June

Canada Commerce

1972

The biggest buyer of them all. . . . page 2

Termites, humidity and energetic children are problems for a piano in a Trinidad school. These and other environmental difficulties (plus good tone, etc.) governed the choice of a supplier to equip new schools that are being financed by the Trinidad and Tobago World Bank Education Project. Lesage Pianos Ltd., Ste-Therese, Quebec, (in business since 1891), was prepared to modify one of their models to meet the special requirements. Here, Jacques-Paul Lesage, President (right), and Jacques Lesage, Director of Marketing, inspect the loading of one of the containers that carried their pianos to Port-of-Spain.

Canada Commerce

Vol. 136 No. 6 June 1972

In This Issue

Our lead article this month tells you how to sell to "the largest single market for the small Canadian businessman" in Canada —the Federal Government. Last year the Department of Supply and Services awarded contracts worth nearly $850 million for an almost unbelievable variety of goods, everything from food to furniture, monkeys to management consultancy. If you are not on the list of suppliers you may well be missing your most important home market.

Our continuing series on the Department's aid programs for industry features this month a new program to catch up and keep up with the intricacies of the world in which they operate. It is a two-part program. The first part offers help to set up management courses and the second provides assistance for firms to examine productivity and new growth ideas. This program, which was set up in March this year, is at time of writing operating only in the Montreal area, but will eventually be extended to other cities.

Canadian exports to the United States in 1971 were valued at $11.8 billion. That's a lot of dollars, but maybe too few of them came your way. If you think this, the article from our Dallas office on page 28 will tell you how to go about getting more of them. It describes an unusual form of trade fair that is proving very successful to the seller. It makes interesting reading, particularly to the smaller entrepreneur.

Readers of this magazine will soon be asked a leading question. Since November you have been receiving *Canada Commerce* free of charge. You will go on receiving it free of charge but, naturally, we want to know if you want it. Later on in the summer we will be asking you how you think the magazine can be improved and what you think the most important and least important features are. But first we want to find out if you wish to go on receiving it. Wait for the printed notice to let us know.

Articles

Departments

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

Address correspondence to:

Editor, "Canada Commerce", Department of Industry, Trade and Commerce,
Ottawa, Ontario K1A 0H5.

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Subscription

Published monthly. "Canada Commerce" is sent without charge to Canadian producers of goods or services. Others may have the magazine at $5 a year in Canada, $7 abroad. Single copies 60 cents each. Please forward all orders, with cheque or money order made out to the Receiver General of Canada, to "Canada Commerce", Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5.

Canadians earned almost $850 million

Selling to the Canadian Government

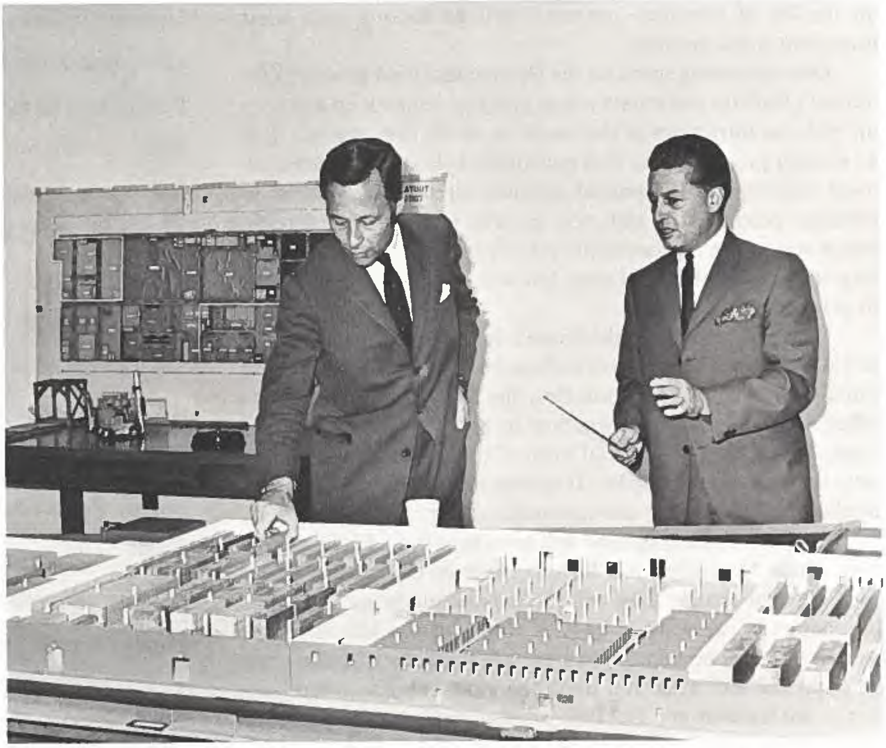
Supplies and Services awarded 237,000 contracts to Canadian companies last year. Are you on the Department's list of sources?

MARION C. SMYTHE, *Canada Commerce*

"It's the largest single market for the small Canadian businessman and we want to give him every opportunity to compete for our business."

The speaker is Jack Tevlin, Secretary of Supply Administration in the federal Department of Supply and Services which handles most of the purchasing done by the federal government for its own use.

The Department of Supply and Services, three years old on April 1 of this year, is the result of the 1962-63 Glassco Commission Report (The Royal Commission on Government Organization) which recommended the establishment of a central purchasing and accounting unit for the Government. These tasks had previously been the responsibility of individual departments and agencies and the Department of Defence Production. On the Services side, the Department provides the Government with a full range of accounting, payment, audit and management advisory services. The Supply function, on the other hand, is charged with the "acquisition and provision of articles, supplies, machinery, equipment, printing and publishing services . . . not by law assigned to any other department, branch or agency of the Government of Canada."



The Hon. James Richardson, Minister of Supply and Services (left), examines a model of the floor plan of No. 1 Supply Centre in Ottawa. William Winter, of Central Warehousing Section, points out interesting aspects of the plan to Mr. Richardson.

The Supply mandate is a considerable one, based on the new (for the Government) concept of bulk purchasing and distribution, and the implications for Canadian manufacturers are considerable. Last year DSS awarded 237,000 contracts to supply goods and services for a total value of almost $850 million. Nor did this include construction contracts over $25,000 (handled by the Department of Public Works), defence construction contracts (Department of National Defence), or the services bought by the Post Office, such as transportation.

As a customer, the Government is an all-round consumer for practically every type of goods and service produced in Canada. It buys literally everything: food and medical supplies for northern government posts, dresses for trade fair hostesses, uniforms, radio equipment, pens and pencils, office furniture, monkeys for laboratories. It also purchases a wide range of services, from snow and garbage removal to helicopter transportation, laundry and management consultants.

It is, indeed, an excellent domestic market for Canadian producers and one well worth exploring whatever their size. The procedure is quite simple. If you are interested in doing business with the Department, you should apply to have your name recorded as a source of supply for the type of goods and services you provide. If you can supply bulk orders for delivery across Canada, you should contact the Secretary, Supply Administration, Room 917, MacDonald Building, 123 Slater Street, Ottawa KIA 0S5, Ontario, telephone 613—992-4973. Smaller orders for local use and distribution are handled by one of the Department's 13 regional and district supply offices across Canada and you should deal directly with them (see accompanying list of addresses). You will be asked to fill in an information questionnaire describing production facilities and capabilities, types of products and/or services offered, financial data and other details of your operation.

This information will then be evaluated and, if from the information provided it seems that your firm is capable, its name will be placed on the Department's source lists of Canadian suppliers. These lists include about 50,000 to 60,000 companies, 10,000 of which are listed with departmental headquarters in Ottawa and the remainder with the field and district supply offices.

The lists are designed to give the Department easy access to companies which can supply the kind of goods or services required. It's a selective process, based on the company's interest and capability. NATO nomenclature is used to break down a total commodity area such as resistors into its various types, and the lists are not crossreferenced: a company may have six or seven separate listings under various commodity or service areas. Being listed means you will receive invitations to tender for requirements you can supply whenever they are put out for competitive bids. In some cases, the Department will require further proof that a company can meet the terms of a particular contract and will send a visiting team to do an on-the-spot check of company facilities and financial status.

Invitations to tender are a result of a formal request from a customer department or agency for a particular product or service. These requisitions describe the material and quantity required, or the service needed, the delivery point, inspection authority and invoicing instructions. The Department then issues invitations to tender to its listed potential suppliers. Last year these averaged about 1,000 a month at head office alone.

The invitations give the details of the requirement (including relevant specifications), the name and address of each consignee and other appropriate data. They specify that any tender submitted may not necessarily be accepted and that tenders must be returned to the Secretary of Supply Administration or to the field supply office concerned on or before the due date for the receipt of bids. This last requirement is very important. The Department never takes a late tender. These are returned unopened.

Price changes submitted after the closing date for bids are not allowed. If for any reason a closing date is extended, all firms originally invited to tender are notified of the new date to allow them to amend their tenders.

Bids can be mailed, telegraphed or telexed but are never accepted by teletype or telephone. They remain unopened until immediately after the deadline time and date for their receipt. After the contract is awarded, anyone can request the name of the successful tenderer, the price paid, the names of the competing companies and the prices they tendered. Thus, when a contract is not awarded on the basis of lowest cost, the firms who submitted lower tenders can inquire why their tender was not accepted.

In addition, the Department releases a list of major contracts awarded ($10,000 or more) over successive two-week periods twice a month which gives the company's name, the commodity and the price. This list serves the added purpose of indicating possible subcontracts suppliers could bid on. The only exceptions are the tenders (usually for defence program requirements) which are classified for security reasons.

Some contracts never reach the tender stage at all but are handled instead by direct negotiation with a company on a cost and profit basis. This applies in cases where security requirements will not allow tendering, when replacement equipment is needed which only the original manufacturer can supply, when the item is available only from one source of supply, or when there is a need for a specially developed product.

Field Supply Offices

Halifax
I.M. McLaughlin, Manager
Room 210
Sir John Thompson Bldg.
1256 Barrington St.
Halifax, N.S.
Telephone: 426-3881

Montreal
G.P. Guimond, Manager
1441 St-Urbain St.
Montreal, Quebec
Telephone: 879-4802

Ottawa
H.H. Floyd, Director
No. 1 Supply Center
1010 Somerset St.
Ottawa, K1A 0S5
Telephone: 992-4914

Toronto
W.P. Doohan, Manager
1191 Cawthra Rd.
Port Credit
Toronto, Ontario
Telephone: 274-1211

Winnipeg
G.E. Torpey, Manager
Room 326
344 Edmonton St.
Winnipeg, Manitoba
Telephone: 985-3789

Edmonton
J. Arminas, Manager
10210-107 St.
Edmonton, Alta.
Telephone: 424-0251 (local 601)

Vancouver
D.G. Stewart, Manager
Harry Stevens Bldg.
125E 10th Ave.
Vancouver
Telephone: 666-3441

District Supply Offices

St. John's
G.C. Manuel, Chief Purchasing Agent
P.O Box 487
Main Post Office
Water St.
St. John's, Nfld.
Telephone: 726-5656

St. John
J.W. Cameron, Chief Purchasing Agent
Room 408
Sadim Bldg.
St. John, N.B.
Telephone: 693-1894

Quebec
J.J. Simoneau, Chief Purchasing Agent
Gare Maritime Champlain
Chemin des Foulons
Quebec 12, P.Q.
Telephone: 694-3151

Regina
J.S. Hincks, Chief Purchasing Agent
Bank of Commerce Bldg.
1867 Hamilton St.
Regina, Sask.
Telephone: 525-0311 (local 231)

Calgary
H. Sim, Chief Purchasing Agent
Room 725
Public Bldg.
Calgary 21, Alta.
Telephone: 266-5568

Victoria
C. Lamb, Chief Purchasing Agent
Room 318
Canadian Customs House
Victoria, B.C.
Telephone: 388-3160

Ottawa handles most of the large volume and value purchases and also the purchase of highly sophisticated goods such as electronic equipment or aircraft components. On headquarters contracts to supply, the Department generally deals directly with manufacturers or their agents.

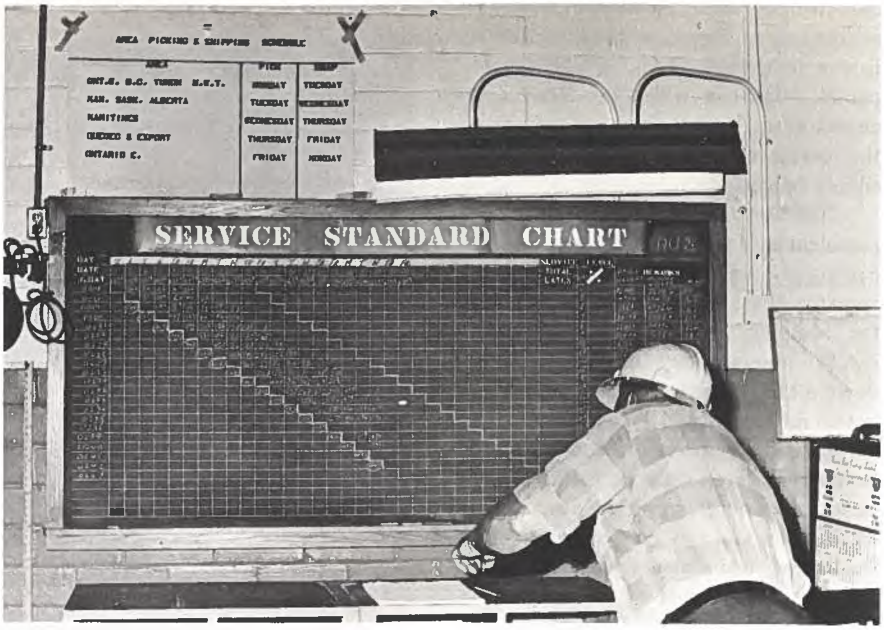
Purchased goods, which are stored in the Department's 400,000-square-foot No. 1 Supply Centre for distribution to government departments and agencies, last year totalled more than one million line items worth $18 million. There are also storage facilities in Toronto and Montreal, and plans call for the establishment of two more, in Edmonton and Halifax, during 1972-73 as part of an over-all program of decentralization. The field and district supply offices, which are concerned with local requirements, deal with local suppliers on this basis and purchased goods are usually shipped directly to the requisitioning department or agency.

Making this system work is a two-way responsibility on the part of both the Department as purchaser and the company as supplier. The Department runs a continuous updating check on its source lists to make sure companies are still interested in and capable of supplying Government requirements. After tenders have been called, for example, bids are reviewed and if the response is less than expected, the Department will get in touch with invited non-bidding firms to find out why. The onus is on the company, however, to keep the Department informed of changes that could affect sales—a change of plant location, for example, expanded or reduced production facilities, or new or discontinued product lines.

In its role as purchaser, DSS is now making a concerted effort to bring the government market to the attention of Canadian businessmen. This includes participating in trade association meetings and speaking to industrial seminars in an effort to reach the individual manufacturer. The message is federal government requirements and the purpose is to encourage the participation of Canadian business and industry in helping to meet those requirements.

