluminum castings, with a 1969 value of \$849,000 and 14 purchasers. Other types of castings bought are: ductile and malleable, steel carbon, alloy, stainless, and other non-ferrous castings.

A general consensus is that the better-quality castings, and precision casting work such as "investment" casting, have the best market possibilities. A number of the larger companies say that their requirements could only be met by foundries with partially or completely automated equipment to permit large production runs.

At the present time, castings are being shipped into this area from Ohio, Pennsylvania, West Virginia and New England. Canadian firms in Southern Ontario and Quebec therefore should be able to compete, as far as freight costs are concerned, with suppliers from these areas.

Some of the local foundries, aware of the volume of castings coming into the area, plan to expand their facilities or purchase new equipment to try to fill the demand. Local manufacturers, however, will be looking outside the Buffalo-Niagara area for some time to come for many of their casting requirements and there is no reason why Canadian suppliers could not meet more of their needs—Buffalo.

Why Not Visit Sao Paulo?

This sprawling city, industrial heart of Brazil, needs and buys materials and equipment for its industrial plants. Could it be a market for you? Plan a visit, with our help, and find out.

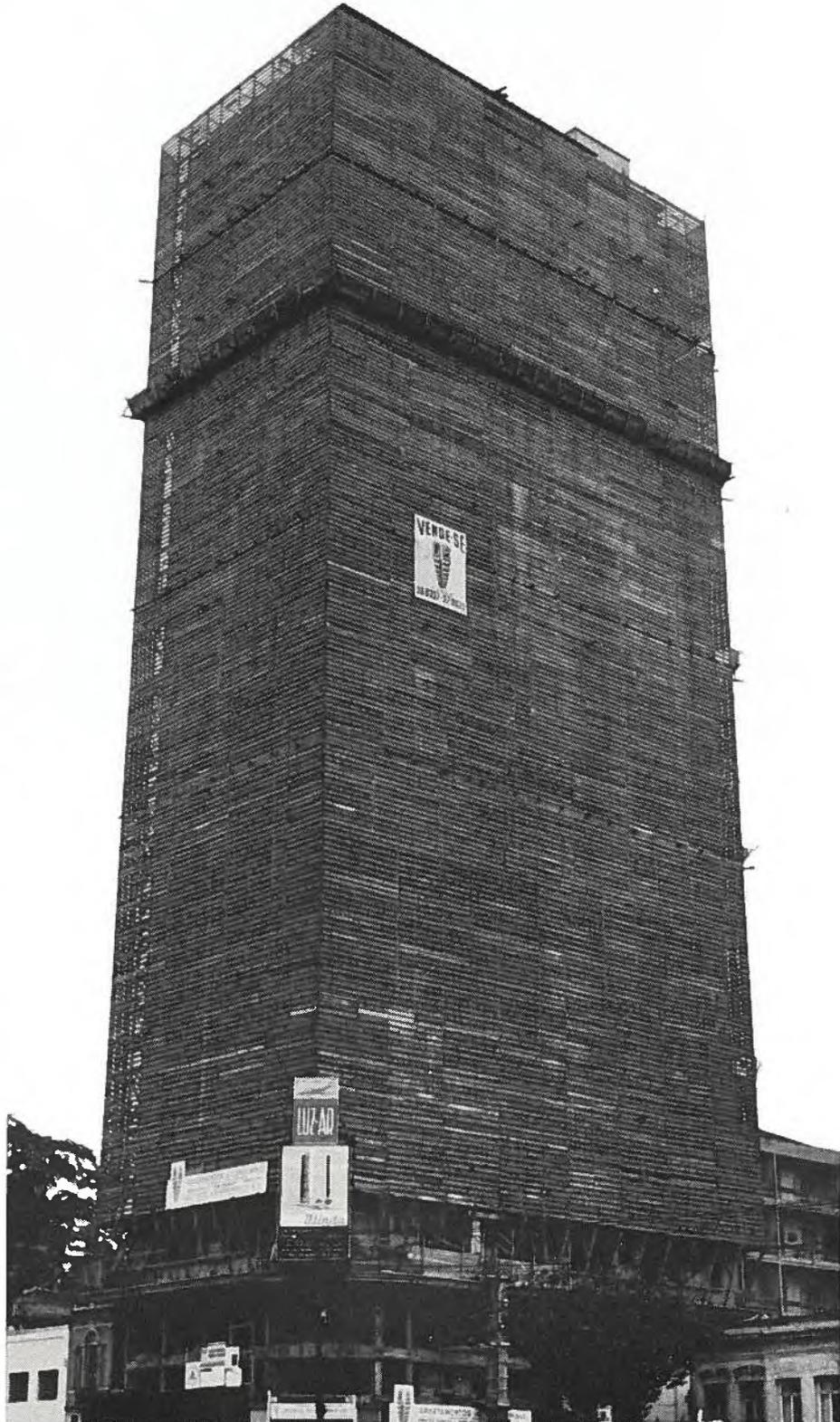
JOHN H. TRELEAVEN
Vice Consul and Assistant Trade
Commissioner, Sao Paulo

Sao Paulo, Brazil's industrial metropolis that spreads over 200 square miles, is overshadowed by the beautiful beaches and the world-wide reputation of its sister city to the north, Rio de Janeiro. To many Canadian businessmen it is virtually unknown. Yet its 17,000 factories that produce more than half of all the manufactured goods made in Brazil offer a market for Canadian raw materials, machinery, equipment, and other things needed to keep these plants operating.

Currently, Greater Sao Paulo has a population of about nine million and by the end of the century or even before it may reach 20 million. It has grown so rapidly that municipal services and road construction have not been able to keep pace and often seem to be in a state of semi-chaos. From 1959 to 1969, the population of the metropolitan area doubled from 4.5 to 9 million. In 1969 alone, the increase was 500,000. It is now the largest city in Latin America.

Sao Paulo has become the industrial capital of Brazil largely as a result of a massive inflow of foreign capital following World War II. A quick glance through *Quem e Quem*, the Brazilian equivalent of *Fortune's 500*, shows the extent of foreign investment. European and American capital—represented by Volkswagen, General Motors, Ford, Chrysler, Gessy Lever, Scania Vabis, etc.—indicates what are

Building in Sao Paulo, even for high-rises like this, is a slow business. Work goes on behind this facade of lumber. Most material is carried by hand or wheeled in barrows, and cranes are not as commonly used as in Canada.





A 2,500-acre coffee plantation in the State of Sao Paulo. Although it is one of the world's largest exporters of coffee, shipping about one million tons a year, Brazil is expanding its industries to avoid dependence on this one agricultural product.

the strongest commercial ties here. Canadian investment is also substantial. BRASCAN provides electric power to the Rio de Janeiro—Sao Paulo area; it is a Canadian company but has been established here so long that most Brazilians think of it as Brazilian. ALCAN and Massey Ferguson also have extensive facilities both in Sao Paulo and elsewhere in the country. Despite this investment base, however, Canadians have not cultivated this market aggressively.

If you are thinking of visiting the Sao Paulo area, either directly or as part of an itinerary through South America, you should first make sure that yours is a product that has some chance of selling here. If your company is in the consumer goods field,

your chances are slim. If you have something to offer to industry and can meet stiff German, British, Scandinavian, Japanese or American competition, then a visit may be worthwhile. But first write to us at the Canadian Consulate in Sao Paulo and we will make a quick preliminary survey of the market and tell you the possibilities as we see them. This takes time, so write to us well in advance.

Successful negotiations in Brazil call for maximum flexibility on the part of Canadian companies. Financing is crucial in the sale of almost any product. Here the time payment is a way of life for everyone, from the largest corporation to the individual consumer. Everything from alarm clocks to automotive parts to capital equip-

ment is bought on the instalment plan, so you must be prepared to talk credit terms as well as hold forth on the good quality of your product.

Equally important is the willingness to include local (Brazilian) costs in your quotation. Although the situation is improving, the country is still short of foreign exchange. As a result, your customer must negotiate with the Central Bank for an import licence before he will be permitted to pay you in dollars. To help him, any local cost factor that you can build into your price is a good idea. For example, a product that is 100 per cent Canadian may be flown to Brazil using a Brazilian airline, Varig, or sent by sea on shipping lines such as Netumar or Lloyd Brasileiro. Engineering firms

which are planning to send employees to Brazil should calculate the air fares and the living costs there in cruzeiros. And when sales of your manufactured product reach a certain level, you may have to consider making it in Brazil or entering into a licensing agreement if you want to hold the market.

The first step in a successful business visit to the Sao Paulo area is, as stressed above, writing to the Canadian Consulate, Caixa Postal 6034, Sao Paulo, SP, Brazil. Send with your letter catalogues, price lists (c.i.f. Santos, please), and any other sales literature. Tell us something about your company's financing policy as well. The package should be sent airmail and it should not weigh more than 2.2 pounds for customs clearance purposes. Brochures in English are preferable to those in Spanish because Portuguese, not Spanish, is the language of Brazil.

Once we have decided that your product can possibly be sold here and that a visit would be useful, we can set about making appointments for you both with prospective agents and with potential customers. Because Sao Paulo covers such a large area, the Consulate staff can schedule these visits by district and so save you precious time. They can also make a hotel reservation for you.

You too will have some preparations to make. Your library or bookstore probably has copies of the *South American Handbook* or of *Fodor's Guide to South America* and you will find a few hours spent reading either of them will give you a good briefing.

Naturally, you will need a valid passport but if you come nominally as a tourist, you may stay up to 90 days without a visa, with a possible extension for a further 90 days upon application to the appropriate Brazilian authorities. You will need proof of vaccination against smallpox and inoculation against typhus and yellow fever is strongly recommended for those who intend to visit the interior of Brazil. Recently the Canadian Government recommended regular inoculation with gamma globulin for Canadian-based staff as a partial protection against infectious hepatitis, which is more common here than it is in Canada.

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You could well make your visit to Sao Paulo part of an extended tour covering Latin America's larger cities. Special air fares are offered that will make it possible for you to visit Buenos Aires, Santiago, Lima, Caracas, and Rio de Janeiro for little more than the return fare direct from Canada to Sao Paulo. The return air fare from Vancouver or Calgary to Sao is \$880 going Canadian Pacific Airlines to Lima and making connections there for Sao Paulo. From Eastern Canada the return fare is \$747 with good connections through New York or Miami on Pan American, Varig, Braniff, and many other airlines. For comfort and convenience, try to arrange air connections to Congonhas airport, which is located in downtown Sao Paulo, rather than to Viracopos, the international airport 65 miles from the city. If you are coming to Sao as part of a South American itinerary, leave enough time between the various stops so that interesting negotiations in one country will not make it impossible to visit the others.

By North American standards, hotels are relatively expensive; for a room at any one of the very few first class ones in the city you should expect to pay \$20 to \$25 per night. If you wish we can make reservations for you at one of the following:

Grande Hotel Ca D'Oro, Rua Avandava 308 (phone: 256-8011)

Volkswagen is an example of the many foreign firms that have realized Brazil's industrial potential. Its plant (below) turns out about 300,000 vehicles a year.



Hotel Jaragua, Rua Major Quedinho 40 (phone: 256-6633)

Hotel Othon Palace, Rua Libero Badaro 196 (phone: 239-3277)

Hotel Samambaia, Rua 7 de Abril 422 (phone: 239-5533)

Hotel Ca D'Oro, Rua Basilio da Gama 95 (phone: 239-0433)

Next year a Hilton Hotel will open. Most hotels include breakfast in their rates, but you should allow a total of \$10 to \$15 for other meals per day. We suggest that you carry travellers' cheques with you and use them to buy Brazilian currency at the main branches of the following banks:

The Royal Bank of Canada, Rua 15 de Novembro, 240, (phone: 239-4533)
Office hours: 10 a.m. to 4:15 p.m.

Bank of London & South America Ltd., Rua 15 de Novembro, 165, (phone: 239-0322)
Office hours: 10 a.m. to 4:15 p.m.

The First National City Bank of New York, Praca Antonio Prado, 48, (phone: 239-4722)
Office hours: 9:30 a.m. to 4:30 p.m.

You may also be able to purchase cruzeiros at your hotel, though you should verify the official exchange rate because it can change every 40 days.

What is the best time to come to Brazil? Before you decide on the date, study the list of holidays on this page. Brazilians observe these faithfully and businesses are closed for several days during Carnival. The most popular vacation periods for businessmen here are January-February and July-August, when many of them take month-long trips to Europe and to the United States. The Brazilian is also very much a Monday-to-Friday worker. On weekends there is normally little opportunity to make business calls. If you come between April and November, be sure to bring warm clothing with you. Officially, Sao Paulo has a very short winter, July and August only, but the climate is not too predictable. There is a saying that if you are unhappy with the weather at any time in this city, just wait 15 minutes and it will change. From October through March, the one essential is a raincoat.

Your first port of call when you reach Sao Paulo should be the Canadian Consulate, particularly if we have arranged your appointments in the city. With luck, you may be able to get in four appointments a day, especially if we have grouped these by area. Many of the industrial plants are on the outskirts and it takes time to reach them. The telephone system won't help you much with your arrangements, because it has not expanded enough to serve the fast growing population and you will find telephoning frustrating. In fact, it is often easier to drive across town to a distant industrial suburb than to try reaching someone there by telephone. We can also help you by supplying interpreters to go with you on your visits when your contact does not speak either French or English. Sometimes Brazilian companies can supply interpreters from their own staffs.

