# foreign trade

Department of Industry, Trade and Commerce, Canada

Chicago: Center of the Midwest Market

Canada's Trade Breaks All Records

April 10/71

## In This Issue

Canadians going down to Chicago in search of business may not realize that they are following in the steps of Marquette and Joliet, from Canada—the first white men to visit the site on the shores of Lake Michigan. Today's visitor sees what our cover shows—boulevards that wind along the lakeshore and towering buildings; the one with the antennae, in the center of the picture, is the 100-storey John Hancock Centre.

The special feature in this issue is not intended to give you a history of Chicago, dubbed the "City of the Big Shoulders" by an American poet. Nor did we know when we began discussing a Chicago feature that 1971 marks the 100th anniversary of the Great Fire. Chicagoans nowadays worry more about pollution than they do about fire—and so they should, if the picture on page 5 is any guide.

Our busy Chicago office suggested this special several months ago, to emphasize the rich and varied market that this city (it sprawls over 225 square miles) provides. Three of the Trade Commissioners stationed there and two of the Commercial Officers have contributed to it, each covering that part of the trade-promotion field in which he specializes. There is also sound advice on how to go after this market and what contacts to make.

Recently we attended a conference at which the discussion turned one afternoon on Canada's export trade. One member of the audience asked what place fully manufactured goods held in total Canadian sales abroad, and whether the percentage was increasing. Another man inquired whether the percentage of our exports going to the United States market was rising or declining. We should have taken to that conference a copy of the article that appears on page 22, on Canada's trade in 1970, because it answers these and many other questions. Done by a member of the staff of the External Trade Division, Dominion Bureau of Statistics, it gives an encouraging picture, doubly welcome in these days when so many of the economic statistics are a bit discouraging.

The few days before their postings are announced are always tense ones for the Trade Commissioners in training, as they speculate endlessly on what their fate will be. For the ten young men whose pictures you see on page 40, the suspense is over and they are occupied with the many details of getting themselves off to their first posts. They came into the Department almost a year ago and have since both completed their Ottawa training and done a tour of Canadian industry. In the next few months, Canadian exporters who travel in search of business will become better acquainted with many of them as they begin their career of service across the world.

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# Chicago: Center of the Midwest Market

There's only one word for the sales potential in the territory that the Chicago office services—immense. This special feature brings the opportunities into focus and suggests promising areas of opportunity for Canadian exporters.

R. DOUGLAS SIRRS
Acting Consul General and Trade Commissioner, Chicago

The Chicago office services five states: Illinois, Missouri, Iowa, Nebraska, and the lower half of Wisconsin. In this relatively small area (approximately 297,000 square miles), there are over 23 million people and a gross product of well over $73 billion. Per capita purchasing power is high. All this, plus well-developed transportation facilities and relatively easy access to this market, means attractive export opportunities for Canadian companies.

There are no precise statistics on Canadian exports to this region, but we estimate these at $1.5 to $2 billion. Major centers of concentration and opportunity that this office is developing are Milwaukee, St. Louis, Kansas City and, of course, Chicago.

*Whichever way you go, you will find attractive export opportunities in the Midwest. This highway interchange on the outskirts of Chicago points the way. Estimates put a value on Canadian exports to the area of between $1.5 and $2 billion a year.*

Chicago naturally comes first—a bustling industrial and commercial center with a population of 8 million, a gross product of $45 billion, 17,000 manufacturing plants with gross sales of $35 billion, a wholesale trade of $33 billion, retail sales of $15 billion, and average family income of $14,000 a year.

It is the major United States steel-producing center and also ranks first in production of telephone equipment, radio and television sets, confectionery products, household appliances, metal wares, electrical machinery, plastic products, diesel engines, sports and athletic goods, gloves, cosmetics, perfumes and tin cans.

The priorities established by the Chicago Association of Commerce and Industry and its members for the 70's provide some additional insight into developments in the future. These are listed in order of the importance attributed to them.

Control of inflationary wage demands

Abatement of water and air pollution

Protection against civil disorders

Elimination of drug abuse

Improved quality of public schools

New laws against strikes

Increased police protection

Improved solid waste disposal

Metropolitan mass transit system

Compulsory arbitration in lieu of strikes

Improved vocational training

Abatement of noise pollution

Financing of low and middle income housing

Park and ride facilities over expressways

New community health centers

Financial aid to the CTA (Chicago Transit Authority).

Each of the above provides an area of opportunity and many of these developments are already past the incubation stage. Plans are in motion for a consolidated metropolitan mass-transit system and a consolidated rail passenger terminal to link up all major United States cities. A more effective city subway linkup system is also being planned. Unit barges linked to mother ships at ocean ports are also being discussed. The use of unit trains, container ships and hovercraft is also mentioned. Conveyor pipelines, more attractive prefabricated homes, modular construction, high-rises, nuclear power facilities, and pollution control at a $10 billion cost to industry are also being planned.

Although construction lagged in 1970, the city is embarking on several mammoth ventures, with $851 million slated currently for land and buildings. The 1,437-foot Sears Building and the 1,135-foot Standard Oil Building are included in these projects. They should give momentum to economic development and provide specific opportunities for Canadian construction material and furniture suppliers.

The Chicago Association of Commerce and Industry projects a gross metropolitan product of $55.6 billion by 1971, with household income rising to $26,000 in 1980. Retail sales are predicted to exceed $17.5 billion in 1971 and construction in place is estimated at $3 billion. Purchases of new cars are calculated at 440,000 units. All of these facts suggest buoyant conditions and opportunities during the next five years and provide evidence of Chicago's imaginative planning for the 70's.

A good deal of Canadian export business already flows to Chicago and marketing channels are well established. But we feel that there are still Canadian enterprises—"live" ones, we call them—that could be persuaded to market their products effectively here.

What are the proven methods of penetrating this market? One of them is participation in trade shows. Chicago is the largest trade show and conference center in the United States and can offer national exposure for a wide range of products. A new $95 million McCormick Place, already booked well into 1975 and with 50 acres of floor space, opened on January 3, 1971. Several Canadian exhibits are scheduled at trade fairs there during the

*A bird's-eye view of Chicago, with its many bridges spanning the Chicago River and Lake Michigan in the background. This is the gateway to a market area containing 23 million people with money to spend and with the largest trade show program in the United States.*



93239—1½

*A peaceful scene at the Chicago waterfront, with freighters tied up at the Navy Pier. The Port of Chicago includes Lake Calumet and the Sanitary and Ship Canal, opened in 1900.*

current year—at the National Restaurant Hotel-Motel Convention and Educational Exposition (May 22 to 26), the Marine Trades Exhibit and Conference in September, and the National Plastics Exposition (November 1 to 5).

Another method of introducing products and increasing sales is instore promotions. We helped to plan and carry through a successful promotion of this kind at Stix, Baer and Fuller in St. Louis in October 1969. Initial sales were worth well over $500,000 and the promotion of apparel, housewares, foodstuffs, and furniture received a useful impetus. This venture has inspired others in the United States and has also influenced our approach towards various Chicago retail outlets. We are currently working with a major Chicago department store for a Canadian promotion in 1972. We are also discussing something similar with a mammoth food chain with national exposure (see the article on page 17).

We have officers at this mission concentrating on various commodity areas, chiefly those with the best prospects: pollution control equipment, farm equipment, construction materials, transportation equipment, contract furnishings, apparel, foodstuffs, equipment for the hotel trade, sporting goods, aftermarket auto equipment, all-terrain vehicles, etc. Many of these are discussed in articles in this issue. (Even Canadian films—and we have over 50 producers in Canada—have now been incorporated into a specific marketing program.) Further examples of our involvement in these and other areas are given later on.

One of our jobs is to ensure a favorable local attitude towards Canadian products by presenting an image of Canada as a supplier of sophisticated and high-quality goods. Trade fairs, T.V. appearances, speaking engagements, incoming missions, press coverage are all means we use toward this end.

We are also constantly seeking new Canadian sources of products in demand in this market. The officers at this Consulate look forward to establishing a link with your company and to tailoring their efforts to your requirements (local representatives, marketing data) and prospects. This market, we believe, is only limited by the interest you take and the effort you make in offering a unique or attractively priced product acceptable to the United States buyer.

In preparing you to enter the Chicago market, let us repeat some good advice:

1. Remember that there is no substitute for on-the-spot calls. Indeed, these are not only necessary to uncover business but should be repeated at frequent intervals, even after receipt of the first order, to maintain continuity and obtain a steadily growing share of the market.

2. Tailor your product to sell in the United States on the basis of uniqueness of design, high quality, and price. In other words, cater to the United States market by meeting its requirements.

3. Look on the United States market as a long-term, integral part of your marketing program and not merely as a short-term outlet for surplus production. Even though Canadian wage rates are up to 25 per cent lower than in the United States, our costs are often 10 per cent higher and can only be reduced through increased output.

4. Make deliveries promptly. One of the pressing problems has been the inability of Canadian firms to supply a United States outlet even after making prior commitments.

5. Reduce paperwork for the recipient. Handle clearance procedures through a customs broker or other representative, so that the United States firm has no greater handling problem than it does with a United States supplier.

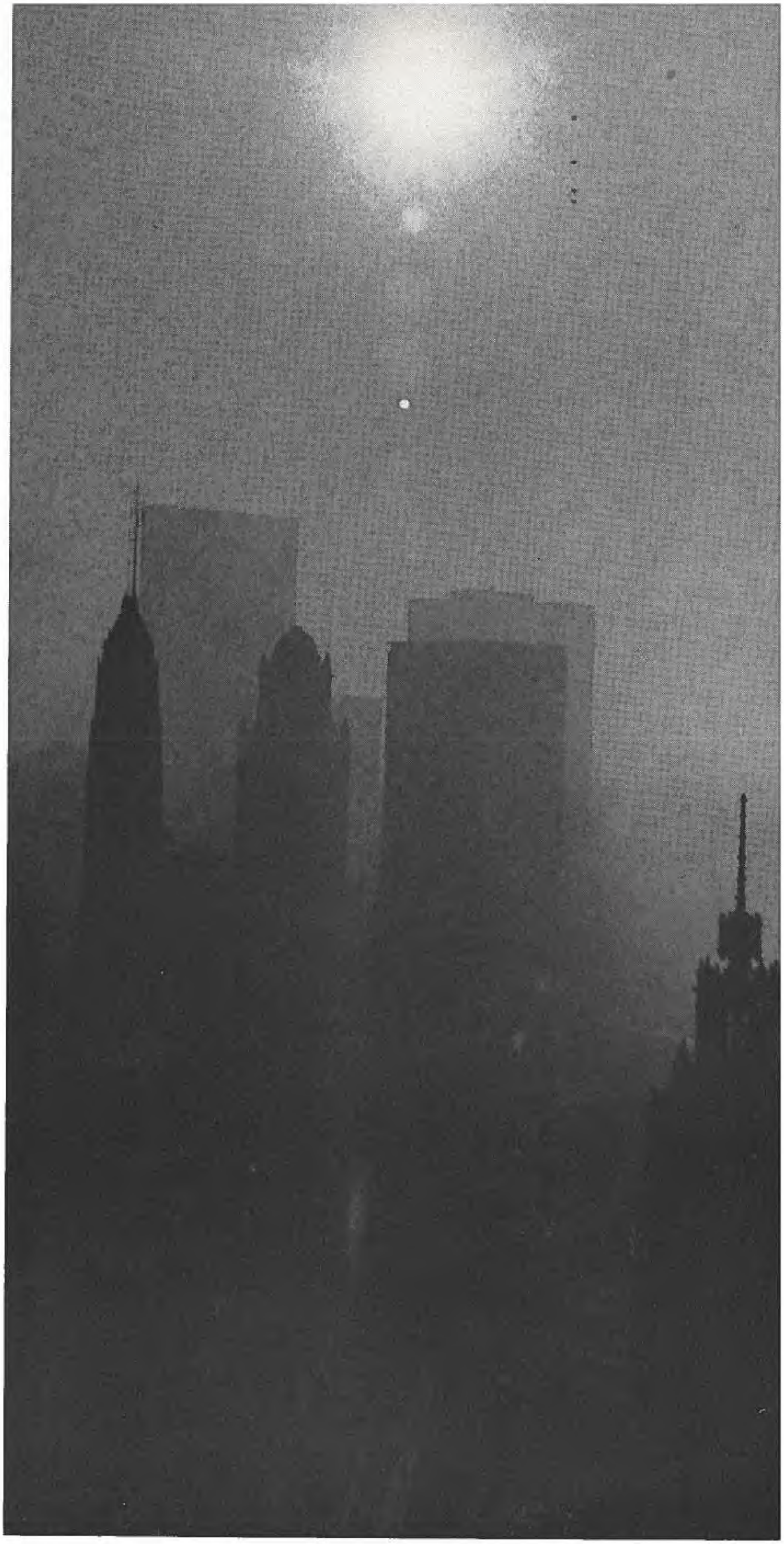
In the final analysis, the success of an export venture primarily depends on the Canadian supplier. We can embark on extensive marketing programs, as we have over the past several months, but these efforts will be useless unless interested Canadian firms support them and follow them up. We urge enterprising companies to make full use of our services, because we are eager to help those who are willing and able to enter this important and promising market.

# Pollution: Challenge and Opportunity

Illinois is deeply involved in an offensive against pollution in its many forms. This article shows how this offensive is being mounted and how Canadian firms can supply some of the weapons needed.

R. DOUGLAS SIRRS
Acting Consul General and Trade Commissioner, Chicago

Driving towards Chicago at the south end of Lake Michigan, one is suddenly and dramatically exposed to billowing clouds of black smoke. They not only blot out one's view but the foul air makes one uncomfortable. This situation provides a depressing introduction to the pollution problem in the Greater Chicago metropolitan area. Of much greater consequence is the realization that this is merely a superficial view of the pollution problem, which covers the air, water (sewage), solid wastes, noise, odor, and the more efficient processing of materials and waste matter.



*Not a city at night, nor even at dusk. This photograph was taken in the middle of the afternoon and shows dramatically the air pollution problems Chicagoans face. One official has described air pollution control endeavors in the State of Illinois as being 25 years behind the work on waste treatment. Cleaner air is the most promising area for R & D work and new control and measuring equipment is being sought.*

In view of the vital problems that arise from a distorted ecology and the vast amount of money required to remedy them, disputes have arisen between the various entities affected. Thus, the State of Illinois is currently suing Milwaukee for polluting Lake Michigan, and Milwaukee officials, in turn, draw attention to the Illinois sewage which also enters this lake, just a few miles away from a Chicago water intake. There is also a heated debate under way about the ecological effects of warm water now being dumped by 24 power plants, plus concern for the future when a number of nuclear power reactors are built on Lake Michigan.

Many firms in the Chicago area, for reasons of economy, also find it difficult to accept the immediate and costly measures required to control their gaseous, liquid or solid discharges. Some claim that they will be forced into bankruptcy if they are compelled to comply with the most recent federal and state environmental control regulations. The power companies, which use high-sulphur coal, constitute a particular problem, because stringently enforced controls could result in shutdowns and power losses.

Nevertheless, pollution control is a fact that must be faced by industry, municipalities and individuals alike. The basis for local enforcement is the Illinois Environmental Protection Act of July 1, 1970. A five-man team—the Pollution Control Board—appointed by the Governor, will be concerned with enforcing the new pollution control measures. In some ways, it will act as a tribunal in ruling on pollution infringement cases (referred to it by the Environmental Protection Agency), and will thus serve to accelerate anti-pollution activity. Even the new Illinois Constitution (voted on on December 15, 1970) enters the picture, because it allows a family to have legal standing (as of 1972) in suing an offending party (an industry or otherwise) for polluting the environment. Recently announced federal enforcement of a permit system for discharging waste matter into waterways will have a further restrictive effect.

It is estimated that in the State of Illinois alone, $5.5 billion will be spent over the next ten years to upgrade sewage plants ($2.2 billion), to provide new plants for treating industrial wastes

## Pollution Control Agencies

Environmental Protection Agency
2200 Churchill Road
Springfield, Illinois 62702

*Concerned with state-wide enforcement and with providing technical advice on pollution control requirements*

Pollution Control Board
189 West Madison Street
Chicago, Illinois 60602

*Five full-time members appointed by the Governor; acts on violations of pollution control legislation—in a manner similar to a court*

Metropolitan Sanitary District of Greater Chicago
100 East Erie Street
Chicago, Illinois 60611

*Treatment of sewage for Cook County—with close co-operation of Environmental Protection Agency*

City of Chicago
Department of Environmental Control
320 North Clark Street
Chicago, Illinois 60610

*Oversees implementation of air pollution control measures*

Illinois Environmental Institute
Springfield, Illinois

*Annual budget of $2 million for studies on long-range effects of air pollution*

American Public Works Association
1313 East 60th Street
Chicago, Illinois 60637

*Concerned with sewage and garbage control*

American Meat Institute
59 East Van Buren Street
Chicago, Illinois 60605

*Concerned with improved waste treatment techniques and more effective processing and utilization of meat-packing byproducts*

Portland Cement Association
Old Orchard Road
Skokie, Illinois 60076

*Co-ordinates data on industry dust-control problems and relationship to workers and community*

Department of Public Safety
Division of Air Pollution Control
419 City Hall
St. Louis, Missouri 63103

*Conducts negotiations with industry to bring about implementation of Air Quality Act without unduly affecting industrial output*

Industrial Waste Control Council
St. Louis, Missouri

*Composed of representatives from industry to co-ordinate and press for pragmatic pollution control measures*

City of Kansas City Health Department
Air Pollution Control Division
21st Floor, City Hall
Kansas City, Missouri 64106

*Seeks to enforce regulations as established by the state*

City of Kansas City
Sanitation Department
Kansas City, Missouri

*Similar approach to City of Kansas City Health Department in water and waste treatment field*

State of Wisconsin
Department of Natural Resources
Bureau of Air Pollution Control and Solid Waste Disposal
Box 450
Madison, Wisconsin 53701

*Enforcement of air pollution and solid waste control throughout state*

Milwaukee County
Department of Air Pollution Control
9722 Watertown Plank Road
Milwaukee, Wisconsin 53226

*Air pollution enforcement in Milwaukee County*

*Empty cans, bottles and bits of paper lie on the weeds and sludge next to slick cabin cruisers—and tell their own story. Combatting pollution will be a major concern in the 70's and provide new export opportunities.*

($1.5 billion), and new sewers ($1.8 billion).

Air pollution control measures involving expensive equipment will vastly exceed the $5.5 billion estimate for solid or liquid waste treatment.

Indeed, when we look at the broad spectrum of environmental control—including noise control, monitoring devices, odor, disposal of solids, recycling of wastes, etc., we arrive at an astronomical figure. Although it is impossible to define precisely the opportunities that this situation offers, they are both obvious and promising. The development of new or more effective pollution control devices in response to local needs offers major scope and R & D programs are actively encouraged.

So far only a handful of Canadian companies have entered this broad and challenging field but, in each instance, they have met with an enthusiastic response. Successful areas of Canadian participation have included a shredder/compactor, a biological waste water treatment device, waste samplers, and advanced systems for air pollution monitoring that have been extensively tested throughout the United States. This is just the beginning of our involvement in United States anti-pollution requirements.

We at the Chicago office are currently developing a major pollution control program and have already contacted major state and municipal agencies, and also industry associations in Chicago, Milwaukee, St. Louis and Kansas City, with a view to pinning down local problems and opportunities for the supply of equipment. (See details of contacts later on in report.) The data, which have been sent to experts at IT & C in Ottawa, will form the basis for their assistance to existing or future Canadian suppliers. Meanwhile, we invite inquiries from Canadian companies with an actual or potential capability which we might introduce into this market.

The following are some of the major avenues of opportunity:

**Air Pollution Control Requirements**—This is undoubtedly the most promising single area for the development of new equipment, particularly in Chicago, the largest steel-producing center in the United States. In the words of C. W. Klassen, Director of the Environmental Protection Agency of Springfield, Illinois, air pollution control endeavors are "25 years behind waste treatment". Because there are few devices that can cope adequately with this problem, there is particular scope for R & D work and a "new and better mousetrap".