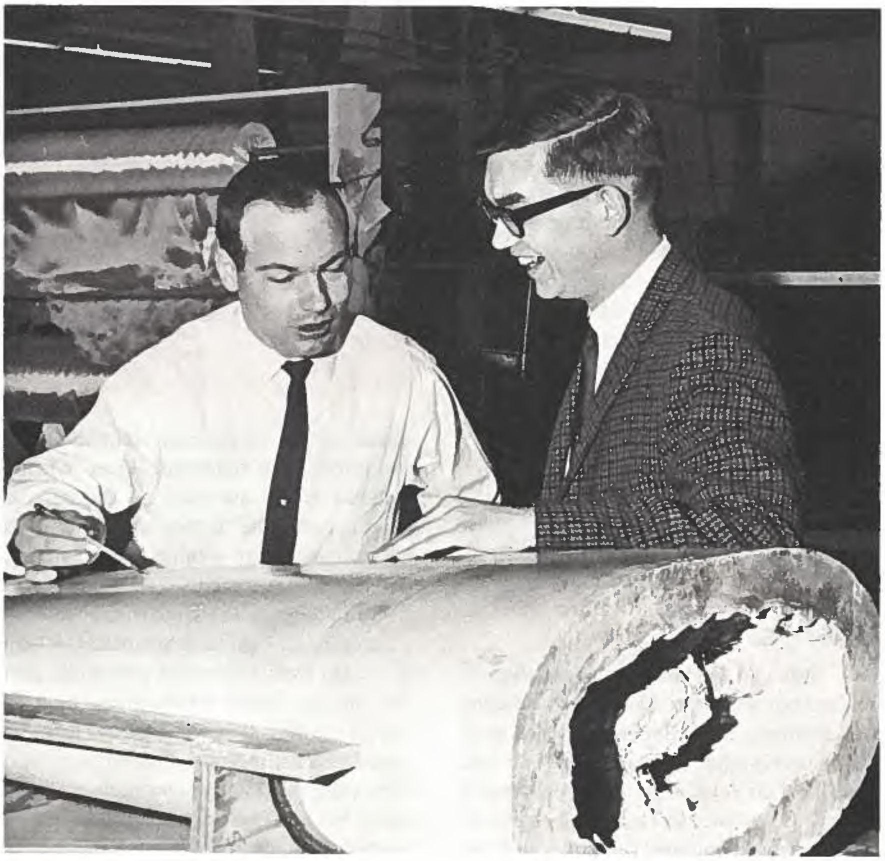
"As a supply agency, we have to advertise our needs," Mr. Tevlin explained. "We're now going out and talking to the people who can fill those needs. This is our role. But what we're also trying to do is to encourage the supplier to think of us as any other market. If he wants government business, he's going to have to work as hard at it as he would with any other customer. He's going to have to service his account; he's going to have to follow-up after he's been listed as a supply source or after he's landed a contract just as he would with any other customer.

"If he's willing to put this kind of effort into it, the Government will be glad to do business—and repeat business—with him."



A warehouseman at No. 1 Supply Centre in Ottawa updates a chart recording service standard. The centre is one of several warehouses operated by DSS which handles most of the purchasing done by the Federal Government for its own use.

Specifications of a contract with the Department of Supply and Services are checked by a government engineer and a representative of Leigh Instruments Limited in the company's plant at Carleton Place, Ontario.



Farming the Motor State Way

Changing agricultural patterns in Indiana and Michigan have stepped up demand for more sophisticated farm machinery, streamlined marketing methods. Typical of machinery that could be sold is this 30-foot swather built by Canadian Co-operative Implements Limited of Winnipeg.

JAMES S.A. SOTVEDT, Consul and Assistant Trade Commissioner, Detroit

Thomas Edison once said that all new wealth comes from the soil—but today, it ain't necessarily so. Certainly the methods by which wealth is taken from the soil have changed, and this is especially true of agriculture.

In spite of a rapidly growing population—both in size and proportionate consumption—the total number of farms in the United States decreased 26 per cent during the 1960s. The gap that was created has been filled by farm rationalization, crop improvement, and mechanization. In this process, two distinct groups of farmers have emerged—the large "economies-of-scale" farmer and the "part-timer". The success of both has become increasingly dependent on their use of machinery, and this in turn has led to significant changes in the agricultural machinery industry.

Although one would probably not regard the "motor state" as a good market for agricultural equipment, it is. Recent estimates indicate that 27 per cent of Michiganders derive a significant portion of their income from agriculture, and almost 30 per cent of the State's land is under cultivation. If you are still not convinced, consider the more than $900 million that represented Michigan farm cash receipts for 1970.

In terms of crops, the State falls roughly into three areas: the western lakeshore counties which are predominantly orchard lands, the middle section which is in cash crops, and the eastern (or thumb) portion noted for sugar beets and beans. The largest portion of Michigan agricultural cash receipts—about 29 per cent—comes from the dairy sector. Other important areas are fruit (10 per cent), beans (6 per cent), corn (5 per cent), soybeans (3 per cent), cattle and calves (12 per cent), poultry and eggs (6 per cent), and vegetables (17 per cent). One official told this writer that Michigan also produces 75 per cent of the nation's navy beans—a fact which is honoured by the inclusion of Michigan bean soup in the U.S. Senate dining room.

Indiana is another good market for farm equipment, and understandably so. A 1964 U.S. government study showed that the "popcorn state" had more than 77 per cent of its land in agriculture. Another study five years later showed that farm cash income exceeded $1.6 billion, divided roughly 55 per cent to 45 per cent between livestock (and livestock products) and crops. Among the latter, corn and soybeans are so predominant that Indiana is virtually a two-crop state. Apart from modest quantities of wheat, other field crops tend to be restricted to isolated pockets—tomatoes in the northeast, tobacco in the southwest, etc.

Taken together, the two states support a sizeable agricultural industry and offer a substantial market for farm machinery.

The trend toward fewer and larger farms (currently 153 acres in Michigan and 183 acres in Indiana) has affected this market and brought about changes in distribution patterns.

A few years ago, when farms began to mechanize in earnest, there were large numbers of equipment distributors and dealers. Most of these were independents and they provided invaluable services to machinery manufacturers. They could, of course, provide inventories of their manufacturers' products and, more importantly, keep close watch on local conditions as a result of their intimate contacts with local dealers and farmers. Two separate but related developments have combined to largely change this. The larger farm machinery manufacturers have broadened their product ranges in line with the changing nature of farms and this, coupled with new streamlined communication and transportation facilities, has led them to direct distribution. The major casualties of this process have been the independent distributors. Where these were once the king pins of the marketing system they are now relatively insignificant. Where once there had been a good selection of independent distributors, there are now only two in Michigan and four in Indiana. Dealers, on the other hand, remain overwhelmingly independent, although even here the number of independent dealers in Indiana and Michigan has declined from over 1,700 a little more than 10 years ago to less than 900 today.

Marketing Today—There are three ways a Canadian shortline manufacturer can approach the market: through a direct sales force, a manufacturer's representative, or distributors.

A direct sales force is usually considered the least desirable choice for shortline companies. It is relatively costly because of staff and warehousing requirements and it is difficult to provide adequate servicing. Most companies would normally consider this only after they have become known in the market, and then generally in combination with an independent or captive warehousing operation. An added consideration is the difficulty in rationalizing transportation costs to dealers until such time as the supplier is sufficiently diversified in the market.

The second alternative, manufacturers' representatives, can provide a variety of services. One good argument for choosing this route is that a marketing service is provided for a predetermined cost in percentage of sales. Commission reps operate on all three market levels—to distributors, to dealers and occasionally to consumers. Where the representatives service dealers directly, or where there is direct consumer selling, the manufacturer must face the costs of warehousing an inventory of machines and parts in the market area and arranging for private after-sales service. A number of variations, of course, can be played on this theme. One Illinois company using a rep in Michigan has solved his problem by arranging for a "key dealer" to warehouse the most common replacement parts. He then provides the balance of service needs from his home factory on the basis of 24-hour delivery. An added advantage in using commission agents rather than distributors is that the manufacturer provides smaller discounts and thus has relatively greater price flexibility.

Distributors—the third option—most often perform marketing, warehousing and after-sales service for a manufacturer. The advantages are obvious—freight consolidation, transfer of credit responsibility, service proximity and market coverage, to name just a few. On the other hand, the costs of this service package are substantial and tend to decrease the manufacturer's leverage.

On the financial side, most shortline suppliers deal with their distributors on either a cash basis or with a system of seasonal deferred payments or floor plan. A survey of distribu-

U.S. FARM MACHINERY IMPORTS

Equipment		U.S. $ 1970	U.S. $ 1971 (Jan. - Sept.)
Ploughs		4,979,507	4,359,249
	Canada	*4,416,729*	*4,082,795*
Cultivators and weeders		8,109,433	5,186,528
	Canada	*6,658,632*	*4,148,877*
Harrows, rollers, stalk cutters and soil pulverizers		3,992,558	3,991,360
	Canada	*3,429,535*	*3,220,171*
Planting, seeding and fertilizing machines		13,893,663	6,502,695
	Canada	*12,917,406*	*5,446,661*
Haying machines, other than mowers		8,713,728	5,358,099
	Canada	*8,074,519*	*4,784,740*
Mowers, except lawn		4,189,747	2,504,808
	Canada	*3,928,168*	*2,133,869*
Harvesting machines n.e.s.		77,764,113	75,505,052
	Canada	*70,039,273*	*71,734,288*
Tractors, wheel, new for agricultural use over 35 hp		31,336,432	25,739,304
	Canada	*6,887,183*	*4,537,654*
Agricultural machinery, implements and equipment n.e.s.		9,610,255	11,043,918
	Canada	*4,846,389*	*7,518,398*

This versatile little machine, built by Thomas Equipment Ltd. of New Brunswick, can with appropriate attachments be used for a variety of purposes: post-hole digging, box car loading, landscaping and construction are but a few.

tors in Michigan and Indiana indicated that approximately one half of the suppliers used each method. When floor planning is available, the distributor usually transmits these credit facilities to his dealers. A manufacturer going directly to the dealers would have to operate in much the same manner.

In view of the fact that the ranks of the independent distributors have thinned appreciably over the years, it is interesting to note that many of those remaining have either diversified or are in the process of doing so. In general, this means that a distributor, in addition to farm machinery, carries either industrial, recreational, or lawn and garden equipment—and in some cases all three. It would appear, however, that distributors still provide the surest and perhaps best means of market entry for Canadian shortliners.

What to Consider—The manufacturer approaching the market must initially expose his products as widely as possible. A wide variety of approaches is available, including publications of all descriptions and trade fairs. Many equipment manufacturers have found it advantageous to contact farm machinery associations in the United States. Each state has a dealer association. In terms of this article, these include the Indiana Implement Dealers Association, 6112 North College, Indianapolis, Indiana, and the Michigan Farm and Power Equipment Association, 5127 Aurelius Road, Lansing, Michigan 48910. There is also the National Farm and Power Equipment Dealers Association (publishers, *Farm and Power Equipment*). 2340 Hampton Avenue, St. Louis, Missouri 63139. In conjunction with their annual meeting, each dealer association has an equipment display. The Farm Equipment Wholesalers Association (an organization of independent distributors) and the Farm Equipment Manufacturers Association (to which a number of Canadian companies belong) hold an annual joint meeting and equipment show. Other marketing vehicles include the Farmers' Week, an annual event held in January at Michigan State University.

Michiganers who get sore backs from picking stones by hand could get help from R. Bussiere and Sons Ltd. of Saskatchewan, makers of this machine designed to take the work out of clearing rock.

Another possible step toward market acceptance is the procurement of the Farm Equipment Manufacturers Association's "seal of quality." This is available to all farm equipment manufacturers (regardless of whether they are FEMA members) as long as they qualify according to FEMA standards. These include such things as providing repair parts for a minimum of 10 years, written warranties, and operating instruction manuals. Interested manufacturers can obtain details by writing to FEMA, 230 South Bemiston Avenue, St. Louis, Missouri 63105.

Canada (see table) exports a wide variety of agricultural machines to the U.S. In 1970 this trade amounted to $153.7 million of which, it is estimated, $110 million was intercompany transfers. This represents over 95 per cent of Canada's worldwide farm machinery sales. It represents about one-half of U.S. agricultural equipment imports. Not to be overlooked, however, is the fact that the U.S. market for farm machinery in 1970 was more than $4 billion.

The U.S. farm machinery market in 1972 should be quite buoyant. At the 78th annual Farm and Industry Equipment Institute meeting last fall, industry leaders forecast gains of from 5 to 10 per cent. This is expected as a result of a general economic upturn, the new U.S. economic measures (including the 7 per cent investment tax credit), and a general need to upgrade harvesting capabilities.

Yearly farm equipment sales in Michigan and Indiana exceed $400 million—and we believe that Canadian manufacturers can obtain a bigger share of this expanding market. In order to assist you, the Canadian Consulate in Detroit has compiled information on distributors, agents, associations, magazines, trade shows, government agencies, and most other aspects of farm machinery distribution in Indiana and Michigan. We welcome your inquiries: 1920 First Federal Building, 1001 Woodward Avenue, Detroit, Michigan 48226.

Katanga Means Mining Equipment

Government plans to increase production of copper to a million tons a year by 1980 mean greater prospects for Canadian suppliers of equipment and services, as this article points out.

T. G. TAIT, Commercial Secretary, Kinshasa

Katanga is synonymous with copper—and for good reason. For hundreds of years the copper cross of Katanga circulated throughout central Africa on a near-parity with ivory as a medium of exchange. Today, Katanga Province is the source of the Zaire's copper production, which in 1970 accounted for 60 per cent of the country's foreign exchange earnings. The Zaire now ranks only behind the United States, Chile, Zambia and Canada as a copper producer in the western world, but as important new concessions are brought into production, this order may well change.

During the 1960s, annual production in the Zaire increased by 35 per cent compared with increases of 107 per cent in Chile, 50 per cent in the United States and Canada and 37 per cent in Zambia. Since 1968, however, the Zaire Government has encouraged an expansion program. The developments that are taking place as a result could raise the Zaire's annual copper output to one million tons by 1980. If the expansion is rapid, it could dampen the effects on export earnings of the currently soft copper market.

In 1968, the state-owned Gecomines (formerly the Union Minière du Haut Katanga) announced a long-term investment program that would raise its production in the first five years from about 326,000 tons in 1969 to a projected 460,000 tons in 1974, with a second phase to bring it to 650,000 tons by 1979. In 1970, 380,000 tons of copper were produced and it is expected the 1974 goal will be reached easily. Blister copper, which now accounts for about 35 per cent of production, will be less important in the future (probably dropping to 20 per cent) because the expansion program is concentrating on electrolytic copper.

Copper production in the Zaire will also be increased when the Japanese-financed SODIMICO (Société de Développement Industriel Minier du Congo), in which the Government has a 15 per cent share, comes into production. This company was created in 1969 and granted a concession in southern Katanga of about 37,000 square kilometers. Production should begin later this year at an annual rate of some 40,000 tons from a mine at Musoshi. This is expected to increase to 100,000 tons by 1974 and 150,000 tons by 1979. Musoshi has a potential of 30 million tons. Another deposit at Kisenda, owned by SODIMICO, also shows promise.

The most recent move to increase copper output was an agreement between the Zaire Government and an international consortium in September 1970, for the creation of two mining companies, SOCOTEF (Société Congolaise Tenke-Fungurume) and SIMICO (Société Industrielle et Minière du Congo), that will involve a total investment of more than $300 million. The consortium consists of Chartered Consolidated (with 28 per cent interest), Amoco Mineral (also with 28 per cent), Mitsui Company (14 per cent), the Bureau de Recherches Géologiques et Minière—BRGM—(7 per cent), and Leon Templeman & Son (3 per cent). The Government has a 20 per cent equity. SOCOTEF is to undertake the development of a proven copper deposit in the region of Tenke-Fungurume, near established holdings of Gecomines. The initial production date has not yet been announced, but annual production should reach a level of almost 100,000 tons by 1979.

SIMICO will begin prospecting over a 25,000 square kilometer area in eastern Katanga. Other companies, including Falconbridge Nickel of Canada, have established local offices and are actively seeking prospecting rights and production permits.