There are plenty of taxis and the rates are relatively low; to drive in from the airport costs about the equivalent of 75 cents. Brazilians rarely tip the driver, but a tip of 10 per cent is welcome and sufficient. We do not recommend that visitors hire drive-yourself cars. First, all major roads in the city are under construction in a frenzied effort to improve the flow of traffic. Second, you may have trouble in getting a licence to drive from the State Department of Transit; you will

need both your Canadian and an international driver's licence. Third, traffic in the city is fearsome and drivers highly individualistic.

Office hours for most companies are 9 a.m. (for the executive level) to 6:30 p.m., with a lunch hour from 12 to 2. Hours at the Canadian Consulate are 8:15 a.m. to 12:30 and 1:30 p.m. to 4:45. The earliest possible appointment is at 9 o'clock and you may find the Brazilian is not punctual to the minute. You should also be prepared for constant interruptions during a call, both from the telephone and from the staff coming in with letters to be signed, etc. This should not be taken as a proof of disrespect—it is simply the way that Brazilians do business. Appointments are not made too far in advance: we find that a week ahead is the right timing. It is also possible to get in to see someone in a firm without an appointment. Just give your card to the receptionist and ask whether it would be possible to see Mr. X.—and often it is.

If you wish to do some entertaining, the usual thing is to invite your Brazilian business contacts to have lunch with you at your hotel or at a local restaurant. Sao Paulo has plenty of good restaurants to offer; many of them specialize in national cuisines, such as Italian, Chinese, or Spanish food. Dining out is a favorite pastime and dinners often begin after eight and run on to ten o'clock or longer. Don't expect to be invited to a Brazilian home; such invitations are rare and are only issued to close friends.

How long should you spend in Sao Paulo on a first business visit? The

Brazilian National Holidays 1971

January 1—New Year
January 25—Foundation of Sao Paulo
February 22—Carnival
February 23—Carnival
February 24—Ash Wednesday
April 9—Good Friday
April 21—Tiradentes
May 1—Labour Day
May 28—Corpus Christi
September 7—Brazil's Independence Day
November 2—All Souls' Day
November 15—Proclamation of the Republic
December 25—Christmas Day

answer depends, of course, on what you wish to accomplish. If you hope to interview possible representatives, to call on some potential customers, and to investigate what the competition is doing, you should spend at least a week with us. Should your stay be prolonged over a weekend, you will have a chance to see Rio, which is about 250 miles away. You can fly there or you can take a bus and see something of the countryside en route. The bus fare is about ten dollars return, but you must reserve a seat in advance; the trip takes about five hours.

Do you want to become thoroughly acquainted with life here? Then go to a soccer game. Soccer is the national passion and until you have watched the crowd at a game, you really don't understand Brazilians. Besides, it will provide you with conversational material wherever you go.

India to Buy Crop-Spraying Planes

A \$6-million credit from the International Development Association (IDA) will be used by India to help purchase 82 crop-spraying aircraft through regular trade channels. The credit will finance the foreign exchange requirements of the estimated \$8.8 million project, with the Government meeting local costs. The project, aimed at better control of crop pests and diseases, will provide training facilities for pilots and aircraft engineers as well as technical assistance and overseas training of instructors. The bulk of the credit will be handled by the Directorate of Agricultural Aviation

(DAA) and the Agricultural Refinance Corporation (ARC). Credit to private operators for the purchase of aircraft will be made available by ARC through commercial banks at current commercial rates.

The DAA will be responsible for technical evaluation and supervision of subloans, prequalification of aircraft suppliers, coordination with plant-protection agencies, market development and training. There are several foreign makes of aircraft already spraying in India and others are being tested for suitability.

Selling to the PX's

The Post Exchange Systems for the U.S. Armed Forces represent big business. It may be a tough market to get into but, as our New York and Dallas offices point out in the following two articles, the effort could be well worth the trouble.

THE NAVY

R. J. G. LEDOUX

Consul and Assistant Trade Commissioner, New York

If you are a manufacturer of department-store items and are already exporting to the United States and overseas through local distributors, you may want to sell to United States Navy personnel stationed abroad or at various naval bases in the United States. The naval "PX" is officially called the Navy Resale System. Its total sales for fiscal year 1969 exceeded \$1 billion, placing this para-military organization among the 25 biggest retail organizations in the United States.

The Navy Resale System (NRSO) is composed of four programs: the Navy Resale Exchanges with total sales of \$706 million, the commissary stores with sales of \$299 million, ships' stores afloat \$76 million, and the military sea-transportation service Exchanges \$1.7 million.

Of these programs, only the Navy Exchanges operate using non-appropriated funds and for this reason they offer a potential market for Canadian exporters.

Appropriated funds are voted by Congress and administered by military commands. NRSO also makes available its sourcing and centralized purchasing services to commissary stores which buy mainly meat and produce. It is unlikely, however, that the U.S. Government will authorize funds to buy foreign goods for military personnel if the same products can be purchased in the U.S.

This worldwide marketing organization operates from its head offices in

New York City; the address is Navy Resale System Office (NRSO), Third Avenue & 29th Street, Brooklyn, New York 11232.

This office provides centralized support for the entire system of supplying goods and services to authorized patrons at the lowest possible cost, and at convenient places and times.

Not only does it negotiate minimum prices from prime sources for items in recurring demand at its points of sale in the field, but it also supervises all the purchasing by Navy Exchanges because it pays the bills. Although ordering is done at the Exchange level, NRSO does some buying of consolidated shipments.

Exchanges operate like any other commercial outlet and provide basic staples, plus a limited amount of authorized semi-luxury goods.

There are two basic methods of doing business with Navy Exchanges: directly with each Exchange, or through facilities of the Navy Resale System Office. Categories of merchandise and price limitations on goods sold by Exchanges in the continental United States are established by the Armed Services Exchange Regulations and approved by Congress. These limitations, however, do not apply overseas.

Nevertheless, there are other limitations a Canadian should take into account in determining his marketing policy. To avoid public criticism and to prevent an undue outflow of U.S.

currency, Exchanges are by policy limited in their sources of supply as follows:

1. A U.S. Continental Exchange cannot import products directly but can stock and sell imported items if they are purchased from local U.S. suppliers. The (invoice cost) price of an imported item must include transport cost to the local distributor and the U.S. customs duty, because no import duty drawback applies.

2. Overseas Exchanges import American products duty-free and buy goods from the local area. This means that Exchanges in Europe are restricted to European goods and those in the Pacific area are restricted to products from that area. They can also purchase imported goods from outside the area provided these are bought locally—that is from a European- or Pacific-based supplier. Such purchases are made at a price equivalent to the local cost to the supplier, provided this price is still competitive and in line with NRSO price limitations. The Exchange in Canada is considered part of the European group as far as policy on suppliers is concerned.

Purchasing is based on customer demand for authorized items. In some cases, NRSO consolidates purchase orders that Exchanges place. Each Navy Exchange Officer initiates and supervises most purchasing by his Exchange and by any branch stores under his control.

Any firm may contact the Exchange Officer and forward descriptive prod-

Navy Exchanges

Continental, except Alaska

California

Naval Air Station
Alameda, Calif. 94501

Naval Weapons Center
China Lake, Calif. 93555

Naval Station
Long Beach, Calif. 90802

Naval Air Station
Miramar, Calif. 92145

Naval Air Station
Moffett Field, Calif. 94035

Naval Postgraduate School
Monterey, Calif. 93940

Naval Construction Battalion Center
Port Hueneme, Calif. 93041

Naval Air Station
San Diego, Calif. 92135

Naval Station
San Diego, Calif. 92136

Naval Air Station
Lemoore, Calif. 93246

Naval Training Center
San Diego, Calif. 92133

Naval Station, Treasure Is.,
San Francisco, Calif. 94130

Mare Island Naval Shipyard
Vallejo, Calif. 94592.

Connecticut

Naval Submarine Base
New London, Groton, Conn. 06342

District of Columbia

Naval Air Station
Washington, D.C. 20390

Florida

Naval Air Station
Jacksonville, Fla. 32212

Naval Station
Key West, Fla. 33040

Naval Air Station
Pensacola, Fla. 32508

Naval Training Center
Orlando, Fla. 32813

Georgia

Naval Air Station, Atlanta
Marietta, Ga. 30063

Naval Supply Corps School
Athens, Ga. 30601

Illinois

Naval Air Station
Glenview, Ill. 60026

Naval Training Center
Great Lakes, Ill. 60088

Louisiana

Naval Support Activity
New Orleans, La. 70140

Maine

Naval Air Station
Brunswick, Me. 04011

Maryland

Naval Station
Annapolis, Md. 21402

Naval Training Center
Bainbridge, Md. 21905

National Naval Medical Center
Bethesda, Md. 20041

Naval Air Station
Patuxent River, Md. 20670

Massachusetts

Naval Station
Boston, Mass. 02210

Mississippi

Naval Air Station
Meridian, Miss. 39301

New Jersey

Naval Air Station
Lakehurst, N.J. 08733

New York

Naval Station, Mitchell Field Annex
Bl. No. 16, Garden City, N.Y. 11530

Navy Resale System Office
Navy Exchange
3rd Avenue & 29th Street
Brooklyn, N.Y. 11232

Naval Hospital
St. Albans, N.Y. 11425

Pennsylvania

Naval Station
Philadelphia, Pa. 19112

Naval Air Station
Willow Grove, Pa. 19090

Rhode Island

Naval Station
Newport, R.I. 02840

Naval Air Station
Quonset Point, R.I. 02819

South Carolina

Naval Station
Charleston, S.C. 29408

Tennessee

Naval Air Station-Memphis (52)
Millington, Tenn. 38054

Texas

Naval Air Station
Beeville, Texas 78102

Naval Air Station
Corpus Christi, Texas 78419

Naval Air Station
Dallas, Texas 75211

Naval Air Station
Kingsville, Texas 78863

Virginia

Naval Station
Norfolk, Va. 23511

Naval Air Station
Norfolk, Va. 23511

Naval Amphibious Base
Little Creek, Va. 23521

Norfolk Naval Shipyard
Portsmouth, Va. 23709

Naval Air Station
Oceana, Virginia Beach, Va. 23460

Washington

Puget Sound Naval Shipyard
Bremerton, Wash. 98314

Naval Supply Center
Puget Sound
Bremerton, Wash. 98314

Naval Air Station
Seattle, Wash. 98115

Naval Air Station
Whidbey Island
Oak Harbor, Wash. 98277

A list of overseas exchanges and their addresses may be obtained on request from the Commercial Division of the Canadian Consulate General, New York.

uct literature and price quotations to him. It is best to address correspondence to the Exchange Officer by title rather than by name. A list of Exchanges with purchasing power is given in the accompanying table.

Remember that, in general, NRSO does not buy merchandise but assists Exchange Officers to select items for which there is an established demand. It negotiates with manufacturers and suppliers in the U.S. and issues two types of bulletins listing such things as sources, terms and prices. The bulletins are called *Price Agreement Bulletins* and *Seasonal Merchandise Vocs*.

It is not necessary to be listed in the bulletins to be able to sell, but if a U.S. distributor wishes his name to appear, he must meet the criteria of selection that the NRSO requires. To assure lowest prices, merchandise is procured from prime manufacturing sources, based primarily on lowest cost and on delivery requirements.

The accompanying box gives an idea of what types of department-store goods a Canadian supplier could consider exporting.

As well as the items listed, Exchanges sell such things as air-conditioning, food services, and hotel/motel furnishings that are centrally procured or approved for local procurement by NRSO. Although operating supplies are usually procured at the Exchange level, items in recurring demand, such as paper shopping bags, are negotiated by NRSO with prime sources in the U.S.

If you wish to consider this government retail organization as another export outlet for your products, here are some suggestions.

Select from the table the outlets you feel should be interested in your product, keeping in mind the area restrictions to which the Exchanges are subject. Ask your local distributor—and it is essential to have one—in one of the three areas (U.S., Europe or the Pacific) to contact the Navy Exchange Officer by sending him product literature and prices, quoted f.o.b. your local distributor's warehouse in U.S. dollars. When the nature of the product permits it, your agent should provide the Exchange Officer with a sample for a better evaluation.

Supplies composed of several elements (e.g. hotel/motel furnishings) and equipment worth more than \$200 are centrally purchased by NRSO. Furthermore, prices of items in constant demand are centrally negotiated with prime sources by NRSO and often purchased by NRSO for consolidated shipment. A price list for these products can be obtained for your guidance from the Canadian Consulate General in New York. Your local distributor should keep NRSO informed of his endeavors to sell by sending copies of correspondence and price quotations to the Deputy Director of Retail Division, Navy Resale System Office, Third Avenue & 29th Street, Brooklyn, New York 11232.

If you need any assistance in selling your products to this market, contact the Commercial Division of the Canadian Consulate General, New York.

Canadians Could Sell...

- Children's wear
- Garden supplies
- Hardware
- Housewares
- Household supplies
- Infants' clothing and accessories
- Jewellery
- Leather goods and luggage
- Men's wear and accessories
- Shoes
- Sports and recreational supplies
- Stationery (pens, pencils, etc.)
- Toys
- Typewriters
- Women's wear and accessories

A more detailed list of items and their corresponding (invoice cost) price limitations can be obtained on request from the Canadian Consulate General in New York.