The Illinois Environmental Institute currently has an annual budget of $2 million for studying the long-range effects of air pollution. Industry now receives state and federal tax relief on air pollution control facilities. The Environmental Protection Agency seeks industry's co-operation in the new rules and regulations, rather than assessing penalties—all within a $6.5 million annual budget.

There is currently a strong requirement for a more effective means of removing $SO_2$ from polluted air, since the existing scrubber technology is costly and not very effective. A new system might include the recovery of sulphur for industrial use.

The control of particulates is also open to new technology, because present methods, such as electrostatic precipitators, bag filters, etc., are not entirely efficient and are expensive to install.

There is a particular problem with gas emissions which are not yet properly taken into account. Useful work could be done in this area on such problems as control of gas emissions from electric furnaces.

Local grain-processing operations are also currently in need of control devices.

Odors become a problem in particular areas (i.e. meat-processing plants in Chicago, pesticides and creosote in Kansas City) and there is, as yet, no effective means of control. There is still a need to identify the compounds causing odors—a problem which certainly exists in many other odor-producing industries—and considerable R & D effort can be made in this area.

The effect on people of hydrocarbons, which constitute a significant air pollutant, has not yet been properly assessed. There is R & D scope for the ultimate supply of suitable control devices.

Recently it was reported that mercury (already identified as a serious contaminant in the Great Lakes) is now present in the air over Chicago. The damage it causes is undoubtedly a subject that will be receiving more attention in the months ahead.

**Solid Wastes Treatment**—Over the next five years, it is estimated that $4 billion will be spent on garbage treatment (solids) throughout the United States. In Illinois, a recent $750 million bond issue includes $100 million to be applied to municipalities for solid wastes control (as 25 per cent of an over-all contribution). Thus, a total outlay of $400 million is envisaged.

There appears to be a trend towards upgrading existing systems rather than introducing new installations or types of equipment—and funds for this purpose become the major problem. Nevertheless, new devices—such as a shredder/compactor recently developed by a Vancouver-based firm (Benson Industries)—are also finding this market promising and there is certainly room for suppliers of other devices.

For incinerators (used for disposing of solid waste), electrostatic precipitators are considered the most effective control device.

Solid (as well as liquid) wastes can also be eliminated by more efficient processing and/or recycling techniques. The meat-packing industry considers the greater utilization of all byproduct or waste items its major problem. It even suggests different livestock-feeding procedures so as to minimize fat and output of manure.

The ramifications of pollution control are vast and complex and there are widespread opportunities. Indeed, a paper, "More Research Is Needed on Waste Treatment Techniques", can be supplied on request.

**Sewerage and Water**—It is generally estimated by the American Public Works Association that up to $38 billion will be spent in this sector in the U.S. over the next five years, with an increase in facilities of approximately 4.4 per cent a year. The trend, again, is towards improving existing systems. Nevertheless, the industry is always receptive to new techniques.

A major current problem is the inability to cope with the overflows of combined sewers (storm and sanitary). It is suggested that, in many instances, too much water is currently being used for disposal purposes (i.e., in toilets) and that this tends to over-burden existing facilities. Thus, there is an opportunity to develop devices which will use less fluids and do the disposal more efficiently. The disposal of various chemical residues by industry (and even items such as fat by the meat packers, as mentioned earlier) presents a challenge for more effective recycling and utilization techniques.

A problem encountered when introducing recycling of sewage for more efficient water utilization (since, in Illinois, 86 billion gallons are being lost each day through evaporation and consumption and the rise continues) is the elimination of viruses. This, and more effective recycling procedures and equipment, constitute a prime challenge to an enterprising pollution control equipment manufacturer.

Techniques for the removal of algae and nutrients (nitrogen and phosphorus) have also not yet been achieved.

A more efficient desalination method (i.e. 50 cents or less per 1,000 gallons) is also a pressing need in Illinois, which has an abundance of salty or brackish water below the 1,500-foot level (5,000 parts per million).

In Kansas City, a somewhat unique problem is curbing pollution of the Missouri River because, even after installation of secondary treatment plants (which will cost the city $40 million), there is a problem of waste matter runoff from 13 million head of cattle, as well as pesticides, into the river.

**Monitoring Equipment**—Illinois will spend $1 million this year for monitoring equipment and local authorities suggest that there is a need for improved monitoring devices. One Canadian company has successfully introduced sophisticated spectrometer scanning devices and others are making introductory efforts.

Air monitoring equipment made its greatest advance last year and, in Illinois, 16 parameters are being measured through five monitoring stations. The system—particularly in terms of measuring $SO_2$—is unreliable, and the way is open for new equipment. Oxides of nitrogen and hydrocarbons are also difficult to measure. The wet chemical analyzers now in use are complicated and cause problems.

**Water Pollution**—Currently, Illinois is measuring at two points on the Illinois River the presence of dissolved oxygen, analogue traces, acidity alkalinity, conductivity, and test signal, but there is still a requirement for other parameters (such as radiation detection, bacterial count, etc.) as well as the improvement of existing measuring techniques. Experiments are now being carried out on new techniques (such as infrared), which might be able to cope with the problem.

Consulting services from Canada, in view of established local expertise, might best be employed in counselling United States industry considering the establishment of a plant in Canada, and also in contributing any unique expertise (either directly or in association with a local firm) in this market.

The Chicago Association of Commerce and Industry last year sponsored a small Environmental Control Conference for the first time. It will again play host to this event in November 1971 and Canadian companies will be invited to participate. This means a chance to display your products and to talk to local contacts who have specific problems and potential applications for devices or technology.

We would welcome inquiries on all aspects of pollution problems, because we have compiled a considerable dossier of information on this subject. We have also established contacts that we look forward to introducing to Canadian firms in the development and/or producing end of pollution control. Several of these contacts are listed on page 6 for your guidance.

# Selling to...

# the City of Chicago...

Z. W. BURIANYK, Consul and Trade Commissioner, Chicago.

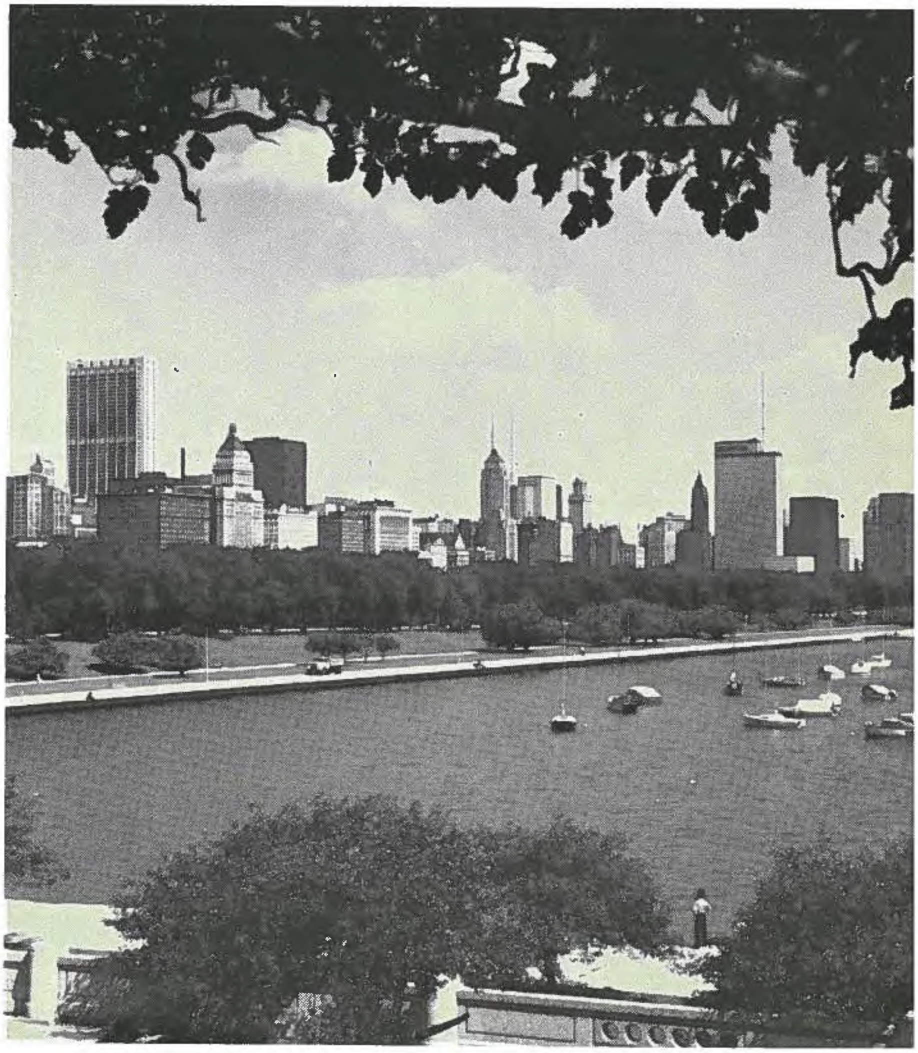
Combine the population of British Columbia and Alberta and you will approximate roughly the population of the City of Chicago. It is a concentrated market, and this is proved by the fact that in the fiscal year 1969, City purchases of goods and services on a contractual or individual bid basis totalled more than $155 million. The items purchased covered more than 50 different classifications and included big-ticket items like fire-fighting equipment, motor vehicles, passenger vehicles, trucks, and snow-removal equipment (Canada has been an excellent source of the latter). Not to be ignored, however, are the smaller housekeeping items, such as drugs and chemicals $7.2 million; wire cable and chains $340,000; brooms and brushes $118,000; drafting supplies $155,000, and ammunition $290,000. With continued population growth forecast, the City's budget for 1971 is at a record high and this will be reflected in increased purchases.

I recently interviewed the Director of Purchasing for the City of Chicago, John F. Ward. Internationally known for his expertise in the field of government buying, Mr. Ward emphasized that his agency welcomes bids from Canadian firms and that Chicago considers the world as its supplier. "The only criteria we adhere to," Mr. Ward stated, "are the familiar ones—price, quality, and delivery. We do not practise a policy of 'Buy America', consequently, all other things being equal, the lowest price offered usually determines the winning bid."

When I asked how Canadian firms could participate in the business offered by the City of Chicago, Mr. Ward advised that the individual Canadian firm register its interest with him by letter, providing brochures if possible and general information on itself. To be listed as a qualified vendor, a firm should also send forward a resumé of its financial position. Following accreditation of a Canadian firm, its commodity interest is listed and in the preparation of subsequent tenders, it will receive full information and an invitation to bid. Usually, approximately three weeks elapse between the bid announcement and the closing date for tenders. Firms are urged to follow the bid requirements exactly as specified, because any deviation or alteration will usually disqualify them.

It was further stressed that Canadian firms do not require local representation, local warehousing, or servicing facilities. However, on large-ticket items the City must satisfy itself that good servicing will be available quickly in case of need.

Interested firms are urged to register with Mr. Ward (John F. Ward, Purchasing Agent, Room 400, City Hall, 121 North LaSalle Street, Chicago, Illinois, 60602).



# and Educational Institutions

ANDRÉ DALLAIRE
Vice Consul and Assistant Trade Commissioner, Chicago

The market for educational equipment in Chicago has been increasing for the last five years. Participation in shows such as the American Vocational Association and the American Association of School Administrators shows have proved to be the best method of entering the United States market. The Canadian Government has been sponsoring company exhibits in these two for a number of years.

Most of the time it is the school administrators and teachers who recommend buying specific equipment. Participation in the above and other similar fairs represents an efficient means of reaching them. It is also the best way to publicize and demonstrate your products. To sell your equipment, however, it is also necessary in most instances to be registered on various bid lists. Here is a list of the most important buying organizations in Chicago, with the names of the purchasing directors. You may wish to contact them directly or avail yourself of our assistance in introducing your company.

## Directors of Purchasing for Major Educational Institutions

University of Chicago
5801 S. Ellis
Chicago, Illinois
Phone: MI 3-0800
E. W. Walkens

Loyola University
6525 N. Sheridan Road
Chicago, Illinois
Phone: BR 4-3000
E. Y. Powers

DePaul University
430 S. Michigan Avenue
Chicago, Illinois
Phone: WE 9-3525
Mrs. Yolanda Hill (except for bookstore)

Northwestern University
906 University Place
Evanston, Illinois 60201
Phone: 649-8649
C. Longwell

University of Illinois
601 S. Morgan
Chicago, Illinois
Phone: 663-2850
T. Halstendard

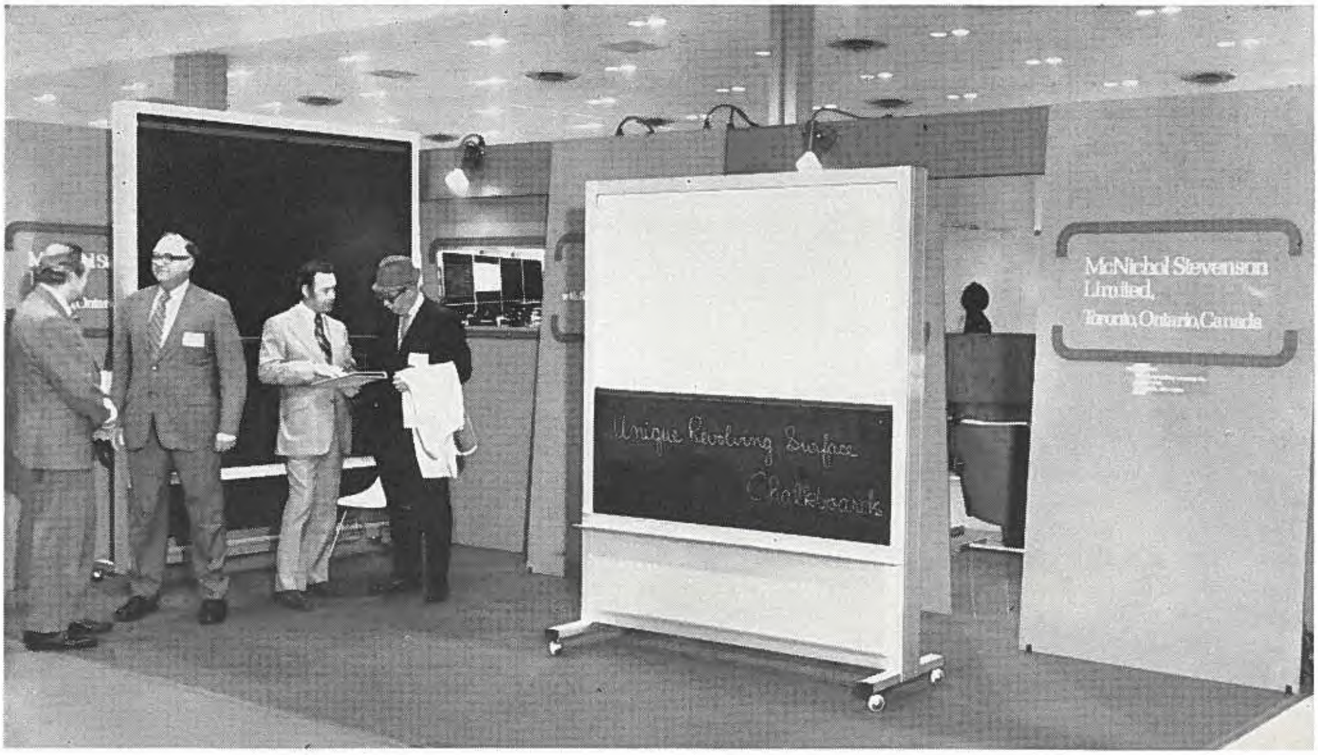
Mundelein College, Sisters of Charity
6363 N. Sheridan Road
Chicago, Illinois
Phone: AM 2-8100
Sister Brennan Breslin

Chicago Board of Education
228 N. La Salle Street
Chicago, Illinois
Phone: 641-3950
(all public schools) Alden F. O'Hearn

Catholic School Board
430 N. Michigan Avenue
Chicago, Illinois
Phone: 527-3200
T. Burns

Board of Jewish Education
72 East 11th Street
Chicago, Illinois
Phone: HA 7-5570
G. J. Batt

*One of the best methods of selling educational equipment to buyers in Chicago (or anywhere in the United States) is to display it at the American Association of School Administrators convention in Atlantic City. This company did just that—it was one of a number of Canadian firms taking part in an exhibit organized by the Industry, Trade and Commerce Department.*



# There's a Market for...

. . . many types of commodities in the Chicago territory, both for industry and for the consumer. A number of these are set out in the articles that follow.

# Contract Furnishings

Z. W. BURIANYK, Consul and Trade Commissioner, Chicago

In this age of specialization, it is perhaps natural that the term "contract furnishings", once used only by the initiated, now refers to many different things used in the interior of almost any structure (with the exception of residences) and concerns many different industries.

There are, for example, three categories of suppliers, all of whom participate legitimately in an industry known as "contract furnishings". They are:

1. **Service firms**—architects, interior decorators, space planners, suppliers of contract office and school furniture, and retail dealers.

2. **Companies and organizations offering facilities and services of various kinds**—health care centers, lodging houses and hotels, food service, educational and corporate offices, libraries, churches, stadiums, theaters, dormitories, etc.

3. **Manufacturers**—of floor coverings, bedding, furniture, seating, wall coverings, lighting fixtures, draperies, and other accessories, ranging from ashtrays, clocks, radios and TV sets to desk sets, etc.

It is easy to see why experts are reluctant to place a dollar value on this industry; one of them, however, has estimated the United States office furnishings market alone at $50 billion in the 1970's.

Chicago's Merchandise Mart is the center of this industry and was perhaps the main force in the industry's organizing and identifying itself as "contract". The Mart, as it is known to the trade, is the world's largest commercial building and has the biggest concentration of contract furnishings in the United States, with more than 700 firms showing in its 97 acres of floor space. Many firms maintain showrooms for their own merchandise, but manufacturers' representatives with several lines also operate out of the Mart. A recent count revealed that the Mart housed 426 furniture lines, 268 floor-covering lines, 209 curtain and drapery lines, 190 lamp and lighting lines, 476 appliance lines, and 161 textile lines. Small wonder that more than 500,000 buying visits are made to the Mart each year.

After organizing complementary industries into the industry known as contract, the Merchandise Mart also assumed the responsibility of keeping the industry informed, alert, and abreast of new ideas. In many instances, there is a cross-fertilization of ideas and experiences. For example, the carpeting experience of a restaurant can benefit a nursing home or interior decorators can learn about a new wall covering that has soundproof and fireproof qualities.

The need for a regular forum soon became obvious and in 1968 the Mart organized the first NEOCON—the National Exposition of Contract Interior Furnishings—that has since become an annual event. This year year NEOCON III will be held June 23-25, 1971, and Canadian companies in the contract furniture field would be wise to attend. There are no participation or registration fees, and the calendar of events is outstanding. Seminars and lectures cover many subjects: in the 1970 program these ranged from hotel design in the 70's to the impact of Jumbo Jets on the food and lodging industries and to new aspects of environmental design.

In February and March 1970 the Department of Industry, Trade and Commerce organized a trade mission consisting of seven Canadian manufacturers that toured the New York, Detroit, and Chicago markets. As a result of this trip, a report entitled *Canadian Contract Furniture Mission to the United States* was prepared. It can be obtained through the mission secre-

*To present its line of office furniture to Chicago buyers, a Canadian firm set up a display in the Maple Leaf Room at the Consulate General in Chicago. Buyers active in that field were then invited to come and see it.*

tary, John R. Rooke, Furniture and Secondary Wood Products Division, Wood Products Branch, Department of Industry, Trade and Commerce, Ottawa. It outlines the group's findings and makes a number of valuable recommendations. One of the observations is that "penetrating the American contract furniture market will involve time, money, and work." The writer endorses this statement and suggests further that this market should not be taken lightly. It should not be considered as a place for Canadian suppliers to make bonus sales, but a program demanding as much attention as domestic sales. A firm not willing or not in a position to spend time, money and effort would do itself a disservice by approaching the United States market. It should be added, however, that penetrating into this market can bring important benefits.