Katanga Province is rich in other minerals too, producing 58 per cent of the world's cobalt and substantial quantities of cassiterite, electrolytic zinc and cadmium. To exploit this mining potential, the Government has designated Lubumbashi, the provincial capital of Katanga, as a future growth center. Several mining industry suppliers of chemicals, explosives, coal and cement have long been established in or near Lubumbashi and now, with expanding mining operations, it is hoped local sources of supply for other materials will develop. Efforts are also being made to establish a secondary industry for further manufacture of extracted minerals. The Gecomines has been moving in this direction for some time and it is understood that a copper refinery by Amoco may follow the opening of SOCOTEF production.

Development of secondary industry does, however, raise problems. One of the main ones is providing a quick and economical outlet from this land-locked province, which is about the size of the Yukon. There is no obvious choice of direction as it is located almost equi-distant from the Atlantic and Indian Oceans. The first outlet was the Rhodesia and South Africa rail line which was opened in 1910 and which today, through its link to the port of Beira in Mozambique, handles about 15 per cent of the shipments from Lubumbashi. In 1928, the railroad from Lubumbashi to Port Francqui (at the head of the Kasai River Transport System) was completed and subsequently became the "national route" to the ocean through its hook-up with the Kinshasa-Matadi railway. Still in operation, it handles roughly 30 per cent of the traffic out of Lubumbashi, but transshipments at Port Francqui and Kinshasa are expensive and time consuming. The third alternative is the Benguela Railway, opened in 1931, which runs from Lubumbashi through Angola to Lobito. Because it is convenient, it is the major outlet and handles 50 per cent of shipments.

There are also some shipments via the CFL rail line to Kalemie, where goods are then transshiped by barge across Lake Tanganyika to Kigoma for onward rail transport to Dar es Salaam. An eventual solution will be the completion of the road network to join Lubumbashi and Kinshasa, but this is still a long way off. For the present, the answer seems to lie in the improvement of the existing rail-river-rail system, either paralleling the river with a through-rail line or simply upgrading transshipment facilities at Port Francqui and Kinshasa. The World Bank and other agencies are studying financing arrangements.

The expansion plans of the Gecomines and the establishment of SODIMICO and SOCOTEF will also place new demands on Katanga's electrical energy capacity. At present, the principal mining company in the area, Gecomines, uses most of the 540 Mw capacity in the Province which represents about 77 per cent of the total capacity of the Zaire. Initially, the country will be able to import electrical power from Zambia, but planners are seeking an early start on construction of a 260 Mw dam at Busanga on the Luluabu River below le Marinel and Delcommune. Engineering was completed on this dam some time ago, but authorities have been investigating the possibility of transporting energy from the giant Inga development (30,000 Mw potential) on the Zaire River near Matadi . If built, this 1,200-mile line would be one of the world's longest. Preliminary studies indicate that the Direct Current (HDVC) system may well make transmission viable over such a distance, but that more experience with the system is required. Of course, the Zaire authorities are anxious to tie up Inga to this important consumer as soon as possible to permit the full development and use of the enormous Inga potential. Construction could also lead to energy exports to Zambia and other neighboring countries.

Communication facilities in Katanga promise to be excellent. Lubumbashi is soon to become a communications relay point between neighboring East African countries and the Zaire's earth satellite station near Kinshasa, as construction goes ahead on the second link (Kinshasa-Lubumbashi) of the Zaire microwave-network. This fast and reliable communications hook-up with Europe and America will go far to make the Province an attractive area for the foreign investor.

If your business is mining, either as a producer or as a supplier of equipment or services, the Zaire—and particularly Katanga Province—warrant your serious consideration. If you are interested in finding out more about your business prospect there, contact the Africa Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa, and the Commercial Secretary at the Canadian Embassy (B.P. 8341) in Kinshasa. They will advise you of present business conditions in Katanga and, if you intend to pay a visit, will make preliminary contacts on your behalf.

New Names in Africa

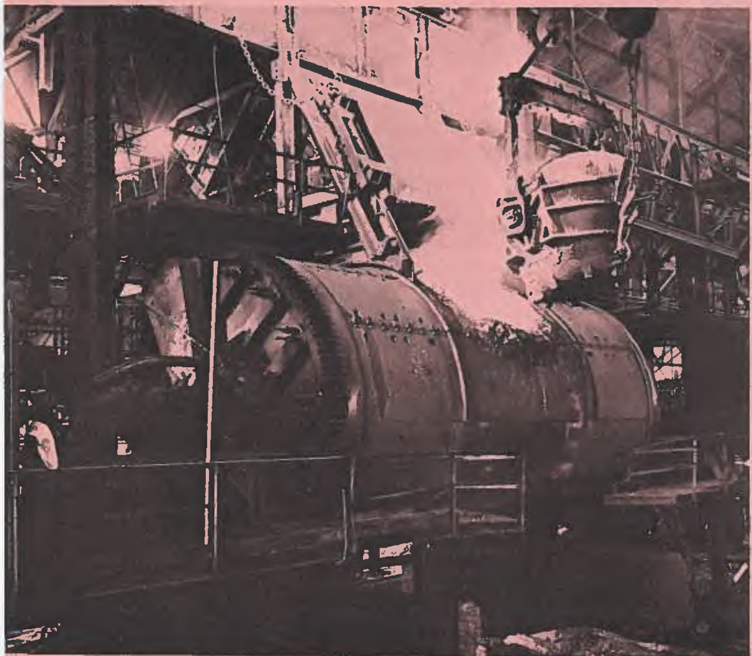
On October 27, 1971, the Government of Congo (Kinshasa) changed its official name from The Democratic Republic of Congo to The Republic of Zaire and that of its 3,000-mile river from the Congo to the Zaire River. These changes were part of a government policy to strengthen national identity. Other name changes have included Kinshasa (formerly Leopoldville), Lubumbashi (Elizabethville), Kisangani (Stanleyville) and the national currency, the Zaire (franc congolais). The names of many local companies which include "Congo" in their titles are still in the process of being changed, and no attempt has been made in this article to predict the new names.

By 1974, the state-owned Gecomines plans to raise its copper production to 460,000 tons a year—an increase of 134,000 tons since 1969 and part of a long-term investment program that will boost production to 650,000 tons a year by 1979. The Gecomines mining network, principal one in Katanga Province, includes the mining complex at Lubumbashi, the Luilu and the Kamoto plants, shown here. Katanga Province is rich in copper, accounting for 60 per cent of the country's foreign exchange earnings in 1970, but other metals are important too—the Province produces 58 per cent of the world's cobalt and large quantities of cassiterite, electrolytic zinc and cadmium. Now the Zaire Government is seeking to strengthen its mineral processing and supply industry, increase its electrical energy supply and improve its access routes to market.

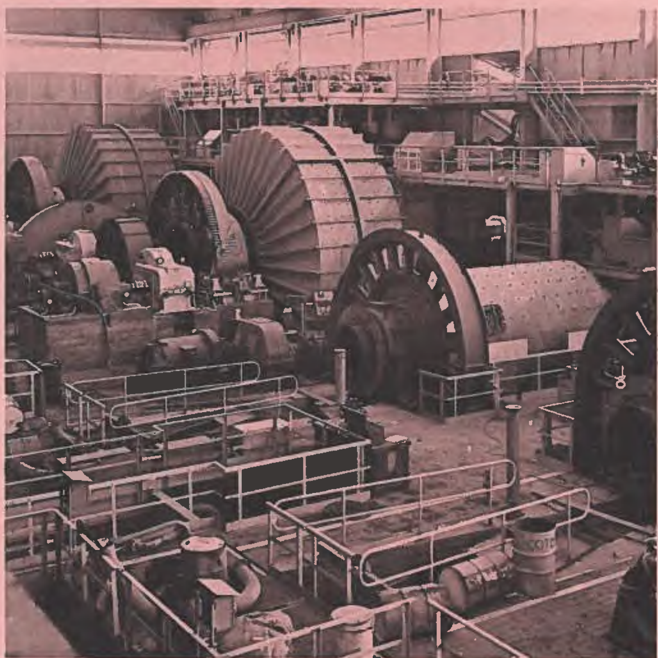
The 120,000 KVA Delcommune Dam on the Luluabu River. Gecomines uses most of the Province's 540 Mw. capacity.

The Gecomines plant at Lubumbashi.

Converter at Lubumbashi.



Crushers and concentrator at Gecomines' Cascade Mills at Kamoto.



Zambia Plans for Diversity

Government hopes to counter dependence on copper with new and varied industries. Canadians should keep an eye peeled for new markets opening up.

R.J. ARCHAMBAULT, Commercial Secretary, Nairobi

The four million Zambians, with a gross national product of $1.5 billion, enjoy one of the highest standards of living of all Black Africa. A visitor, when he arrives at Lusaka International Airport, is struck by the size and the modern facilities of the terminal. New cars, paved roads, and modern houses are seen throughout the country. This impression of wealth remains, despite the many setbacks the Zambian economy has suffered. The country is heavily dependent on copper—it is the world's third largest producer after the United States and the U.S.S.R., and the largest exporter of copper. Because of its copper-oriented economy, Zambia was severely affected by the sudden drop in copper prices in 1970 and by the Mufulira mine cave-in which reduced its copper production by 10 per cent. The continued decline in copper prices on the London Metal Exchange to the lowest levels since 1967 has not helped. Copper accounts for 90 per cent of the country's foreign exchange and 47 per cent of its total revenue.

Zambia, a landlocked country, has additional problems, relying as it does on its neighbors for transportation. The current routes are through Angola, Mozambique, Rhodesia, South Africa and Tanzania. The Tanzanian route is politically the most acceptable but, at the moment, the least efficient. A 1,200-mile railroad, the Tanzam railroad, through Tanzania and Zambia is being built with help from the People's Republic of China at a cost of $450 million. When completed in 1975, it will link Zambia with the Indian Ocean port of Dar es Salaam. Work is going so satisfactorily that the predicted 1975 completion is two years ahead of schedule.

Zambia has also taken steps to improve the efficiency of its own railroad operations and has recently signed a five-year management contract with Canadian National Railways.

Government development programs were cut back in 1970 because of reduced income from copper and a decline in foreign reserves. But the country still has enough free funds to go ahead with various projects designed to create a diversified economy with less dependence on copper. Among the main current and future projects are:

A $50 million hydroelectric scheme on the north bank of Kariba Lake, due for completion by the end of 1975, and which will make Zambia more independent from outside sources for electrical power

One of the problems Zambia faces is the drift of population from the country to the town and the Government has set up incentive programs to keep the farmers on the land.

An oil refinery with a capacity of 1.1 million tons

A car assembly plant in association with Fiat

A $5 million telecommunication satellite system

An iron and steel foundry

A glass bottle plant to be completed in 1973 in co-operation with West Germany.

Zambia has 80 million acres of land suitable for cultivation, one of the highest agricultural potentials in all Africa, but only 2.5 million acres are under cultivation. The main crops are cotton, tobacco, groundnuts, sugar and maize. Tobacco, groundnuts, maize and chickens make up 3 per cent of the export revenue. Last year, because of a short rainy season, the maize harvest was extremely small and Zambia had to import maize from Rhodesia.

The Government has developed incentive programs to encourage people to stay on the farms, to diversify their crops and to form co-operatives. It hopes thus to put an end to the serious drift of Zambians from the country to the towns, a drift that is having an adverse effect on the country's economy.

The State Corporations—Soon after independence in 1964, the Government implemented a policy of increased state control of the economy. It created five major state-owned corporations under the umbrella of a holding company, ZIMCO (Zambia Industrial and Mining Corporation). The five corporations are INDECO (Industrial Development Corporation), MINDECO (Mining Development Corporation), FINDECO (Finance Development Corporation), the National Transport Corporation, and the National Hotels Corporation. MINDECO controls the Government's share (51 per cent) in the mining industry, FINDECO supervises the state participation in the financial sector.

The most important of these five corporations is INDECO, which is widely diversified and enjoys a monopoly in certain areas. It controls commercial ventures such as breweries, chemicals, real estate, wholesale and retail outlets, transport, hardware and building materials. It is also important in directing sources of imports for use by its various companies and on Government Account. INDECO companies are now estimated to control more than 50 per cent of imports in consumer goods, 90 per cent of timber, steel and glass imports, 60 per cent of the purchases of builders' hardware, and a large percentage of imports by the manufacturing sector. Its main objectives are to stimulate growth, apply government policies on industrial mergers and to rationalize various sectors of the economy.

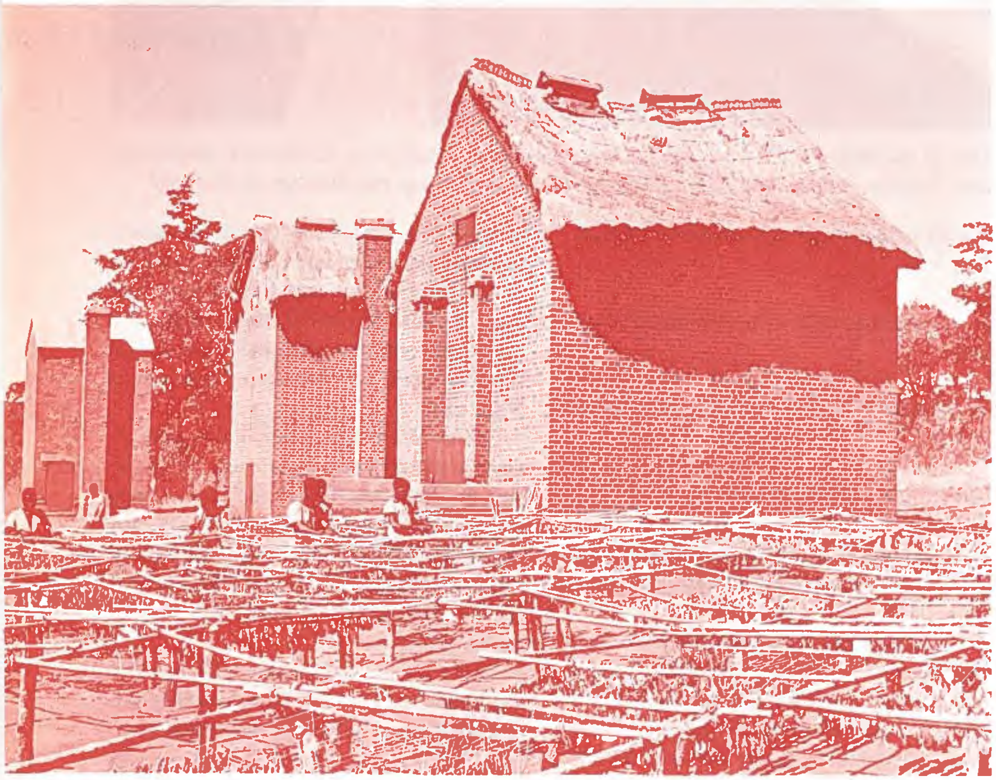
Until MINDECO acquired 51 per cent of the copper interests, copper production was controlled by two companies, the Anglo-American Corporation with 52 per cent, and Roan Selection with 48 per cent. A considerable amount of mining exploration is being carried out and promising nickel deposits were discovered last year, but it is not known yet if they are commercially exploitable.

Zambia has since independence enjoyed a trade surplus. Exports in 1970 were worth $1 billion and imports $500 million. The accompanying table shows the major Zambian imports for 1969. Britain and South Africa were the major suppliers with 24 per cent and 23 per cent respectively. Other main suppliers were the United States, Japan, Rhodesia, West Germany and Italy. The Canadian share of the market remains miniscule at about 1 per cent. Mining machinery, including mine transport equipment, is the biggest item. The mining companies have pooled their purchasing operations at Kitwe, a modern mining town of 200,000 people in the northern Copper Belt area. The annual requirement negotiated by the central purchasing office there averages $140 million.