These U.S. soldiers pore over their copies of the "Stars and Stripes". Most Exchanges buy American as a matter of policy, but will also buy imported goods from a local supplier. Volume purchases make any business done worth the trouble.



THE ARMY AND AIR FORCE

JIMMIE GREEN

Commercial Officer, Dallas

It would be a strange manufacturer who never dreamed of landing a giant for a customer. This is true, even if this fantasy is repeatedly shattered by the sobering thought: "How does one negotiate with a giant?" and "Could I deliver if he gave me an order?"

It is in the elite company of the retailing giants—global in scope, with dollar volume measured in billions—that the U.S. Army and Air Force Exchange Service can be included. Topped only by Sears Roebuck and J. C. Penney as a purveyor of goods and services, the Exchange Service employs some 80,000 persons, operates in 34 countries, and numbers its retail outlets at 19,000.

It still fulfills the purpose for which it was created in 1895 by War Department General Order No. 46, ". . . to supply the troops, at reasonable prices, with articles of ordinary use, wear and consumption not supplied by the Government and to afford them means of recreation and amusement."

Since 1895, however, necessities have become more complex and supply lines have grown ever longer. And the challenge of operating a store nestled snugly in a combat zone is a prospect that private industry is unlikely to covet.

It is out of profit, over and above salaries and wages, operating expenses, equipment, and capital improvement of Exchange facilities, that the system is able to provide "means of recreation and amusement" for servicemen and their families. Tax exemption helps any merchandiser show a profit, but it is nevertheless obvious that AAFES is an efficient, businesslike operation, in a position because of sheer volume to drive a shrewd bargain with suppliers.

In an effort to determine what opportunities there are for Canadian manufacturers of merchandise purchased by the Exchange Service and the proper channels of approach, personnel from the Dallas Trade Commissioner's office met with senior officers

at the Exchange on several occasions. Despite the co-operative attitude of both procurement officials and information office personnel, unqualified answers to a manufacturer's questions are still difficult to supply. This is understandable in view of the scope of operations, the many commodities sold, and the factors specific to each. Also understandable is the reluctance of administrative officials to spell out conditions which, however realistic, could tend to militate against certain segments of the established merchandise distribution system.

Fact Sheet No. 10-6 tells us "Dealing with Exchanges is essentially the same as dealing with any other segment of American business. Any reputable individual or firm may offer merchandise or services to the exchange system." True, but perhaps an oversimplification. Two points should be kept in mind when considering AAFES as a potential customer.

1. Products sold in the Exchanges are strictly regulated and limited as to price.
2. Exchanges fall into one of two categories, domestic or overseas. Although both are under the supervision of the Dallas headquarters, items carried vary somewhat and there are differences in the method of approach for vendors. Space does not permit listing each item of merchandise stocked and price limits, but these lists are available from Exchange headquarters and the Canadian Consulate at Dallas can obtain them for you. The greater portion of merchandise stocked by Exchanges is in the budget- to medium-priced category. The Exchange caters to the mass market, and there are still more corporals than colonels.

If we were preparing the simplest of organization charts for AAFES, the upward progression for domestic Exchanges would be from Post or Base Exchange to Area Support Center to worldwide headquarters in Dallas.

The progression for overseas Exchanges would be Exchange to Exchange System headquarters to Dallas headquarters. There are doubtless intermediate channels, but for our purpose this will suffice. Ordinarily, vendors wishing to sell to a United States Exchange should approach, through a U.S.-based agent, the Area Support Center responsible for that Exchange.

Generally (and there are few generalizations that can be made) purchases are made for overseas Exchanges in two ways. If the goods are procured regionally—a minor portion and mostly domestic products of the country in which the post is located—the approach should be made to the Area Exchange headquarters in Europe, Alaska, or the Pacific. The major portion is procured through Dallas headquarters, and the approach should be made here.

In any world-wide operation of this scope, exceptions, policy changes and ambiguity are inevitable, and procedures outlined here cannot be considered static or unchangeable. It is never wrong to contact Dallas AAFES headquarters, directly or through the Trade Commissioner, about the procedure for your particular product, and all inquiries do receive attention.

There are only four headquarters for the overseas Exchanges; they are shown in the accompanying box, with mailing addresses, and the countries in which Exchanges under their jurisdiction are located. The merchandise sold is much the same as that listed on page 10.

Area Support Center information is somewhat longer, but can be supplied from this office or direct from headquarters in Dallas.

Once you have determined what AAFES will buy and where, what next? Surrounding the reception room at the Dallas headquarters (and presumably this is true at Support Centers and

overseas headquarters) are vendor rooms, where sellers may meet with buyers of various commodities, by appointment, to show their wares. Appointments can be scheduled for certain days and hours and it is sometimes possible to arrange for a buyer to view lines elsewhere—for instance, at periodic “clinics” held in New York for certain commodity areas.

Following the buyer-seller contact, it becomes a contest between suppliers—and a highly competitive one. Standards are high and quality control is rigid (as some manufacturers have learned the hard way). The Fact Sheet states frankly that “stock assortments in overseas Exchanges give priority to American-made products because of troop preference and gold flow consideration.” But the biggest obstacle for Canadian manufacturers is that, although some merchandise is purchased that has been imported by distributors or importers, domestic and overseas Exchanges cannot themselves import any products. Add to this the fact that

volume buyers will in most instances purchase from prime sources and contact will likely be at a high level. Only in special instances would profit margins be designed to accommodate middlemen, be they representatives, distributors or importers. The group of Canadian companies likely to qualify as suppliers is thus narrowed to manufacturers with volume production capacity, competitive with U.S. companies, and with warehouses and sales offices located in the United States.

Canadian suppliers may have a better opportunity to qualify for that smaller portion of buying done by European Exchange or Pacific Exchange System headquarters. With a purchaser of this size, even the small end can be big business.

Our evaluation of existing opportunities for Canadian suppliers where AAFES is concerned is intended to be realistic—not discouraging. We will help in any way possible with information or suggestions.

Where Are the Exchanges?

Alaskan Exchange System
PO Seattle 98742 (Alaska only)

Central Support Center
Army and Air Force Exchange Service
Dallas, Texas 75222
(Azores, Bermuda, Brazil, Greenland, Labrador, Panama, Puerto Rico)

European Exchange System
APO New York 09245
(Belgium, Britain, Ethiopia, Germany, Greece, Italy, Libya, Norway, Pakistan, Spain, the Netherlands, Turkey)

Pacific Exchange System
1270 Queen Emma Street
Honolulu, Hawaii 96813
(Guam, Hawaii, Japan, Korea, Okinawa, Philippine Islands, Thailand, Vietnam)

It's a nice piece of business if you can land it, but one which will have to be well earned.

A group of GI's take out their chopsticks for a meal "in the field". Selling to the PX systems, however, does not necessarily mean a trip to the field for the Canadian supplier. The method of approach depends on the Service, but quality is very much in demand for both naval and army and air force systems and the list of supplies bought is extensive.



Canadian Cattle Find New Pastures

Central American breeders are becoming more aware of the quality of Canadian stock, but promotion is still needed to broaden this awareness.

WALTER KUHN
Commercial Assistant, Guatemala City

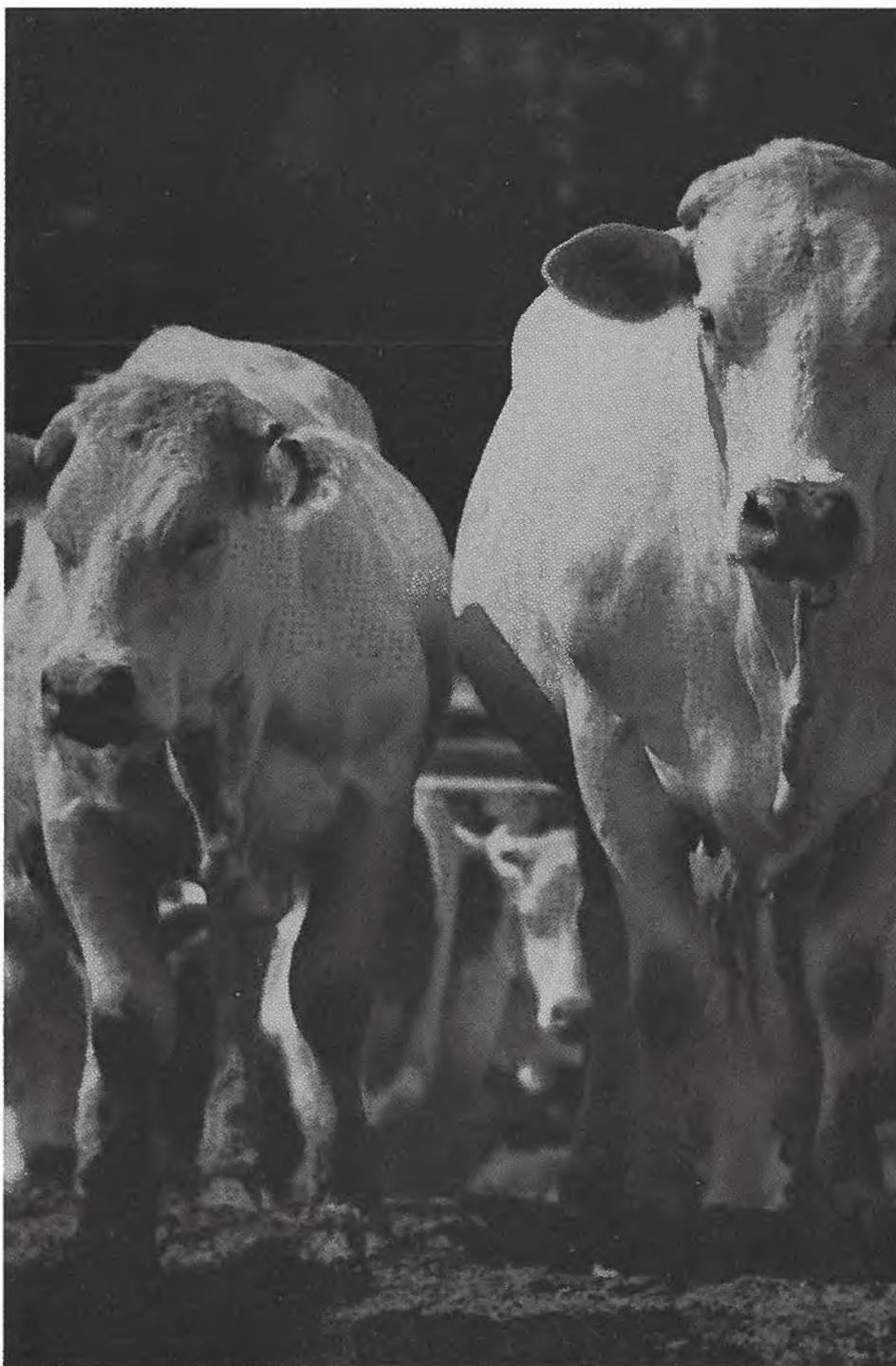
Canadian cattle have been successfully introduced into three countries of the Central American territory—Costa Rica, Honduras and Guatemala—and sales should reach well over \$120,000 by the end of 1970. Efforts are now being directed to selling in Nicaragua and El Salvador.

Costa Rica, the leading country in Central America in cattle breeding, has excellent dairy and beef stock. Breeders are active and arrange as many as five regional shows a year, plus the annual national show. One important facility at these shows is the on-site service that banks provide to finance buyers.

Several Canadian breeders and exporters visited the last national show in April 1970, including David Houck, who judged the Holstein breed. Twenty-one head of beef cattle were exhibited last July at the Liberia Show in Costa Rica and attracted a favorable reaction. All 21 were sold, and breeders expressed a keen interest in having a Canadian exhibit at the next show and at the regional shows. Canadian exports of purebred cattle to Costa Rica for the first nine months of 1970 were valued at \$71,000.

Honduran imports of purebred Canadian cattle during the same period totalled \$38,000. Holstein and Brown Swiss are the leading breeds in this country; Guernseys and Ayrshires are scarce. Beef cattle are mostly Criollo (Indian) and Brahman. There have been a few imports of Charolais, but European breeds are not well known.

Honduras holds two annual shows, one in San Pedro Sula (the largest city after Tegucigalpa) near the end of



Cattle Shows in Central America

El Salvador

National Show, San Salvador, March 18/21

Central American Cattle Show, April 24/May 2

Guatemala

National Show, March 21/28

Costa Rica

National Show, March 18/21

Liberia, July

Esparta, Jan. 15/17

Nicoya, Jan. 29/Feb. 2

Perez Zeledon, Feb. 25/28

Honduras

San Pedro Sula, June

Tegucigalpa, October

IMPORTS OF PUREBRED BEEF & DAIRY CATTLE, 1969

	U.S.\$ c.i.f.
Nicaragua	228,879
Costa Rica	64,893
United States	163,986
Guatemala	558,515
United States	452,683
Canada	2,600
Mexico	103,232
El Salvador	109,788
United States	39,363
Guatemala	67,125
Costa Rica	3,300
Costa Rica	841,717
United States	485,710
Mexico	201,234
Nicaragua	140,253
Panama	14,520

◀ Both beef and dairy herds are being improved in Central American countries and Canadian stock is receiving increased attention from governments and breeders alike. Guatemala, for instance, uses Charolais (on the left) for cross-breeding with local cattle such as the Criollo and the Brahman.