What about Canadian manufacturers interested in this market? How can they penetrate "contract" Chicago?

First, consult the Canadian Consulate in Chicago for an analysis of the market for your product line. The Trade Commissioners there maintain close contacts with the trade and can advise you. The market can be approached in a number of ways.

1. Ideally, but admittedly requiring a substantial investment, the most effective method is to take a showroom in the Mart or in other display space elsewhere in the city. A local, full-time representative would be required and he must be stationed in the area. It is easier for a new representative to learn your line than it is for your own salesmen to establish contacts with designers, architects, space planners, etc., which are the result of years of local experience.

2. Retaining a local representative with his own office who represents many items and requires yours to fill out his line.

3. Retaining a representative with no display space, usually one who spends most of his time on the road calling on the smaller centers. (Remember that within a radius of 500 miles of Chicago there is a population of over 70 million.)

4. Enlist the resources of the Consulate, as many Canadian manufacturers do. In our Maple Leaf Room, an effective display of your line can be mounted, and the trade invited to an introductory reception, followed by a few days of individual appointments. Guests invited should include interior designers, space planners, architects, retail dealers, prospective representatives, etc. The Consulate maintains a current list of prospects and can assist you in all aspects of preparing such a promotion.

One important point to remember, as quoted from the report of the Contract Furniture Mission, is that "Canadian suppliers to commercial contract jobs have only the same problems to overcome that face United States suppliers. There is no policy or attitude that would influence the decision to purchase from one over the other. 'We are after the best buy, and where it comes from is of no importance', says one customer."

The market is here. The Consulate is here, ready to assist you. Can you afford not to be here too?

*These office desks and chairs form part of an exhibit at Chicago's gleaming Merchandise Mart, which has 97 acres of floor space. There one can examine over 425 different lines of furniture, plus lamps, draperies, appliances, etc.*

# There's a Market for... Transportation Equipment

Z. W. BURIANYK, Consul and Trade Commissioner, Chicago

The latter half of 1970 saw the Nixon administration pass important legislation in an attempt to come to grips with one of the most urgent problems in the United States today—mass transportation. The first step in the Federal program to assist urban mass transit systems was approved in the waning months of 1970. It will see $3.1 billion granted in the first five years from its inception, with a prospect of a total $10 billion to be allocated by 1982. Terms of the grant call for local transit authorities to provide a one-third matching fund. To be administered by the Urban Mass Transportation Administration, the program is expected to see contracts committing $850 million finalized by mid-1971.

Federal financial support will affect rail transportation in three distinct categories:

1. City rapid transit systems—that is, subways.

2. Interurban commuter train systems.

3. National passenger train network.

Chicago, traditionally the hub of the nation's railway systems, will maintain this position as it bids fair to become a major recipient of local and federal funds in all three categories mentioned above.

**Subway Systems**—The newly organized Chicago Urban Transportation District is currently applying for the two-thirds federal grant for its first-stage downtown distributor line, which


*This is one of the trains on the downtown elevated mass-transit system, the famous Chicago Loop. Plans now in the making call for its disappearance and replacement eventually by a deep subway—to the benefit of both city and its citizens.*

will cost $190 million. This stage will begin in 1971 and is scheduled for completion in 1974.

The long-term assurances of federal aid will eventually lead to the building of a new deep subway replacing the present downtown elevated system, from which the famed Chicago Loop derived its name. Long acknowledged to be an eyesore and an earsore, the elevated trains will not command the nostalgic support of Chicagoans as did San Francisco's famous cable cars.

A project of this size, (costs projected to the end of the 1978 program are in excess of $1 billion) will see requirements of great variety emerge—from terminal turnstile gates to steel rails and from transfer-issuing machines to rollingstock. Purchasing will be under the jurisdiction of the City's purchasing agent. Mr. Ward advised us that Canadian firms are welcome to participate in bidding. To be registered as a qualified vendor, interested companies should contact him either direct or through the Consulate, describing the area of interest and providing an audited financial statement attesting to its fiscal health. Bidders are not required to retain a local representative and the City of Chicago does not pursue a "Buy America" policy. (See article on page 9.)

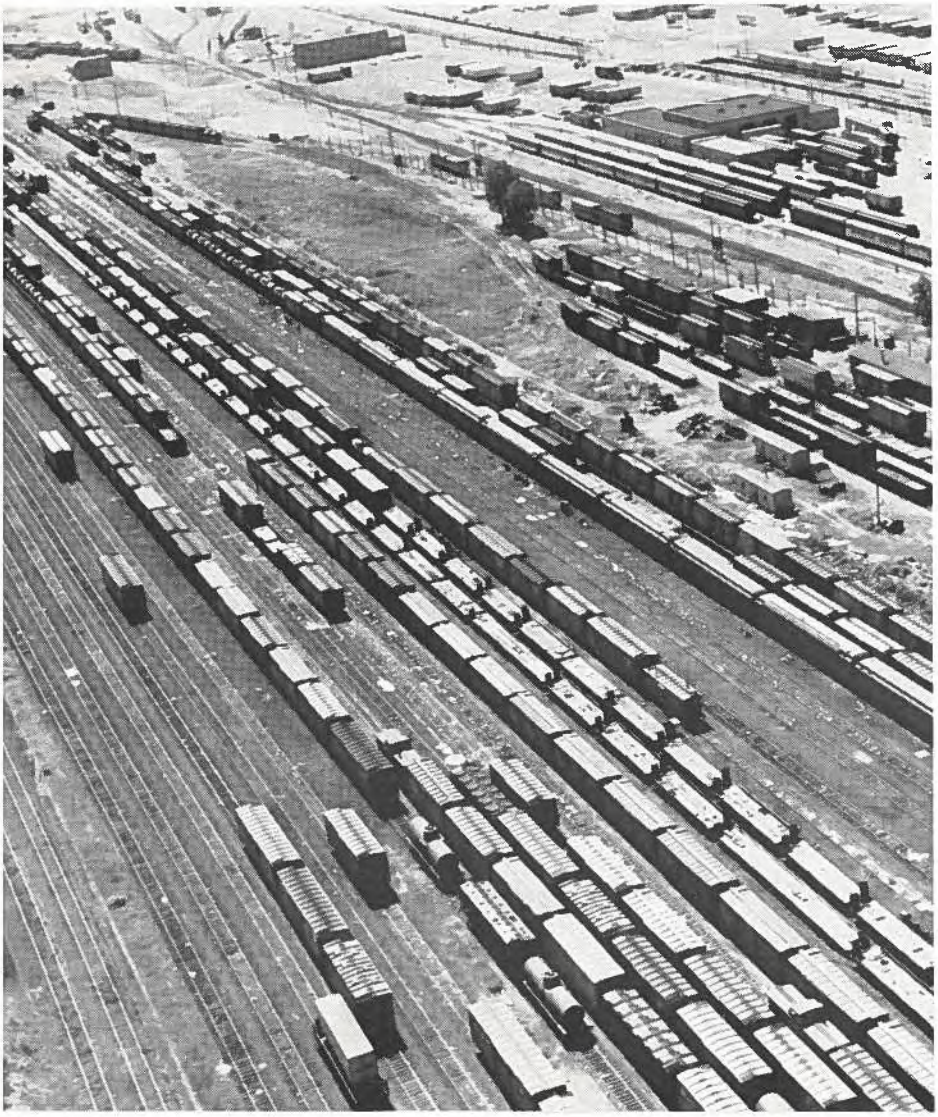
**Interurban Rail**—Through the resources of the Urban Mass Transportation Administration, Chicago in 1969 became the first recipient of Federal funds to be used for buying equipment for commuter railroad services. Although the affected railroad, the Illinois Central, will as a result put into commuter service 123 air-conditioned, double-decker passenger cars, they will do so under a leasing system, as called for by the regulations of the Federal Department of Transportation. The suburban areas served by the Illinois Central Railway organized to form the Chicago Suburban Mass Transit District, applied to the Federal body, and received $25.2 million towards the $37.8 million required to purchase the 123 cars. The district then became the owner, with the operating railroad leasing the equipment.

With perhaps the country's best commuting system served by a half-dozen railroads, the Chicago suburbs are organizing into transit districts and will be applying for approximately $30 million worth of Federal assistance, identifying $45 million worth of equipment needs.

Canadian firms interested in opportunities in this area are urged to maintain close and frequent liaison with the Consulate offices in Chicago.

**National Passenger Service**—Still on the drawing board as far as routings are concerned is the federal plan to subsidize and maintain a national rail passenger system known as Railpax. To be administered by the quasi-public National Railroad Passenger Corporation created early in 1970 by Congress, the network will probably result in the eventual elimination of one half of the current 300 intercity passenger trains. The new plan will use 16 to 20 cities as terminal points and will pair these in high-traffic-density corridors. Again Chicago will become the focal point of the network because it will be paired with at least one half or more of the remaining terminal cities. It is expected that Chicago will be the base for legs to New York, Miami, Detroit, Cincinnati, New Orleans, St. Louis, Seattle and San Francisco.

In the initial stages, subsidies will be used to offset operating deficits, but as the system smooths out and proves viable, new equipment will be in demand—offering truly a glimmer of hope for the railroads and their supporting industries. And John Q. Public's transportation illness is finally being treated!



*Thousands of freight cars move into and out of Chicago every day, but it is passenger rather than freight traffic that will be the recipient of federal aid. A national rail passenger network known as Railpax is to be set up.*

# There's a Market for...

# Automotive Aftermarket

WILLIAM F. HART, Commercial Officer, Chicago

The automotive aftermarket in the Chicago metropolitan area last year accounted for $642 million in sales.

In the past decade the automobile industry has experienced unusual growth. In three successive years it has sold 8.5 million or more cars. Industry forecasters agree that by 1975 the United States will have approximately 100 million car registrations compared with 85 million today. The factors supporting a larger automobile market include:

a population by 1985 of 228 million people

increased road mileage

more leisure time for travel

larger average incomes

more disposable income

greater movement to the suburbs

maintenance of reasonable car prices

continued growth of two- and even three-car families.

The major influences on continued growth of the automotive aftermarket are:

1. Proliferation and greater specialization of car models and the parts required to maintain them.

2. Growing affluence of the motorist, who spends more on the maintenance of his car.

3. Increased automobile ownership at all levels of income.

4. Faster wearing-out of cars because of the volume of "extras" and shorter trips, requiring more service and repair work.

The accompanying flow-chart illustrates the channels through which products are sold in this ever-expanding market. Understanding this merchandising pattern is essential to successful sales in the automotive aftermarket.

The parts and accessory manufacturer who cannot afford or prefers not to maintain a direct sales force but wants rapid and effective entry into the aftermarket can accomplish this by using an automotive representative. Specifically, the representative can assist the exporter by providing a knowledge of the territory, long-continued personal relationships with customers, and an experienced sales staff. Most of these representatives have above-average knowhow, which helps in pioneering a new line and makes it easier for them to sell in areas where geography makes this difficult or where it is expensive to maintain one's own salesmen. Using a representative also helps the exporter to maintain a fixed cost of sales directly proportional to sales volume.

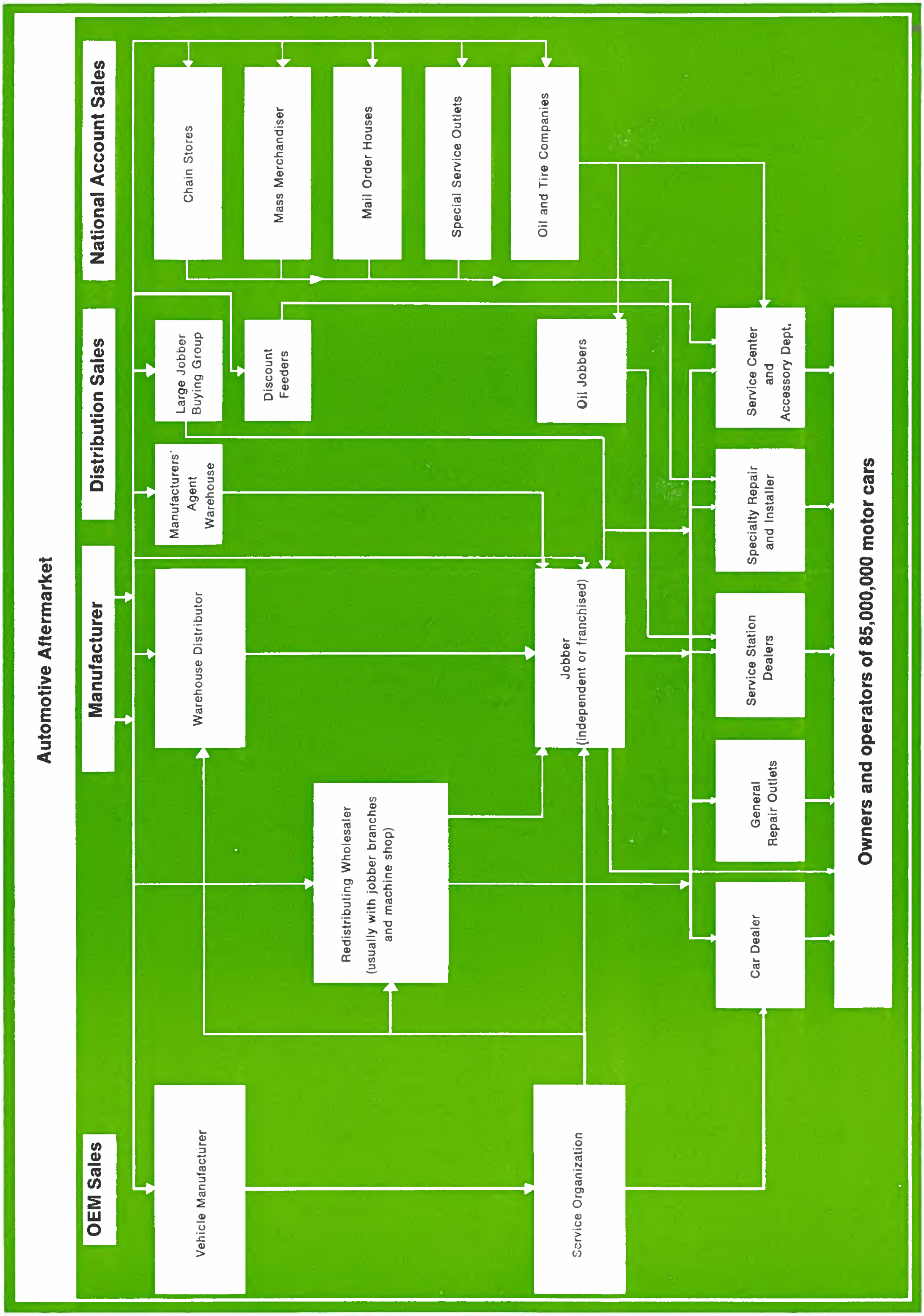
Here are two examples to prove how well this method works out for Canadian manufacturers.

A small Canadian company producing a unique trailer jack contacted the Chicago office for marketing assistance. Local automotive representatives were provided with sales brochures about the jack and a sample was sent down to the Chicago Consulate for inspection. As a result, within a few weeks the enthusiastic interest of several representatives was relayed to the manufacturer. Currently the final details for representation are being arranged and participation in the Chicago market will begin.

Another small Canadian company displayed its chrome-cleaning compound at a recent trade show in Chicago sponsored by the Automotive Parts and Accessory Association. The exposure resulted in over 200 inquiries. On the basis of sound market information obtainable through interested representatives, the manufacturer is tailoring his production facilities and sales program to successful exporting to the Chicago market. The potential this company has uncovered has surpassed anything it thought possible in the immediate future.

Do you manufacture a part or accessory that can be sold in the aftermarket? If you do, we want to hear from you. The Chicago Consulate maintains continuous contact with active automotive representatives. An invitation for one of the officers to speak at a meeting of the Automotive Affiliated Representatives recently has stimulated extensive interest in Canada as a source of supply.

Success awaits the go-getting Canadian manufacturer ready to export to Chicago.



Automotive Aftermarket
OEM Sales
Manufacturer
Distribution Sales
National Account Sales
Chain Stores
Mass Merchandiser
Mail Order Houses
Special Service Outlets
Oil and Tire Companies
Large Jobber Buying Group
Discount Feeders
Oil Jobbers
Manufacturers' Agent Warehouse
Warehouse Distributor
Jobber (independent or franchised)
Redistributing Wholesaler (usually with jobber branches and machine shop)
Vehicle Manufacturer
Service Organization
Service Center and Accessory Dept.
Specialty Repair and Installer
Service Station Dealers
General Repair Outlets
Car Dealer
Owners and operators of 85,000,000 motor cars

# There's a Market for... Foodstuffs

ANDRÉ DALLAIRE, Vice Consul and Assistant Trade Commissioner, Chicago

Chicago, with a population of 8 million people with an average family income of close to $14,000, is well provided with marketing channels in the foodstuffs business. Virtually any quality food product that is competitive in price can be sold here. The only requirement is to establish proper representation.

This is one of the most important aspects of our work at the Canadian Consulate General in Chicago—helping you to establish representation. This is how we do it and this is how we can serve you.

Doing business in Chicago is not like doing business in Europe, Africa, Asia, or even Canada. There is no way to sell anything without using a broker or distributor/wholesaler (except in the private brand field). Even selling to chains requires representation at this level.

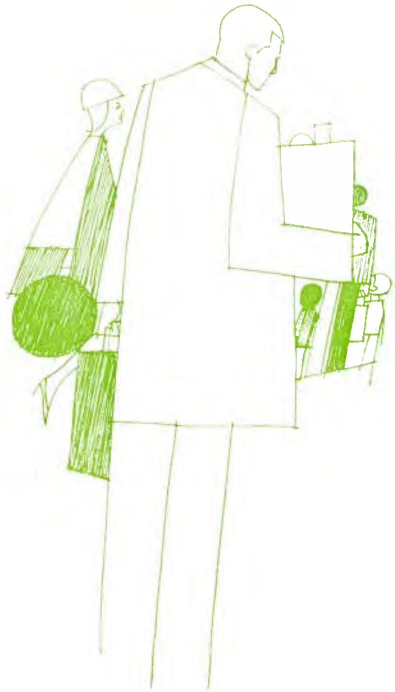
Through various associations, publications, and our contacts in the field, we have systematically canvassed these marketing channels. We are confident that we know virtually everyone in the business. Therefore we are in a position to supply you with a list of business contacts as well as to suggest the best alternatives for specific products.

What we want from you are brochures, samples and price lists (in U.S. funds, f.o.b. Chicago, duty-paid). We then can determine the market potential of a product and set the representation mechanism in motion. Subsequently we report to you the results of our market research and suggest people with whom you can follow up directly. A personal visit is then warranted. This is the procedure which in the past has proved successful.

This procedure implies that we wait for you to come to us. However, because of the experience we have accumulated in our market, we feel that we should stimulate exports by project incentives. By project incentives we mean trade missions, food-tasting receptions, instore promotions, trade fairs, smaller exhibits at the Consulate, and any other means that we can use to develop exports.

**Food-Tasting Receptions**—The methods we use to stimulate exports have broadened considerably during the past three years. In November 1970, the Consulate in Chicago, in conjunction with the Government of Quebec, successfully organized a six-member mission to investigate and "sell" the Chicago food market. On that occasion we made a definite impact on the trade with a soft-sell approach. A food-tasting reception featuring the products manufactured by the mission members was held in our Maple Leaf Room. This was our first venture of this kind in foods and feedback from the trade indicated that it was well received. It is our intention to organize such activities in the future with groups of interested Canadian firms.

**Instore Promotions**—The technique of instore promotion, recently developed with great success in other fields, is now being applied to foods with a major supermarket chain in Chicago. Of the 100 Canadian firms that we have contacted directly about this planned promotion, 50 have been enthusiastic. They feel (especially the ones already represented in this market) that it is only by reaching the consumer with good promotions that they will make significant inroads into the market. Reaching the consumer—that is, creating a demand—is the name of the game.