Despite some serious economic problems, Zambia is an attractive market that deserves greater attention from Canadian exporters. Canadian exports to Zambia in 1970 increased substantially over 1969, from $1.5 million to $5 million. For the first 10 months of 1971 they were worth $3.8 million, compared with $2.8 million in the corresponding period in 1970. Considering the expertise developed by Canadian firms in mining and exploration equipment, Canada should continue to increase its share of the Zambian market. A call at the central purchasing office in Kitwe is imperative for any supplier of mining equipment interested in the Zambian market. Canadian companies should also contact the main office of INDECO in Lusaka, and the engineers of the two largest Zambian mining companies, Anglo-American and Roan Selection Trust. Both these companies have offices in Lusaka and Kitwe. Several international airlines link Europe with Lusaka and there are daily return flights between Lusaka and Kitwe.

Last fall the Canadian Government was host to a mission of Zambian Government officials led by E.A. Kashita, managing director of INDECO. It is hoped that this visit will result in a better understanding of the wide range of products which can be supplied by Canada and which complement Zambian development priorities.

Tobacco is one of the country's main agricultural crops. Here Turkish leaf is seen drying in the sun outside the kilns.



ZAMBIAN IMPORTS

Principal Commodities

	Cdn. $'000 1969	1970
Machinery, other than electric	94,800	
Transport equipment	47,300	
Electrical machinery, apparatus and appliances	34,100	
Chemicals	11,500	
Textile yarn, fabrics, made-up articles and related products	12,300	
Electric energy	23,400	
Petroleum products	21,250	
Rubber manufactures	9,680	
Iron steel bars, rods, angles, shapes and universal sheets and plates	22,400	
Total	**457,000**	
And from Canada		
Lumber	232	478
Wrapping paper	88	105
Adhesives	76	110
Foundry equipment	94	135
Mining and dredging equipment	302	1,075
Trucks and chassis	230	1,959
Motor vehicle parts	114	224
Total	**1,504**	**4,967**

Making the Most of Management

...that's IT&C's new $700,000 program to encourage improvement in the managerial competence of small businesses.

ROBERT McDOUGALL, *Canada Commerce*

Modern business management operates within boundaries that have been significantly enlarged by the increasing size of industrial enterprises, the markets they serve, and the advances made in science and technology. To remain competitive in this new environment, Canadians must pay special attention to their management capabilities, including those of small businesses.

The Department of Industry, Trade and Commerce, sensitive to this development, has taken its first initiative to encourage the improvement of management by offering a two-part program of financial and advisory assistance to industry. The $700,000 program was launched at the beginning of the 1972-73 Government fiscal year in April and the response has been enthusiastic, judging by the number of inquiries that have been made.

The first part of the program, Development of Management Courses, is designed to encourage the improvement of managerial competence by helping professional, industry, business or management associations to develop or to revise management training courses. The second part, called Counselling Assistance to Small Enterprises (CASE), is designed to help small enterprises in the manufacturing and tourism industries by offering them a management counselling service. The Department has set aside about $200,000 for Development of Management Courses and about $500,000 for CASE.

Development of Management Courses

Under this part of the program, the Department can make grants up to $50,000 to cover up to 100 per cent of the costs of drawing up new courses or revamping existing ones. Eligible costs include professional fees paid in the development or revision of a course, and the costs of visual and audio aids to be used in the course. The cost of printing textbooks and notebooks is not covered. Non-profit associations from across Canada can apply for assistance but the Department will exercise care to see that the program does not in any way contribute to an undesirable proliferation of similar courses.

The eligibility of an association's application is determined by its ability to contribute significantly to the improvement of managerial skills in Canadian industry and its ability to implement the course successfully. The course it contemplates must promise a significant improvement in quality over similar existing courses, or must deal with subject matter not covered in existing courses offered in the vicinity.

In certain cases, an association receiving a grant under the program may be required to accept as participants in the course a reasonable number of people who are not members of the association. The Department may also reserve the right to make the course materials available, at reasonable prices, to other organizations deemed capable of conducting the courses.

Counselling Assistance to Small Enterprises

This part of the program is designed to provide advisory assistance on management problems to small businesses at a cost which these firms can afford. To be eligible, the businesses must be engaged in the manufacturing or tourism industries, employ fewer than 50 persons and have had less than $5 million in sales in their most recent complete fiscal year.

Through CASE, the managers of these enterprises will be able to discuss with a management counsellor their particular problems, explore new ideas to help their businesses grow and examine new methods for improving productivity.

CASE is being operated in co-operation with Canadian Executive Services Overseas (CESO), an organization of retired executives, selected for their management experience, which has been providing similar management advisory services in developing countries for almost five years.

Guy L'Argent-Bell, CASE co-ordinator in charge of the Montreal office.

Initially, CASE will be implemented in only two centres, in Montreal for firms located within a 70-mile radius of the city and in a second centre to be announced shortly.

The decision to limit the initial application of the program to two centres was taken so that the effectiveness of this approach could be measured and experience gained in the administration of the program. Montreal was chosen because CESO headquarters are there and it is an area that provides a good cross-section of businesses in the manufacturing and tourism industries. It is expected that it will take approximately one year to gain sufficient experience in the application of this program which, if successful, may be extended on a national basis.

For the most part, CESO executives provide much of their time and talents to CASE on a nominal fee basis. For this

George Vickerson (left), assistant to Mr. L'Argent Bell in Montreal, talks with M.H. Brotman, president of Kempac Corp. of Montreal, about ways in which his firm may be helped through the Department's new management counselling program.

reason the management advisory service can be provided at a cost which most small businesses can afford. Each CASE counsellor receives $30 a day plus, in certain circumstances, travelling expenses for his counselling assistance, including any help he may give to implement his recommendations. The small business pays two thirds of the counsellor's daily $30 fee, the Government pays remaining costs.

In certain circumstances specialist skills may be required that are not available through the regular roster of CASE counsellors. The company may then apply to the Department for a contribution toward the cost of hiring a consulting firm. The Department may pay up to half the costs incurred for diagnosis and recommendations but does not share in the costs of implementation. The small business pays the remaining costs.

Before agreeing to the hiring of a consulting firm the Department must feel confident that the advice of the firm could lead to increased efficiency and profitability and that paying the entire consulting fee would impose a significant burden on the company.

Priority will be given to Canadian-controlled businesses in the allotment of CASE resources.

To participate in or to obtain more details of the program, contact: Development of Management Courses, Office of Industrial Policy Adviser, Department of Industry, Trade and Commerce, 112 Kent Street, Ottawa, Ontario, K1A OH5; or CASE, Suite 323, 1010 St. Catherine St. W., Montreal 110, Quebec, telephone 283-5056.

George Vickerson checks the quality of production as he tours the Blondy Luggage plant in Montreal with foreman Alec Jager. A retired professional engineer, Mr. Vickerson makes on-the-spot visits to plants in fulfilling his role as a consultant under the Department's new management counselling program.

Have You Tried Selling to Swedish Department Stores?

A.J. STEWART, Assistant Commercial Secretary, Stockholm

Retailing in Sweden is big business. Total retail sales amounted to $10,360 million in 1970. Excluding the automotive trade, almost half of retail sales is in foodstuffs, with the remainder divided primarily between consumer durables, specialty fields such as newsagents, textiles and shoes, and the department store trade. This last accounts for fully 18 per cent of the total.

There are three leading department store chains, Kooperativa Forbundet, AB Nordiska Kompaniet and Ahlen & Holm AB.

Kooperativa Forbundet (KF) is the central organization of the co-operative movement in Sweden, which has a membership of more than one and a half million. Aggregate sales of the movement, including KF, were close to $2 billion in 1970. In addition to its retail and wholesale activities, KF manufactures products ranging from light bulbs, car tires, pulp and paper and cash registers to household and sanitary china and plastic products. It runs two types of store: Domus, which carries a full range of department store products in the medium price range, and OBS, which carries the full range in discount prices. KF accounts for about 46 per cent of the total Swedish department store sales.

AB Nordiska Kompaniet (NK) has its own line of department stores in the medium to high price range in Stockholm, Gothenburg and Malmo, 111 EPA stores throughout Sweden in the low to medium price range, four EPA Stormarknader stores for mass retailing and selfservice, and a contract division called NK Inrednig. This chain controls about 28 per cent of department store sales.

Ahlen & Holm AB, which controls about 25 per cent of department store sales, runs 72 Tempo stores throughout the country, three Wessels stores, the Meeths store in Gothenburg and two stores under its own name in Stockholm. It also operates several food stores. Prices range from discount to high.

I spoke with senior executives of these chains to obtain details about the Swedish retailing scene, the major companies involved and some of their practices, and to find out how Canadian companies can approach this market. Those interviewed were R. Walldén, executive vice-president of Kooperativa Forbundet (KF), E. Kalderén, vice-managing director of AB Nordiska Kompaniet (NK), and A. Jonson, director of Ahlén & Holm AB (AH). Some of the questions and the answers to them are given below.

Would you explain the buying organization behind the various stores you control?

NK—We have two buying organizations, one connected with the NK division and one connected with the EPA division. Each is relatively independent except in the area of foods where a common buying organization is used, although occasions do arise where an idea or product may be used by both. Purchasing for the Stormarknader is done by the EPA buying organization although this may be changed.

Our philosophy is that because of the different emphasis of the EPA and NK stores it would be difficult for any one buyer to buy effectively for both organizations.

KF—In some cases retailers wait to be approached by manufacturers, but we prefer to become actively involved with the supplier. We wish to influence directly the make-up of a product that goes into our stores. We therefore maintain specialists and laboratories to enable us to specify exactly the particular product we wish to purchase. We then work with the manufacturer to ensure that the product is made to these specifications.

We select these manufacturers only after a critical analysis is made of the company including such things as its facilities, machinery, efficiency, and financial structure. In addition, a further check on quality is maintained by our laboratories. For instance, no textiles can be purchased by a buyer until laboratory approval of the product is given.

Out of this philosophy the structure of our buying organization has evolved. All buying is done centrally and there are no buyers in individual stores.

A & H—We have a central buying organization for Ahléns and Tempo, but Wessels has its own, although there is a close relationship between them which may become closer. No store or department manager does any buying outside of re-ordering.

Swedish buyers attend many European trade fairs, and this leads me to the question, "What approximate proportion of your purchases would be bought through these fairs and what proportion bought through visits of manufacturers or agents to your office?"

KF—Fairs are not particularly important to us. They do provide ideas but only a very small amount of business would be actually concluded at a fair. This is not to say that our buyers are not travelling all the time, but trade fairs in themselves are not an important medium for us.

A & H—I think it would be very wise for Canadian manufacturers to show their merchandise collections at the fairs because our buyers are frequently going to those in Frankfurt, Cologne, Nuremberg and Hanover. We very often start business at a fair and then order repeat merchandise later on. The proportion of merchandise bought at a fair is limited but the result of negotiations made there can be very good in the long run.

NK—As a very rough estimate I would calculate the importance of trade fairs in this way: approximately 30 per cent of all products sold were originally imported. At a very maximum I would suspect that 20 per cent of imported products were originally introduced to us in some fashion through a trade fair.

Relatively few Swedish buyers go to Canada. Why is this and what are the prospects of more travelling to Canada?

A & H—We have done very little business with Canada to date. Our activity there has been related to our activity in the U.S. and has fallen off lately.

KF—At the present time we import only a very small amount from Canada, about $2 million. Of this one half would be in the area of food and one half in non-food items for our industrial branches. The largest category in the non-food sector is machinery.

Because of this the figures do not encourage us to go to Canada on specific buying trips. In fact, as far as I can remember in my time at KF I have never met any Canadian manufacturer who has come to see us to attempt to sell his product.

NK—Basically, our visits to Canada have been in proportion to those to the United States and are likely to remain so. We go there, as we go to trade fairs, to obtain new ideas and products which may or may not be sourced in that country.

Generally, what types of merchandise do you seek from overseas? What has been your experience with Canadian manufacturers and what areas do you think would be of particular interest to Canadian exporters?

A.J. Stewart, the author of this article, talks with R. Wallden, executive vice-president of Kooperativa Forbundet, in the latter's office in Stockholm.

NK—Because Sweden is a small country and has a relatively small manufacturing base it is not possible to fill all our requirements through Swedish manufacturers. We go outside Sweden to enrich this assortment and to provide innovation. There is no one particular area from which we seek overseas sources—we are interested in all areas and would welcome offers from Canadian manufacturers.

KF—With the exception of some high fashion textile lines we tend to import mainly staple products. Approximately 75 per cent of our sales are products of Swedish origin and the remaining 25 per cent are imports. Of this 25 per cent about one half is in high fashion textile goods and staples, generally from the Far East, and one half in hard line items.

I think my remarks to your previous question concerning Canadian manufacturers pretty well cover this question. It is relatively difficult for us to take on a new supplier. Because we work with only a few overseas manufacturers any switch must be done in a planned sequence so that we can maintain our continuity.

A & H—We seek merchandise that will fill out existing product lines or merchandise which is new to this area.

What are the trends taking place in Swedish retailing today and how are they different from overseas?

NK—In the main, trends in this country are similar to those abroad and may be categorized in the following way:

a) The number of exclusive and highly specialized shops have been declining in importance over the past few years, partly because of diminishing demand for exclusive merchandise.

b) The first true shopping centre in Sweden opened in 1954. Since then half a dozen or so have opened around Stockholm and the trend is towards bigger ones.

c) Swedish retailing is highly concentrated. For instance, Sweden has more square metres of retailing space per capita than any other country in Europe. On the demand side this concentration is evident in the voluntary formation of more co-operatives.

d) There is also a trend today towards selfservice establishments and this is likely to be reflected in our new stores.

KF—Generally the same trends will be found in Sweden as abroad. The one exception may lie in the concentration of Swedish retailing. For instance, through approximately 10 main contacts in the food lines one can reach the majority of the trade. This same concentration is also occurring in non-food retailing. We believe that KF will eventually account for approximately 20 per cent of the non-food retail trade. Together with the sales of two or three of our main competitors this will add up to approximately one half of the total non-food retail sales in Sweden.

Generally 1971 has been a difficult year for the Swedish economy. Unemployment has been high and retail sales soft. What is your view of this past year as far as your company is concerned and should these conditions discourage Canadian exporters from entering this market?

KF—We forecast better conditions for 1972. According to available figures, we maintained our share of the food market last year and increased our share of the non-food market.

NK—Retail trade in the first and second quarters of last year was considerably lower than had been anticipated, but there was a slight improvement in the third quarter. Preliminary estimates for the fourth quarter indicate a rather average perform-

A shopping centre at Valbo, with an Ahlen & Holm Tempo store at one end and a KF Domus store at the other end.

ance. Throughout the year we have reduced our costs. We anticipate a better performance in 1972 and measures taken by the Swedish Government should help the situation. But regardless of the situation, we would welcome Canadian exporters and are very interested in receiving offers from them.

A & H—By the end of 1971, department stores sales and retailing generally had picked up. We expect 1972 will be a much better year. Wages will go up and we think consumer buying power will be stronger.

It seems apparent that Sweden will come to some agreement with the EEC. Assuming this takes place, would you see this as an additional barrier for a Canadian exporter?

KF—We are looking into the Common Market question and already have close relationships in Europe with other co-operatives through which we are able to pool our purchases in certain cases. Varying customs and tariffs, however, have been limiting such possibilities. Up to now we have been more successful in pooling product buying within EFTA, but not to the degree desired in the EEC. Should tariffs between Sweden and the EEC be removed in some sectors of trade, we will be able to make better use of co-operative buying in such sectors.

We have joint production between ourselves and other European co-operatives of certain commodities such as chocolates and other sweets. Some form of agreement would allow us to develop this technique and make better use of joint production.