June, and the other at Tegucigalpa, the capital, in September or October.

The Honduran Government plans to improve breeding stock for small farmers, but these plans have been delayed because of heavy war expenditures in 1969.

Guatemala is the second most important cattle market in the area after Costa Rica, although imports of dairy cattle have dropped because of the low milk prices that farmers receive. The leading breeds in this country are Holstein and Brown Swiss (dual purpose) and Jersey. For beef, Brahman and the Santa Gertrudis are the most common. Charolais and Angus are being successfully introduced, especially for cross-breeding with the Criollo, the Brahman and the Jersey.

Many dairy farms in Guatemala and Costa Rica are turning to beef, partly because of the low milk prices but also because Guatemala exports a lot of beef, and domestic demand is on the increase. Canadian exports of purebred cattle to Guatemala totalled \$11,000 for the first nine months of 1970.

Nicaragua is increasing milk production to meet demands for powdered milk. Beef cattle stocks are also being built up to meet the larger market for meat. Holstein and Brown Swiss are the most common dairy breeds here,

followed by Guernsey and Jersey. The chief beef breed is Brahman, with a few Charolais.

Cattle farming in El Salvador, the smallest but most densely populated country in Central America, is less developed than in other countries in this region. There the most common breeds are Criollo, Holstein, Brown Swiss, Brahman and Angus. A proposed meat-packing plant may help the industry. San Salvador, the capital, will be host city in April to the Central American Cattle Show. This event, however, is not open to foreign exhibitors.

The national shows put on by each country provide one of the best ways to introduce Canadian livestock in Central America. Apart from exhibiting, breed associations would do well to have an information booth on the grounds, possibly with slides showing breed champions. Canadian breeders should also play a prominent part at the shows. Good press coverage could be obtained by indicating Canadian interest, and the donation of trophies would help.

If you need more information on the market in Central America, write to the Commercial Counsellor, Canadian Embassy, Apartado 3A (airmail) or 4A (seamail), Edificio Etisa, Plazuela Espana, 7a Avenida 12-19. Zone 9, Guatemala City, Guatemala. C.A.,

The Reserve Grand Champion at the last Central American Show being paraded round the ring. National and local shows provide good opportunities for Canadian breeders to introduce their livestock into an expanding beef and dairy market.



Electronica 70

Business worth \$1.5 million in just six days—that, in a nutshell, is the story of eight Canadian firms that exhibited in Electronica 70, the international electronic components trade fair held last November in Munich, West Germany. They expect to write at least this amount during the next 12 months as a direct result of the show.

The all-out efforts made by the firms themselves played a large part. For example, Cercast Inc., of Montreal, flew in 70 prospective buyers from Paris by charter plane. Company officials said the experiment was well worth it and “paid off in every way”.

The Canadian stands were under the sponsorship of the Department of Industry, Trade and Commerce. The eight Canadian firms taking part were: Cercast Inc., Montreal; Cramco Solder Alloys of Scarborough, Ont; Croven Limited, Whitby, Ont; Eldon Industries of Canada Limited, Don Mills, Ont; Electrovert Manufacturing Co., Ltd., Montreal; Fisher Gauge Limited, Peterborough, Ont; R.D.C. Industries Ltd., Montreal; and C. R. Snelgrove Co., Limited, Don Mills, Ont.

One of the visitors to the fair was the Canadian Ambassador to West Germany, Gordon Crean. At the exhibit by Ungar (top), a division of Eldon Industries of Canada Limited, Mr. Crean chats with Mrs. L. Hansen, Danish agent for Ungar. Roger Parlour, Canadian Counsellor in Bonn (left) and Frank Mathews, project officer from Ottawa, listen. At the Fisher Gauge stand (bottom), Mr. Crean is being shown one of the exhibits by Fred Jay, sales manager, while Bill Fisher (left), company president, looks on. Mr. Parlour is in the background.



Geographical Listing for Exporters

Need information on foreign markets? You can get it from the Trade Commissioner posts around the world, or from the Office of Area Relations in Ottawa. This breakdown tells you which TC post and which OAR Division is responsible for the country in which you are interested.

Country	TC Post	OAR Division	Country	TC Post	OAR Division
Afors and Issas, Territory of (Fr. Somaliland)	Nairobi	Africa	Bulgaria	Vienna	Eastern Europe
Afghanistan	Islamabad	Asia	Burma	Kuala Lumpur	Asia
Albania	Vienna	Eastern Europe	Burundi	Kinshasa	Africa
Algeria	Paris	Africa	Cambodia	Hong Kong	Asia
Andorra	Paris	Western Europe	Cameroon	Kinshasa	Africa
Angola (Portuguese West Africa)	Johannesburg	Africa	Canal Zone	Guatemala City	Latin America
Argentina	Buenos Aires	Latin America	Canary Islands	Madrid	Western Europe
Aruba	(see Netherlands Antilles)		Cape Verde Islands	Lisbon	Western Europe
Australia	Sydney Melbourne Canberra	Pacific	Cayman Islands	Kingston	Caribbean
Austria	Vienna	Western Europe	Central African Republic	Kinshasa	Africa
Azores	Lisbon	Western Europe	Ceylon	Colombo	Asia
Bahamas	Kingston	Caribbean	Chad	Kinshasa	Africa
Balearic Islands	Madrid	Western Europe	Chile	Santiago	Latin America
Barbados	Port-of-Spain	Caribbean	China, People's Republic of	Peking	Asia
Belgium	Brussels	Western Europe	Christmas Island	Sydney	Pacific
Bermuda	New York	Caribbean	Cocos-Keeling Islands	Sydney	Pacific
Bhutan	New Delhi	Asia	Colombia	Bogota	Latin America
Bolivia	Lima	Latin America	Comoro Islands	Johannesburg	Africa
Bonaire	(see Netherlands Antilles)		Congo (Brazzaville)	Kinshasa	Africa
Botswana	Johannesburg	Africa	Congo (Kinshasa)	Kinshasa	Africa
Brazil	Rio de Janeiro Sao Paulo	Latin America	Cook Islands	Wellington	Pacific
Britain	London Glasgow	Britain	Costa Rica	Guatemala City	Latin America
British Honduras	Kingston	Caribbean	Cuba	Havana	Caribbean
British Solomon Islands	Sydney	Pacific	Curacao	(see Netherlands Antilles)	
Brunei	Kuala Lumpur	Asia	Cyprus	Tel Aviv	Western Europe
			Czechoslovakia	Prague	Eastern Europe

Country	TC Post	OAR Division	Country	TC Post	OAR Division*
Dahomey	Lagos	Africa	Ivory Coast, Republic of	Abidjan	Africa
Denmark	Copenhagen	Western Europe	Jamaica	Kingston	Caribbean
Dominican Republic	San Juan	Caribbean	Japan	Tokyo	Pacific
Ecuador	Bogota	Latin America	Jordan	Beirut	Asia
Egypt	(see United Arab Republic)		Kenya	Nairobi	Africa
El Salvador	Guatemala City	Latin America	Korea	Tokyo	Asia
Equatorial Guinea	Madrid	Africa	Kuwait	Beirut	Asia
Ethiopia	Nairobi	Africa	Laos	Bangkok	Asia
Falkland Islands	Buenos Aires	Caribbean	Lebanon	Beirut	Asia
Fiji	Sydney	Pacific	Leeward Islands	Port-of-Spain	Caribbean
Finland	Stockholm	Western Europe	Lesotho	Johannesburg	Africa
France	Paris	Western Europe	Liberia	Abidjan	Africa
French Guiana	Port-of-Spain	Western Europe	Libya	Rome	Africa
French Oceania	Wellington	Pacific	Liechtenstein	Berne	Western Europe
French Somaliland	Nairobi	Africa	Luxembourg	Brussels	Western Europe
Gabon	Kinshasa	Africa	Macao	Hong Kong	Asia
Gambia	Lagos	Africa	Madeira	Lisbon	Western Europe
Germany	Bonn Duesseldorf Hamburg	Western Europe	Malagasy Republic	Johannesburg	Africa
Ghana	Lagos	Africa	Malawi	Nairobi	Africa
Gibraltar	London	Britain	Malaysia	Kuala Lumpur	Asia
Gilbert and Ellice Islands	Wellington	Pacific	Mali, Republic of	Abidjan	Africa
Greece	Athens	Western Europe	Malta	Rome	Western Europe
Greenland	Copenhagen	Western Europe	Martinique	Port-of-Spain	Western Europe
Guadeloupe	Port-of-Spain	Western Europe	Mauritania, Republic of	Abidjan	Africa
Guatemala	Guatemala City	Latin America	Mauritius	Johannesburg	Africa
Guinea, Republic of	Abidjan	Africa	Mexico	Mexico City	Latin America
Guyana	Port-of-Spain	Caribbean	Monaco	Paris	Western Europe
Haiti	San Juan	Caribbean	Morocco	Madrid	Africa
Honduras	Guatemala City	Latin America	Mozambique (Portuguese East Africa)	Johannesburg	Africa
Hong Kong	Hong Kong	Asia	Muscat and Oman	Beirut	Asia
Hungary	Vienna	Eastern Europe	Nepal	New Delhi	Asia
Iceland	Oslo	Western Europe	Netherlands	The Hague	Western Europe
India	New Delhi	Asia	Netherlands Antilles	Caracas	Caribbean
Indonesia	Djakarta	Pacific	New Caledonia	Sydney	Pacific
Iran	Tehran	Asia	New Guinea (North-east) and Papua	Sydney	Pacific
Iraq	Beirut	Asia	New Hebrides (British-French Condominium)	Sydney	Pacific
Ireland, Republic of	Dublin	Britain	New Zealand	Wellington	Pacific
Israel	Tel Aviv	Western Europe	Nicaragua	Guatemala City	Latin America
Italy	Rome Milan	Western Europe			

Country	TC Post	OAR Division	Country	TC Post	OAR Division
Niger, Republic of	Abidjan	Africa	Switzerland	Berne	Western Europe
Nigeria	Lagos	Africa	Syria	Beirut	Asia
Northern Ireland	Glasgow	Britain	Tahiti	Wellington	Pacific
Norway	Oslo	Western Europe	Taiwan	—	Asia
Okinawa	(see Ryukyu Islands)		Tanzania	Nairobi	Africa
Pakistan	Islamabad	Asia	Thailand	Bangkok	Asia
Panama	Guatemala City	Latin America	Togo	Lagos	Africa
Paraguay	Buenos Aires	Latin America	Tonga	Wellington	Pacific
Persian Gulf Area	Beirut	Asia	Trinidad and Tobago	Port-of-Spain	Caribbean
Peru	Lima	Latin America	Trucial States	Beirut	Asia
Philippines	Manila	Pacific	Tunisia	Berne	Africa
Poland	Warsaw	Eastern Europe	Turkey	Ankara	Asia
Portugal	Lisbon	Western Europe	Turks and Caicos Islands	Kingston	Caribbean
Portuguese Guinea	Lisbon	Africa	Uganda	Nairobi	Africa
Portuguese East Africa (Mozambique)	Johannesburg	Africa	United Arab Republic	Cairo	Asia
Portuguese West Africa (Angola)	Johannesburg	Africa	United Kingdom	(see Britain)	
Puerto Rico	San Juan	United States	United States	Washington Boston Buffalo Chicago Cleveland Dallas Detroit Los Angeles Minneapolis New Orleans New York Philadelphia San Francisco Seattle United Nations (New York)	United States
Reunion	Johannesburg	Africa			
Rhodesia	—	Africa			
Romania	Vienna	Eastern Europe			
Rwanda	Kinshasa	Africa			
Ryukyu Islands	Tokyo	Pacific			
St. Helena	Cape Town	Africa			
St. Pierre and Miquelon	Boston	Western Europe			
Saudi Arabia	Beirut	Asia			
Scotland	Glasgow	Britain	Upper Volta, Republic of	Abidjan	Africa
Senegal, Republic of	Abidjan	Africa	U.S.S.R.	Moscow	Eastern Europe
Seychelles Islands	Nairobi	Africa	Uruguay	Buenos Aires	Latin America
Sierra Leone	Lagos	Africa	Venezuela	Caracas	Latin America
Sikkim	New Delhi	Asia	Vietnam	Hong Kong	Asia
Singapore	Singapore	Asia	Virgin Islands (U.S.)	San Juan	United States
Somali Republic	Nairobi	Africa	Western Samoa	Wellington	Pacific
South Africa, Republic of	Johannesburg Cape Town	Africa	Windward Islands	Port-of-Spain	Caribbean
Spain	Madrid	Western Europe	Yemen Arab Republic	Beirut	Asia
Spanish Sahara	Madrid	Africa	Southern Yemen, People's Republic of	Beirut	Asia
Sudan	Cairo	Asia	Yugoslavia	Belgrade	Eastern Europe
Surinam	Port-of-Spain	Latin America	Zambia	Nairobi	Africa
Swaziland	Johannesburg	Africa			
Sweden	Stockholm	Western Europe			

Making a business decision today?