**Private Brands**—Which would you rather have—large-volume sales or "image"? One rewarding avenue to pursue in this market is private labels or private brands. A number of significant firms and chains in Chicago engage in this type of business. The most important names are TOPCO, A & P and NATIONAL. If this marketing approach is of interest to you, we will put you in touch directly with their buyers.

**Selling to Chains**—In our market, the largest retail sales are generated by the supermarket chains: 63.5 per cent of all sales are made by 37 per cent of the stores. The leading supermarket chains with headquarters in Chicago are JEWEL and NATIONAL (see the table). Unless there is already a significant consumer demand for a specific product, selling to supermarket chains may bring some headaches. Most chains before handling a product require a pre-existing demand. If not, they require a co-operative advertising allowance, cash discounts, introductory offers, promotion funds, etc. However, once they move a product, the reward justifies your investment.

## The Chicago Food Market

**Number of**

| | |
|---|---|
| Food brokers | 179 |
| Fish wholesalers | 78 |
| Food distributors/wholesalers | 57 |
| Supermarket chains' headquarters (829 stores—Jewel, A & P, Hillman's, National, Scot Lad, Dominick's, Highlow) | 5 |
| Independent chains and co-operatives | 8 |
| Frozen foods brokers/distributors | 67 |
| Packers | 49 |

**Leading supermarket chains**

| | No. of stores | % of grocery store sales |
|---|---|---|
| Jewel food stores | 253 | 28.0 |
| National Food | 240 | 16.0 |
| A & P | 190 | 5.0 |
| High-Low Foods | 55 | 4.0 |
| Scot Lad | 53 | 4.0 |
| Kroger | 40 | 3.0 |
| Dominick's | 19 | 2.0 |
| Hillman's | 19 | 1.5 |
| **Voluntary and/or co-operative groups** | | |
| Certified Grocers of Illinois | 702 | 14.0 |
| Central Grocers | 430 | 3.0 |
| Grocerland | 350 | 2.0 |
| Other grocery stores | — | 17.5 |
| **Total** | **2,351+** | **100.0** |

**Institutional Market**—The institutional segment of food sales is certainly the largest and fastest growing. Institutional sales—that is, to hotels-motels, restaurants, hospitals, schools, etc.—are rewarding in terms of immediate volume and easy once you have established your product. You have none of the problems associated with retail sales. Good brokers and distributors are always eager for new lines of quality products for the institutional market.

All the general rules equating persistence with sales success apply to the huge food market in Chicago. Twelve per cent of disposable income in the Chicago area goes on food purchases. The Canadian share of this market is incredibly low for a country so close and producing high-quality products. But those Canadian firms that understand this market have been remarkably successful. We in the Chicago office are here not only to convince you to export, but to lead you by the hand if necessary. All we ask of you is a worthwhile product and persistence.

Will you take advantage of this opportunity?

*One of the big markets for foods in Chicago is the institutional one. Many food brokers specialize in selling to schools, hospitals, hotels and motels. Brand names matter less than they do in selling to the chain or independent retailers.*

# There's a Market for... Apparel

PIERRE H. LUTRELL, Commercial Officer, Chicago

*"Along with our conclusive endorsement of a highly volatile market, recommended as a priority source of supply".*

*"The finest European fabrics are available at advantageous price points..... along with an abundance of skilled craftsmen."*

*"Quality control is generally far superior to that of the domestic market."*

*"Junior sportswear—a fashion market with qualities of fashion leadership equal to any."*

*"Leathers and suedes—the Canadian market may be the most outstanding in the world.....quality of skins and fashion detailing are superior to anything available in the United States."*

*"Men's outerwear—styling both current and advanced—hand detail and finish are outstanding."*

*"Our recommendations are: act now on the Canadian market.....send buyers to Canada."*

These are phrases taken from a flag-waving, horn-blowing promotion piece, written by a Canadian publicity man? No, these are excerpts from a report compiled by a group of American apparel merchandising executives from United States department stores, following their return from a brief but intensive survey of the Canadian market early in 1970.

The sentiment expressed in these excerpts and throughout the full report apparently is shared by a growing number of the merchandising community in the territory covered by the Canadian Consulate General, Chicago. Many major stores in this area are sending buyers to Canada and as word-of-mouth advertising—supported by sharp-eyed comparison shopping—increases, this office is receiving more and more inquiries from local firms on ways to "get a piece of the action".

When a major, centrally located store is the inquirer, it is relatively easy for us to help. Such techniques as organized trips by buyers to Canada, in-store promotions, and a schedule of local showings by visiting Canadian manufacturers are all feasible. However, the major stores represent only a portion of the local retail outlets. The remainder—and, I might add, the dominant portion in terms of over-all potential purchasing power—is composed of the many smaller department and specialty stores that abound in mid-America. A substantial number of these outlets is becoming interested in developing access to Canadian lines of merchandise. Unfortunately, because of the large number of businesses involved and their broad geographic dispersal, our traditional methods of assistance cannot be applied.

The problem to be solved, then, is how to provide this "second market" with the opportunity to spend its dollars on Canadian merchandise—an opportunity that it is eagerly seeking.

The answer that we have developed here in Chicago to the problem is to have the Canadian goods presented to this multitude of smaller buyers at the place where they normally spend most of their money. This is not in Canada—we cannot ever expect this type of buyer to spend much time or money on "foreign" travel—nor is it in New York, although most of them do visit New York from time to time. It is right here in their own area—in their stores during sales calls by manufacturers' representatives, in these same representatives' showrooms in the Merchandise Mart or other garment center, and at the local salesmen's markets held periodically throughout the year.

In other words, we strongly advocate that any Canadian manufacturer genuinely interested in expanding his business through exporting—as opposed to those seeking only a little extra "prestige" business—give strong consideration to appointing one or more local manufacturers' representatives to function as his sales team in the United States.

The right manufacturers' representative is the essential link between your production line and the complex, sprawling "second market". He knows these people, their merchandising strengths and weaknesses, their financial position, and the "image" of their stores. These stores know the representative and have faith in his judgment about what merchandise is right for their stores. It is an interesting experience to sit in on a good representative's selling sessions and watch him guide his "people" in the selection of the merchandise he knows they

*At the Chicago Consulate General, a Canadian apparel-maker points out to a store buyer some of the features of his line. Canadian garment firms have already made a good impression in the Chicago market. In the center is Pierre Lutrell, Commercial Officer and the writer of this article, in which he stresses not neglecting the smaller retail operators.*

can sell and will be pleased with. In no other way can merchandise from what is generally an unknown source be effectively presented to this key segment of the merchandising community.

The representative will also, of course, function as your "man on the spot" in dealings with the major stores, thus eliminating the need to spend too much time and money in cultivating these accounts. Past experience has taught us that local service is important even to the retail giants, and a great asset in maintaining a good relationship with them. Having a local representative does not preclude the manufacturer from cultivating personal contacts with his customers. Indeed, the representative is only too happy to have the manufacturer's participation at key local salesmen's markets, and joint calls on major accounts are common.

It is not the intent of this article to cover the many facets of the relationship between a manufacturer and his sales representative. Most Canadian firms are well aware of these through extensive use of representatives in the domestic market. We would like to emphasize that a precise setting-out of all details of the arrangement negotiated, usually in the form of a contract, is desirable. Naturally, strict adherence to an agreement is a prerequisite to a successful relationship.

Chicago has a large "second market", plus several major outlets, and hence is an excellent place for a Canadian company to explore this method of export marketing. The only initial requirement is a commitment by the interested manufacturer to provide the necessary production capacity and administrative backup. This will give the manufacturers' representative the opportunity to develop a program beneficial both to him and to the manufacturer. It is not a game for "inners and outers". The idea is continuity and the creation of a broad-based export market resistant to fickleness on the part of one or more major customers.

The staff of this office intends to spend a considerable amount of time in the next year working as a matchmaker between appropriate Canadian firms and local representatives. We plan to develop a "book" or prospectus on each interested Canadian manufacturer, so that we can match available lines with representatives, who generally seek a specific category of merchandise. We also plan to expand our contacts among local representatives so that we have a backlog of interested parties for ready referral.

The interest in Canadian apparel, on the part of both retailers and manufacturers' representatives, is apparent here. What we need now is a supply of manufacturers who will commit themselves to building a sound export program, with its attendant profits. We hope you are in this category. Please contact us. The sooner the better.

# Sears Tower the World's Tallest

Z. W. BURIANYK. Consul and Trade Commissioner, Chicago

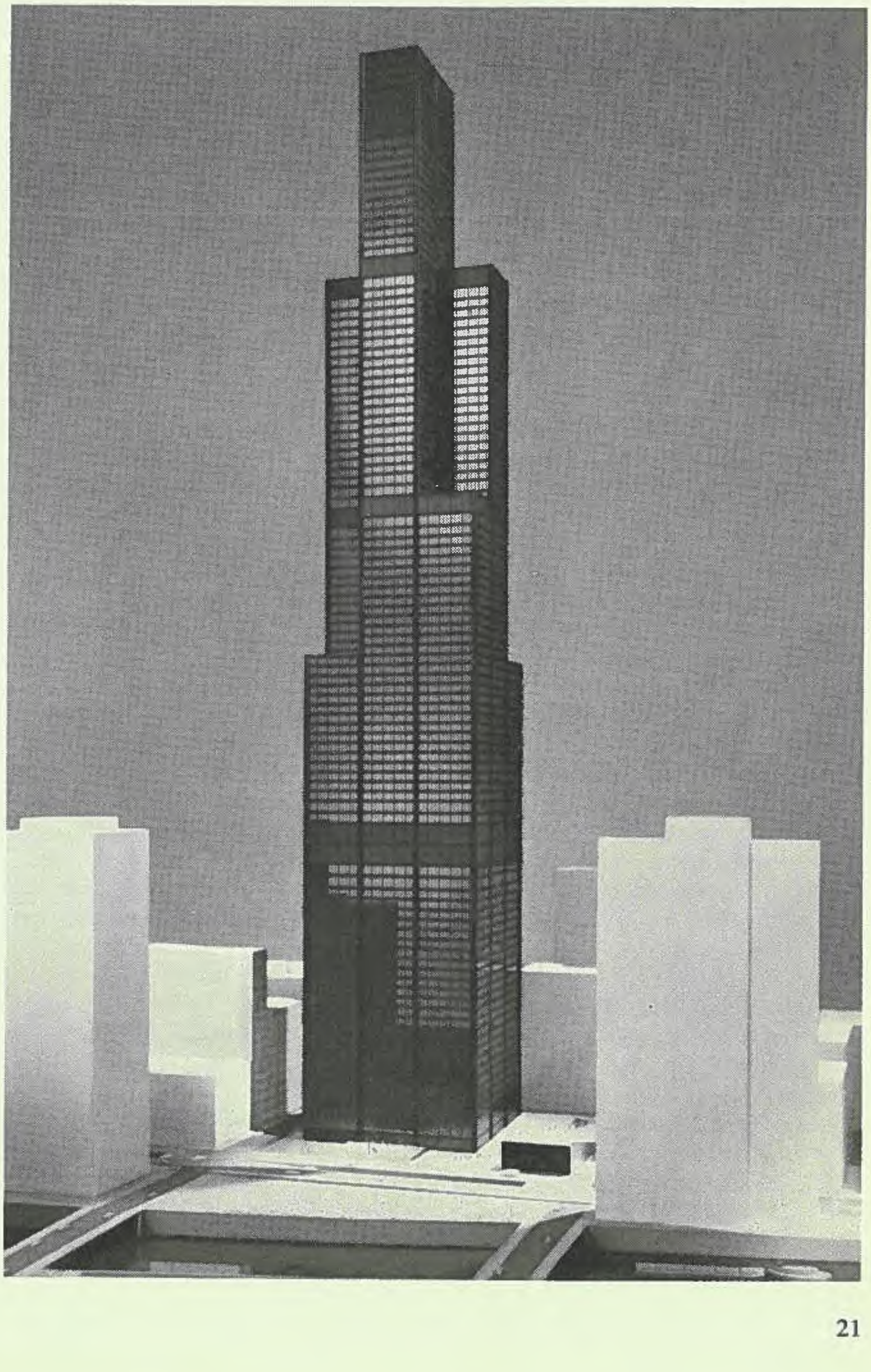
Chicago is the mail-order center of the United States because it contains both Sears Roebuck & Co. and Montgomery Ward. Sears, the largest retail establishment in the world, is today putting up in downtown Chicago a new office building. At 1,450 feet and with 109 stories, it will top by 100 feet New York's World Trade Center, which in 1970 wrested from the Empire State Building the title of the world's tallest building.

To be named the Sears Tower, the structure, when it is completed in 1974, will also become the world's largest private office building, a fitting achievement for a company whose sales in 1970 were well over U.S.$9 billion.

Designed by Skidmore, Owings and Merrill, the structure will incorporate a series of step-backs, with the building's basic floor size reduced at the 50th, 66th and 90th floors, giving it a stacked rather than the tapering appearance commonly seen in very high buildings. The outer skin will consist of a black aluminum curtain wall, relieved by bronze-tinted windows. Service floors will be clad in louvres, giving the effect of bands.

The relocation of the Sears national headquarters within Chicago will free long-needed space for the firm's catalogue sales operations. Sears' buying offices and testing and evaluation facilities will continue to be located in the city. It is through these divisions that many Canadian products find their way into the pages of Sears catalogues and the retail shelves of its stores. Chicago thus will continue to dominate the catalogue sales businesss, with the head offices of the four largest houses of this type in the United States—Sears Roebuck and Company, Montgomery Ward, Spiegels, and Aldens. J. C. Penney ranks fifth and is mainly located in Milwaukee (within the Consulate's territory), followed by another Chicago firm, John Plain.

The Trade Officers of the Consulate maintain regular contact with various buyers of these firms, and Canadian manufacturers interested in this high-volume market should contact R. Douglas Sirrs, Acting Consul General and Senior Trade Commissioner, Canadian Consulate General, Suite 2000, 310 South Michigan Avenue, Chicago 60604.



*Chicago's "Mount Sears", home of the biggest retail establishment in the world, where Sears' catalogue orders will be filled. At 1,450 feet, it tops the Eiffel Tower by 466 feet. The "bands" encircling the building are the service floors.*

# Canada's Trade Breaks All Records

Exports reached new high of $16.9 billion in 1970 and surplus on merchandise trade totalled $2.9 billion. Buoyant demand from EEC countries, Britain and Japan compensated for slowdown in United States market.

M. P. MATHEW, External Trade Division, Dominion Bureau of Statistics

Canada's merchandise trade surplus reached an unprecedented $2,947 million in 1970. This more than doubled the peacetime record of $1,266 million in 1968, greatly exceeded the wartime high of $1,700 million in 1945, and was three and one-half times the trade surplus of $801 million in 1969. This development was largely the result of the rise of 13 per cent in exports over 1969 to the new record of $16,886 million, in contrast to the 9 per cent rise achieved in 1969. Imports in 1970, however, at $13,939 million, declined by over 1 per cent, marking the first annual decrease since 1960. Among the world's leading trading nations, Canada ranks sixth, with exports and imports accounting for nearly 40 per cent of our gross national product.

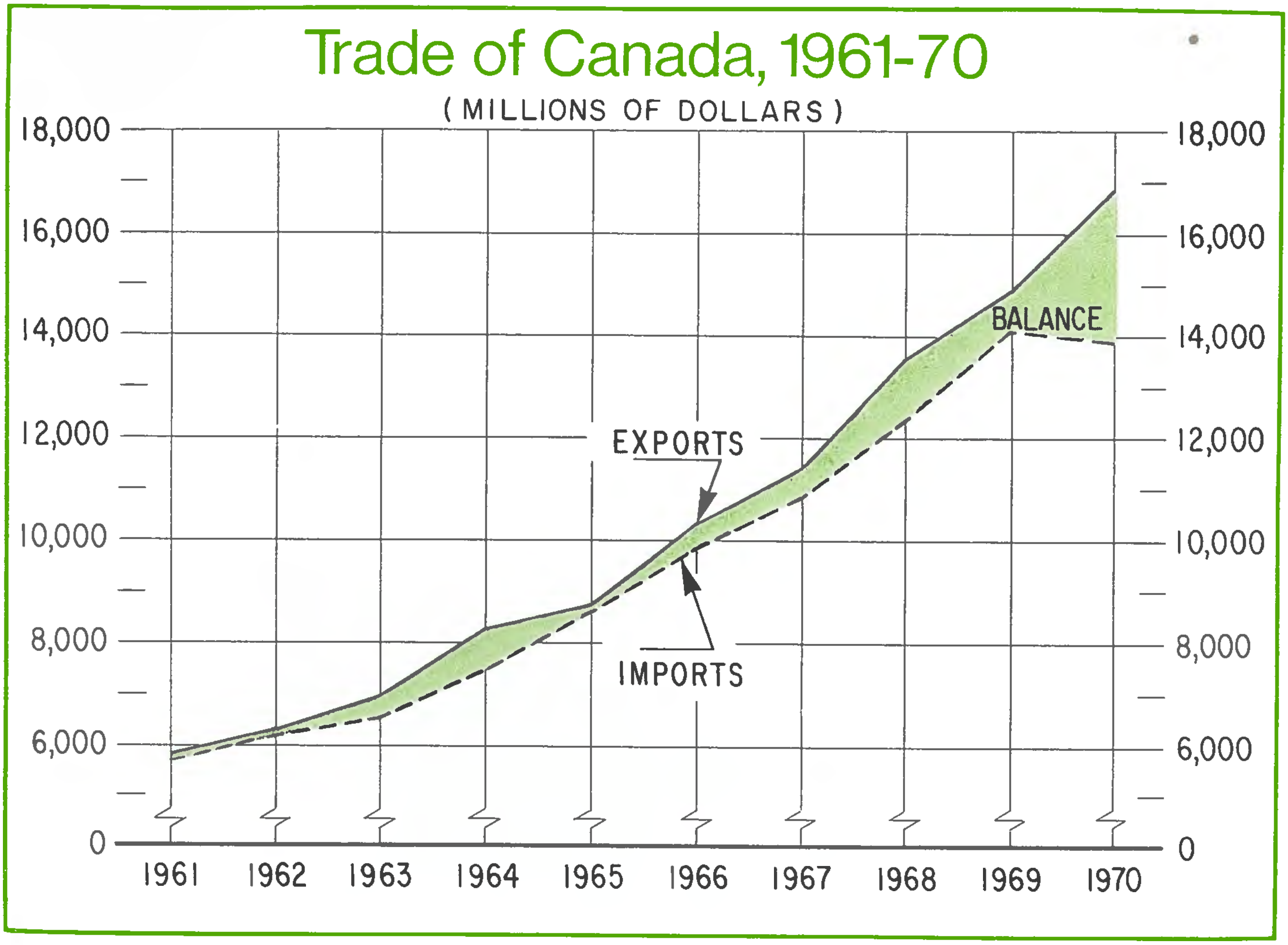
**Movement of Prices**—The average prices of Canada's exports in 1970 were about 3 per cent above the level of 1969, compared with an increase of 2 per cent for average import prices. The rate of increase, however, slowed down appreciably in the second half of 1970, following the unpegging of the exchange value of the Canadian dollar. From a peak of 106.5 in May the export price index (base 1968 = 100) fell to 104.5 at the end of the year; the year's gain was thus 2.7 per cent over 1969. There was, however, a 10.5 per cent increase last year in the volume of Canadian exports, as demand mounted in Japan, Britain and Western Europe. On the import side, the price index fell from 106.4 in May to 104.1 in December. The higher value of the Canadian dollar on international markets meant that foreign products could be bought at cheaper Canadian prices.