NK—Any agreement will almost certainly have an impact on our suppliers. However, it is likely that it will be felt more by our Far Eastern suppliers than by those in North America, primarily because the Far East is attractive for price reasons whereas North America is attractive for other reasons, such as uniqueness. For lower priced products we may look more closely at countries such as Italy, Portugal and Finland.

Direct dealing—All three companies expressed a preference for dealing direct with a manufacturer in order to avoid payment of any commission, although they realized that dealing through an agent might occasionally be necessary. KF makes a practice of dealing direct with the manufacturer for all its major imports.

None of them thought North American practices presented any great barrier to trade. Sizing, for instance, is not consistent within Europe and varies from country to country.

The 1970 sales figures for these companies give some idea of the size of the market they represent. Total net sales for Nordiska Kompaniet were worth $377 million, and for Ahlen & Holm $305 million. The figure for Kooperativa Forbundet was about $640 million for non-food items alone.

This is a large market, virtually untouched by Canadian suppliers. It is highly concentrated and obviously receptive to new ideas and products. The Commercial Division of the Canadian Embassy in Stockholm can help you to make initial contact, can supply you with more information if you want it and provide any necessary follow-up. But a personal visit will be needed to get any large volume of business. In these days when export diversification is increasingly desirable, Sweden offers an attractive new outlet.

Show of the Month

High quality textiles from Canada attracted almost $6 million worth of business at the 26th Interstoff trade show in Frankfurt, Germany, and opened the way for an estimated $12 million worth of follow-up orders.

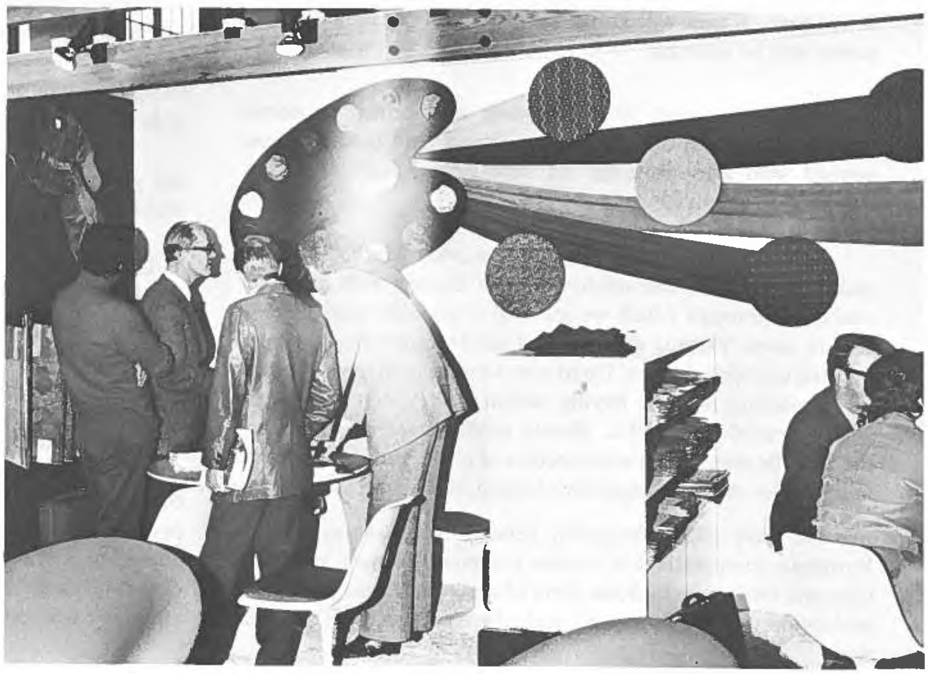
It was an impressive showing for the 10 Canadian companies who participated in Interstoff—the International Trade Fair for Clothing and Textiles—under the sponsorship of the Department. It was the third consecutive time the Department had sponsored an exhibit in this show, the largest international textile exhibition in the world which is held each spring and fall in Frankfurt.

The May 1971 show brought $2.5 million in on-site orders and projected sales of $20 million for the participating Canadian companies. In November, the show drew more than 20,000 "business" visitors from 78 countries to see what 640 exhibitors from all over the world had to offer in the way of new fabrics and designs, and brought more than double the on site business to the Canadian booths.

Canada scored with new synthetic fabrics—many featuring unique Canadian designs—and innovations for longer wear and easier care in standard fabrics such as cotton and wool. The $3 billion-plus Canadian textile industry is exporting to 108 countries, and this was reflected in the on site sales to 28 countries. Sales to Canadian buyers were also significant and, in the opinion of the Canadian exhibitors, helped to increase their prestige at home.

Canadian fabrics ranged from fibreglass to all wool "go-go" woven fabrics, automatic screen printed and flocked fabrics, rainwear prints, novelty cotton corduroys, fun furs, deep pile fabrics, polyurethane coated fabrics for industry and regular expanded vinyls. Participating companies included Associated Textiles of Canada Limited, Au Terroir Enrg. and Madawaska Weavers, Bruck Mills Limited, Chemcell Limited, Cleyn & Tinker International, Dominion Textile Limited, Fireside Fabrics (Canada) Ltd. —all from Montreal—Huntex Ltd. (Huntingdon, P.Q.), National Vintex Corporation (Candiac, P.Q.) and Uniroyal Ltd. (Lindsay, Ontario).

In the top photo, R.J. Bruck (left), president of Bruck Mills Ltd., talks with a customer. More than 20,000 trade visitors attended this show, some of whom can be seen at the exhibit of Fireside Fabrics (Canada) Ltd. In the centre picture, I.B. Zelikovitz (standing), of National Vintex Corporation, explains some points of his company's products to a couple of customers. On-site sales in November were about $5 million, double that of the previous show.



Head Office Directory

The Department of Industry, Trade and Commerce is located in Tower B, Place de Ville, 112 Kent Street, Ottawa. A few of the Branches have their offices in other buildings and the Directory makes this clear.

For the businessman who wishes to telephone any of the officers listed, the procedure is:

From outside Canada: ask the local long-distance operator for Canada, Area Code 613, plus 99 and the local listed under each Branch.

General Inquiries: 992-9386.

Inside Canada but outside Ottawa: dial 1, followed by the Area Code 613, 99 and the local.

Inside Ottawa: dial 99 and the local.

MINISTER'S OFFICE

	Dial 99 and	Floor
Minister of Industry, Trade and Commerce		
The Hon. Jean-Luc Pepin	6-1880	22
Executive Assistant: Paul Labbé	6-1880	22
Admin. Assistant: J.E. Kepper	6-1880	22
Minister's Advisory Council		
A/Executive Secretary: M.K. Paumann	5-7485	12
Minister Responsible for the Canadian Wheat Board	**Justice Bldg., Wellington St.**	
The Hon. Otto E. Lang	5-7127, 2-4621	357
Grains Group	**Centre Bldg., Place de Ville**	
Co-ordinator: W.E. Jarvis	5-7127	3
Marketing: J. McNaught	2-7404	3
Production: H. Leggett	2-7801	3
Transportation: R.J. Shepp	2-7702	3
Liaison Canada Grains Council: J. McNaught	2-7404	3
Executive Secretary: N.A. O'Connell	5-7127	3
Machinery & Equipment Advisory Board	**Tower B, 112 Kent St.**	
Secretary of the Board: W.H. Chandler	2-5800	11
Textile & Clothing Board	**Tower A, 320 Queen St.**	
Chairman: Dr. C.A. Annis	6-1157	4
Inquiries:	6-6993	4
Metric Commission	**Tower B, 112 Kent St.**	
Chairman: S.M. Gossage	5-6457	22
Executive Director: P.C. Boire	5-6458	22

DEPUTY MINISTER'S OFFICE

	Dial 99 and	Floor
Deputy Minister		
J.F. Grandy	6-3560	22
Executive Assistant: P.C.W. Caskey	6-3560	22
A/ Senior Assistant Deputy Minister (Industry and Trade Development)		
T.M. Burns	2-1037	22
Executive Assistant: Roch Ledoux	2-7428	22
Assistant Deputy Minister (Trade and Industrial Policy)		
Maurice Schwarzmann	2-4042	19
Executive Assistant: R.W. Burchill	5-6980	19
Assistant Deputy Minister (Operations)		
Robson G. Head	5-6277	12
Executive Assistant:	2-1501	12
Assistant Deputy Minister (External Services)		
T.M. Burns	2-5969	7
Executive Assistant: R.E. Wright	2-0933	7
Assistant Deputy Minister (Administration)		
Guy D'Avignon	2-0056	22
Office of Economics		
General Director: V.J. Macklin	5-8489	13
Office of Tourism	**150 Kent St.**	
General Director: T.R.G. Fletcher	6-5651	9S

INDUSTRY AND TRADE DEVELOPMENT

A/ Senior Assistant Deputy Minister		
T.M. Burns	2-1037, 2-1038	22
Executive Assistant: Roch Ledoux	2-7428	22

Grains Program Office

	Centre Bldg., 303 Queen St.	
Chief		
W.J. O'Connor	5-8374	3

Office of Science and Technology

General Director		
Dr. Sydney Wagner	5-7151	21
Director Programs		
H.C. Douglas	2-4143	21
Industrial Programs Division		
Chief: D. Boxall	2-1687	21
Standards & Metrication Division		
Chief: H.I. King	6-0393	21
International Division		
Chief: M.R.M. Dale	2-5001	21
Director Science Advisors		
Dr. E.S. Sanderson	6-2500	21
Director Planning & Evaluation		
D.H.E. Cross	6-6108	21
Technological Assessment Division		
Chief: W. Tully	2-7247	21
Technological Strategy Division		
Chief: Dr. A. Vanterpool	2-7417	21

Office of Design

General Director		
Robbins L. Elliott	2-0341	18
Finance and Administration Division		
Chief: T.L. Martell	2-5004	18
Design Application Division		
Chief: R.H. Eytel	2-4494	18
Design Capability Division		
Chief: J.H. Swann	2-4494	18
Design Environment Division		
Chief: G. Crabtree	2-4491	18

Office of Promotional Services

General Director		
L.J. Rodger	2-7411, 2-2262	5
World Exhibitions Liaison: G.P. O'Keefe	6-1592	5
Historical Section		
Chief: Miss O. Mary Hill	2-5401	3

	Dial 99 and	Floor
Publicity Branch		
Director J.A. Murphy	5-7137	4
Deputy Director K.V.D. Gardner	2-6435	4
Assistant Director B.R. Cormier	5-8900	4
Editorial Adviser C. Bruyère	5-8865	4
News Services Manager: R.M. Shaw	2-2186	4
Promotion Division A Chief: W.E. Jeffery	5-7164	4
Promotion Division B Chief: G.E. Heatley	5-7164	4
Managing Editor Periodicals R.T. Waugh	6-4012	4
"Canada Commerce"/"Commerce Canada" Chief: W.H. Lambton	6-4012	4
"Canada Courier" Division Chief: Mrs. A. Armstrong	5-7489	4
English Editorial Division Chief: J.K. Purvis	5-8353	4
French Editorial Division Chief: Mrs. J.A. Sorel	6-0266	4
Graphics Division Chief: R.H. Williamson	5-7274	4
Production Planning Division Chief: R. Dagenais Distribution: Mrs. M. Gougeon	5-6448 5-6963	4 4
Audio-Visual Section Mrs. J.N. Gilmour	5-7274	4

	Dial 99 and	Floor
Industry, Trade and Traffic Services Branch		
Director G.M. Schuthe	5-8308	3
Deputy Director C. Varkaris	5-8308	3
Export and Import Permits Division Chief: S.G. Barkley	5-8356	3
Industrial Traffic Services Division Chief: H.A. Hadskis	5-7169	3
Import Analysis Division Chief: J.G. MacKinnon	2-4446	3
Industrial and Trade Enquiries Division Chief: K.E. Hacker	2-4441	3
Directories Section J.Y. LaFleche	5-7171	3
Fairs and Missions Branch		
Director D.A.W. Olliver	6-6153, 5-7251	5
Planning and Programming R.S. Long	5-7252	5
Western Hemisphere Division W.P. Schutte	2-8855	5
Eastern Hemisphere Division W.G. Murray	2-8069	5
Special Projects Division F.J. Bradley	5-7334	5

EXTERNAL SERVICES

Assistant Deputy Minister T.M. Burns	2-5969, 2-0581	7
Executive Assistant: R.E. Wright	2-0933	7
Program Office—External Services		
Defence Industry Productivity Program Chief: J.C.E. Mitchell	2-1490	7
Industry Modernization for Defence Exports Projects Manager: L.A. Lynch	2-1292	7
Market Planning		
J.W. Webber E.G. Eeles	2-0445 5-8726	7 7
Program Office (Market Activity)	5-6892	7

Trade Commissioner Service		
General Director H.M. Maddick	5-8337, 5-8338	6
Director R.M. Dawson	2-6835	6
Finance and Administration Director: N.W. Boyd	2-5669	6
Personnel Director: J.H. Nelson	2-5561	6
Regional Marketing and Operations Director: R.D. Sirrs	2-5456	6

	Dial 99 and	Floor
Regional Co-ordinators		
Africa and Middle East R.F. Turcotte	5-8070	6
Asia and Oceania C.E. Rufelds	2-0241	6
Europe "A" S.G. Tregaskes	2-1366	6
Europe "B" J.B. McLaren	6-3424	6
Latin America & Caribbean L.D. Burke	2-5461	6
United States J.E.G. Gibson	6-5140	6

Market Development Group

	Dial 99 and	Floor
Director D.J. Janigan	2-2614	6
Project Marketing Division (Resource and Industrial) Chief: P.R. Bravo	6-7085	6
Project Marketing Division (Social and Commercial) Chief: G.W.J. Rahm	2-1068	6
Project Marketing Division (Techniques and Industrial) Chief: P.F.X. Russell	6-7211	6
Airports for Export Program Chief: R. Sangster	2-8897	6

International Defence Programs Branch

	Dial 99 and	Floor
General Director D.H. Gilchrist	2-5260, 2-4864	7
Director F.T. Jackman	2-8584	7
U.S. Market Development Division Chief:	5-7386	7
Overseas Market Development Division Chief: F.J. McNaughton	5-8491	7
Project Marketing Division Chief: H.A. Staneland	5-7217	7
Market Research and Analysis Division Chief: P.C. Boire	5-8188	7

OPERATIONS

	Dial 99 and	Floor
Assistant Deputy Minister Robson G. Head	5-6277	12
Executive Assistant:	2-1501	12

Programs Office—Operations

	Dial 99 and	Floor
Director G.S. Conger	5-7249	14
General Adjustment Assistance Program Chief	6-4560	14
IRDIA Program Chief: D.A. Kellough	6-2501	14
PAIT, IDAP and PEP Programs Chief: W.R. Graham	5-7174	14

Aerospace, Marine and Rail Branch

	Dial 99 and	Floor
General Director J.C. Rutledge	2-7318, 6-1288	9
Industry and Trade Development Programs		
Director G.E. Hughes-Adams	2-0605	9
Air Chief: J.L. Harrison	2-1001	9
Marine Chief: M.J. Colpitts	2-0285	9
Rail and Propulsion Chief: E.P. Bishop	2-0051	9
Company and Support Programs		
Director H.R. Foottit	6-2035	9
Aircraft A/Chief: C.B. Smith	5-6405	9
Propulsion, Marine and Rail Chief: H. Roberts	2-1569	9
Ship Financing A/Chief: R. St. Amour	2-3597	9