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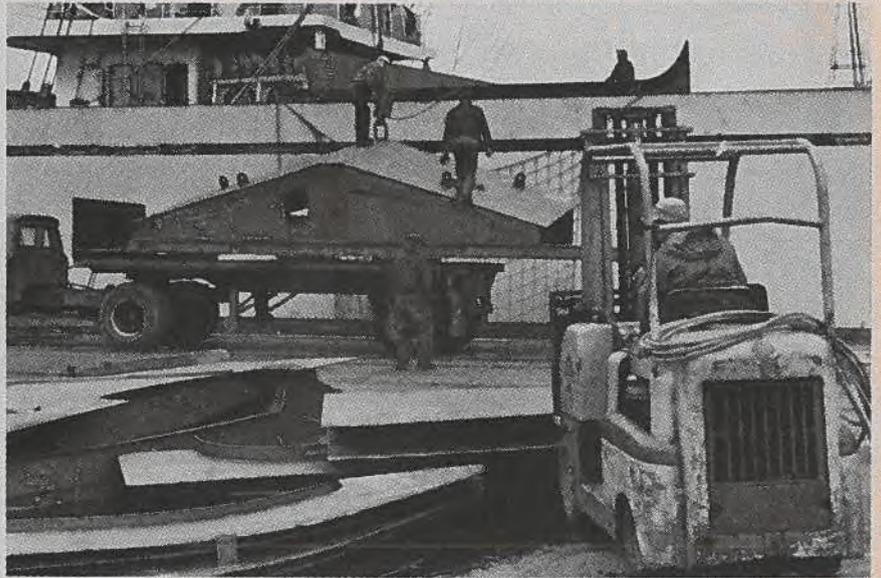
Canadian-Made Ferry Goes High

This impressive looking rail-car ferry soon will be crossing Lake Titicaca, the world's highest navigable body of water, that lies at an altitude of 12,400 feet between Peru and Bolivia. It will carry, as the drawing shows, freight cars loaded with mineral concentrates as well as general merchandise.

The ferry was built by the Halifax Shipyards Division of Hawker Siddeley Canada Ltd. for the Peruvian Ministry of Transport and Communications, as part of an order that also included mineral handling equipment and ferry slips. About 18 months in the building, it is just over 285 feet long and 44 feet wide. It is powered by twin diesel engines that will deliver 1,000 brake h.p. at that altitude, and it has a speed of 12 knots.

Shipping it presented a bit of a problem—a problem that was solved by sending it down in three sections to the port of Matarani in Peru and then by rail to Puno on the lake, to be assembled.

The picture at the top shows a section of the stern being loaded on a Peruvian vessel, and the one at the bottom, two sections of the hull on the dock awaiting their turn. Total cost of the ferry was \$1.25 million.



How the CCC Aids Canadian Exports

Set up to handle procurement of Canadian goods and services on behalf of foreign governments, the Canadian Commercial Corporation has handled over \$2.3 billion worth of orders in the past eleven years. Here's an outline of its functions and procedures.

T. M. COGHLAN, Secretary, Canadian Commercial Corporation

The honest broker—that was the title given to the Canadian Commercial Corporation in a recent publication and a title that defines its primary function. That function is the efficient procurement of Canadian goods and services on behalf of governments of other countries; in 1970, contracts negotiated through the CCC totalled \$275 million. Its task thus calls for a thorough knowledge of the Canadian industrial base, skill in contracting with Canadian suppliers, a detailed knowledge of export procedures, and experience in dealing with the purchasing agencies of foreign governments.

The CCC was set up in 1946 to take over the operations of the Canadian Export Board, created two years earlier to handle purchases and exports of the non-military supplies then being poured into the newly liberated countries. Early in 1947, the Corporation also took over the purchasing functions of the wartime Department of Munitions and Supply. It thus became purchasing agent for the Department of National Defence while continuing its other export functions. In 1951, with the formation of the Department of Defence Production to take over the expanding job of procuring munitions and supplies for the Canadian Armed Forces, the CCC reverted to its original import-export activities.

One measure of the results that the Corporation has achieved under its very broad charter is the volume of business that it has handled over the past decade—business amounting to about \$2.3 billion. It has procured everything from simple, low-cost goods to highly complex electronic systems costing millions of dollars.

By far the largest single customer of the Corporation is the United States Government and the majority of its defence prime contracts in Canada are handled by the CCC under the Canada-U.S. Defence Production and Development Sharing arrangements. Under this program, Canadian manufacturers are permitted to bid on an equal basis with U.S. firms for U.S. defence contracts.

Today the Corporation exists only as a legal entity. The marketing, contracting and inspection procedures associated with CCC contracts are carried out by three different government departments: the Department of Industry, Trade and Commerce, the Department of Supply and Services, and the Department of National Defence. These three functions are reflected in the composition of the Board of Directors, which includes T. M. Burns, Assistant Deputy Minister, (External Services), Industry, Trade and Commerce; J. S. Glassford, Assistant Deputy Minister (Purchasing), Department of Supply and Services, and Major General H. L. Meuser, Assistant Deputy Minister (Logistics), Department of National Defence. The executive officers of the CCC, with the Board, are responsible for operating policy and for management of its affairs.

How are the various responsibilities divided? Roughly, as follows:

1. The Department of Supply and Services is primarily responsible for all CCC bidding and contracting which is, for the most part, carried out in accordance with departmental practices, policies and procedures. The CCC's General Manager is also the Director

of the Export Contracts Branch of DSS. He keeps a close eye on CCC day-to-day activities and provides guidance in matters of CCC contracts.

2. The Department of Industry, Trade and Commerce, through its International Defence Programs Branch, has the responsibility of identifying the defence export market, encouraging Canadian manufacturers to enter it, promoting the sale of their products to friendly countries, and assisting the defence industry to make contacts and sales abroad. The IDPB Field Liaison Officers and the Trade Commissioners at selected U.S. and overseas offices now wear two hats: they promote the sale of a wide range of Canadian goods and services, and they also act as accredited representatives of the Corporation.

Industry, Trade and Commerce, through the IDPB, is also responsible for negotiating government-to-government agreements to promote co-operative research, development, and production projects; develops marketing plans to capitalize on opportunities presented by the multi-million-dollar annual U.S. defence budget, and analyzes economic trends in the defence field and in the domestic industrial environment. It can also forecast what U.S. needs may be and can alert Canadian firms and the CCC to these well in advance.

3. The Department of National Defence, which, through its Quality Assurance Branch, provides the personnel and equipment needed to monitor the quality of the goods under CCC contracts and also inspects these goods and accepts them on behalf of CCC customers.

How can the CCC help interested Canadian companies to obtain a share of defence export business, especially with the United States? First, at the request of the company, it will see that the latter is registered on the Bidders' Mailing Lists (BML) that the U.S. defence procurement agencies maintain for specific groups of commodities for which the CCC has been exempted from the provisions of the Buy American Act. In addition, a number of defence products are allowed duty-free entry into the United States when they are purchased for the Departments of the Navy, Army and Air Force.

The CCC files approved applications with the U.S. Department that has procurement responsibility for the supplies or services offered. Canadian firms are given the opportunity to compete on an equal basis with the U.S. firms but the U.S. Government is under no obligation to notify all prospective firms, Canadian or American, that might be capable of bidding on any specific item, but only a sufficient number to obtain what the purchaser considers to be adequate competition. It is therefore essential that Canadian firms anxious to get some of this business keep U.S. procurements and programs under constant review. They should also arrange for representatives to visit regularly appropriate U.S. military procurement agencies and U.S. Department of Defense (DOD) prime contractors. These visits should be co-ordinated through the International Defence Programs Branch of ITC, which maintains field offices at key DOD procurement agencies and industrial centers in the United States, and also in a number of European countries where there are also opportunities for selling defence equipment. In areas where there is no IDPB Field Liaison Officer, the Trade Commissioner provides this service. Firms should remember, however, that security clearances must be obtained from the Industrial Security Branch of the Department of Supply and Services before any such visits.

If a firm is selected for bidding on a specific item or items, the U.S. agencies normally send invitations for bids, proposals or quotations to it directly. A complete copy of the bid set and a list of the firms contacted also goes to the CCC. This gives the Corporation an opportunity to obtain bids from

other approved sources that may not have been listed with the U.S. agency—and is one more reason why firms should make their interests known to the Corporation. The CCC can also, upon request, obtain U.S. bid opportunities even when no Canadian firms were solicited.

Although Canadian firms are solicited directly by the U.S. agencies, the U.S. regulations state that all bids must be returned through CCC. Otherwise, they will be rejected. Prices normally must be quoted in U.S. dollars and no provision is made in contracts for adjustments of losses or gains resulting from fluctuations in the exchange rate. Occasionally prices may be quoted in Canadian dollars, but this is rare.

If a Canadian company wins a contract, the CCC accepts it on a government-to-government basis. It then issues, in turn, a contract on a back-to-back basis on behalf of the Canadian supplier. The same terms and conditions governing the contract with a foreign government are reflected in the contract between the CCC and the Canadian company.

The activities of the CCC are by no means confined to its role as a prime contractor to the U.S. Government. Since 1951, for example, it has also acted as a procurement agency for the External Aid Office, now known as the Canadian International Development Agency. It has purchased a wide variety of goods and services under the various assistance programs, such as the Colombo Plan for South and South-east Asia, the Commonwealth Africa Assistance Plan, the plan for Francophone Africa, the Commonwealth Caribbean Plan, and development loan assistance program to Latin America.

Through its activities under these plans, the CCC has won the confidence of many foreign governments and this has led to agency agreements between the Corporation and these governments for the purchase of Canadian goods and services under development loan funds provided to developing countries through CIDA. The same CCC ground rules apply to these purchases—that is, competitive bids rather than negotiated contracts, and wherever possible normal Canadian Government practices and procedures are followed.

A fringe benefit to Canadian industry is emerging from this CIDA activity. This is the possibility of Canadian firms competing for the supply of a range of logistic-type items that form part of the normal import trade of these governments. Under the arrangements proposed, the CCC would act as the Canadian agent for them. Their requirements in this sector are now being obtained largely from U.S. and other foreign governments and Canadian companies are participating in only a limited way through their own sales agents or distributors abroad. Negotiations covering this new CCC activity are still in embryo but the CCC believes that Canadian prices may be highly competitive. Officers of the Corporation expect that the use of CCC/DSS approved source lists will result in a significant volume of new business with the countries concerned.

A familiar complaint of many countries doing business with the Government is that there is too much "bureaucratic red tape". This is not true in dealing with CCC. For example, during the year ended March 31, 1969, the Corporation received and dealt with over 16,000 inquiries. Approximately 2,200 contracts were awarded to the Corporation by 30 foreign governments and international agencies. In these negotiations the Corporation acted either as agent or principal and assumed the legal burden, or so-called "red tape", associated with the varying contractual terms and conditions that these diverse sources imposed. Domestically, CCC contracts awarded to Canadian firms include Canadian Government terms and conditions familiar to the Canadian trade.

The Corporation assumes complete responsibility for the administration of both the domestic and foreign contract, arranges shipment through its Traffic Management Branch, co-ordinates inspection and acceptance, and makes payment from CCC working capital following delivery at the f.o.b. point. Prompt payment is an important plus of the whole CCC operation that appeals to Canadian suppliers. In most cases, CCC pays on a 30-day net basis (or less) which is rare in today's "tight money" environment. The idea of delivering goods to some remote part of the world and making acceptance at destination a condition of payment causes uninitiated exporters to

shy away from such business. However, the Corporation has established lines of credit for governments ranging from open account (payment within a reasonable time following shipment and submission of CCC invoices) to cash with the order. Any default in payment by the government is a risk that the CCC assumes.

After twenty-four years of purchasing and shipping everything from aircraft, hydroelectric plants, food, drugs, anywhere in the world, to outfitting South Pole expeditions, the Corporation continues to assist, without interfering with, the commercial export activities of private firms. The honest broker proves that it is the best policy.