**International Background**—The development of world trade in 1970 was shaped by two contrary influences. On the one hand, the economic slowdown in the United States depressed import demand and thus affected economic activity in some of the countries heavily dependent on that market. On the other hand, domestic demand remained strong in most countries of Continental Europe and in Japan. There was a substantial increase also in Britain, following the marked slowdown experienced in 1969, and a sustained import demand in the developing countries. World exports therefore rose by 13 per cent in 1970, a slightly lower rate than in 1969, but more than 4 per cent above the average for the past decade. Nearly half of the 1970 increase in the value of world trade was due to higher export prices, which registered the sharpest annual increase since the post-Korean boom in the early 1950's.

**Market Shares**—The strong acceleration of Canadian exports to overseas countries in 1970 contrasted with the lackluster performance in the United States market. The exceptional buoyancy in major overseas markets resulted from several factors, such as the catching-up of strike-delayed Canadian exports of nickel, copper and iron and steel products, the resumption of volume deliveries of wheat to state-trading countries and to some non-traditional markets, and large shipments of barley and rapeseed. These developments overshadowed the marked slowdown in Canadian exports to the United States, which rose by only 3½ per cent to $11 billion in 1970. The share of the United States market in Canadian exports therefore fell from an unusually high proportion of 71 per cent in 1969 to 65 per cent in 1970.

Apart from the expansion of overseas demand for Canadian products, a number of developments within the United States contributed to the decline in the share of Canadian exports going to this market. In addition to the slowing up in general import demand, weakness in residential construction affected sales of lumber. The slump in automotive sales was aggravated by the General Motors strike, eliminating an earlier year-to-year increase in Canadian expotrs of automotive products.

In contrast, exports to the European Economic Community rose by 41 per cent to $1.2 billion, to Britain by 35 per cent to $1.5 billion, to other Commonwealth countries by 27 per cent to $777 million, and to Japan also by 27 per cent to $796 million. Exports to Latin America rose by 28 per cent to $566 million and to other countries by 59 per cent to $1.1 billion. The result was a more balanced geographical distribution of Canadian exports in 1970 than for a number of years. Britain's share climbed to nearly 9 per cent from 7½ per cent in 1969, but was appreciably below its 13½ per cent share of total Canadian exports in 1965. The EEC accounted for 7 per cent in 1970 compared with 5½ per cent in the previous year, and Japan's share increased moderately to some 4½ per cent. Similarly, Latin America, Commonwealth and preferential area, and "other countries" increased their relative shares to 3.4, 4.6 and 6.3 per cent respectively in 1970. Figures on Canada's exports to and imports from 20 leading trading partners are given in Tables 1 and 2.




**Commodity Changes**—In contrast to 1969, the strength of the 1970 export performance was generated by a significant turnaround in world demand for farm products. At the same time, over-all demand for primary mineral products continued unabated, as Table 3 shows. Important categories of farm produce advanced one-third from 1969, and the metals sector filled the continuing demand for mineral resource products, mainly because of relatively undisturbed supply. Wheat, barley and rapeseed contributed to a gain well over $300 million, with substantial wheat sales, notably to the Soviet Union, to countries in the Mediterranean area (including Algeria, U.A.R. and Syria), and to Latin American countries such as Brazil, Peru and Cuba. About $800 million, or roughly two-fifths of the total gain in the value of Canadian exports in 1970, was accounted for by larger shipments of copper, nickel, zinc, and iron and steel products. Sharper demand in the United States for natural gas and in particular for crude oil was reflected in gains of some $150 million in shipments. Other buoyant areas were aircraft and parts, fertilizers, and non-farm machinery, with increases in the order of $50 million each.

By contrast, there was virtually no increase in exports of automotive goods, at $3.5 billion, even though this group was still the most important. Newsprint and lumber combined were down by nearly $50 million.

The 1970 decline in imports was in sharp contrast to the increase of nearly 15 per cent in 1969 and reflected the slowdown in the Canadian economy, particularly in the demand for capital goods, as shown in Table 4. This decline, which was concentrated in imports from the United States and Britain, was in part offset by increased imports from other overseas countries. Among individual countries, Canada's imports from Japan rose by more than 17 per cent to over $580 million in 1970.

**Trade by Stage of Fabrication**—Although the advance in Canadian merchandise exports in 1970 was much more diversified geographically than in 1969, when all of the net gain was to the United States market and with a large percentage of the increase in automotive goods, the surge in demand for Canada's resource-based products reduced relatively the "manufactured or processed" content in total exports in 1970. Nevertheless, the basic trend in the past decade has been toward marked expansion in the "manufactured" category. In 1960 only 11½ per cent of the total value of Canada's domestic exports was in the "end products" or fully manufactured class, and one-third of domestic exports was in the "crude materials" category. By 1964, these proportions had changed to 17½ per cent for end products and 36½ per cent for crude materials. In 1969 the ratio of end products had risen to 40 per cent and the proportion of crude materials had declined to 23 per cent, because of a combination of some exceptional developments in commodity trade already referred to. In 1970, the proportion for end products narrowed to 37 per cent but was still 1½ percentage points higher than in 1968. During the six years 1964 to 1970, the percentage of crude materials

TABLE 1

**CANADA'S DOMESTIC EXPORTS TO LEADING TRADING PARTNERS, 1968-70**

| Country | $ million 1968 | 1969 | 1970 |
|---|---|---|---|
| United States | 8,941.4 | 10,273.6 | 10,641.1 |
| Britain | 1,209.6 | 1,096.5 | 1,480.0 |
| Japan | 606.8 | 624.8 | 793.1 |
| Germany, Federal Republic of | 228.7 | 277.4 | 383.7 |
| Netherlands | 178.9 | 185.0 | 277.2 |
| Australia | 185.7 | 163.3 | 197.7 |
| Belgium-Luxembourg | 126.6 | 116.2 | 190.0 |
| Italy | 131.2 | 133.7 | 184.0 |
| Norway | 116.6 | 103.6 | 176.2 |
| France | 81.5 | 128.6 | 154.2 |
| China, People's Republic of | 163.2 | 122.9 | 142.0 |
| India | 111.3 | 95.6 | 129.8 |
| Venezuela | 102.7 | 92.9 | 111.4 |
| South Africa, Republic of | 68.3 | 78.5 | 104.0 |
| U.S.S.R. | 88.6 | 9.1 | 101.6 |
| Mexico | 54.6 | 72.9 | 91.7 |
| Brazil | 48.2 | 50.2 | 87.4 |
| Spain | 41.1 | 55.9 | 64.5 |
| Argentina | 48.0 | 62.3 | 59.1 |
| Cuba | 45.0 | 40.7 | 58.9 |

TABLE 2

**CANADA'S IMPORTS FROM LEADING TRADING PARTNERS, 1968-70**

| Country | $ million 1968 | 1969 | 1970 |
|---|---|---|---|
| United States | 9,048.4 | 10,243.1 | 9,905.1 |
| Britain | 696.1 | 791.0 | 738.3 |
| Japan | 360.2 | 495.7 | 581.7 |
| Germany, Federal Republic of | 298.9 | 354.7 | 370.9 |
| Venezuela | 357.9 | 346.0 | 339.2 |
| France | 121.6 | 151.8 | 158.4 |
| Australia | 76.0 | 96.3 | 146.1 |
| Italy | 114.5 | 141.2 | 145.0 |
| Sweden | 78.1 | 84.5 | 105.9 |
| Switzerland | 64.3 | 83.9 | 80.8 |
| Netherlands | 69.1 | 78.7 | 78.9 |
| Hong Kong | 58.4 | 72.9 | 78.5 |
| Netherlands Antilles | 49.7 | 50.4 | 54.2 |
| Taiwan | 34.4 | 42.5 | 51.9 |
| Belgium-Luxembourg | 57.5 | 60.9 | 51.5 |
| Brazil | 38.7 | 42.1 | 49.3 |
| Norway | 39.2 | 44.9 | 49.1 |
| Mexico | 52.2 | 64.1 | 47.3 |
| South Africa, Republic of | 39.3 | 45.9 | 45.7 |
| Austria | 28.6 | 38.9 | 45.6 |

declined from 36½ to 26 per cent and that of fabricated materials from 46 to 37 per cent.

The shift in the share of the three broad groups of imports by stage of fabrication has been more restrained than in exports. Crude materials imports amounting to $1.4 billion represented more than 18½ per cent of the import total of $7.5 billion in 1964, and this proportion declined steadily to 13 per cent in 1970—that is, $1.8 billion out of $13.9 billion of total imports. The share of fabricated materials narrowed from nearly 27½ to some 22 per cent in 1970. End products, in more than doubling in value—from roughly $4 billion to $9 billion—widened their share of total imports from 54 to nearly 65 per cent over the period.

**Direction of Trade**—All the major countries and trading areas contributed to the extraordinary trade surplus of 1970. In recording a favorable balance with the United States for the third successive year, Canada's surplus with that country exceeded the $1 billion mark for the first time in 1970, some $710 million higher than in 1969.

A record surplus of some $760 million was registered with Britain in 1970 because of a 35 per cent rise in exports in association with a decline of 7 per cent in imports. The major strength in exports in 1970 was in copper, nickel, iron and steel products, forestry products, aluminum, chemicals, aircraft and communications equipment. Smaller purchases of British motor vehicles and parts because of recurring disruptions in production constituted an important element in the over-all decline in imports.

The trend to diversifying sales outside of traditional markets is slowly gaining ground. Thus, while the United States and Britain continue to be Canada's major customers, absorbing three-quarters of our exports, sales to the European Economic Community reached an unprecedented $1.2 billion in 1970. This marked the first year that Canadian exports to the EEC approximated 80 per cent of exports to Britain. Exports to the EEC rose by more than 40 per cent as against only a minor rise in imports from the Community, yielding a surplus of some $400 million. Major commodity gains were made in nickel, copper, iron ore, aircraft, wood pulp, aluminum and barley. The improved export performance in 1970 owes much to the strong demand in West Germany and in most other countries of the Community, and to special factors such as the catching-up on strike-delayed deliveries of metals, the demand for feedgrains, and sales of military aircraft to Holland.

Over the five-year period ended in 1969, Canada's exports to the rest of the world increased at an average annual rate of 14 per cent; the rate of expansion in exports to Japan averaged 18½ per cent. Following a rise of 27 per cent, exports to that country totalled $796 million in 1970. Copper and nickel figured notably in the increase, followed by barley, rapeseed, lumber, zinc, and coal. With a 17 per cent advance in imports to some $580 million, the export surplus with Japan rose by $84 million to $214 million in 1970.

TABLE 3

**CANADA'S DOMESTIC EXPORTS BY SECTIONS AND SELECTED COMMODITIES, 1968-70**

| Sections and Commodities | $ million 1968 | 1969 | 1970 |
|---|---|---|---|
| **Live Animals** | 59.4 | 54.4 | 68.2 |
| **Food, Feed, Beverages and Tobacco** | 1,553.8 | 1,409.8 | 1,800.1 |
| Wheat and wheat flour | 742.4 | 526.2 | 747.2 |
| Fish | 234.5 | 252.3 | 246.1 |
| Whisky | 158.3 | 189.1 | 183.1 |
| Barley | 40.0 | 30.4 | 133.5 |
| Meat and meat preparations | 69.5 | 76.8 | 109.1 |
| Tobacco | 57.5 | 62.9 | 56.4 |
| Dairy produce, eggs and honey | 33.2 | 37.1 | 55.5 |
| Cereals and cereal preparations | 39.2 | 38.4 | 55.3 |
| Vegetables and vegetable preparations | 44.6 | 50.4 | 51.5 |
| **Crude Materials, inedible** | 2,467.6 | 2,463.3 | 3,064.3 |
| Crude petroleum | 446.4 | 525.8 | 649.1 |
| Iron ores and concentrates | 443.2 | 333.1 | 475.7 |
| Nickel in ores, concentrates | 261.0 | 225.3 | 368.5 |
| Copper in ores, concentrates | 233.3 | 233.7 | 262.8 |
| Asbestos, unmanufactured | 192.9 | 216.3 | 227.2 |
| Natural gas | 153.8 | 176.2 | 206.0 |
| Zinc in ores, concentrates | 99.6 | 102.6 | 118.0 |
| **Fabricated Materials, inedible** | 4,855.1 | 5,162.7 | 5,866.5 |
| Newsprint paper | 989.8 | 1,125.8 | 1,110.4 |
| Wood pulp and similar pulp | 627.9 | 753.5 | 785.2 |
| Lumber, softwood | 623.4 | 664.8 | 638.2 |
| Copper and alloys | 378.2 | 300.9 | 474.6 |
| Aluminum including alloys | 445.1 | 474.8 | 458.6 |
| Nickel and alloys | 245.4 | 226.1 | 434.2 |
| Iron and steel, primary and fabricated | 339.7 | 300.7 | 412.1 |
| Fertilizers and fertilizer materials | 168.9 | 171.9 | 221.2 |
| Metal fabricated basic products | 70.3 | 84.9 | 134.9 |
| **End Products, inedible** | 4,296.5 | 5,378.2 | 5,628.0 |
| Motor vehicles | 1,888.0 | 2,549.3 | 2,459.0 |
| Motor vehicle parts | 802.9 | 1,012.2 | 1,111.1 |
| Industrial machinery and parts | 295.3 | 368.7 | 412.6 |
| Aircraft, engines and parts | 369.5 | 328.4 | 379.1 |
| Communication and related equipment | 194.4 | 200.3 | 232.1 |
| Agricultural machinery and parts | 149.7 | 156.2 | 164.4 |
| Office machines and equipment | 49.9 | 71.2 | 104.9 |
| Personal and household goods | 87.4 | 131.1 | 153.0 |
| **Special Transactions, Trade** | 37.7 | 35.2 | 31.2 |
| Total domestic exports | 13,269.9 | 14,503.6 | 16,458.2 |
| Total re-exports | 354.1 | 427.6 | 428.2 |
| **Total Exports** | 13,624.0 | 14,931.2 | 16,886.4 |

TABLE 4

**CANADA'S IMPORTS BY SECTIONS AND SELECTED COMMODITIES, 1968-70**

| Sections and Commodities | $ million 1968 | 1969 | 1970 |
|---|---|---|---|
| **Live Animals** | 15.6 | 18.7 | 30.5 |
| **Food, Feed, Beverages and Tobacco** | 902.6 | 1,043.9 | 1,085.1 |
| Meat and meat preparations | 68.3 | 123.3 | 117.6 |
| Fruit and fruit preparations | 230.2 | 249.7 | 244.0 |
| Vegetables and vegetable preparations | 116.3 | 122.0 | 127.9 |
| Coffee | 83.3 | 82.1 | 98.0 |
| Raw sugar | 46.4 | 70.3 | 85.3 |
| Fish | 34.0 | 41.2 | 53.3 |
| Tea, cocoa and chocolate | 51.4 | 47.0 | 53.2 |
| **Crude Materials, inedible** | 1,126.7 | 1,085.5 | 1,171.6 |
| Crude petroleum | 372.6 | 393.5 | 415.2 |
| Coal | 160.4 | 114.6 | 150.8 |
| Aluminum ores, concentrates | 83.7 | 102.9 | 99.6 |
| Iron ore and concentrates | 34.6 | 29.4 | 28.2 |
| Other metals in ores, concentrates | 88.8 | 42.8 | 89.3 |
| Crude non-metallic minerals | 64.1 | 63.7 | 63.7 |
| Soya beans | 31.1 | 41.0 | 47.0 |
| Cotton | 56.0 | 53.0 | 41.9 |
| Synthetic and other textile fibers | 27.3 | 28.1 | 28.6 |
| **Fabricated Materials, inedible** | 2,434.6 | 2,905.3 | 2,885.4 |
| Inorganic chemicals | 67.7 | 77.7 | 140.3 |
| Organic chemicals | 129.0 | 138.0 | 133.5 |
| Plate, sheet and strip steel | 103.2 | 155.5 | 128.9 |
| Fuel oil | 142.5 | 131.4 | 122.2 |
| Plastic materials not shaped | 99.4 | 114.8 | 112.2 |
| Paper and paperboard | 70.4 | 81.3 | 80.6 |
| Aluminum including alloys | 89.8 | 85.0 | 78.8 |
| Broad woven fabrics | 183.1 | 210.6 | 196.5 |
| **End Products, inedible** | 7,619.6 | 8,884.8 | 8,605.5 |
| Motor vehicles | 1,304.2 | 1,340.7 | 1,212.1 |
| Motor vehicle parts | 1,696.6 | 2,205.4 | 2,027.3 |
| Aircraft, engines and parts | 437.0 | 400.7 | 384.4 |
| Other transportation equipment | 149.8 | 168.5 | 154.5 |
| Industrial machinery and parts | 1,173.6 | 1,442.4 | 1,474.1 |
| Agricultural machinery and parts | 353.2 | 351.1 | 309.0 |
| Communication and related equipment | 313.3 | 393.5 | 378.5 |
| Other equipment and tools | 1,050.1 | 1,274.9 | 1,290.7 |
| Personal and household goods | 477.2 | 552.1 | 558.1 |
| Miscellaneous end products | 664.7 | 755.5 | 816.6 |
| **Special Transactions, Trade** | 258.9 | 192.0 | 161.3 |
| **Total Imports** | 12,358.0 | 14,130.3 | 13,939.4 |

Exports to other Commonwealth and preferential countries increased by more than one-quarter to $777 million in 1970, compared with an average annual increase of less than 5 per cent between 1965 and 1969. Larger shipments of non-farm machinery, motor vehicles and parts, newsprint paper and aluminum went to Australia, New Zealand, South Africa and other countries. Shipments (including economic aid) to both India and Pakistan rose sharply, comprising zinc, copper, asbestos, and resins and plastics to India, and wheat, fertilizers, aluminum, wood pulp, chemical products and aircraft and parts to Pakistan.

Canada's trade balance with Latin American countries changed from a deficit of $101 million in 1969 to a surplus of $20 million in 1970, as exports advanced 28 per cent while imports remained unchanged. This economic area provided a market for Canadian goods valued at $566 million in 1970, up $123 million. The large relative gain was well above the average gain of about 8 per cent per year for the period 1965 to 1969. The largest increase, some $30 million, was made in sales of motor vehicles and parts to Venezuela, Argentina and other countries. Wheat shipments to Brazil, Peru and Cuba were also up about $30 million; sales of rolling mill products to Mexico and newsprint to Brazil rose more moderately.

Canadian sales to other trading areas and countries have fluctuated irregularly in recent years, depending largely on the volume of wheat sales to the state-trading countries. Exports to the whole group of "other countries" advanced by $392 million, or nearly 60 per cent, in 1970. The resumption of large-scale deliveries of wheat to the Soviet Union accounted for a gain of more than $80 million and shipments to the Mediterranean countries referred to above contributed another $60 million to the over-all export increase. A further significant element was the resumption of shipments of copper and nickel concentrates to Norway. Evidence of a strong undertone in Canadian exports to other overseas countries, shipments in 1970 to Greece, Spain, Indonesia, the Dominican Republic, Puerto Rico and other destinations increased; the gains, though relatively small individually, were significant in total.

**Outlook for 1971**—Generally speaking, the economic climate abroad in 1971 is not expected to be as buoyant as in 1970. However, there are important elements of strength that suggest a solid basis for anticipating further expansion in Canada's merchandise exports of some 8 per cent to over $18 billion. Shifts in the geographical and commodity distribution of exports will continue, with the United States accounting for a substantial part of the total gain and the strong demand from Japan maintained. British and Western European markets, however, are likely to be less buoyant. The proportion of manufactured goods in exports will expand further in 1971. The rising value of the Canadian dollar on the international exchange market, making imports less expensive, should have a stimulating influence on domestic demand for both consumer and investment goods. With imports rising slightly faster than exports—that is, by about 12 per cent to $15.6 billion —Canada's merchandise surplus in 1971 is likely to decrease 20 per cent to about $2.5 billion, still very high by historic standards. If, however, exports rise by 5 per cent and imports by 8 per cent, the favorable merchandise balance will still top $2.5 billion in 1971.