Agriculture, Fisheries and Food Products Branch

	Dial 99 and	Floor
General Director M.J. Heney	2-1289, 2-1489	15
Acting Director A.J. Stanton	2-1100	15
Livestock, Meat and Dairy Products Division Chief: L.H. McMillan	2-0001	15
Cereals, Bakery and Edible Oils Division Acting Chief: H.T. Armstrong	2-0015	15
Fruit, Vegetables and Special Crops Division Acting Chief: S.B. McKenna	5-8245	15
Fisheries and Fish Products Division Chief: A.J. Hemming	5-8107	15
International Commodities Division D.H. Burns	2-0012	15
Programs Division Chief: W.R. Parkinson	2-0012	15

	Dial 99 and	Floor
Apparel and Textiles Branch		
A/General Director L.C. Howey	2-1207	8
A/Director J.E. Akitt	2-4078	8
Fashion Co-ordination Mrs. D.E.L. Taylor	5-6287	8
Programs Division Head: M. Hersh	2-1081	8
Clothing Division Chief: H. Sherman	2-1048	8
Textiles Division Chief: W.C. Wilton	2-1045	8
Leather and Footwear Division Chief: G.A. Dubois	2-1051	8
Policy Support Section G.A. McIlhinney	6-3395	8
Chemicals Branch		
A/General Director A.M. Tedford	2-9456, 2-5760	14
A/Director G.E. McCormack	2-6905	14
Industrial Chemicals Division A/Chief: A.E. Leneveu	2-1071	14
Plastics and Rubber Division Chief: A.G. Pinard	2-1054	14
Chemical Specialties Division Chief:	2-1591	14
Programs Division Assistant Director: W.D. Dawson	2-1758, 2-4761	14
Electrical and Electronics Branch		
General Director G.R. Logan	2-8160	10
Director T.C. Jones	2-2243	10
Standards G.C. Rowe	5-6528	10
Industry & Trade Development		
Electrical Division Chief: V.E. Tant	2-9043	10
Electronics Division Chief: C.D. Quarterman	2-1091	10
Consumer Products & Components Division Chief: P.U. Aasgaard	2-9084	10
Company Development Programs		
Division I Chief: P.E.J. Wilburn	2-1884	10

	Dial 99 and	Floor
Division II Chief: J.R. Mercier	2-9804	10
Division III Chief: R.J. Burns	2-1393	10
Machinery Branch		
General Director J.J. McKennirey	2-7181, 2-1129	11
Industrial & Trade Development Director and Secretary, Machinery Equipment Advisory Board W.H. Chandler	2-5800	11
Mining, Forestry, Materials Handling Division Chief: R.C. Wallace	2-4082	11
Power, Fluids Handling & Environment Division Chief: A. Chiperzak	2-0321	11
Secondary Industries Machinery Division J.P. Reny	6-4184	11
Service Industries Machinery Division Chief: J.H. O'Connell	2-0324	11
MEAB Secretariat A.G. Boles	2-1004	11
General Analysis and Development R.J. Billard	2-0039	11
Incentives Programs Director: J.C. Stavert	2-4737	11
Machinery Program Analysis Division Chief: S.A. Radley	2-1359	11
General Programs Division R.K. McGregor P.N. Veale	2-0371 5-8274	11 12
Materials Branch		
General Director R.D. Hindson Special Assistant: H.W. Pfeffer	2-1113 6-3796	12 12
Director D.G. Laplante	2-5672	12
Iron and Steel Division Chief: W. Black	2-0025	12
Non-Ferrous Metals Division Chief: S.H. Rochester	2-0088	12
Industrial Minerals Division Chief: R.J. Jones	2-1581	12
Construction Division Chief: J.A. Dawson	2-0028	12
Programs Division Chief: H.E. Wilson	2-1015	12
Mechanical Transport Branch		
General Director C.D. Arthur	6-4122	5

	Dial 99 and	Floor
A/Director D.P.W. Wood	5-6627	5
Automotive Programs Division Asst. Chief: W.J. Patrick	5-8231	5
Automotive Industries Division Asst. Chief: W.J. Patrick	5-8231	5
Automotive Adjustment Assistance Division F. Wanko	2-0021	5
Agricultural, Construction and Special Vehicles Division Chief: D.W.C. McEwan Asst. Chief: D.M.H. Izzard	2-1027 2-1027	5 5
Technological Assistance Division Chief: R.F. Linden Asst. Chief: I.G. Lochhead	2-1024 2-1024	5 5

Wood Products Branch

	Dial 99 and	Floor
General Director J.R. Midwinter	6-4963	13
Director E.J. Ward	2-7128	13
Primary Wood Products Division Chief: E.W. Smith	2-0068	13
Furniture & Allied Industries Division Chief:	2-1545	13
Wood Components & Structures Division Chief:	5-7134	13
Pulp and Paper Division Chief: G.C. Campbell	2-0065	13
Printing, Publishing and Allied Industries Division Chief: G.E. Pallant	6-7948	13
Programs Division Chief: J.E. Hebert	2-0095	13
Research and Planning Unit Head: R.W. Ross	2-5065	13

TRADE AND INDUSTRIAL POLICY

	Dial 99 and	Floor
Assistant Deputy Minister Maurice Schwarzmann Executive Assistant: R.W. Burchill	2-4042 5-6980	19 19

International Financing Branch

	Dial 99 and	Floor
Director: A.R. Hollbach	6-5357, 6-3995	20
Financial Institutions Division W. Gibson-Smith	6-3995	20
Commodity Finance Division Chief: J.M. Babcock	6-3995	20
Aid Policy Division Chief: R. Campbell Smith	6-5357	20
Aid Operations Division A/Chief: G. Hazen	6-5418	20

Office of Area Relations

	Dial 99 and	Floor
General Director R.E. Latimer	6-4176	19

Policy Planning Branch

	Dial 99 and	Floor
Director: J.H. Stone	6-0446	19

Western Hemisphere Affairs Branch

	Dial 99 and	Floor
Director G.W. Green	2-5176	20
United States Division Chief: C.J. Kelly	6-5471	20
Latin America Division Chief: N.R. Cumming	6-5546	20
Caribbean Division Acting Chief: D.J. McJanet	2-5528	20

European Affairs Branch

	Dial 99 and	Floor
Director A.W.A. Lane	2-2981	19
Britain Division Chief: G. Elliot	6-6966	19
EEC Enlargement Task Force Chief: G. Elliot	6-6966	19
Western Europe Division Chief: F.P. Weiser	5-6438	19
Eastern Europe Division Chief: J.D. Blackwood	5-7349	19

Pacific, Asia, Africa Affairs Branch

	Dial 99 and	Floor
Director F.R. Petrie	2-2421	19
Pacific Division Chief: J.L. MacNeil	6-5381	19
Asia Division Chief: J.B. O'Neill	6-5543	19
Africa Division Chief: C.L. Bland	6-5543	19

Office of General Relations

	Dial 99 and	Floor
General Director M.G. Clark	5-7119	20

General Trade Policy Branch

	Dial 99 and	Floor
Director: W.M. Miner	2-4100	20
GATT Division Chief: G.R. Ritchie	5-8228	20

	Dial 99 and	Floor
UNCTAD-OECD Division		
Chief: A.R. Porter	5-8228	20
Special Trade Activities Division		
Chief: J.M. Rochon	2-2895	20

Commodity Trade Policy Branch

Director:	6-1917	20
International Resources Division		
Chief: R.L. Borden	5-8418	20
Agriculture Division		
Chief: E.W. Stewart	5-8418	20
Commodity Agreements Division		
Chief: E.W. Stewart	5-8418	20

Office of Industrial Policy Adviser

General Director		
L.F. Drahotsky	6-2413	19
Director		
J.M. Bélanger	6-3070	19

	Dial 99 and	Floor
Commercial Policy Division		
A/Chief: V.R. St. Louis	5-7149	19
Sector Policy Division		
Chief: G.H. Dewhirst	6-1841	19
Industrial Incentives Division		
Chief: B.S. Barewall	5-6479	19
Business Practices and Special Projects Division		
Chief: G.L. Curtin	5-6237	19
Environment Division		
Chief:	5-7159	19

Office of Special Import Policy

Tower A, 320 Queen St.

General Director		
Campbell Stuart	2-3386	4
A.L. Halliday	6-2387	4
J.M. MacKillop	6-2387	4
N.L. Currie	6-2387	4
A.J. Sarna	6-2387	4
E.W. Weybrecht	6-2387	4

ADMINISTRATION

Assistant Deputy Minister		
Guy D'Avignon	2-0056	22

Personnel Branch

General Director		
G.V. Tunnoch	6-5761	16

Financial Services Branch

Centre Bldg., 303 Queen St.

General Director		
Ian Craig	5-6126	4
Financial Analysis Director		
J.G. Sheldrick	2-2888	4
Comptroller		
R.L. Gibbs	6-3639	4
Financial Audit Director		
J.J. Power	6-7455	4

Professional and Administrative Services Branch

General Director		
R.K. Cox	6-4010	17

Program Planning and Analysis Branch

General Director		
L.D. Nemesvary	6-2045	16

OFFICE OF ECONOMICS

General Director		
V.J. Macklin	5-8489	13
Advisor Industrial Economic Planning:		
A.M. Coll	6-5195	8
Executive Co-ordinator: T.E. Bocking	6-5390	13

General Analysis Branch

Director		
C. Schwartz	2-8900	13
Canada and United States Division		
Chief: D.F. McKinley	2-7667	13
General Assignments Division		
Chief: H.R. Smale	2-5266	13
Overseas Analysis Division	6-2538	13

Investment Analysis Branch

Director		
J.H. Latimer	2-3847	21
Capital Expenditure Division		
Chief: A.N. Polianski	5-6384	21
Corporation Returns Division		
Chief: N.S. Hutchinson	5-7722	21
Foreign Investment Division		
Chief: R.J. Loosmore	6-5884	21
International Companies Division		
Chief: T.R. Vout	2-1061	21

Market Analysis Branch

Acting Director		
A.C. Kilbank	2-7408	8
Manufactured Products Division		
Chief: W.G. Gray	6-5722	8
Regional Trade Patterns		
Chief: H.D. Henderson	6-5611	8

	Dial 99 and	Floor
Resources Commodities Division Chief: R.J. Konecny	6-5871	8
Productivity Branch		
Director I. Bernolak	2-1722	21
Research and Development Division Chief: L.E. Turner	2-1303	21
Interfirm Comparisons Division Chief: G.G. McLeod	6-5144	21
Economics of Technology Consultant: J.G. Snaauw	6-5299	21
Economics of Management Consultant: R.C. Gilstorf	6-5298	21

OFFICE OF TOURISM 150 Kent Street

General Director T.R.G. Fletcher	6-5651	9S
Travel Industry Branch		
Director D.C. Bythell	6-5651	9
Research & Development Division Chief:	5-8426	9
Industry Evaluation Division Chief:	5-6367	9
International Division Chief: D. Williamson	5-8429	9
Canadian Government Travel Bureau		
Director Dan Wallace	2-3166	2
Deputy Director Roland Boire	2-5256	2
Market Development Assistant Director: O. Tiessen	2-4134	2
Marketing Services Assistant Director: D. Livingstone	5-6052	2
Advertising Manager: G. Bethell	2-2944	3
Publicity/Promotion Manager: J.A. Carman	2-6373	3
Travel Trade Relations Manager: G. Tawse-Smith	2-2077	2
Support Services Chief: D.J. Molloy	2-1680	2

REGIONAL OFFICES IN CANADA *

	Telex	Phone
Halifax, Nova Scotia		
Sir John Thomson Building 1256 Barrington Street	014-422829	426-3851 **(area code 902)**
Regional Manager: D.J. Packman (Territory includes Newfoundland)		
Fredericton, New Brunswick		
Eastern Canada Building 212 Queen Street	014-46140	454-9707 **(area code 506)**
Regional Manager: F.D. Grimmer (Territory includes P.E.I.)		
Montreal 128, Quebec		
Suite 1700, Commerce House 1080 Beaver Hall Hill	0120280	283-6254 **(area code 514)**
Regional Manager: J.G. Touchette		
Toronto 111, Ontario		
Suite 3001 Toronto Dominion Centre P.O. Box 114	0221691	369-3711 **(area code 416)**
Regional Manager: L.H. Ausman		
Winnipeg , Manitoba R3C OA5		
Suite 1104 Royal Bank Building 220 Portage Avenue	035287	985-2381 **(area code 204)**
Regional Manager: G.A. Gillespie		
Regina, Saskatchewan S4T 1K2		
Suite 651 Saskatchewan Wheat Pool Building 2625 Victoria Street	0312745	525-9814 **(area code 306)**
Regional Manager: G.A. Cooper		
Edmonton 15, Alberta		
500 Chancery Hall 3 Sir Winston Churchill Square	0372762	422-7178 **(area code 403)**
Regional Manager: W. Mackenzie Hall		
Vancouver 1, British Columbia		
Room 2003 Board of Trade Tower 1177 West Hastings Street	0451191	666-1434 **(area code 604)**
Regional Manager: J.F. Murray		

* These offices operate under the direction of the Industry, Trade and Traffic Services Branch.

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.

Bolivia

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

Bulgaria, Hungary, Romania

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

Caribbean

Trade Commissioners from the Port-of-Spain, Trinidad, office will make the following visits:

Antigua—P.S. Dingledine, Assistant Commercial Secretary, September 18-22.

Barbados — D. Hobson Garcia, Commercial Officer, June 19-24; P.S. Dingledine, Assistant Commercial Secretary, July 24-25, August 21-25, September 18-22.

Dominica — D. Hobson Garcia, Commercial Officer, June 19-24; P.S. Dingledine, Assistant Commercial Secretary, September 18-22.

French Guiana — J.G. Tardif, Assistant Commercial Secretary, July 10-14.

Grenada—P.S. Dingledine, Assistant Commercial Secretary, August 21-25.

Guadeloupe—J.G. Tardif, Assistant Commercial Secretary, July 31-August 4.

Guyana — G.H. Musgrove, Commercial Secretary, June 12-15; J.G. Tardif, Assistant Commercial Secretary, July 10-14; J.A. Ahow, Commercial Officer, September 4-7.

Martinique—J.G. Tardif, Assistant Commercial Secretary, July 31-August 4.

Montserrat — D. Hobson-Garcia, Commercial Officer, June 19-24.

St. Kitts — D.S. Dingledine, Assistant Commercial Secretary, September 18-22.

St. Martin — D. Hobson-Garcia, Commercial Officer, June 19-24.

St. Vincent — D.S. Dingledine, Assistant Commercial Secretary, August 21-25.

Surinam — J.G. Tardif, Assistant Commercial Secretary, July 10-14; J.A. Ahow, Commercial Officer, September 4-7.

Cyprus

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

Dominican Republic, Haiti, Virgin Islands

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

Ecuador

Officers of the Bogota, Colombia, office visit Ecuador approximately every two months.

Finland

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

India

A.T. Eyton, Commercial Counsellor in New Delhi, will visit Bombay June 22-23.

Libya, Sudan

The Trade Commissioner in Cairo, the Arab Republic of Egypt, visits Libya approximately every two months, and the Sudan every six months.

Morocco

Trade Commissioners from the Madrid, Spain, office visit Morocco approximately every two months.

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.

United States

A Trade Commissioner from the Seattle, Washington, office visits the office territory—Oregon, Alaska, Idaho, Western Montana—on a regular basis.

Profits Star in

EDITH STALCUP, Commercial Officer, Dallas

"The Greatest Show On Earth" may have originated with that master showman and sloganeer, P.T. Barnum, but now it is being given a new dimension through the efforts of a Texas-based, nationwide discount chain which is using the slogan to advertise its own four-times-a-year trade show program. And Gibson's Discount Centers seem to have picked a winner—several hundred manufacturers, suppliers and manufacturers' representatives are not only willing but eager to buy space in these shows to display their wares to Gibson buyers.