Canadians Do Well at INTERSTOFF

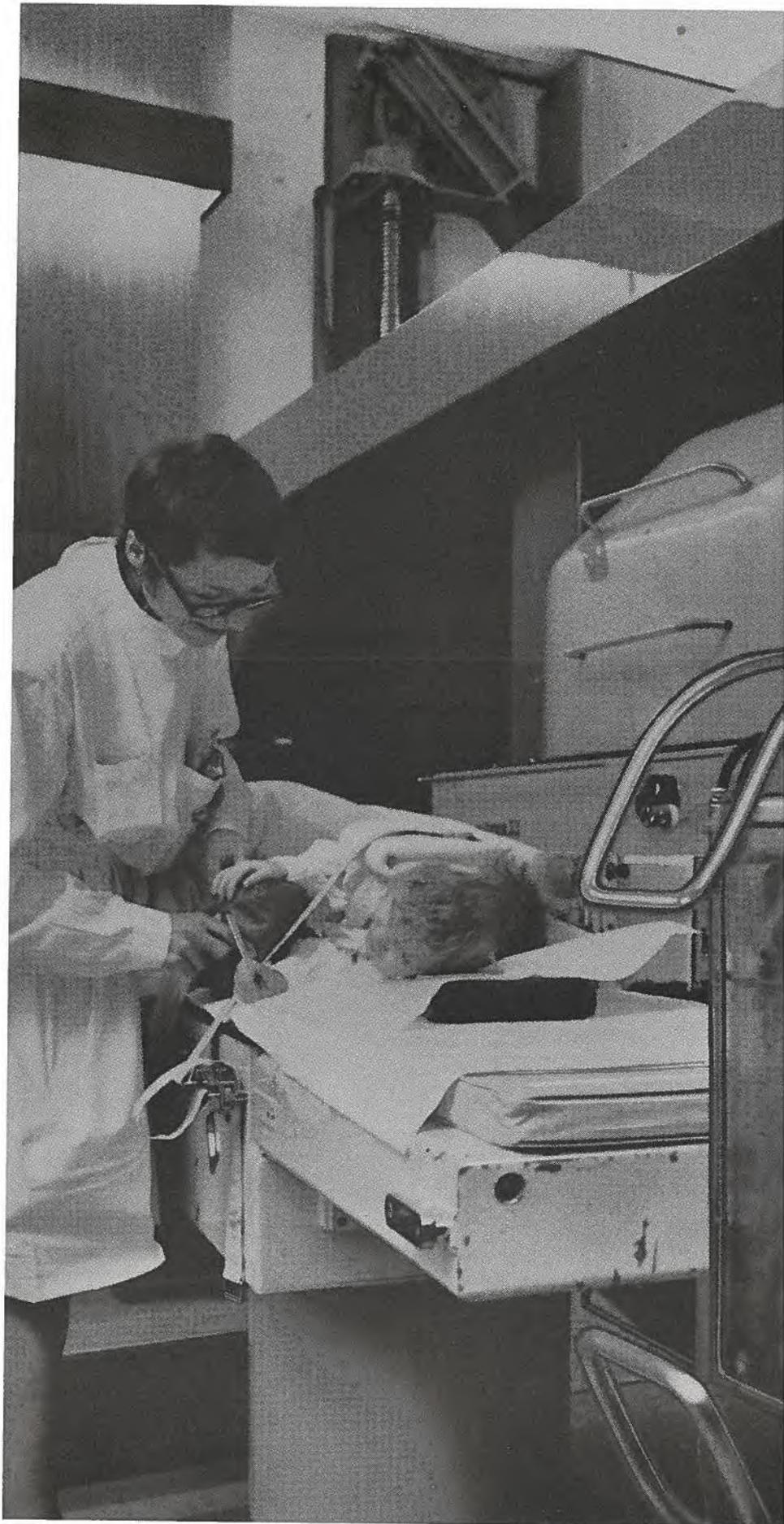
Is it really worth exhibiting at a trade show? The 12 Canadian textile firms that exhibited at the recent Interstoff fair at Frankfurt, Germany, (the largest textile and clothing show in the world) certainly believe it is. The actual business that these firms transacted exceeded \$3 million, with another \$13 million expected within the next year as a direct result of the show.

Officials of the federal Department of Industry, Trade and Commerce, which sponsored the Canadian exhibit, estimate that Canadian products were exposed to more than 20,000 buyers who came from all over the world, including Canada. There were more than 500 exhibitors, 70 per cent of them from outside Germany.

Although the show was held in Germany, the bulk of the business was done with buyers from Britain, South Africa, Australia and the West Indies. More than 100 buyers from Canada attended.

In its support of Canadian exhibitors, the Department provided a telex system that enabled participants to obtain information from their head offices that in many cases resulted in consummation of on-site sales.

The 12 Canadian firms exhibiting at Interstoff were: Bruck Mills Limited, Chemcell Limited, Cleyn and Tinker Ltd., Collins and Aikman, Limited, Consolidated Textiles Ltd., Dominion Textile Co. Limited, Electro-Knit Fabrics (Canada) Ltd., Fireside Fabrics (Canada) Ltd., and Hafner Fabrics (Canada) Ltd., all of Montreal; Collie Woollen Mills Limited, Carleton Place, Ont.; Huntex Ltd., Huntingdon, Que., and National Vintex Corporation, Candiac, Que.



Switzerland

Switzerland is constantly on the lookout for new and sophisticated medical and hospital equipment. Interested Canadian suppliers should search for an agent to canvass buyers in this growing market.

Medical Supplies and Equipment

Switzerland

MAX MEISTER
Commercial Officer, Berne

Southeastern United States

RONALD LOCKHEAD
Vice Consul and Assistant Trade
Commissioner, New Orleans

A small boy gets treatment in a Berne hospital. Switzerland has excellent medical and hospital services and provides a good market for advanced and improved equipment.

Switzerland, with a population of 6.2 million, enjoys a very high standard of living, and its people are provided with excellent medical and hospital services. In most cantons (provinces) health insurance, at least for the lower income groups, is compulsory. The medical profession is well trained and keeps abreast of new developments in science and medicine.

Although Swiss industry plays an important role in supplying the medical equipment that local hospitals need, prospects for foreign manufacturers are excellent, especially if they have new or improved equipment to offer.

There is no central purchasing organization for medical and hospital equipment. Every hospital is free to make its own arrangements. For basic equipment the final selection usually lies with a committee consisting of a representative of the cantonal health authority, the architect, the chief surgeon and the commercial administrator. Goods needed in the course of normal daily operation are purchased by the hospital administrator on the advice of the medical staff. There is no requirement that the publicly owned hospitals and clinics must buy Swiss-made equipment, but preference is given to Swiss manufacturers even if their prices are slightly higher than those of foreign companies.

Swiss manufacturers, as a rule, deal directly with the hospitals. There are about ten large firms handling imported equipment, and a great number of local retail stores supply hospitals and practising doctors. Most retailers belong to the Association des Fournisseurs Specialises d'Articles pour Medecins et Hopitaux in Berne.

Swiss companies turn out a wide variety of equipment, from automatic hospital beds to the most sophisticated medical apparatus. There are no production figures on hand, but the output is considerable. There is, nevertheless, plenty of room for imported

items and the market is expanding (see accompanying table).

By far the most important supplier of medical and surgical equipment is Switzerland's traditional trading partner, West Germany. Other European countries and the United States have created a good market here for their products, but imports from Canada are very small—\$3,936 in 1968 and \$13,566 in 1969 (see table). According to Swiss figures, Canada imported medical and hospital equipment from Switzerland valued at \$349,431 in 1968 and \$401,713 in 1969.

The following brief facts and figures may help the Canadian supplier to assess the Swiss market.

Complete medical faculties exist at the universities in Basel, Berne, Geneva, Lausanne and Zurich. Limited medical training is provided by the universities at Fribourg and Neuchatel. To qualify as doctors, students must study for six and a half years and, when qualified, may practise anywhere in the country. Holders of diplomas from foreign medical schools may work only as assistants in hospitals, unless they are prepared to settle in a region where there is a shortage of Swiss doctors.

Switzerland has 9,631 qualified doctors, averaging one practising doctor to every 1,132 persons. The larger cities, of course, are well below this average, but in some rural areas there are as many as 2,700 people for every doctor.

The construction and operation of hospitals is not a federal matter but lies exclusively in the hands of cantons, cities, regional groups of communes and private organizations. There is no general planning for the country as a whole, and hospital facilities are far from uniform in the 25 cantons. There are 431 hospitals, with about 70,000 beds. Of this number, 171 hospitals (with 42,000 beds) are financed from public funds. The remaining 260

are private hospitals, providing 28,000 beds, and are not subsidized. Of all these hospitals, 264 are for short-term treatment (up to 50 days), 85 for long-term treatment, 50 for psychiatric cases, and 32 are specialized clinics.

In 1945 there were 145 hospital beds per 10,000 persons. In 1968 this figure dropped to 115 per 10,000 and it is estimated the ratio will remain at this level for some time. Planning is directed towards the extension, renewal and modernization of existing facilities rather than construction of new ones.

Exhibitions provide a useful method of introducing new products and two are scheduled for this year. The International Trade Fair for Medical Supplies (EFAS) will take place at Zurich in May 1971. Practically all the foreign exhibitors at the last one in September 1969 were represented by their Swiss agents. Admission (8,000 in 1969) is by invitation only, and is confined to doctors, hospital personnel, health officials and to exhibitors' business contacts. The other, MEDEX '71, will

take place at Basel in conjunction with the 5th International Exhibition of Industrial Electronics from March 9 to 13, 1971.

There are also numerous regional, national and international congresses organized by the Secretariat General des Institutions du Corps Medical Suisse, Sonnenbergstrasse 9, Berne. These help to bring new or improved products to the attention of Swiss hospitals and practitioners.

Canada now sells nebulizers, implantable muscle stimulators and mouth-to-mouth artificial respiration devices to Switzerland—or is having them tested here—and there are good prospects for other new or unique items. Price is secondary to quality in this market.

There are no import restrictions for medical or hospital equipment and no import licences are needed. It should be mentioned, however, that electro-

medical equipment must be submitted to the Schweizerischer Elektrotechnischer Verein (the Swiss Standards Association) in Zurich for testing before it can be sold in this country. Testing is thorough and SEV's requirements are strict.

Canadian suppliers interested in the Swiss market should get in touch with one of the large importers, who might act as an agent. Although not essential, an agent is very important, particularly one who handles related lines, and who already has good connections in the hospital field. Doctors provide a good market and they are used to dealing with agents. Another essential is attractive and informative sales literature that the agent can distribute, and if possible, this should be in French or German or both. Write to the Commercial Division of the Canadian Embassy, Kirchenfeldstrasse 88, Berne, if you are interested in this market. We would be pleased to establish initial contacts for you.

Shown at an exhibit of a Solis hospital information system with RCA terminal at Houston last September are, left to right, standing, R. F. Bulgin, Symbionics Systems of Winnipeg, M. Stolarik (I.T.C., Ottawa), R. Patrick of RCA and B. A. Hodson (sitting, foreground), Symbionics.

WHAT SWITZERLAND BUYS

	Cdn.\$ 1968	1969
Electro-medical apparatus and instruments	1,687,000	2,398,600
From Canada	—	3,548
Hypodermic syringes, surgical needles	1,146,100	2,081,700
Other medical, veterinary and dental instruments and apparatus	4,909,100	6,158,670
From Canada	1,034	3,885
Therapy appliances, breathing appliances	1,159,200	1,178,800
From Canada	—	2,352
Orthopaedic appliances, artificial limbs	1,095,300	1,418,600
From Canada	2,902	3,781
X-ray apparatus and screens	2,219,400	2,346,400
X-ray generators	499,000	691,950
X-ray examination or treatment tables and chairs	170,300	352,100
Other medical and surgical furniture	898,700	1,100,200



Southeastern United States

If you have a unique product to sell, try it out in an area where there are more than 1,300 hospitals, many of them expanding.

With a population of 32 million and more than 1,300 hospitals, of which 271 have more than 200 beds, the southeastern states offer many opportunities for selling hospital equipment. Even though the demand is more or less satisfied by U.S. manufacturers, some imports do come from Japan, Germany and Italy. Canadian products have the best chance of penetrating the market if they are unique and not yet available on the U.S. market, or are superior to similar domestically manufactured equipment, or are lower in price. The most important factors, however, are still rapid delivery and serviceability.

American hospitals in the southeast fall into three main categories: (1) federal, state and municipal hospitals, (2) church-supported hospitals and clinics, and (3) private institutions. Each uses a different approach in its buying. For instance, the Federal Government purchases a product and distributes it among its hospitals. More often, however, local hospitals place orders under contracts that the Government has made with suppliers. For pharmaceutical and chemical products, and for beds, federal buying is done by the U.S. Marketing Center, Veterans Administration Depot, Hines, Illinois. Other federal supplies are bought by the Federal Supply Service, Washington, D.C. Any Canadian company interested in selling to the Federal Government should present its bids to either of these two Departments. Unfortunately, such a company would be faced with the Buy American Act, because all bids presented by foreign companies are penalized by an "equalizing" factor of 6 per cent before their prices are compared with those of similar American products.

State and municipal governments also write contracts for supplies with different manufacturers and the local institution places orders under these contracts, although they may buy from other suppliers if they wish. If they do, it is primarily in the field of specialized hospital equipment. Approval of equipment, however, is done by central

purchasing based on examination, which includes testing as well as an acceptable price. Most of these purchasing groups prefer to buy locally because they feel that state and municipal funds should, where possible, be used locally. This means that a Canadian company stands a better chance of having its product accepted if it appoints a local agent or distributor.

Church-supported hospitals and clinics have varying buying procedures. Some, such as the Baptist hospitals, have completely decentralized purchasing departments, with each hospital buying for itself. Others, such as those owned by the Sisters of Charity, have central purchasing departments located in one or other of the major U.S. cities. None of these latter, however, is in the southeast United States.

Privately owned institutions use the same approach in their buying as the decentralized church-supported hospitals. They buy locally whenever possible and from national distributors if they have to. The choice depends on what type of products they want: regular supplies or pieces of equipment. One method of buying is becoming more and more common to all three groups: to obtain the best deal, they solicit bids from different manufacturers, distributors and agents before buying.

The methods of selling hospital supplies differ from those used for hospital equipment. If a Canadian manufacturer wants to sell supplies, he should appoint either a national or local distributor. If he sells through a national distributor, he deals with one distributor for the whole country. But a survey of hospitals in this area shows that many prefer to buy as the need arises from a local distributor, making it unnecessary to carry large stocks. In either case, look for a distributor who is supply-minded.