## International Loans

### Thailand plans power expansion

The Asian Development Bank today approved a loan amounting to U.S.$19 million for a power transmission project in Thailand.

The loan, to be granted to the state-owned Electricity Generating Authority of Thailand (EGAT), will finance the foreign exchange costs of EGAT's power transmission and substation expansion project, the first nation-wide transmission program to be undertaken by the power authority. The total cost of the project is estimated at $34.2 million.

The project aims at extending and improving transmission facilities in various regions of the country and will match EGAT's power generation program.

Included in the project are: extension of power transmission to the southeast, an area of high potential economic growth; new substations in the Bangkok metropolitan area; reinforcement of the sub-transmission system in central Thailand, and the expansion of the system in northeast and southern regions.

The four-year project calls for construction of 859 route kilometers of new transmission lines and ten new substations, extension of 23 existing substations, and improvements to the nation-wide transmission system.

Growth in consumption of electrical energy has averaged about 30 per cent a year in the last decade.

### Dominican Republic begins educational reform

The Dominican Republic will use a $4 million International Development Association (IDA) credit to begin a program of educational reform. Immediate objectives will be improving the quality and content of secondary education and expanding and improving primary teacher training colleges. The credit will cover the foreign exchange costs of the Government's $8.1 million program, scheduled for completion in mid-1975.

The initial phase of the program includes building two primary teacher training colleges and the expansion of three others, which will then graduate 950 teachers annually compared with the present 160. In addition, three lower secondary schools will be built and three secondary schools equipped. Currently they have a combined enrollment of 5,360. Six multilateral upper secondary schools, with an expected enrollment of 4,500, will be built.

Secondary education will now take the form of a four-year general program followed by a two-year program which will emphasize prevocational education in industrial arts, commerce and home economics. The practical courses will prepare graduates for direct employment.

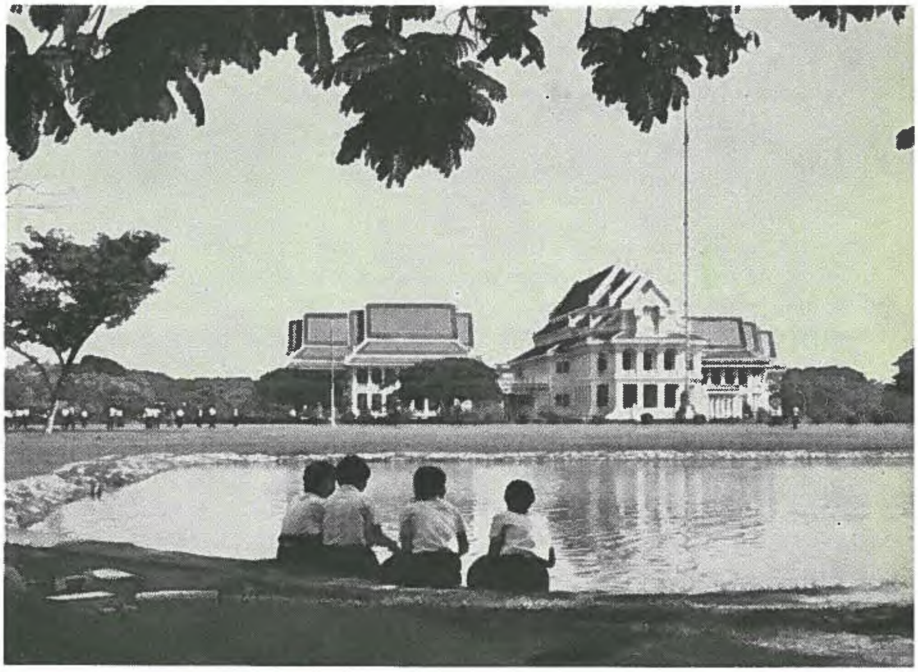
# Thailand Turns to Vocational Training

Thai industry wants trained workers; latest Development Plan gives high priority to building and equipping schools. Canadians selling educational equipment could find market here, with aid of alert agent.

DAVID G. RYAN
Assistant Commercial Secretary,
Bangkok

The Royal Thai Government has indicated that expenditures for education will be second only to those for agriculture during the third National Economic and Social Development Plan (1972-76). Education in Thailand is faced with keeping pace with a population explosion and the economic surge forward. Longer and more intensive courses, more schools, more equipment and teaching aids, more and better-qualified teachers consequently rank high among government priorities. The opportunities for Canadians to supply equipment were never better.

Schooling since 1921 has been compulsory for Thai children for at least four years; this has since been extended to seven years. Yet one-quarter of the population is illiterate because of the lack of rural schools and ineffective teaching.

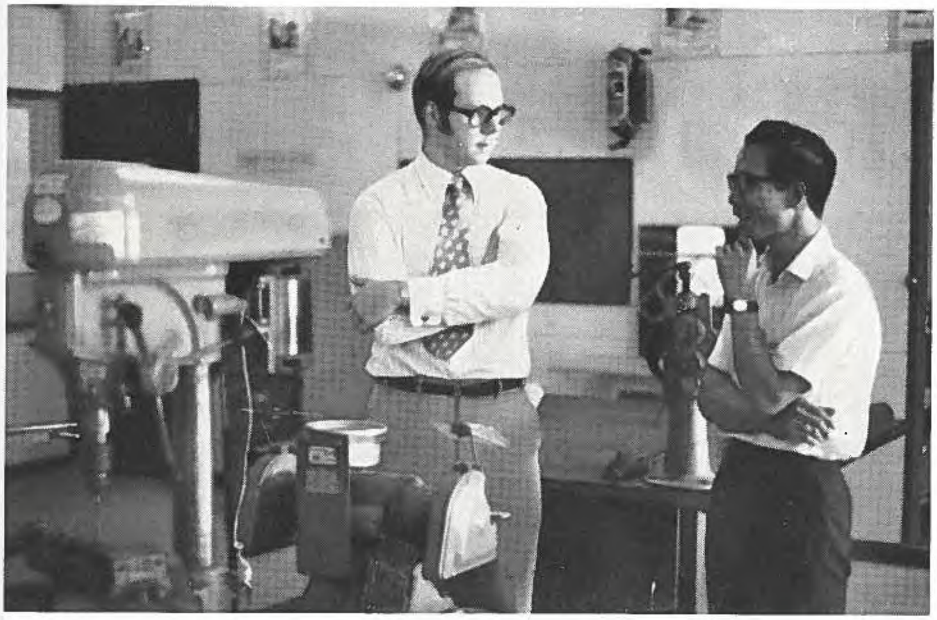


*Lucky students sit in front of Chulalongkorn University, the largest in the country. Less than half of the 30,000 students who qualify attend any of the eight universities, partly because of lack of space but also for economic reasons.*

A great effort must be made to increase the number of schools and improve the facilities for all types of education in the country. At present there are about 5.2 million children in primary schools and 400,000 in secondary schools, but this number increases by 4.2 per cent a year compared with a yearly population increase of 3.2 per cent. Projections indicate a primary and secondary school population of some 12 million by 1986.

In the past, over 80 per cent of the population derived its income from agriculture and little schooling was necessary. Farming involved manual labor and techniques were learned on the job. Agriculture contributed over 40 per cent to the gross domestic product in 1958 but this has now dropped to 28.8 per cent even though farming is becoming more and more mechanized. There has been a shift of production away from agriculture towards industrial production and services. The percentage contribution of these sectors to the GDP increased from 19 to 24.5 per cent and 39 to 41 per cent respectively from 1967-69 alone. Consequently, trained personnel, particularly technical graduates, are desperately needed to fill the demand from the industrial sector. The problem is compounded by the fact that in the past vocational training was given a low priority and few students elected such courses. As of 1968 there were only 56,000 students, or 14 per cent of the secondary school population, enrolled in vocational schools. Despite the fact that the Government now realizes the gravity of the situation and has made plans to remedy it, the most optimistic forecasts are that Thailand will not be able to supply more than 25 per cent of the needed technically trained labor force through 1986.

Of the present schools, most are cramped and grossly under-equipped. UNESCO states that only 11 per cent are adequately provided with technical educational aids and the Ministry of Education itself pointed out that in one of the provinces 161 of the 244 government primary schools did not even have toilet facilities for the students. At the senior level the situation is equally bad. Because of social and economic reasons as well as the lack of school space, only 9 per cent of students ever reach the secondary level and less than half of the 30,000 who qualify for one of the eight universities can be accepted.



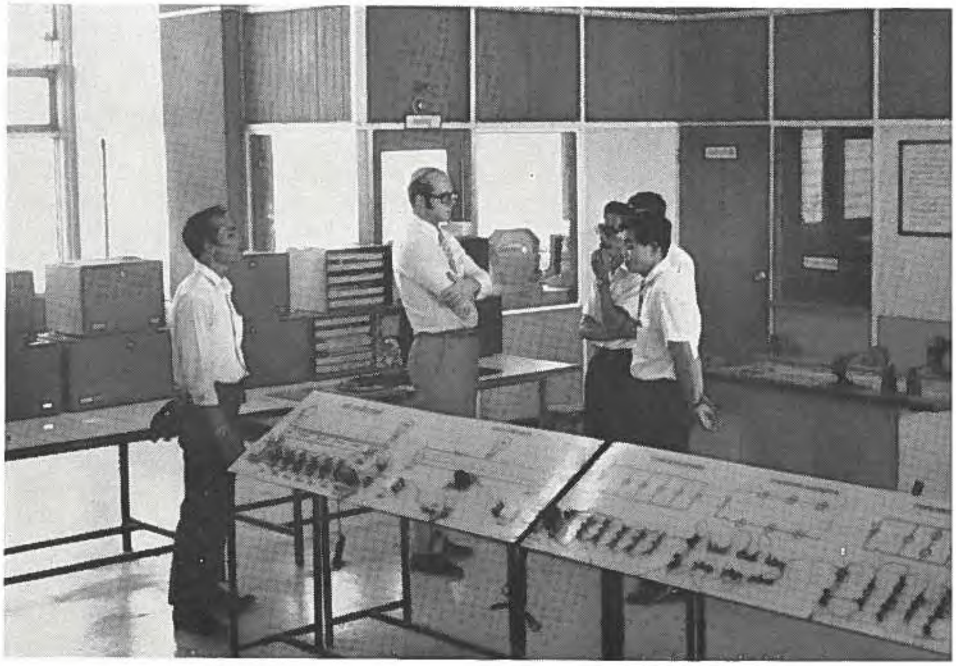
*David Ryan, author of this article, discusses the advantages of a piece of Canadian equipment with a teacher at a comprehensive school. Canada is providing technical advice and equipment for secondary schools combining technical and academic subjects.*

Obviously, new measures are essential to relieve the overcrowding and provide more qualified teachers and new equipment, and ambitious programs have been set forth in the latest Five Year Plan. Aside from encouraging the establishment of private secondary schools and colleges, the Government spent 17 per cent of the National Budget (or over $160 million) a year on education between 1966-69. A further $11 million was solicited in aid contributions over the same period. Spending will increase even faster as the programs in the Development Plan are instituted. Some 40 per cent of the plan's development budget and 20 per cent of the national budget will be allocated for this purpose. In addition, at least $4 million and perhaps as much as $8 million will be forthcoming in international aid for use in 1971-72.

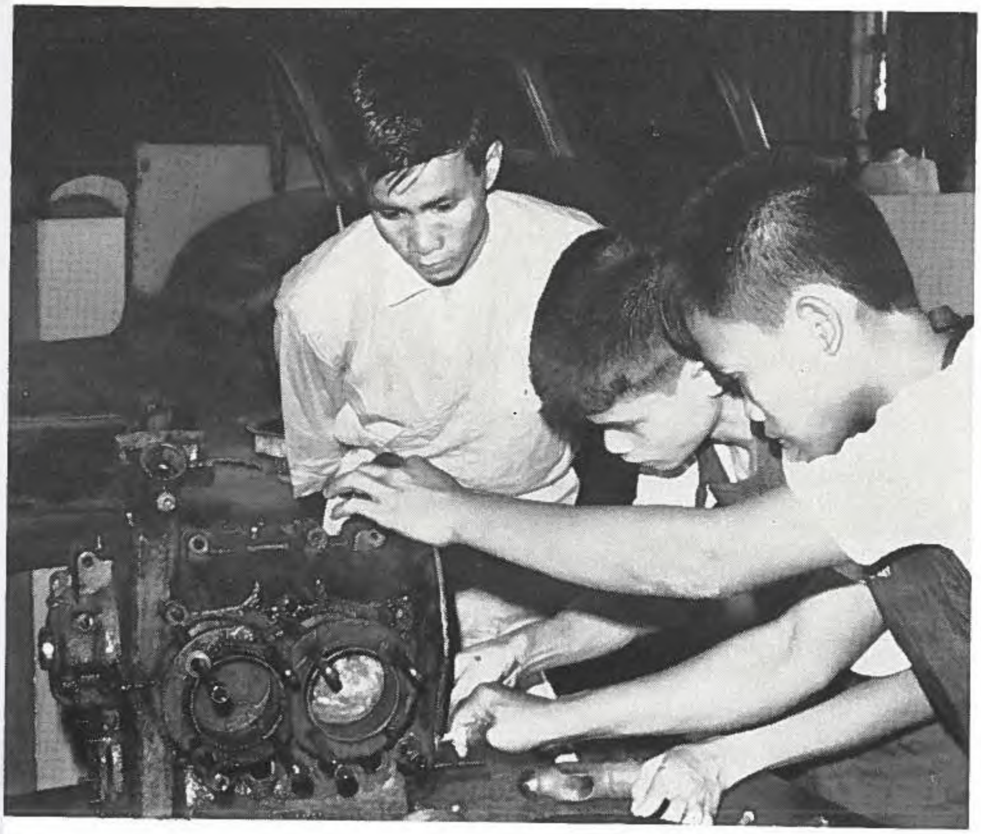
The central planning and implementing body is the Ministry of Education, which has responsibility for all primary and secondary schools. The Ministry is divided into eight departments, including elementary and adult education, vocational education, and secondary education. These departments have their own budgets and are responsible for purchasing all equipment for the schools that fall within their jurisdiction. (The universities are not under the Ministry of Education but rather the Prime Minister's Office; this gives them greater flexibility in budgeting and purchasing.) The private schools and colleges are subject to some control by the Ministry of Education in admission fees and course content, but most of these schools are self-supporting and relatively independent.

Canada has already expressed its interest in the development of education in Thailand through a CIDA-sponsored comprehensive school project. Initiated in 1967 in co-operation with the Department of Secondary Education, this project aims to replace gradually the regular academic secondary education program with a comprehensive system offering six years of secondary schooling, combining academic and commercial subjects with industrial arts. CIDA has provided a technical assistance team and an interest-free loan of $1 million for the purchase of equipment for the project. Purchases were made in Canada through the Canadian Commercial Corporation and the final shipments will be arriving shortly. The equipment purchased covered a wide range but metalworking machinery, electronic, power mechanics, woodworking and construction equipment accounted for the majority.

The demand for this type of equipment should continue as the program expands, and the Bank of Thailand is expected shortly to approve an appropriation of the equivalent of U.S.$1.5 million for the purchase of more equipment. These requirements should be put out to international tender some time this year and Canada



*School officials talk over the virtues of electrical training equipment with the author. Thailand has acquired a wide range of training equipment through a CIDA loan, and more will be purchased on international tender sometime later this year.*



*These students at Samsen School in Bangkok are obviously interested in mechanics. Until recently vocational training was neglected, and the country is now short of trained labor.*

should be able to get a good proportion of the business.

Although the comprehensive school project represents an important part of the program of the Department of Secondary Education, normal and expanded purchases of teaching and scientific equipment will be financed from its own budget.

The largest single purchaser of educational equipment in Thailand is the Department of Vocational Education, which has an annual budget of approximately $1 million for this purpose. The Department buys continuously throughout the year and the timing is not necessarily keyed to the academic year. Within the vocational field the department is concentrating on the mechanical, electrical and electronics sectors but also buys woodworking, metalworking, ceramic, and construction equipment. This department is also responsible for administering the World Bank-sponsored LIVE (Loan for Improvement of Vocational Education) series of tenders whereby a total of U.S. $6 million was provided for the purchase of vocational equipment. This program is near completion, but approximately $1 million remains for the acquisition of miscellaneous equipment. Tenders will be called in Bangkok over this year.

The universities are the next largest purchasers and do not lack funds for these. The equipment they buy varies considerably but they seek it particularly for courses in agriculture, medicine, teacher training and engineering.

There are also a large number of private secondary schools and some private colleges but these institutions by and large offer academic and commercial courses and generally are short of money.

The area offering the greatest potential for Canadian suppliers is vocational training equipment, especially sophisticated equipment with unique qualities. Electrical and electronics, refrigeration, power mechanics and perhaps even ceramics are all areas where Canadian equipment has good sales potential. There is also a demand for scientific equipment, language labs, audio-visual equipment, films and other teaching aids. The major competitor is Japan and smaller versions of industrial equipment, or products where cost of shipping is a significant part of the price, are at a disadvantage unless they have unique qualities.

The best, indeed the only, way a Canadian manufacturer or supplier can capitalize on the potential here is by appointing a local agent or representative. An agent is essential for almost all business dealings in Thailand and the educational field is no exception. All government purchases are made by tender and it is a long and intricate process, often delayed by red tape. The keen agent maintains close contacts with officials, learns about upcoming requirements, and can alert his principals long before the tender is called. This is vital because influence is frequently exerted and facility payments made at this stage, so that the tender specifications are drawn up in such a way that only one product can qualify. Thus the well-informed agent of a Canadian company can, with the full support of his principals, angle his sales approach to overcome the efforts of the competition.

Once the tender has been let, the agent will urge rapid acceptance of the specifications and conclusion of the agreement, expedite clearance through customs, and provide servicing. Canadian manufacturers must have faith in their agent because it is customary in tender business to quote only a net c.i.f. price and allow the agent to incorporate the cost of the "selling" services and of the bid bond. Direct bids in government tenders without the assistance of an agent are, without exception, rejected. The tender business will occupy most of the agent's time but additional direct sales to private schools and training centers can be generated by an alert and aggressive representative.

There is no lack of good agents to represent Canadian suppliers in the Thai educational market and this office can help manufacturers to locate one. We are planning a catalogue display with the purpose of alerting potential agents to Canadian capabilities and making government buyers aware of Canadian products. The educational field in Thailand is ripe and Canadian producers should act now to establish agencies if they wish to reap benefits.

# Canada Aids Malaysian Power Project

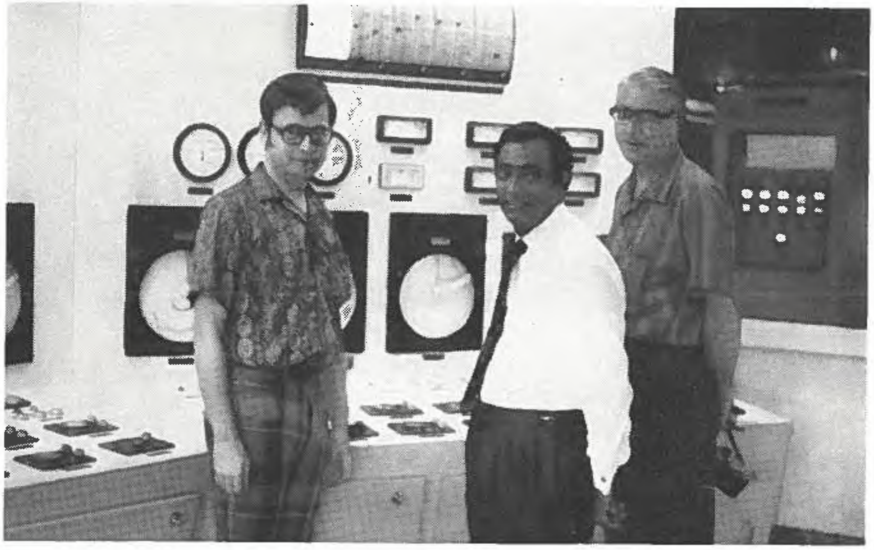
**A Canadian loan to help finance the huge Temengor hydroelectric power project, being designed and with construction supervised by a Canadian firm, will provide advantages for Canadian suppliers of earthmoving, generating and transmission equipment.**

HOWARD CUMMER, Assistant Commercial Secretary, Kuala Lumpur

The next few years will see a tremendous increase in the electric power generating capacity of Malaysia's National Electricity Board, which produces and controls more than 90 per cent of the electric power used in West Malaysia. In September 1949, electricity departments operated by the various Malay state governments were consolidated into the Central Electricity Board, which in turn became the National Electricity Board at the time of Merdeka (Independence) in 1957. At that time the NEB had a working capital of Cdn. $46 million and a total generating output of 136 megawatts. By the end of 1969, generating output had reached 660 megawatts and the Board's working capital had risen to $297 million.