It's not surprising. The Gibson chain, which is making its bid for top billing as one of the fastest-growing and most profitable discount merchandisers in the U.S., is the country's second largest discounter and seventh largest non-food retailer and has some 650 franchised outlets across the nation. In 1970, the chain rang up sales of $1.6 billion and pretax profits estimated at more than $75 million. It trails only the S.S. Kresge K-Marts, which had sales worth $2 billion in the 1970 fiscal year.

The greatest number of stores is in Texas (about 150), but the chain is strong in other states. Other locations include: Alabama, 7; Alaska, 1; Arizona, 1; Arkansas, 15; Colorado, 12; Florida, 4; Georgia, 12; Hawaii, 1; Iowa, 35; Illinois, 10; Kansas, 35; Kentucky, 8; Louisiana, 24; Minnesota, 25; Mississippi, 21; Missouri, 18; Montana, 4; Nebraska, 22; New Mexico, 14; North Carolina, 7; North Dakota, 3; Oklahoma, 31; South Dakota, 11; Tennessee, 10; Utah, 3; Virginia, 3; Wisconsin, 5 and Wyoming, 10. An average of eight new stores are opened across the country each month. In many cities, the chain operates several stores—there are 10 in the Dallas metropolitan area, for example.

The shows, which are held each February, May, August and November in Dallas' huge Market Hall, are open only to pre-registered buyers from the chain and to manufacturers or manufacturers' representatives exhibiting their products. Security precautions ensure that no unauthorized persons are admitted, for these are working shows and most of Gibson's 7,000 franchised dealers and buyers select merchandise only during these quarterly buying trips.

Ward Hamilton, show director, says it is "America's largest private trade show". Each is carefully planned and the merchandise thoughtfully chosen to make the most of buyers' and sellers' time. Market Hall's 222,000 square-foot area is staked out in 10′ x 10′ display booths (rented from the parent company, Gibson Products Co., at $275 each) to display a full range of merchandise—everything from clothing to hardware, luggage to sporting goods. A number of manufacturers consider the investment so good that they buy extra space. Participating firms are, of course, listed in a buyers' guide and many buy advertising space in its pages. A further convenience to vendors and buyers are the preprinted (by Gibson's) order forms which cut down considerably on paperwork.

Colossal as the trade shows are, no special effort is made toward spectacular effects in Market Hall's interior. Like Gibson's stores, emphasis is on the merchandise, and the frills aren't too important. About half of Gibson's Discount Centers are still under 28,000 square feet and look almost like Army surplus stores. In heavily populated areas, store sizes range from 60,000 to 100,000 square feet.

Gibson's success formula is based on name brands and other quality merchandise. "We stack it high and sell it low," says Herbert R. Gibson Sr., founder and president. Soft goods, store fixtures, housewares and toys are shown at all trade shows. Other merchandise is chosen for seasonal merchandising impact and timed to follow major national showings. About 80 per cent of all toys sold are shown during the May show, and Christmas merchandise and decorations are big at this time too. Paint, other spring cleanup products and soft goods are featured in February. Health and beauty aids

Coghlan's Limited of Winnipeg exhibited camping equipment during a recent Gibson's trade show. This firm works through manufacturers' representatives.

"The Greatest Show on Earth"

also predominate in this show. August is the show for housewares and sporting goods, although November is the time to show fishing gear and tackle. The month of November is given over to spring merchandise and features imported items from Hong Kong and Japan.

Home offices for the Gibson chain are tucked away in tiny Seagoville, Texas, 20 miles east of Dallas. Although they do not handle the actual buying, it is advisable for vendors to make initial contact there at 519 Gibson Street, Seagoville, Texas 75159. Our Dallas office will, of course, also be happy to arrange an appointment on behalf of your company. Appointments with one of a dozen division merchandise managers should be made at least a month in advance. This will pave the way (if division managers like the product and price) to exhibiting in a show. Selling in carload lots, exhibitors can expect to sell at 5 to 6 per cent below the normal wholesale price. Prices should include duty and be quoted f.o.b. a U.S. city. As Gibson's has no import department, dealing with Customs is the responsibility of the seller. Although Gibson's does not rule out exporters who do not warehouse in the United States, having a warehouse in a U.S. border city will expedite customs and lend credibility to the manufacturer's ability to deliver on time. (See "Business by Proxy Can Be Profitable", *Canada Commerce,* March 1972.) Guaranteed deliveries are a must!

Despite the unprepossessing appearance of the Gibson stores and home offices and the seemingly unhurried pace of company officials you will meet in Seagoville, there's plenty of action at the four trade shows. With a market the size of Gibson's, the manufacturer who sells here may well be on his way to membership in "Gibson's Million Dollar Club", a group of manufacturers or representatives who write over a million dollars in orders at any one trade show.

The chain is thinking of taking its unique kind of merchandising to Canada, Australia and Europe. With possibilities like these, Gibson's could be your gateway to the world—and well worth the effort of sharpening your pencils to a very fine bargaining point.

"See how light it is?" A representative shows a Porta Sink manufactured by Reliance Products Limited of Winnipeg during one of the Gibson's shows.

Another typical display booth. These booths are rented from Gibson Products Co. by the manufacturers, and only franchised dealers and buyers are allowed into the building.

Peru
An Important Customer

Government economic reforms, discovery of oil and incentives to increase spending should help to further stimulate the economy and create greater opportunities for Canadians.

This Peruvian shoe factory is owned by the Canadian firm, Bata Industries Limited. Canadian prospects in Peru are good, with our export sales to that country reaching a record high of more than $60 million in 1971.

JAMES D. LEACH, Acting Commercial Secretary, Lima

For Peru, 1971 was somewhat of an economic disappointment as the economy failed to maintain the previous year's momentum. Following a recession in the late sixties, the economy had experienced a strong recovery and during 1970 the gross national product expanded by more than 7 per cent. And at the outset, 1971 was heralded as the year of "take-off". But indications are that the rate of economic growth will be only four to five per cent, partly because of weaker markets for metals and fishmeal—the main sources of Peru's foreign exchange earnings—and partly because of labor problems in the mines. The pace of economic activity, however, has continued to be strong. Imports of capital equipment increased sharply and many sectors of secondary manufacturing, concentrated in the Lima area, reported record profits with plants operating at near capacity.

Increased government spending contributed largely to this high level of economic activity. Capital expenditures rose by nearly 50 per cent, primarily in the areas of energy, housing, roads, and local development.

At the same time, however, private investment, while much above the low of 1970, still reflected an atmosphere of uncertainty created by the new social and economic reforms adopted by the Government. The increase in public spending failed to compensate for the continuing slack in private investment which formerly accounted for 80 per cent of total investment in Peru.

To encourage private investment in industrial development, the Government has provided several incentives. One of these has been the establishment of the Corporacion Financiera de Desarrollo (COFIDE), a state finance corporation designed to promote and establish large-scale enterprises (publically-owned or as joint ventures with private industry) in March 1971. Other inducements include a reorganized stock market and some taxation and credit reforms.

During recent years, Peru has introduced a series of structural reforms designed to alter the socio-economic aspects of its development. These included various legislative measures introduced in 1969 and 1970 to achieve reform in the agricultural, banking, insurance and industrial sectors.

In 1971, other important legislation was also enacted. The General Fisheries Law identified priorities within that industry for development incentives and included the 1970 Industrial Law concept of work force participation in profits, management and ownership through the creation of a "fishing community" and a "fishing compensation community." The long-awaited General Mining Law followed the broad outlines of the Government's mining policy, the basic framework of which had been spelled out a year earlier, and also indicated the form in which the principle of workers' participation is to be applied to mining.

Other notable legislation during the year included the General Law of Telecommunications by which the state secures control of all television stations and a significant share of the equity in private radio stations. The Government has already announced that laws respecting education and commerce will be introduced this year.

Growing government involvement in external purchasing and subsequent internal distribution was further enhanced last year by promulgation of Supreme Decree No. 951-71 which created a state organization—Empresa Nacional de Comercializacion Industrial (ENCI). This organization is charged with the responsibility for importing and marketing locally "those industrial products which are basic

WHAT CANADA SELLS TO PERU

	1970 ($'000)	1971 11 mos. ($'000)
Aircraft	—	25,316
Wheat, except seed	13,147	14,765
Newsprint paper	3,769	4,090
Steel sheet and strip	2,095	3,526
Aluminum pigs, ingots, shot, slabs	1,211	1,329
Aircraft assemblies, equipment and parts	20	1,189
Malt	280	950
Asbestos milled fibres, groups 4 and 5	777	896
Barley	152	650
Wood pulp bl. kraft paper grades soft	167	564
Mining-quarrying machinery and parts	399	424
Telephone apparatus, equipment and parts	214	353
Total exports, including all others	**35,891**	**59,517**

inputs for the economic activity of the country or essential to the population." Newsprint paper was the first commodity to be legislated upon directly, with the result that ENCI now holds the exclusive right to import this product. Canadian suppliers have dominated this market for many years.

Several developments affecting foreign investment also occurred in 1971. Discovery of oil in the Amazon jungle regions of northeastern Peru resulted in many exploration and exploitation contracts between major international oil companies and the Government. Industry sources estimate that several hundred million dollars will be spent on oil exploration during this decade. If the resources in that area prove to be as valuable as anticipated, a 400-mile pipeline will be built across the jungle and over the Andes to the Pacific coast at an estimated cost of $250 million.

In mining, a British consortium, including a Canadian associate, Wright Engineers Ltd., of Vancouver, reached an agreement with the Government to develop the former Anaconda Copper concession of Cerro Verde in southern Peru. The first phase of the project, involving expenditures of $70 million, will be financed by British and Canadian interests together with domestic allocations. Other foreign groups are studying major copper deposits which the Government intends to develop.

In the agricultural sector, attention was focussed on the massive Majes irrigation project in the south. Contracts were signed in October with British interests for the first stage of the project which includes plans for the reclamation of more than 86,000 acres of desert land for agricultural use during the next five years. Cost of the project is estimated at $110 million.

Regarding trade, Peruvian imports from Canada reached record levels in 1971, despite the abrupt disappearance of the market for Canadian motor vehicles (formerly a multi-million dollar export and one of the mainstays of Canada's business with Peru) as a result of the rationalization of the Peruvian auto industry. Traditional Canadian exports such as agricultural products, newsprint, steel products and wood pulp enjoyed notable increases over previous years. Recent sales of STOL aircraft to the Peruvian Air Force also helped considerably to increase trade figures. Even without these aircraft sales, however, Peru has emerged as one of Canada's most important markets in South America.

Available free from the Publicity Branch, Department of Industry, Trade and Commerce, Ottawa.

Brazil Gets World Bank Highway Financing

The World Bank has made a loan of $89 million to Brazil to help finance a $221 million highway project to construct, improve and undertake detailed engineering and feasibiliy studies of a large number of high priority roads. Estimated completion date is late 1975.

The Bank loan is for 25 years with a 4-year grace period at 7¼ per cent interest per annum. It will finance 40 per cent of total expenditures on highway construction and paving and on consulting services for engineering and feasibility studies, and 100 per cent of the foreign expenditures for other consulting services. Other financing will come from Brazilian Federal and State Governments. The National Highway Department (DNER) will be responsible for execution of the work on federal highways (Avenida Pres. Vargas 522, Rio de Janeiro, GB, Brazil, cable address DNERVIA Rio de Janeiro); the various state highway departments for work on state roads. Consultants who carried out detailed engineering for highways proposed for construction and paving will also supervise for construction. INGEROUTE (France) will provide experts to assist DNER to improve its methods of contract supervision.

The project is the result of a 1965 World Bank-assisted government transport survey which prepared master plans for highway investment for most Brazilian states. It consists of construction and paving of 1,150 miles of federal highways; consulting services for supervision of the construction and paving and for detailed engineering of 1,000 miles and feasibility studies of 1,600 miles of federal and state highways; consulting services to assist DNER to improve control of construction supervision and to strengthen DNER's highway training centre. Almost half the roads are in the west-central area, 14 per cent in the south, 32 per cent in the northeast and 11 per cent in the southeast.

The Ocean Freight Market

After enduring depressed charter freight rates for fifteen months, world shipowners saw few bright prospects as 1972 began. Throughout the quarter generally there was a shortage of voyage inquiry, with rate levels falling slightly below those of the fourth quarter 1971.

There was a short spurt in January chartering for the trans-Atlantic grain trades, but increased volume and the small rate gains were short-lived. Meanwhile, various negative influences were apparent. India announced that it will reduce wheat imports by 400,000 metric tons under an agreement with the United States. In the 1970-71 crop year, India was self-sufficient in food grains for the first time in recent history and, with an expected good harvest in the current crop year, is planning on exporting grain to the Middle East in July. The Japanese economy has yet to regain its past momentum. Representative of the impact of the flagging Japanese economy is the reduction in contracts for Australian iron ore. Another depressing factor was the slow-down in the British economy as a result of the electricity shortages emerging from the coal miners strike.

These influences and the general slackness in the world charter market are apparent in most of the Canadian trades. Heavy grain rates from the St. Lawrence River to Britain fell to an average Cdn.$5.46 per ton in the first quarter of 1972 from $6.33 in the fourth quarter of 1971. Heavy grain from British Columbia to the Philippines declined to an average rate of $6.89 per ton from $7.14 in the preceding quarter. Sulphur rates from British Columbia to India dropped during the first quarter to an average $9.89 from a rate of $10.33 during the fourth quarter of 1971. In certain other trades, charter rates were virtually stable. In a few instances, generally representing single fixtures, slight increases over the average freight rates of the last quarter of 1971 were noted.

In the tanker market, excess tonnage and intermittent inquiry spelled low rates for shipowners. A quantity of relet tonnage (surplus to the original charterer's requirements) further contributed to depressing rates. Average rates were considerably down: for example, oil from the Persian Gulf to Portland, Maine, declined to $4.82 per ton during the first quarter from $6.42 in the fourth quarter of 1971. Oil rates from Venezuela to Portland fell to an average $1.64 from $1.87, while the rate from Venezuela to eastern Canada declined to $1.73 from $1.80 during the same period.

CHARTER RATES — FIRST QUARTER 1972

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in Column B calculated at £=2.562 and U.S. $=1.005. For comparison the rates for the previous quarter are shown in column C with the Canadian dollar equivalent in column D calculated at £=2.502 and U.S. $=1.004. The rate schedule does not necessarily represent all charter movements to or from Canadian ports since details of certain fixtures are not published.

	First Quarter 1972		Fourth Quarter 1971	
	A	B	C	D
	£ or U.S. $	Cdn. $	£ or U.S. $	Cdn. $
TIME CHARTERS — The classes of motor ships indicated have been selected as representative for the purpose of illustrating time charter rates. Average rates per deadweight ton per month for the first quarter of the year were as follows:				
General Trading (approximately 4 to 12 months)				
11,000-15,000 dwt. 13-16 knots	3.52	3.54	3.49	3.50
15,000-20,000 dwt. 13-16 knots	3.29	3.31	3.13	3.14
20,000-30,000 dwt. 13-16 knots	2.55	2.56	2.41	2.42
30,000-40,000 dwt. 13-16 knots	1.63	1.64	1.70	1.71
VOYAGE CHARTERS — Average rates for the first quarter of the year were as follows:				
Heavy Grain (per long ton)				
St. Lawrence to Britain	£2.13	5.46	£2.53	6.33
St. Lawrence to Belgium/Holland/Germany	*2.93	2.95	2.16	2.17
St. Lawrence to Italy	6.20	6.23	—	—
St. Lawrence to Turkey	5.68	5.71	—	—
St. Lawrence to Malta	*6.25	6.28	—	—
St. Lawrence to U.S.S.R. (Baltic)	*5.15	5.18	*5.15	5.17
St. John/Halifax to Britain	£2.10	5.38	£2.13	5.33
St. John/Halifax to Belgium/Holland/Germany	2.42	2.43	—	—
Great Lakes to Britain	*£3.25	8.33	£3.39	8.48
Completing St. Lawrence	£2.00	5.12	£1.89	4.73

*One fixture only reported.