Equipment should be sold through an agent with showroom facilities and with contacts in each of the major

hospitals in the southeast. The agent should know what is going on in the hospitals, such as plans for new equipment or for expansion. He must be able to offer after-sales service, as no hospital can afford to have equipment out of order for any length of time. In fact, service is one of the first factors that purchasing departments consider.

Another method of selling—here as elsewhere—is by exhibiting at one of the many specialized medical and hospital trade fairs, which usually take place in conjunction with seminars and conferences. Firms exhibiting on their own have a reasonable chance of success, although it is better done through a distributor. The largest national fair is the American Hospital Association Convention and Exhibition held yearly in one of the principal U.S. cities. The largest local one is the Southeastern Hospital Conference held in one of the major cities in the southeast.

Finally, it is essential that Canadian manufacturers advertise their products in national or local publications like *Modern Hospital*, *Hospital Topics*, *Hospital Progress*, *Hospital Management* and *Southern Hospitals*. They should be willing to share with their distributors and agents the cost of advertising, exhibiting, printing, etc. It must be emphasized that nothing can be sold in this field by using brochures alone. Samples of equipment must be on hand for demonstrations.

Interested manufacturers should send to the Trade Commissioner in New Orleans complete details of their products, with duty-paid delivered prices quoted in U.S. dollars to any central destination point in the states of Alabama, Georgia, Louisiana, Florida, Mississippi, North Carolina, South Carolina and Tennessee. The customer, however, should be given the option of buying f.o.b. factory, and the freight charge should be shown separately. If both these prices are given, the freight charge will not be included in the value for duty.

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SAUDI ARABIA			TURKS & CAICOS ISLANDS	
Market in Brief		Dec. 19	White Sands and Coral Reefs	Nov. 21
SCOTLAND			UNITED STATES	
They're Bonnie Braw Cattle		Nov. 7	Apparel Invasion Started as Small Arms Attack	July 18
SINGAPORE			California: Rosy Outlook for Men's Wear	July 18
Singapore: Clearing House for Southeast Asia		Sept. 12	Canadian Outerwear Favorite in Midwest	July 18
SOUTH AFRICA			Dressing Up New York	July 18
Electronics, Market for		Dec. 5	Huge Californian Market Opens Up	July 18
SOUTHERN AFRICA			Look North to the Great Land	July 18
Independent Countries in Southern Africa		Dec. 5	Los Angeles: a Challenge to New York	July 18
SOUTHEAST ASIA			Philadelphia: a \$25 Million-plus Market	July 18
Canada's Trade Expanding		Sept. 12	Shows Double U.S. Sales	July 18
Oil Center for Southeast Asia		Nov. 7	Southern U.S. Buyers Discover Canada	July 18
SPAIN			Canadian Exporters Must Know New U.S. Lumber Standards	Aug. 15
Joint Ventures in Spain		Sept. 26	Growing Interest in Canadian Boats	Aug. 15
SWEDEN			The New England Market Today	Oct. 10
Sweden Wants Sophisticated Goods		Dec. 19	Use Your Plant's Capacity	Oct. 10
SWITZERLAND			All Aboard S.S. Kresge	Nov. 7
Foreign Trade's Editor Writes from Switzerland		July 18	Oil Equipment Markets—Southwestern United States	Nov. 7
Tiny Switzerland Is Big Educational Equipment Buyer		Nov. 7	Snowmobile Country—the U.S.	Nov. 7
Switzerland: Trade Opportunities Increase		Dec. 19	Electronics, Market in Texas	Dec. 5
SYRIA			VENEZUELA	
Market in Brief		Sept. 26	Hospital Equipment, Market for	Sept. 13
Syria: Industrialization Needs Supplies		Sept. 26	Canadian Dairy Cattle Could Go Tropical	Dec. 5
THAILAND			VIRGIN ISLANDS	
Thailand: Stability and Growth		Sept. 12	Caribbean Haven Adding Tourist Facilities	July 18
TRINIDAD			WEST-CENTRAL AFRICA	
Industry Is Emphasized		Nov. 21	Strengthen Trade Links with West-Central Africa	Nov. 7
			WEST GERMANY	
			Germany Increases Canadian Purchases	Aug. 15
			Hospital Equipment, Market for	Sept. 12
			YEMEN ARAB REPUBLIC	
			Market in Brief	Sept. 26
			Yemen: Mini-Boom Conditions	Sept. 26

International Loans

Dahomey Improves Main Highways

Dahomey will use an International Development Association credit of \$3.5 million to improve two of its main roads. The economy relies heavily on its highway network for transporting agricultural products to local and foreign markets. The credit will help to purchase new road equipment, finance a program of equipment overhaul and strengthen the government agency responsible for roads. It will also pay for a detailed engineering study for road work on 185 miles of the Parakou-Malanville highway, part of a transport axis that is the primary trade outlet

for neighboring landlocked Niger, and for 11 miles of major highways in populous southern Dahomey.

Colombia Promotes Investment

A \$6 million Inter-American Development Bank loan will help to further Colombia's pre-investment studies program, which promotes and finances studies by the private and public sectors of the economy, in such fields as electric power, transportation, industry, communications, agriculture, education and urban development. It will be executed for the Government by the Fondo Nacional de Proyectos de De-

sarrollo (FONADE), an independent agency which operates within the national planning system. Since its establishment, FONADE has become the keystone of this system. Its operations have helped to improve preparatory planning work and the channelling of domestic and foreign resources into productive investments. The Bank-supported program is expected to strengthen FONADE's financial and operating capacity and enable it to meet at least part of the pre-investment demands in the near future and to maintain a continuing flow of investment opportunities to local and international financing agencies.

Trade Lines

Test computer system for ships

Philips and the Norwegian shipping firm of A/S Sig. Bergesen and Co. will conduct tests over the next two years of their jointly developed computer-controlled automation system for ships. The system will be installed aboard the 162,000-ton tanker now under construction at Stavanger. The system will be used principally to control the ship's engines and for planning the unloading and loading of cargo, and not for navigation. It is expected to revolutionize the operation of a major part of the Norwegian, and perhaps the world's, merchant fleet—The Hague

Turkey builds aluminum processing plant

A Turkish company, Nasas Alüminyum Sanayi ve Ticaret A.S., will build a \$24.7-million aluminum-processing plant near Istanbul. Yearly output will be 9,000 metric tons of sheet and 11,500 tons of plain, printed, embossed, laminated and painted foil. Amax Aluminum Company Inc., a U.S. subsidiary, will be the technical partner. Under a ten-year agreement Amax will train Turkish supervisors and provide other technical assistance, for which it will receive a 5.1 equity in Nasas in partial payment. The plant will meet the steadily growing demand from the Turkish construction, household utensil and packaging industries. During the first two or three years of operation the raw material will be imported, but after 1975 Turkey's first aluminum smelter, being built with Soviet aid, is expected to provide it—Ankara

ICI plans plant in France

Imperial Chemical Industries (ICI) Ltd., of Britain, awaits a final decision from French authorities on its plans to build a low-density polyethylene plant at Fos-sur-Mer, near Marseilles—Paris

Mexico expands communications

Mexico's national telephone company is undertaking a four-year expansion program to cost \$652 million. Telefonos de Mexico will install one million new telephones and extend long-distance circuits by three million channel kilometers. Between 1965 and 1970 the company expanded its long-distance circuits from 1.3 to 3.6 million channel kilometers and installed telephone service in 690 rural communities—Mexico, D.F.

Rotterdam handles more containers

In the first six months of 1970, some 60,562 containers (723,369 tons) were unloaded and 53,671 containers (622,585 tons) loaded in the port of Rotterdam. In the corresponding period of 1969, 37,275 were unloaded and 36,968 loaded there. Of the 60,562 containers dis-

charged, 28,687 originated in Europe (23,034 from Britain), 26,813 in the United States, 3,669 in Canada, and 106 in Australia. Of the 53,671 outward bound containers 37,390 were shipped to European ports, 12,708 to the U.S., 2,311 to Canada and 130 to Australia—The Hague

Ford expands Buffalo stamping plant

A multi-million-dollar expansion of the Ford Motor Company's Buffalo stamping plant will make it one of the largest plants in the Ford organization, according to company executives. The expansion will increase the amount of steel used in metal stamping for automobiles to 37,000 tons a month—Buffalo

CP tanker sets record

Canadian Pacific's 253,000-ton tanker, the *Port Hawkesbury*, recently offloaded 70 million gallons of crude oil from the Persian Gulf at Finnart (Loch Long). It thus became the largest ship ever to sail up the Clyde. The tanker is currently on charter to Gulf Oil—Glasgow

Mexican steel and iron output up

Mexico's steel industry produced over 2.8 million tons of steel ingot and 1.6 million tons of pig iron during the period January to September 1970, for increases of 11.2 and 5.7 per cent over total production in 1969—Mexico, D.F.

Canadian group in New Caledonia venture

The Canadian Patino group, through a French subsidiary, will be a major shareholder in the ferro-nickel plant to be built in New Caledonia by the Société Métallurgique Caledonienne (SMC). The subsidiary, Compagnie Française d'Entreprises Minières Métallurgique et d'Investissements, with a capital of \$11 million, will hold 30 per cent of the capital. The plant, to be built in the Poum area, will have an annual capacity of 40,000 tons of nickel. Other partners are Société Le Nickel, France, (51 per cent) and local mine-owners, (19 per cent). Production is scheduled to begin in 1972-73—Paris

Swiss develop nuclear power

A power company, Bernische Kraftwerke AG (BKW), Berne, is seeking permission from the Swiss Government to build an atomic power plant with two units of 540 megawatts each at Graben, some 30 miles north-east of Berne. If government approval is obtained, construction will start about 1976, with completion scheduled for 1980-82. Whether the project will be implemented depends on the rate at which power consumption increases in the next few years. Currently

Bernische Kraftwerke AG has a 306-megawatt atomic power plant under construction at Muehleberg, near Berne, scheduled to start producing electricity in October 1971—Berne

Mexico needs more steel

Mexican domestic steel requirements are estimated to be increasing at a rate of 9 per cent a year according to a company official at Hylsa de Mexico. The company's \$89.7 million investment will be increased by \$2.4 million. Daily steel production averages about 800 tons, although a 1,050-ton a day output has been recorded. New equipment ordered by Hylsa from West Germany will increase daily production capacity to 1,400 tons—Mexico, D.F.

Electric power for Mexico

Mexico's newest and largest thermoelectric power complex began operation recently at Salamanca, Guanajuato, when two units, costing over \$32.6 million and each capable of generating 158,000 kilowatts of power, went on stream. The units will be able to produce 1,384 million kilowatt-hours of electricity annually. When other generating plants begin operating, within a short time, the country's total capacity will be increased by 323,000 kilowatts, according to spokesmen for the Federal Electricity Commission—Mexico, D.F.

Mexican merchant marine to use containers

The first of two 16,000-ton container cargo vessels, built in Yugoslavia at a cost of close to \$6.1 million for Transportacion Maritima Mexicana, will go into service early this year. The second is scheduled for completion about February. Each ship has a capacity of 417 containers, 60 per cent of which can be refrigerated. The ships will have a speed of 24 knots—Mexico, D.F.

Search for nickel begins in Malagasy

Société Le Nickel, Paris, will undertake development of nickel deposits in the Meramanga area of Madagascar Island should preliminary surveys confirm reserves exceeding 100 million tons with a minimum metal content of 1.2 per cent and a potential minimum yearly production of 35,000 tons of nickel. Partners in this venture would be Ugine-Kuhlmann, le Bureau de Recherches Geologiques et Minières (a government agency), and the Anglo-American Corporation mining group—Paris.

Norwegian firm manufactures new plastic wrapping

The thin high-density polyethylene wrapping manufactured by A/S Union of Oslo, Norway, will be marketed in Europe under the name "Unithene". It is expected that the new product will compete with grease-proof paper, of which A/S Union is Norway's largest producer. The new material has proved successful in wrapping meat and other foods. A/S Union has concluded a production and marketing agreement with

Horsens Plasticvarefabrik, Denmark, covering sales in that country—Oslo

French firm to build polyisoprene plant

The Compagnie du Polyisoprene Synthétique, a joint subsidiary of Michelin and Goodyear, will build a polyisoprene manufacturing plant at Le Havre, with an initial capacity of 45,000 metric tons a year. The raw material for the \$24 million plant will be supplied by Erdolchemie GmbH West Germany, a joint subsidiary of the German Bayer group and of British Petroleum—Paris

Foreign Tariffs and Trade Regulations

Argentina

The Argentine Government by Decree No. 2524, effective December 1, 1970, has practically revoked all tariff reductions introduced last June as a result of the peso devaluation. For items which were subject to duties of between 35% and 110%, the range has been increased to 50-140%; goods dutiable at 25 per cent or less are unaffected by the latest measures. In addition, the rates of duty on some 170 luxury and non-essential consumer products were raised to 140% and 200% ad valorem. Some of the items which are now subject to the 200 per cent rate of duty are: pastries, sauces, soups, beer, wine and spirits, cigarettes, perfumes, polishes and creams, travel goods, textiles and wearing apparel, wallpaper, calendars, paper boxes and labels, carpets and carpeting, linoleum, footwear, umbrellas, artificial flowers, wigs, tableware of porcelain or other kind of pottery and glassware, jewellery and imitation jewellery, stoves, refrigerators, washing machines, television sets, radios and other household appliances, furniture, dolls, slide fasteners and parts, combs.