Its major customers have changed too. In 1957 the demand for electricity came mainly from the mining industry; by 1969 commerce and manufacturing accounted for some 60 per cent of the power consumption and mining had declined to about 20 per cent. The NEB's power grid supplies the whole of West Malaysia, with the exception of Penang Island which has its own generating system. There is also a small private company in Perak State, the Perak River Hydro Electric Power Company. Perak Hydro operates under a concession granted by the NEB up to the year 2000, with options at periodic intervals for the Federal Government to buy out the company.

With the implementation of government economic policies to stimulate further industrial growth, the demand for power in West Malaysia is rising at between 8 to 10 per cent a year and is projected to continue at that rate until at least the end of this decade.



*D. Selvasingham, supervisor of the Tuanku Ja'afar power station, with Howard Cummer (left), author of this article, and Vern Tant, chief of the Electrical Division of the Department of Industry, Trade and Commerce. Mr. Tant made an extensive tour of Southeast Asia last November to explore opportunities for Canadians.*

The present load factor averages between 79 and 80 per cent of total generating capacity and is fairly constant throughout the year—just like the weather in Kuala Lumpur! (The Kuala Lumpur area, including the new industrial and residential town of Petaling Jaya, accounts for more than 50 per cent of the NEB's total load requirements.) But existing generating capacity will be unable to meet the demand after 1972 and the NEB is undertaking several expansion projects.

The first project is the Tuanku Ja'afar Power Station at Port Dickson, where there are now two 60 megawatt (thermal) units in operation. International tenders closed recently for two more 60 mw. units scheduled to be in service by 1973. Units 5, 6 and 7 (120 mw. each) are now being designed and should come on stream by 1976. The capacity of two other thermal stations, at Prai and Johore Bahru, are also being increased by 30 mw. each. The addition of Units 3 and 4 at Tuanku Ja'afar and Unit 3 at Prai were originally planned to meet the projected load growth of the western system up to 1974, but the demand for bulk supplies of power to the Perak River Hydro Electric Company and a greater-than-forecast load in the northern area of the NEB system mean that further additions to generating capacity will be required in 1973 and 1974. Units 5, 6 and 7 at Tuanku Ja'afar should meet this need and provide capacity to satisfy the load demands of the entire system up to 1978. Beyond 1978, further sources of power will have to be found and the NEB has turned to hydro as the most viable source. Roughly 30 per cent of NEB's total requirements are now supplied by hydro through a series of small stations in the Cameron Highlands and Batang Padang areas.

Canada has more than a passing interest in the National Electricity Board's current and future expansion plans. The original feasibility study for the Temengor Project, the huge hydroelectric scheme on the upper Perak River, was carried out by a team of Canadian engineers in 1965 under Canadian Colombo Plan aid. Following this study and further investigations, the decision was made to go ahead with the Temengor dam, 375 feet high by 1,600 feet long, creating a lake 50 miles long and holding almost a year's supply of water in storage to power a 260-megawatt (three machines of 87 mw.) hydro generating station.

The next major step in Canadian involvement was the announcement by Prime Minister Trudeau during his visit to Malaysia last May that Canada was making available Cdn. $50 million in a form of a 3 per cent loan to finance the offshore costs of the Temengor project.

The contract for the over-all design and construction supervision of Temengor went to a Canadian firm, Shawinigan Engineering Company Limited of Montreal. Construction of the civil works and supply of generating equipment for the project will be put out to international tender and the Canadian 3 per cent loan funds will be available to finance the offshore costs for them as well. This means that any Canadian firm which is at all competitive in the international market and which can meet the Canadian content rule attached to the loan funds will have the advantage of favorable financing terms to include with its quotation.

The civil works contract (dam, penstocks and four one-mile-long diversion tunnels) will be worth approximately Cdn. $25 million. A prequalifying list of international bidders will be prepared by late 1971 or early 1972 and tenders will be called in late 1972, with approximately six months allowed for submission of bids. Tenders will then be evaluated and contracts should be awarded in July or August 1973. The NEB estimates it will take approximately four years to complete the construction of the project. The civil works contractor will need an estimated Cdn. $10 million worth of construction and earthmoving equipment for this job, and it will be the contractor's responsibility to provide it. This could mean opportunities for Canadian motor graders and other small-to-medium-size earthmoving equipment, plus a wide variety of construction equipment for the penstocks and diversion tunnel work.

Tenders for the electrical and mechanical works will be called in July or August 1974. The value of the turbine-generators, transformers, gauging and mechanical equipment for power generation will be about Cdn. $6 million.

Increased electric power will not be the only gain from the Temengor project. The ancillary benefits of a construction project of this size in a relatively unpopulated region will also affect the economy of the immediate area and indeed the whole country. More than Cdn. $10 million will be spent for construction labor, approximately half of it for local unskilled labor, with obvious and important implications for the national economic policy, which is emphasizing the alleviation of rural unemployment. Potential irrigation and agricultural benefits are estimated at more than $100 million during the next 50 years and, as well, the Dam will provide excellent flood control for the Perak River valley, which has experienced bad floods about once in each century. Water storage in the reservoir will be sufficient to regulate the combined output of the NEB's other hydro stations to compensate for the considerable variation in daily output.

Associated with the construction activity on Temengor will be the completion of the East-West Highway, which in addition to providing access to the site, will open up remote areas for forestry and other resource development and offer the possibility of adding an east-west flow to the Malaysian power grid as well as the present north-south development.

A 94-mile, 275 kv. transmission line will be built to bring power from Temengor to the major consumers, but the NEB has not yet determined how this project will be handled. There are a number of alternatives, ranging from a complete turnkey project to a system of separate contracts for the transmission towers (supply and erection), cable, tower hardware, transformers and switchgear. Indications are that an outside consultant will be used but one has not yet been named. (The NEB is now building a 32kv. line from Fraser's Hill to Kuala Lumpur and is erecting the towers itself under contract.) Construction of the transmission line will probably start at the same time as the major civil works, in the latter part of 1974.

Being on the spot is, of course, important for a firm hoping to bid on any aspect of Temengor or the thermal expansion projects for the NEB, and can bring indirect and sometimes almost unexpected returns as well. Shawinigan Engineering, the Canadian firm with the big stake in Temengor, found that its services were also competitive at Port Dickson. As a result, Shawinigan is now supervising the civil works for Stage III of the Tuanku Ja'afar expansion. (The prime consultants are the British firm of Preece, Cardew and Rider.)

There will be separate contracts for supply and installation of each stage of the electrical and mechanical works at Port Dickson (Tuanku Ja'afar): boilers and generators; instrumentation and control; pipe work, valves and tanks; cranes; feed water pumps and motors; water treatment; chlorination; transformers (auxiliary); switchgear (auxiliary); main generating transformers and main transmission transformers; isolated phase and cathodic protection; transmission switchgear, and transmission lines (two 75kv. and one 32kv). Equipment will be purchased by international tender, with financing by the World Bank or bilateral sources where available.

We already hear the next few years in West Malaysia being referred to as the "Temengor Era". Any Canadian firms interested in further information on opportunities that will be opening up with this exciting project, or on the Tuanku Ja'afar expansion, should get in touch with the Commercial Division of the Canadian High Commission in Kuala Lumpur, or with the Electrical and Electronics Branch, Department of Industry, Trade and Commerce, Ottawa.

# Assessing Forest Resources in the Isthmus

ARNOLDO GALVEZ MORAN
Assistant Commercial Officer
Guatemala City

Panama and all the Central American countries, with the exception of El Salvador, have large forest areas. But how useful these areas are commercially is debatable. Many of the various species of indigenous trees are, at least at present, not marketable abroad because they are unknown to the international market.

Apart from Honduras, there has been a conspicuous lack in all countries of any forest conservation and management policy. Cutting has been uncontrolled and erosion is already taking its toll. Many areas contain exploitable quantities of timber, but access is limited and the terrain in many places is mountainous. The climate adds to the difficulties.

All the Isthmus countries, however, are now undertaking development studies for the rational and intelligent exploitation of their forest resources and, as plans resulting from these studies are implemented, opportunities will open up for Canadian knowhow and Canadian equipment. It may not be too early for manufacturers to indicate their interest by appointing agents and so being ready for developments.

Here is a brief account of the situation in each country.

**Guatemala**—Approximately 53 per cent of the land area of 42,042 square miles is forested, but density per acre is low. A recent study under FAO auspices shows that only 21 per cent of the estimated timber volume in three of the best areas in the country is of commercial value. Exploitable areas have few access roads, and rainfall cuts down the average 150 working days per year found in other Central American countries to only 100 days.

In the Peten area in the northeast, mahogany and cedar are being cut selectively by FYDEP, the government development authority responsible.

Exports of fine woods declined from U.S.$1,672,500 in 1964 to U.S.$840,300 in 1969.

**El Salvador**—This is the one country in Central America with no commercial forest resources at present, because of its small area and dense population. But with a requested UNDP loan, the Government hopes to set up a project to plan and demonstrate modern practices in forest development, conservation and management, particularly to help to integrate the rural population of the northern mountain zones into a mixed agro-forest economy. Experts and consulting services will be needed.

**Honduras**—There are large forest resources, including pine and hardwood, in this country of 43,227 square miles. The COPINO pulp, paper and timber complex being developed with the help of ADELA will include a sawmill and a linerboard plant with a yearly capacity of 170,000 tons (for Central American consumption). Total investment is estimated at about U.S.$72 million, $15 million of which will come from the Government. There should be opportunities for Canadian companies, but the terrain is mountainous and difficult, and there are few access roads. The Government is creating new forestry legislation and a new forestry agency.

**Nicaragua**—Forest resources include approximately 4.5 million cubic meters of pine. A $2.5 million study on investment opportunities in the northeastern pine forests is due to begin soon. Subcontracts valued at $275,000 will be let for feasibility studies of alternative mill sites, infrastructure surveys, and shipping studies for an industrial preinvestment survey, aerial photography study, and wood and water analysis investigations. Reforestation programs are expected in the Puerto Cabezas area in the northeast.

**Costa Rica**—The land area is 19,690 square miles, of which about 23 per cent is forested. About 82 per cent of this forest area is owned at least nominally by the state. As in Guatemala, most of the 1,200 or so species of trees are not exportable because they are not known internationally. Most of the timber produced is used for housing, fuel and charcoal. More wood products are imported (mainly railway ties from Honduras) than are exported. Forest fires are frequent and destructive. Reforestation with cypress and alder in water catchments and highland pastures has made some progress.

**Panama**—The land area is 29,201 square miles, and 74 per cent of it is forested (an estimated one billion cubic meters). A project financed by the UNDP and carried out by FAO is under way to evaluate and plan exploitation of forestry resources, but results of the study may not be known until 1975 or 1976.

## Film on Exporting Ready

"A Pleasant Duty", a color and sound film on exporting produced by the National Film Board for the Department of Industry, Trade and Commerce, has just been released. It runs for 41 minutes and covers the activities of two companies that have achieved success in export markets. One of these firms is selling a consumer product, mainly in the United States, and the other is marketing specialized industrial equipment in many countries, including those of Western and Eastern Europe.

Copies of this film for showing at export seminars or to other interested groups can be obtained from the Publicity Branch, Department of Industry, Trade and Commerce, Ottawa, or from any of the Department's Regional Offices in Canada.

# FAO Sets Up Co-operative Programs

To stimulate investment, private and public, in developing countries, FAO has established an Investment Center and set up an FAO/Industry Co-operative Program.

J. E. MONTGOMERY
Commercial Counsellor, Rome

*The impressive headquarters of the Food and Agriculture Organization in the heart of old Rome. The smaller part of the building, at the left, holds the conference halls, library and the radio studios. The building is faced with travertine marble and is rented to the FAO for one dollar a year by the Italian Government.*

Canadian consultants and businessmen are well aware that FAO, as a specialized agency of the United Nations, is an executing body for projects of the United Nations Development Program (UNDP), mainly feasibility pre-investment studies in the fields of agriculture, forestry and fisheries.

Canadian industry may be less aware that FAO has begun an action program to put to use the feasibility studies that have been prepared and to encourage direct investment in the developing countries. For this purpose, it has organized an investment center to foster co-operation between FAO and the World Bank, Regional Banks, bilateral aid organizations, and private banks, and has also set up a separate FAO/Industry Co-operative Program.

FAO works closely with the World Bank under a co-operative agreement signed in 1964. The World Bank, in its efforts to increase loans for agricultural development, found that it lacked well-conceived projects. But to identify and formulate projects it could sponsor in developing countries, it would have had to duplicate many of the services and the expertise built up by FAO over many years. The IBRD therefore decided to enter into a co-operation agreement with FAO, under which it could draw on FAO expertise. This arrangement was a good one from FAO's point of view because it was already involved in UNDP feasibility studies and wanted to see these oriented towards productive investment. These studies it had undertaken over a period of years but many of them had not been followed up, either because the reports were not sufficiently detailed or financing was not obtainable.

At the stage now reached, when a developing country requests an investment oriented towards agriculture, forestry or fisheries, the FAO/IBRD co-operative program is ready to go into action. FAO staff, in co-operation with their World Bank colleagues, participate in the missions that visit countries requesting assistance to identify projects precisely, evaluate their potential, formulate the investment programs, and advise on their execution. FAO staff also participate frequently in other World Bank missions when there are major agricultural, forestry or fisheries sectors involved.

An example of this program was a loan of U.S. $16.7 million for financing the first phase of a livestock development project in Colombia. The program was formulated by a mission organized by the FAO/IBRD co-operative group. It was conceived as a pilot project. The loan covered the first three years of the project and the accent was on beef and dairy cattle and sheep. It included work of different types: land clearing, fencing, water supplies, barns, pasture improvement and up-grading breeding techniques. About 900 ranches, 250 dairy farms and 35 sheep-raisers participated in the project. It was organized and administered by the Caja de Credito Agraria, Industrial y Minero, an autonomous Colombian credit institution. The bank loan covered 60 per cent of the total cost for three years, the Caja de Credito furnished 22 per cent, and the remainder was assumed by the farmers and their co-operatives.

The FAO/IBRD program has also helped to provide agricultural credit in Tanzania, loans to agricultural co-operatives in Tunisia, cereals storage in Pakistan, farm road construction in Iran, and colonization of Crown lands in Trinidad.

FAO has also initiated a co-operation agreement with private banks. Six international banks will consider financing agricultural development projects suggested by FAO. The founding members of this group are Bankers Trust, Chase Manhattan, Wells Fargo, Barclay's Bank DCO, Westminster Bank and Skandinawska Bank, and the program is designed to finance purely agricultural ventures which have been overlooked.

The first project is already under way in Kenya. Barclay's DCO is contributing U.S. $2.5 million to a revolving fund to finance the purchase of feeder livestock and the cost of fattening them for market. It is estimated that African ranchers could realize a gross margin of 20 per cent on the operation, even after paying normal commercial interest rates.

The FAO Investment Center is also interested in assisting bilateral aid programs supporting private investment in developing countries. For example, the bilateral aid agency of an FAO member country might establish a trust fund with FAO, under which the latter would provide technical assistance and advice to a private firm in a member country that wishes to invest in a developing country.

Of particular interest to Canadian industry is the FAO/Industry Co-operative Program. Starting with 18 member companies in 1965, the program now has a blue-ribbon membership of 89 international companies such as Bowater Paper, Alfa Laval of Sweden, East Asiatic Company of Copenhagen, Shell and Unilever. To date only three Canadian firms have become members—Massey Ferguson, MacMillan Bloedel, and the House of Seagram.

How does it work? A typical example is a recent request from Brazil for a forest industry development study. Before going ahead with the study, FAO contacted three firms with Brazilian experience—ITT, the British Match Corporation and the East Asiatic Company.

The three firms commented on what they felt the study must determine to ensure the production of a worthwhile pre-investment report. When it is completed, they or other members of the FAO/Industry Co-operative Program will then be asked whether they want to make any direct investment in Brazil, based on the opportunities identified by the study.

In some projects the risks are high because they involve new techniques. Tate and Lyle is undertaking such a venture in Cyprus. It is working on a pilot plant to test the feasibility of producing microbial protein from carob beans, initially for animal feed. Financing was arranged by Tate and Lyle, the UNDP, and the Government of Cyprus. Tate and Lyle is contributing its knowhow and will own any technical processes it develops.

The FAO/Industry Co-operative Program has also been involved in assisting the Oltremare Company of Bologna (which developed a new technique for processing cashew nuts), an H. J. Heinz tomato-paste plant in Turkey, and a proposed paper mill for Turkey. It is now studying recommendations for private industry involvement in developing countries put forward at the World Food Congress in The Hague. These will be discussed by member companies of the program at its spring meeting this year.

All this shows that FAO is tailoring its studies to the possibility of productive investment in developing countries. Its formula for financing these investments is to put together "flexible" packages.

Canadian industries and banks interested in expanding their operations to developing countries might take a close look at what the FAO Investment Center has to offer. The Commercial Division of the Canadian Embassy in Rome will be happy to assist Canadian industries and banks in making contact with the FAO Investment Center and the FAO/Industry Co-operative Program.

## Harbor Improvement in Tobago

The Government of Trinidad and Tobago announced recently that work on developing Scarborough Harbor will begin this year with the construction of a new 350-foot wharf, dredged to a depth of 15 feet at low water. Steel for the project is already on site. Other work includes dredging and reclamation (Cdn.$100,000) and erection of cold storage facilities (Cdn. $105,000)

The over-all plan for the harbor is designed to meet future cargo handling requirements of Tobago for at least the next 20 years, and is in harmony with the development plan for Scarborough, the principal town in Tobago.

Long-term requirements for the plan and estimated costs in Canadian dollars are:

(a) 350-foot berth extension and the construction of two roll-on/roll-off berths, $200,000.

(b) 600-foot berth extension, $325,000.

(c) Construction of approximately 280 feet of breakwater, $100,000.

(d) Reclamation, dredging and coast protection, $200,000.

(e) Construction of transit shed, cold storage and offices, $400,000.

(f) 530 feet of pleasure craft berth, $225,000.

(g) Construction of tourist terminal $75,000.

# Trade Lines

**Soviet machinery for Iraq**

The Iraqi Ministry of Agrarian Reform recently concluded a $20 million loan agreement with the Tractor-export Organization of the U.S.S.R. for supplying farm machinery and vocational training centers—Beirut

**New banks open in Bermuda**

A third foreign bank has recently been opened in Hamilton, Bermuda. The Union Bank of Switzerland has established a wholly-owned subsidiary with a share capital of $2 million. Its principal business will be the underwriting of international security issues, primarily in the Euromarket. It will not do business locally.