Information regarding the rates of duty applicable to specific products is available from the Latin America Division, Office of Area Relations.

Spain

The 20 per cent prior deposit in pesetas that Spanish importers must make with the Ministry of Commerce at the time they apply for import licences or complete their "liberalized import declaration form" has been reduced to 10 per cent. The Spanish Ministry retains these deposits for six months and the depositors do not receive any interest. Decree 3460 of December 3, effective January 1, 1971, will remain in force until June 30, 1971, when the situation will again be reviewed—Madrid

Trade Commissioners on Tour

In Territory

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

Bulgaria, Hungary, Romania

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

Cyprus

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

Finland

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

Ireland

R. A. Bull, Commercial Counsellor in Dublin, will visit Galway and Sligo January 20-22.

Dominican Republic, Haiti, Virgin Islands

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

Guyana, Trinidad

Officers of the Port-of-Spain, Trinidad,

office will make visits as follows:

Guyana—J. A. Ahow, Commercial Officer, February 8-12; J. M. C. Lavoie, Assistant Commercial Secretary, March 15-19.

South Trinidad—J. A. Ahow, Commercial Officer, March 10.

Lebanon

F. I. Wood, Commercial Counsellor in Beirut, Lebanon, will visit Jordan, Iraq, Dubai and the Sultanate of Oman during late January and early February.

Turkey

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

Mexico Wants New Industries

Mexico is continuing its program of encouraging local manufacturing. The Ministry of Industry and Commerce has emphasized investment in manufacturing industries, and between 1964 and 1968 this investment rose from U.S.\$2.9 billion to \$5.1 billion. Public investment went up by 40 per cent and private investment by 100 per cent.

To maintain favorable conditions for economic development without creating inflationary pressures, the administration of President Gustavo Diaz Ordaz has regulated the growth, partly by using price restraints. During the same period, the Mexican peso achieved the status of a hard currency, one of the twelve now accepted by the World Bank for international transactions.

To provide incentives for new industry, the Federal Government has imposed import licensing and sponsored manufacturing programs, and has offered special conditions for the establishment of new and essential industries. This program guarantees to investors both security and attractive earnings.

The Ministry of Industry and Commerce recognizes that any economy in the initial phases of development must consider two factors before embarking upon new manufacturing ventures. First, these ventures

must fit into the local picture and second, they must meet market demands.

On several occasions in the past five years, the Government has issued a list of investment opportunities in the country. The latest edition of this list is again the result of careful study by the Government of the value and volume of imports into Mexico.

PRODUCTS TO BE PROMOTED

Category	Number
1. Iron and steel	18
2. Ferroalloys	9
3. Non-ferrous metal products	17
4. Tools (hand tools)	51
5. Dies, molds, die holders, master dies	25
6. Machinery	239
7. Precision instruments	46
8. Automotive equipment and parts	63
9. Electrical and electronic apparatus	61
10. Textiles	5
11. Chemicals	53
12. Petrochemicals	54
13. Pharmaceutical chemicals (drugs)	64
14. Cellulose	13
15. Miscellaneous products for the chemical industry	13
16. Marine products	16
17. Miscellaneous	4

The governing criterion was to include products whose import value during the past two years has averaged more than one million U.S. dollars.

The list includes 751 manufacturing fields and is therefore so extensive that it is impossible to give each individual product area. The table included in this article does, however, list the number of products in each of 17 categories for which there is a domestic production requirement. Although imports of the products included in the list are currently significant, these products could be largely made in Mexico in the foreseeable future. As a result, restrictions could affect imports of many or all of these products at some future date.

The Canadian firm that wishes to preserve the market for its products in Mexico or to open up a new market for them would be well advised to contemplate a joint venture or a licensing arrangement. The Commercial Counsellor, Canadian Embassy, Melchor Ocampo 463, 7th Floor, Mexico 1, D.F., will be pleased to send to inquirers a detailed list of products involved and to include information on conditions governing the establishment of enterprises here and of the incentives given.

JOHN N. GRANTHAM
Assistant Commercial Secretary,
Mexico, D.F.

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		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at December 22	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at December 22	Canadian dollar in foreign currency units
Algeria Dinar	.1862	5.37	Dominican Republic Peso	1.0156	.98
Argentina Peso (free)	.2539	3.93	Ecuador Sucre (official)	.0406	24.61
Australia Dollar	1.1343	.88	El Salvador Colon	.4063	2.46
Austria Schilling	.0393	25.39	Fiji Dollar	1.1724	.85
Bahamas Dollar	1.0156	.98	Finland Markka	.2418	4.13
Belgium and Luxembourg Franc	.02046	48.87	France, Monaco, etc. ² Franc	.1840	5.43
Bermuda Dollar	1.027	.97	Franco-African Republics ³ Franc	.0036	271.73
Bolivia Peso	.0853	11.72	French Pacific ⁴ Franc	.01012	98.81
Brazil Cruzeiro (official free)	.2058	4.85	Germany D Mark	.2791	3.58
Britain Pound	2.4307	.41	Ghana New Cedi	1.00	.99
British Honduras Dollar	.5364	1.86	Greece Drachma	.0338	29.54
Burma Kyat	.2133	4.68	Guatemala Quetzal	1.0156	.98
Ceylon Rupee	.1706	5.86	Guyana Dollar	.5367	1.86
Chile Escudo (bank rate)	.0859	11.63	Haiti Gourde	.2031	4.92
(free)	.0708	14.12	Honduras Lempira	.5078	1.96
China, People's Republic of Renminbi	.4125	2.42	Hong Kong Dollar	.1676	5.96
Colombia Peso (fixed)	.0532	18.78	Hungary Forint (official)	.0921	10.85
Congo (Kinshasa) Zaire	2.144	.46	Iceland Krona (official)	.0115	86.65
Costa Rica Colon	.1533	6.52	India Rupee	.1348	7.41
Cuba ¹ Peso	Indonesia ⁵ Rupiah
Czechoslovakia Koruna	.1411	7.08			
Denmark Krone	.1357	7.36			

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at December 22	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at December 22	Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	Peru Sol (free)	.0233	42.80
Iraq Dinar	2.8438	.35	Philippines⁶ Peso (free)	.1582	6.32
Ireland Pound	2.4307	.41	Poland Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.2902	3.44	Portugal & Colonies⁷ Escudo	.0353	28.30
Italy Lira	.00162	613.87	Saudi Arabia Riyal	.2062	4.84
Jamaica Dollar	1.215	.82	Sierra Leone Leone	1.508	.66
Japan Yen	.00284	351.98	Singapore Dollar	.3507	2.85
Kenya Shilling	.1526	6.55	South Africa Rand	1.4198	.70
Lebanon Pound (free)	.3148	3.17	Spain & Dependencies Peseta	.01460	68.49
Malaysia Dollar	.3318	3.01	Sweden Krona	.1965	5.08
Mexico Peso	.0812	12.30	Switzerland Franc	.2358	4.24
Morocco Dirham	.2040	4.90	Syria Pound (free)	.2819	3.55
Netherlands Florin	.2823	3.54	Thailand Baht (free)	.0492	20.30
Netherlands Antilles Florin	.5385	1.85	Trinidad & Tobago⁸ Dollar	.5078	1.96
New Zealand Dollar	1.1376	.87	Tunisia Dinar	1.9346	.51
Nicaragua Cordoba	.1451	6.89	Turkey Lira	.0677	14.76
Nigeria Pound	3.017	.33	United Arab Republic Pound (official)	2.3359	.42
Norway Krone	.1425	7.01	United States Dollar	1.0156	.98
Pakistan Rupee	.2133	4.68	Uruguay Peso (free)	.00406	246.12
Panama Balboa	1.0156	.98	Venezuela Bolivar (official free)	.2262	4.42
Paraguay Guarani (free)	.00812	123.07	Yugoslavia Dinar (official)	.0812	12.30

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

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

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

4. New Caledonia, New Hebrides, French Polynesia.

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

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

7. Approximately same rate for Portuguese territories in Africa.

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

Markets in Brief: CEYLON

Area: 25,332 square miles.

Population: 12.26 million (mid-1969 estimate).

Climate: varies considerably with elevation. Monthly mean temperature in Colombo ranges from 79°F to 82°F; hottest from March to May, coolest late November to early February; visitors favor December-March period.

Language: official languages, Sinhalese and Tamil. English is commonly used for business correspondence and spoken by most businessmen.

Currency: rupee; one rupee = Cdn.\$0.1716 (Dec. 1970).

Foreign exchange and import controls: all payments for imports must be authorized by a permit issued by the Controller of Exchange. Authorized banks are empowered to act on the Exchange Controller's behalf under the licensing regulations issued by the Controller of Imports and Exports. Many items are prohibited import and the remainder, with very few exceptions, are subject to stringent import licensing restrictions. Imports are permitted under the following main categories: Actual User Licences, Individual User Licences, and Open General Licence. During 1969 OGL imports were liberalized but are subject to an FEEC (Foreign Exchange Entitlement Certificate) requiring importers to pay a 55 per cent premium for purchase of foreign exchange.

Weights and measures: imperial standard at present. The metric system is to be adopted in due course.

Capital: Colombo.

Chief ports: Colombo, Trincomalee and Galle.

Marketing centers: Colombo (population approximately 2.5 million, including suburbs).

Economy: mainly agricultural; tea, rubber and coconut products account for over 90 per cent of the value of exports. Efforts are being made to develop industries through foreign investment and aid.

Total Ceylon imports: 1968—Cdn.\$395.1 million; 1969—Cdn.\$462.4 million.

Chief imports: (Cdn.\$ million) 1968—food 180.8, manufactured goods 81.1, machinery and transport equipment 49.5, chemicals 39.1, mineral fuels and lubricants 36.5.

Chief suppliers: (Cdn.\$ million) 1969—Britain 80.5, China (Taiwan) 51.2, United States 38.7, India 38.6, Japan 34.1, West Germany 29.1, Australia 18.9.

Value of imports from Canada (including aid): 1969—Cdn.\$6.2 million.

Chief imports from Canada: (Cdn.\$'000) 1969—wheat flour 3,300, asbestos fiber 924, newsprint 1,376, files and rasps 112, hoisting machinery 89, communications equipment 86, switchgear 45, spark plugs 28.

Total Ceylon exports: 1968—Cdn.\$359.1 million; 1969—Cdn.\$340.9 million.

Chief exports: (Cdn.\$ million) 1969—tea 202.3, rubber 78.3, coconut products 21.1.

Chief markets: (Cdn.\$ million) 1969—Britain 68.8, China (Taiwan) 43.7, United States 27.2, U.S.S.R. 16.3, Australia 14.3, West Germany 14.1, Iraq 11.7.

Value of Canadian purchases: 1969—Cdn.\$9.3 million; 1968—Cdn. \$9.6 million.

Chief Canadian purchases: (Cdn.\$'000) 1969—tea 6,681, rubber 1,316, desiccated coconut 453, coconut oil 710.

Prices: quote in Ceylon currency, c.i.f. whenever possible.

Samples: if of no commercial value, allowed to enter duty-free.

Visas: visa issued on arrival, valid for three months.

Inoculations: smallpox, cholera, yellow fever.

Correspondence: airmail: 25 cents per half-ounce.

Trade agreements: Canada does not have a trade agreement with Ceylon but both countries exchange preferential tariff treatment.

Documentation, customs tariff, marking and labelling: consult the Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

For detailed information on this market, write to: Asia Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa, or Commercial Division, Office of the High Commissioner for Canada, P.O. Box 1006, Colombo, Ceylon.

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the entire cost of his higher education.

In return for this, we ask that your son commit himself to several years of hard work. The regular college course will prepare him to face the many varied demands as an officer in the Canadian Armed Forces.

Also, look at it another way. The period your son serves as an officer in the Canadian Armed Forces will be as valuable an education as his University study. And the pay will be equal to his professional status.

There are three Military Colleges which he may attend: The Royal Military College of Canada, at Kingston, Ontario; Royal Roads Military College, in

Victoria, B.C. and College militaire royal de Saint-Jean, in Saint Jean, Quebec. Or, he could be sponsored for a course at a selected university and take the special training during summer months.

We also encourage application from eligible candidates who wish to attend on the basis of paying tuition, board and accessories. The programme is the same as ROTP but the graduate is granted a commission in the Reserves and may return directly to civilian life. This is the Reserve Entry scheme.

Education for leadership.

For more information, at no obligation to you, write the Registrar of one of the Military Colleges or mail this coupon, postage free, to the Director of Recruiting and Selection, Canadian Forces Headquarters, Ottawa 4, Ontario. Or contact your local Canadian Forces Recruiting and Selection Unit.

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(Right) This twin-engine aircraft, the L410, developed by the LET National Corporation, Czechoslovakia, uses the PT6 gas-turbine engine made by United Aircraft of Canada Ltd. In this photo D. S. Baker, Canadian Commercial Secretary in Prague, (left) is shown the aircraft by the Czech Trade Manager (center) and the Chief Engineer of the Testing Department. (Left) Here Mr. Baker watches a unit of CANRON's "Electromatic" railway maintenance equipment at work on the Czechoslovakian State Railways.