In the last three years, the Bermuda National Bank Limited, which is 40 per cent owned by the Bank of Nova Scotia, and the Bermuda Provident Bank Limited, 40 per cent owned by Barclays Bank, have opened in Hamilton. Bermuda law requires that a bank wishing to do business in the Colony may have no more than 40 per cent foreign ownership—New York

**Jamaican firm to manufacture aluminum telephone cable**

Caribbean Telephone Cables Ltd., a joint venture of British Insulated Callender's Cables Ltd. of Britain and Continental Telephone Corporation of the United States, will build a factory in Jamaica to manufacture aluminum telephone cables. The aluminum conductor multi-pair cable will replace the traditionally used copper cable in the local telephone service. The new-type cable will be exported throughout the Caribbean. The factory is expected to begin production in June 1972—Kingston

**Mexico to grow more corn and wheat**

Mexico plans to increase production of corn and wheat between 1971 and 1975. According to officials of the Ministry of Agriculture, corn production will rise from the 1970 estimate of 8.8 million metric tons to at least 10.2 million. Wheat production will rise from 2.7 million to about 3.3 million metric tons. Production of other crops, such as beans and alfalfa, will also increase—Mexico, D.F.

**Value of Dutch exports of livestock and meat increase**

Exports of livestock and meat from the Netherlands in 1969 totalled Cdn. $538.2 million, compared with Cdn. $455.7 million in 1968 and Cdn. $367.9 million in 1967. As in 1968, the increase in the over-all value of exports was largely the result of an upswing in sales of pork and pigs for slaughter. In 1969 some 1.4 million live or slaughtered pigs were sold abroad, as against 1.2 million in 1968. The most important export in the cattle sector was that of fatty veal; exports in 1969 increased by 12,000 tons (18 per cent). The most important markets were Italy and the German Federal Republic, followed by France. The major customer for meat products and preserves was the United States—The Hague

**Bahrain gets first aluminum smelter**

The aluminum smelter in Bahrain, with an annual capacity of 90,000 tons, is expected to begin operations this year and to attain full production by 1972. The Cdn. $12.5 million project is being undertaken by a consortium of British, Swedish, French, and United States companies and the Government of Bahrain. The Government is encouraging secondary aluminum industries to locate there, such as those making window and door frames, aluminum paint and powder, and cooking utensils. A number of Bahraini businessmen are interested in co-operating in joint ventures in these fields—Beirut

**Mexican paper manufacturer increases production**

Mexico's largest paper manufacturer, Companias de las Fabricas de Papel de San Rafael y Anexas, recently unveiled plans for an investment of Cdn.$68.5 million in expanding its own and the facilities of its affiliates over the next several years. Plans include installation of a machine with a 21,000-ton annual capacity for producing coated papers, new plant construction in Guerrero and Michoacan to manufacture 160,000 tons of cellulose a year, and a specialty papers machine to produce 7,000 tons a year. The company estimates this year's paper production at about 115,000 tons—Mexico, D. F.

**Foreign investors help Singapore's industry**

During the last decade about Cdn.$441.8 million in foreign capital has been invested in Singapore. It came mainly from Britain, the United States, Hong Kong, Japan, Taiwan and Australia. There are now more than 1,700 factories in Singapore compared with 500 in 1959. West Germany and other European countries have recently shown interest in investing here. The Economic Development Board of Singapore assists investors to locate suitable factory sites, provides technical advice and service plus information on economic conditions, and government incentives such as pioneer status, tariff protection and export benefits—Singapore

**Singapore imports a variety of meats**

Singapore annually imports about Cdn.$130.9 million worth of fresh, chilled or frozen meats, mainly from Australia, Denmark, the Netherlands, New Zealand and the United States. In 1969 imports from Australia of beef and veal amounted to Cdn.$2.68 million out of a $5.1 million total. Denmark was the largest supplier of pork and poultry meat, (Cdn.$1 million and $1.6 million worth respectively). Principal suppliers of the Cdn. $1.7 million worth of mutton imported were Australia, New Zealand, Britain and West Malaysia—Singapore

**Singapore expands its port facilities**

The Singapore Port Authority will spend more than Cdn.$32.7 million this year in developing and improving its facilities. The budget sets aside Cdn.$18.89 million for major port development projects, the largest being the construction of the East Lagoon container terminal. Port enhancement projects will take up Cdn. $3.46 million and $5.76 million will be spent on improving the operation of the port in such areas as operational buildings, roads, electrical installations and communications, wharf, mechanical and ancillary equipment and craft. Housing and welfare projects will amount to Cdn.$1.3 million. The 1971 budget is just about double that for 1970, when an all-time record of 38,079 ships transporting 148.4 million tons called at Singapore—Singapore

**Cominco involved in Greenland**

Cominco Ltd., a Canadian company holding the controlling interest in Vestgron Mines, Ltd., which in turn controls Greenex A.S., a Danish mining company, has signed an agreement with the Danish Government giving Greenex sole rights to prospect and mine for silver, lead and zinc in the Black Angel mountain area near Umanak in Greenland. Greenex will begin preliminary investigations this summer. The quantity of ore is estimated at 2.5 million tons, containing 26 grams of silver, 4.3 kilos of lead and 183 kilos of zinc per ton—Copenhagen

**Steelworks built in Belgium**

An electric steelwork plant has been built at Genk, in the province of Limbourg, Belgium, by Allegheny-Longdoz, S.A. The plant, of the ASEA-SKF type, has an arc furnace and a vacuum gas-extraction and decarbonizing unit; it will send ingots produced to the S. A. Cockerill plant near Liege for hot rolling. The hot-formed coils will then be shipped back for the cold-rolling and finishing processes. With the new steelworks, which represents an investment of approximately Cdn. $9.2 million, Allegheny-Longdoz has become a completely integrated producer of stainless steel—Brussels

**Peru grants car manufacturing rights**

Five companies have been granted sole rights to manufacture automobiles in Peru. The companies are: Toyota del Peru, Nissan Motor del Peru (Datsun), Motor Peru (Volkswagen), Chrysler Peru S.A., and Industria Automotriz del Peru S.A. (Rambler and Renault). Volvo del Peru S.A. has been granted the concession for the assembly of heavy trucks and buses. Official contracts have already been signed with Toyota, Nissan and Chrysler—Lima

**Thailand invests in pulp plant**

A $16.5 million plant to produce 33,000 tons of paper pulp annually from bleached kenaf is to be set up in Thailand. It is said to be the first plant in the world to produce kenaf pulp for industrial use. Almost $9 million will be spent in buying machinery and equipment, including digester, washing and screening, bleaching and drying and baling plants. By the time the project is in operation, domestic demand for pulp will approximate 75,000 tons a year. It has been made clear that import duties on this commodity will not be increased —Bangkok

**Switzerland ships uranium to Belgium**

The eight-megawatt experimental power reactor at Lucens, near Lausanne, which went critical for the first time on December 29, 1966, and generated power during 1968 was closed down in January 1969 after an accident in which one fuel assembly was damaged extensively. The reactor used slightly enriched metallic uranium. It has 2,044 fuel rods, or 28 rods per fuel element. Of these rods, 350 have now been shipped to the Centre Europeen de Retraitement de Combustibles Nucleaires at Mol, Belgium. The remaining fuel rods will also be sent to Mol—Berne

## Foreign Tariffs and Trade Regulations

**Guyana**

The Comptroller of Customs and Excise has recently informed our Trade Commissioner that he will accept bills of lading from trucking companies as supporting evidence of origin in instances where goods are conveyed from Canada to United States ports by truck for shipment to Guyana.

**Republic of Ireland**

Licences will be granted to established local onion importers and to substantial purchasers of onions for the import of limited quantities of raw onions during the period March 29, 1971, to May 15, 1971. Local importers must apply to the Secretary, Department of Agriculture and Fisheries, Section 4, Dublin 2, indicating the quantities desired and country of origin—Dublin

# Export Opportunities

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

**Crab and Salmon**

CANARY ISLANDS—Las Palmas firm wishes to receive quotes from Canadian suppliers of canned red crab, sockeye salmon and pink salmon. Labels on cans must bear Spanish translation of description of contents and ingredients, and net weight in metric system. Contact: Vicente Palazon Gonsalvez, Director of Commercia y Agencias, Juan Rejon 65, Las Palmas.

**Structural Steel, Reinforcing Rods, Hardware**

GUYANA—Neil Chan, General Manager, External Trade Bureau, is taking over control of imports of hardware and building materials in April. He would like to receive quotations on all types of structural steel, reinforcing rods and hardware from Canadian suppliers. Quotations should be sent to Mr. Chan at the External Trade Bureau, Water Street, Georgetown, Guyana.

**Water Meters**

COLOMBIA—Tender number 98-OP-1C has been issued by Empresa de Acueducto & Alcantarillado de Bogota for the supply of 40,000 water meters, 12.7 mm. diameter (equivalent to ½ inch) with alternatives of speed type of one stream, and multiple stream and volumetric type. Closing date is May 17, 1971, at 4 p.m. Tender documents cost 500 pesetas (approximately $26), and can be obtained from the Commercial Counsellor in Bogota. Contact: Commercial Counsellor, Canadian Embassy, Apartado Aereo 53531/2, Calle 58 No. 10-42, Bogota, Colombia; telex: 044568 (DOMCAN BOG); cable: Canadian.

**Waterproof Work Clothing**

BOLIVIA—La Paz firm wants quotes on 1,000 yellow waterproof hat, coat and trouser sets in quantities of 400 size 38, 400 size 40 and 200 size 42. These sets are for construction workers and should be made of light material, with glued and vulcanized seams, double protection over shoulders and upper back. Trousers must have adjustable suspenders riveted at joints. Firm also wants quotes on yellow waterproof clothing for miners for both underground and surface use, and on waterproof oil-resistant clothing for petroleum workers. Quotes should include prices f.o.b. and c.i.f. Matarani (Peru). If direct credit is extended, it should be irrevocable letter of credit or bank guarantee. Contact: Farid Bakir, General Manager, Tai-American Corp., (Bolivia) Ltd., P.O. Box 2541, La Paz. Copies of initial correspondence should be sent to Commercial Secretary, Canadian Embassy, Casilla 1212, Edificio El Pacifico, Corner Avenida Arequipa and Plaza Washington, Lima, Peru.

# 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.

**Brazil**

P. A. Théberge, Consul and Trade Commissioner in Sao Paulo, will visit the states of Parana, Santa Catarina and Rio Grande do Sul early in May.

**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.

**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.

**Finland**

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

**South Africa**

P. W. Belanger, Assistant Trade Commissioner in Cape Town, will visit the Port Elizabeth and East London area April 19-27.

**South Korea**

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

**Turkey**

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

# Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their banks before making any firm commitments. When more than one rate is shown, the one to be used depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

The mid market rates only are quoted, except when buying and selling rates are specified. The buying rate is that at which banks purchase exchange from exporters; the selling rate is that at which banks sell exchange to importers.

Rates used exclusively in non-merchandise trading are *not* included in this table.

**For conversion of column one to the U.S. dollar equivalent *multiply* by .99.**

**To convert column two, *divide* by .99.**

| Country and Currency | Value of foreign currency unit in Canadian dollars at March 25 | Value of Canadian dollar in foreign currency units |
|---|---|---|
| **Algeria** | | |
| Dinar | .2053 | 4.87 |
| **Argentina** | | |
| Peso (free) | .2512 | 3.96 |
| **Australia** | | |
| Dollar | 1.1365 | .88 |
| **Austria** | | |
| Schilling | .0389 | 25.68 |
| **Bahamas** | | |
| Dollar | 1.0069 | .99 |
| **Beligium and Luxembourg** | | |
| Franc | .0203 | 49.26 |
| **Bermuda** | | |
| Dollar | 1.0069 | .99 |
| **Bolivia** | | |
| Peso | .0845 | 11.83 |
| **Brazil** | | |
| Cruzeiro (official free) | .1976 | 5.06 |
| **Britain** | | |
| Pound | 2.4354 | .41 |
| **British Honduras** | | |
| Dollar | .6078 | 1.64 |
| **Burma** | | |
| Kyat | .2114 | 4.73 |
| **Ceylon** | | |
| Rupee | .1692 | 5.91 |
| **Chile** | | |
| Escudo (bank rate) | .0851 | 11.75 |
| (free) | .0702 | 14.25 |
| **China, People's Republic of** | | |
| Renminbi | .4125 | 2.42 |
| **Colombia** | | |
| Peso (fixed) | .0517 | 19.34 |
| **Congo (Kinshasa)** | | |
| Zaire | 2.144 | .46 |
| **Costa Rica** | | |
| Colon | .1520 | 6.58 |
| **Cuba**[1] | | |
| Peso | ........ | ........ |
| **Czechoslovakia** | | |
| Koruna | .1398 | 7.15 |
| **Denmark** | | |
| Krone | .1346 | 7.43 |
| **Dominican Republic** | | |
| Peso | 1.0069 | .99 |
| **Ecuador** | | |
| Sucre (official) | .0403 | 24.81 |
| **El Salvador** | | |
| Colon | .4028 | 2.48 |
| **Fiji** | | |
| Dollar | 1.1623 | .86 |
| **Finland** | | |
| Markka | .2397 | 4.17 |
| **France, Monaco, etc.**[2] | | |
| Franc | .1825 | 5.48 |
| **Franco-African Republics**[3] | | |
| Franc | .0036 | 277.78 |
| **French Pacific**[4] | | |
| Franc | .0100 | 100.0 |
| **Germany** | | |
| D Mark | .2773 | 3.61 |
| **Ghana** | | |
| New Cedi | .9867 | 1.01 |
| **Greece** | | |
| Drachma | .0335 | 29.85 |
| **Guatemala** | | |
| Quetzal | 1.0069 | .99 |
| **Guyana** | | |
| Dollar | .5884 | 1.69 |
| **Haiti** | | |
| Gourde | .2014 | 4.97 |
| **Honduras** | | |
| Lempira | .5034 | 1.99 |
| **Hong Kong** | | |
| Dollar | .1661 | 6.02 |
| **Hungary** | | |
| Forint (official) | .0921 | 10.85 |
| **Iceland** | | |
| Krona (official) | .0114 | 87.72 |
| **India** | | |
| Rupee | .1347 | 7.42 |
| **Indonesia**[5] | | |
| Rupiah | .0027 | 374.22 |
| **Iran** | | |
| Rial | .0131 | 76.41 |

| Country and Currency | Value of foreign currency unit in Canadian dollars at March 25 | Value of Canadian dollar in foreign currency units | Country and Currency | Value of foreign currency unit in Canadian dollars at March 25 | Value of Canadian dollar in foreign currency units |
|---|---|---|---|---|---|
| **Iraq** Dinar | 2.8193 | .35 | **Peru** Sol (free) | .0232 | 43.08 |
| **Ireland** Pound | 2.4354 | .41 | **Philippines**[6] Peso (free) | .1568 | 6.38 |
| **Israel** Pound | .2877 | 3.48 | **Poland** Zloty (fixed basic rate) | .2537 | 4.01 |
| **Italy** Lira | .0016 | 617.66 | **Portugal & Colonies**[7] Escudo | .0350 | 28.53 |
| **Jamaica** Dollar | 1.2177 | .82 | **Saudi Arabia** Riyal | .2062 | 4.84 |
| **Japan** Yen | .0028 | 354.73 | **Sierra Leone** Leone | 1.508 | .66 |
| **Kenya** Shilling | .1412 | 7.08 | **Singapore** Dollar | .3273 | 3.05 |
| **Korea, Republic of** Won | .0032 | 317.08 | **South Africa** Rand | 1.4225 | .70 |
| **Lebanon** Pound (free) | .3121 | 3.20 | **Spain & Dependencies** Peseta | .0145 | 68.97 |
| **Malaysia** Dollar | .3289 | 3.04 | **Sweden** Krona | .1951 | 5.13 |
| **Mexico** Peso | .0805 | 12.42 | **Switzerland** Franc | .2344 | 4.27 |
| **Morocco** Dirham | .2023 | 4.94 | **Syria** Pound (free) | .2819 | 3.55 |
| **Netherlands** Florin | .2801 | 3.57 | **Thailand** Baht (free) | .0488 | 20.49 |
| **Netherlands Antilles** Florin | .5339 | 1.87 | **Trinidad & Tobago**[8] Dollar | .5034 | 1.99 |
| **New Zealand** Dollar | 1.1398 | .87 | **Tunisia** Dinar | 1.9179 | .52 |
| **Nicaragua** Cordoba | .1438 | 6.95 | **Turkey** Lira | .0671 | 14.90 |
| **Nigeria** Pound | 2.8376 | .35 | **United Arab Republic** Pound (official) | 2.3158 | .43 |
| **Norway** Krone | .1411 | 7.09 | **United States** Dollar | 1.0069 | .99 |
| **Pakistan** Rupee | .2114 | 4.73 | **Uruguay** Peso (free) | .0040 | 248.13 |
| **Panama** Balboa | 1.0069 | .99 | **Venezuela** Bolivar (official free) | .2242 | 4.46 |
| **Paraguay** Guarani (free) | .0081 | 123.46 | **Yugoslavia** Dinar (official) | .0671 | 14.90 |

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

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

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

4. New Caledonia, New Hebrides, French Polynesia.

5. Exchange rate at December 9, 1970.

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

7. Approximately same rate for Portuguese territories in Africa.

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

# Assistant Trade Commissioners Posted

The ten members of the 1970-71 group of Assistant Trade Commissioners, who have completed a number of months of training, including tours of Canadian industry, have now received their postings. They will depart from Canada to take up their assignments during the spring and early summer.

**Brian E. Baker**

**Third Secretary**
**Permanent Mission of Canada to the U.N.**
**New York, N.Y.**

Born in Toronto, Ont.; educated at University of Toronto, B.Sc.F. 1965; University of New York State, M.S. 1968.

**David F. Cooper**

**Assistant Commercial Secretary**
**Tehran, Iran**

Born in Toronto, Ont.; educated at University of Toronto, B.Comm. 1970.

**Robert W. Craig**

**Assistant Commercial Secretary**
**Brussels, Belgium**

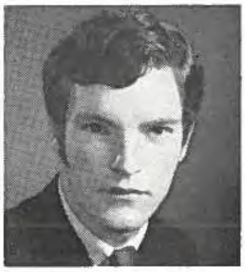
Born in Calgary, Alta.; educated at Royal Military College, certificate 1961; University of Alberta, B.Sc. (EE) 1963; Queen's University, M.B.A. 1970.

**Paul S. Dingledine**

**Assistant Commercial Secretary**
**Port-of-Spain, Trinidad**

Born in Hamilton, Ont.; educated at McMaster University, B.A. 1967, M.B.A. 1969.

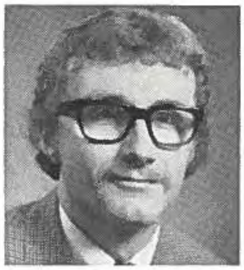
**W. David Hutton**



**Assistant Commercial Secretary**
**Kingston, Jamaica**

Born in Vancouver, B.C.; educated at University of British Columbia, B.A. 1967; Queen's University, M.B.A. 1970.

**Donald P. McLennan**



**Assistant Trade Commissioner**
**Hong Kong**

Born in Ottawa, Ont.; educated at Laval University, B.Sc. (Hon.) 1968; University of Alberta, M.B.A. 1970.

**Ronald J. McLeod**

**Assistant Commercial Secretary**
**Sydney, Australia**

Born in Winnipeg, Man.; educated at University of Manitoba, B.Sc. 1968.

**M. Waine McQuinn**

**Assistant Commercial Secretary**
**Abidjan, Ivory Coast**

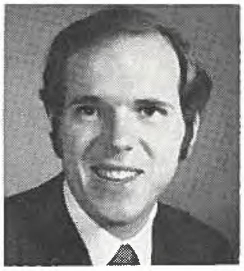
Born in Brantford, Ont.; educated at Royal Military College, B.Eng. 1965; McMaster University, M.B.A. 1970.

**Michel Perrault**

**Assistant Commercial Secretary**
**Bonn, Germany**

Born in Montreal, Que.; educated at Colleges Ste-Marie and Brebeuf, B.A. 1962; University of Montreal, B.Sc. (Econ.) 1965; University of Toronto, M.A. 1970.

**Brian J. Wallace**



**Assistant Commercial Secretary**
**Mexico, D.F., Mexico**

Born in Victoria, B.C.; educated at University of British Columbia, B.A. 1964, LL.B. 1968.

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**Company name:** . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .
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