	First Quarter 1972		Fourth Quarter 1971	
	A	B	C	D
	£ or U.S. $	Cdn. $	£ or U.S. $	Cdn. $
Great Lakes to Norway	*7.80	7.84	—	—
Completing St. Lawrence	*3.75	3.77	—	—
Great Lakes to U.S.S.R. (Baltic)	10.92	10.98	—	—
Completing St. Lawrence	6.25	6.28	—	—
Great Lakes to Japan	*9.50	9.55	9.44	9.48
Completing St. Lawrence	*5.00	5.03	5.25	5.27
British Columbia/North Pacific to Belgium/Holland/Germany	*4.00	4.02	*5.00	5.02
British Columbia/North Pacific to Italy	*6.25	6.28	—	—
British Columbia/North Pacific to Spain (Atlantic)	*6.25	6.28	—	—
British Columbia/North Pacific to Japan	6.50	6.53	6.40	6.43
British Columbia/North Pacific to People's Republic of China (northern ports)	£2.41	6.18	£2.41	6.03
British Columbia/North Pacific to Philippines	6.85	6.89	7.11	7.14
British Columbia/North Pacific to South Korea	6.66	6.69	6.71	6.74
British Columbia/North Pacific to India	10.05	10.10	£4.20	10.51
British Columbia/North Pacific to Iran	7.74	7.78	9.75	9.79
British Columbia/North Pacific to Dominican Republic	5.13	5.16	—	—
Coal (per long ton)				
Hampton Roads to Japan	3.75	3.77	4.04	4.05
Oilseeds (per long ton)				
British Columbia to France (Atlantic)	*8.25	8.29	—	—
British Columbia to Japan	6.13	6.16	5.15	5.17
Scrap Iron and Steel (per long ton)				
St. Lawrence to People's Republic of China	£5.50	14.09	—	—
U.S. North Atlantic to Italy	3.80	3.82	*6.75	6.78
U.S. North Atlantic to Japan	6.97	7.01	7.10	7.13
California to Japan	*5.75	5.80	*7.92	7.95
Sulphur (per long ton)				
British Columbia to New Zealand	£2.44	6.25	—	—
British Columbia to Taiwan	*6.05	6.08	—	—
British Columbia to India	£3.86	9.89	*£4.13	10.33
British Columbia to Brazil	*8.45	8.49	—	—
Potash (per long ton)				
British Columbia/North Pacific to Taiwan	*6.50	6.53	—	—
British Columbia/North Pacific to India	£3.50	8.97	—	—
Iron Ore (per long ton)				
St. Lawrence to Britain	*1.80	1.81	—	—
St. Lawrence to Spain (Atlantic)	2.50	2.51	—	—
Petroleum Coke (per long ton)				
California to Japan	*4.15	4.17	*4.25	4.27
Oil Black (per long ton)				
Venezuela to East Coast of Canada	1.72	1.73	1.79	1.80
Venezuela to Portland, Maine	1.63	1.64	1.86	1.87
Persian Gulf to Portland, Maine	4.80	4.82	6.39	6.42
Mediterranean to Portland, Maine	3.16	3.18	3.50	3.51

*One fixture only reported.

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, and should send copies of the correspondence to the Trade Commissioner for follow-up. 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.

Animals

ITALY—Live animals, such as birds, mammals, reptiles, etc.: Animali Vivi, Via Carlo Emanuele III 22, 12100 Cuneo.

Automotive

SWEDEN—Transmission parts, particularly cardan parts, joints, shafts, axles, etc., for passenger cars, trucks, tractors and heavy vehicles; rubber molding for sealing and protecting passenger cars and trucks: AB Enterprise, Box 6032, S-211 00 Malmo (attention Lennart Sandwall, Purchasing Manager).

Books

LAOS—English language books: ETS. Ramchand's, 220 rue Saem-Sen-Thai, P.O. Box 747, Vientiane.

Clothing

GERMANY—Buying organization for boots and shoes: (1) Herr Ochsenkiel, Schaumainkai 69, Nord-West Ring, 6 Frankfurt am Main; (2) Schuh-Einkaufsgenossenschaft e GmbH, Bockenheimer Landstrasse 98-102, Nord-West Ring, 6 Frankfurt am Main.

LAOS—Modern shoes, belts, handbags, sun glasses, hats, swimming suits, cotton T-shirts, socks, stockings, sweaters: ETS. Ramchand's, 220 rue Saem-Sen-Thai, P.O. Box 747, Vientiane.

SWEDEN—For golf—women's dresses, skirts, etc.; women's orlon-nylon peds in bright colors and black; caps and hats; shoes: G.A. Hansen AB, Regementsgatan 102, S-217 51 Malmo.

Electronics

ARGENTINA—Equipment, materials, erection and start up of a teleaction system for the operation, control and protection of transforming substations. Tender No. LI 32882, closing date July 7; specifications can be bought from: Compania Italo Argentina de Electricidad S.A., Departamento Compras, Suministros y Transportes, San Jose 140-4° piso, Buenos Aires.

GERMANY—Peripheral computer equipment and accessories such as tabulating paper, storage furniture for tapes, micro-films and punched cards, data collecting units, magnetic tape cleaners, automatic paper-separating machines, electronic calculating machines, reading units for micro-films and hand mounters: Unidata GmbH, Taunusstrasse 52.60, 6 Frankfurt am Main.

Micro-wave measurement instruments and opto-electronic equipment: Wacker GmbH, Elektronik-Optik, Gruneburgweg 85, 6 Frankfurt am Main.

General and special purpose computers, peripheral equipment, teletype, interface equipment: Elektronik-Service GmbH, Savignystrasse 55, 6 Frankfurt am Main.

Computer peripheral equipment, telemetric and similar products: System Technik GmbH, Untermainkai 83, 6 Frankfurt am Main.

Equipment

BRAZIL—Articles for blueprint reproduction, draughting and surveying instruments: Sr. Francisco Chagas Dantas, Comercial Delta Importacoes Ltda., Av. Graca Aranha 206, Sala 513, Rio de Janeiro.

JAMAICA—Representation for medical laboratory equipment: Frehan Distributors, 7 Junor Avenue, Kingston 8.

SWEDEN—Masking tape that will resist 90°C during about 60 minutes: Per Deckel AB, Box 42068, S-126 12 Stockholm.

X-ray equipment of a fairly small size (50 milli-ampere, maximum 90 kg. volt): Elmeda AB, Box 44019, S-100 73, Stockholm (attention Per Udenius, President).

Foodstuffs

ITALY—Salmon eggs packed in jars. Provide lowest quotations c.i.f. Genoa and one sample of each type: De Bernardi, P.O. Box 4061 Orsini, 16146 Genova.

Giftware

GERMANY—Giftware: (1) E.H. Vogt, Immanuel-Kant-Strasse 44, 6079 Sprendlinge; (2) Klett-Loch-Import GmbH, Turbinenstrasse 30-32, 68 Mannheim.

Representation for giftware: (1) Eloplast GmbH, Holderlinstrasse 26, 7417 Pfullingen; (2) Coleman & Co. KG, Volzstrasse 10, Postfach 445, 85 Nurnberg.

Machinery

SWEDEN—Milling machines of the international size 4-5, which means a platform length of approximately two metres and an engine of 15-22 hp.: AB Sigand, Fack, S-201 10 Malmo (attention L. Ekdahl, Technical Manager).

SWITZERLAND—Large circular saws for cutting structural steel profiles with blades of a diameter between 100 and 120 centimetres: Brenner & Co., Mittlere Strasse 70, 3601 Thun.

Materials

ITALY—Suede cow hides and/or suede calf hides suitable for manufacturing men's, women's and children's garments: NECA, Via Forlivese 50065 San Francesco, Pontassieve (Florence).

LAOS—Knitting yarn thread: ETS. Ramchand's, 220 rue Saem-Sen-Thai, P.O. Box 747, Vientiane.

SWEDEN—Aluminum foil, thickness 0,007-0, 200 mm.: Ekberg-Emballage AB, Ribergsborgsvagen 14 B, S-217 53 Malmo (attention Bo Gudmondsson, General Manager).

Metals

ITALY—Permanent magnets for loud speakers, of alnico alloy, cylindrical and machine ground at both ends; 100,000 of each of three types required. Dimensions and weights in millimeters and grams of the three types are: diameter (tolerance)—(a) 19.5 ($\pm$0.5), (b) 21.5 ($\pm$ 0.5), (c) 25.5 ($\pm$0.5); height (tolerance)—(a) 13.5 ($\pm$0.1), (b) 16.0 ($\pm$0.1), (c) 16.5 ($\pm$0.1); weight—(a) 28, (b) 41, (c) 60. Contact Messrs. Via Stendhal 67, 20144 Milan.

SWEDEN—Aluminum and/or steel conductors for overhead power transmission: Broderna Edstrand AB, Hammarbyvagen 3, S-104 60 Stockholm.

Minerals

SWEDEN—Chrome-magnesite for basic furnace lining: AB Refracto, Box 41, S-123 21 Farsta 1.

Pharmaceuticals

JAMAICA—Representation for pharmaceuticals and reagents for medical laboratories: Frehan Distributors, 7 Junor Avenue, Kingston 8.

Plastics

JAMAICA—Representation for disposable plastic baby bottles: Frehan Distributors, 7 Junor Avenue, Kingston 8.

Sports, recreational equipment

SWEDEN—Golf bags and umbrellas; golf course vehicles, preferably electric-powered; equipment for golf courses, such as steamers, cups, etc: G.A. Hansen AB, Regementsgatan 102, S-217 51 Malmo.

Toys

GERMANY—Representation for toys: Coleman & Co. KG, Volzstrasse 10, Postfach 445, 85 Nurnberg.

Wood Products

BRAZIL—Tracing paper for draughting: Sr. Francisco Chagas Dantas, Comercial Delta Importacoes Ltda., Av. Graca Aranha 206, Sala 513, Rio de Janeiro.

SWEDEN—Douglas firm plywood: (1) AB Northern Plywood & Timber, Sveavagen 5-7, S-111 57 Stockholm (attention Torsten Fahlander, President); (2) AB Broderna Cederlof, Box 4055, S-800 04 Gavle (attention: E. Jantberg, President); (3) Skandinaviska Travaruagenturen Wettergren & Co. AB, Fack, S-200 62 Malmo (attention Roland Sydell), also interested in cedar plywood; (4) Canada Bygg AB, Box 344, 171 03 Solna 3 (attention Jan Swartling).

Trade Lines

Norwegian textile production drops

The Norwegian production of textiles was down 2 per cent last year from 1970, but the value increased by the same percentage to some $185.5 million. Exports of textiles increased by 13 per cent to some $49 million of which $2.6 million went to the EEC countries. EFTA members took the greatest part of the exports. Imports of textiles, ready-to-wear clothing not included, increased by some 10 per cent to $229.6 million — Oslo

Danes plan to control natural gas industry

The Minister of Commerce has presented a plan to the Government's economic committee to establish a company to control Denmark's potential natural gas industry. Under the proposal, the share capital will be five million kroner ($749,000) subscribed by the State. When the company is in full operation, the share capital is likely to become 500 million kroner with private shareholders entering the picture. The company will handle the contracts with suppliers and purchasers and the construction of the necessary pipe lines — Copenhagen

Mexico sells machines for car components

The United States and Canada are the first countries to buy automatic machines of Mexican manufacture for turning out components for automobile assembly operations. The machines are built by Ford Motor Company, S.A. They contain electric, electronic, hydraulic and cooling circuits and weigh about 12 tons — Mexico City.

Mexico will produce more cellulose

Construction of a new cellulose plant and paper mill in the State of Michoacan, Mexico, will begin next year. The project will cost about $47.2 million and will be financed entirely by private Mexican capital. France and West Germany will supply machinery. The plant will be operated by Celulosa y Papel de Michoacan, S.A., using raw materials from forests in the area. Mexico's cellulose imports currently total about $16 million annually — Mexico City

Mexico wins contract to build boats

Astilleros de Veracruz, S.A. of Mexico, has been successful in obtaining a $2.6 million contract from Peru for the construction of deep-sea fishing boats. The contract was won in competition against boat-building firms from Europe, Japan, and the United States — Mexico City

Argentina buys cranes from Spain

The Argentine Administracion General de Puertos (General Ports Administration) has bought 15 Nelson-type 30-ton cranes from Spain. The purchase of the cranes, which are to be distributed among the country's most important ports, is part of a program which calls for other important purchases of port equipment within the next two years — Buenos Aires

Brazil signs $1 billion-plus iron ore contracts

Brazil's largest mining company, the Government-controlled Companhia Vale do Rio Doce, has signed contracts in West Germany for the export of iron ore valued at more than $1 billion. The contracts were signed in February with Thyssen, Hoesch, Rheinstaal and Krupp, four of the largest West German steel producers. Shipments will take place over the next 15 years. In March, two other contracts were expected to be signed with Saltzgitter and Klochner, two other German steel producers. The value of these contracts is about $400 million. Iron ore is Brazil's second largest commodity export and plans are to increase production in an attempt to reach 80 million tons per year by 1980. Total exports for 1971 have not yet been announced, but it is expected that they will exceed 30 million tons — Rio de Janeiro

Hydroponics station for Singapore

The Singapore Primary Production Department, which made a major breakthrough in the soilless cultivation (hydroponics) of green peppers over a year ago, is setting up a new hydroponics station at Lim Chu Kang. The new unit will stand on a quarter-acre plot near the Lim Chu Kang veterinary station — Singapore

Japan buys desulfurized oil

The Nipon Oil Co. of Japan has concluded an agreement with Caltex, a subsidiary of Texaco Incorporated and Standard Oil Company of California, to supply desulfurized heavy fuel oil from the refinery of the Bahrain Petroleum Co — a wholly owned Caltex subsidiary in Bahrain. Under the agreement, a desulfurization unit with a daily capacity of 50,000 barrels is to be installed at the refinery jointly by Caltex and Nipon to reduce the sulfur content of the heavy oil. Nipon Oil will market the output in Japan — Beirut

Spain unveils Third Development Plan

Spanish authorities have announced a series of projects to be undertaken under Spain's Third Development Plan (1972-75). They include: a new shipyard at Cadiz, capable of building ships of between 250,000 and 350,000 tons dead weight. The yard will have a drydock for repairing ships of up to 400,000 dwt. A factory will be built to produce heavy components for Spain's nuclear power plants. Other important projects include participation by the Spanish aircraft industry in the European "Mercure" and "Airbus" projects, and expansion of Spain's electronics industry — Madrid

Steel production in Mexico to increase

Compania Fundidora de Fierro y Acero de Monterrey, S.A., will invest $80 million to increase its output of ingot steel, according to Carlos Priesto, company president. The move is to help meet an estimated demand of six million tons in 1975. Total production by then will be around 1.5 million tons — Mexico City

Pulp mill opens in Brazil

A new pulp mill costing U.S.$76 million was opened last March in Rio Grande do Sul. The mill, a joint venture of Borregard of Norway, the National Development Bank of Brazil and Adela Investment Group, has a rated capacity of 189,000 metric tons a year. Of this, 119,000 tons will be paper grade pulp and the remainder dissolving pulp. Full production is to be reached in 1973. Another joint venture, a pulp mill with a capacity of 1,000 tons a day, is being negotiated between C. Itoh of Japan and Companhia Vale do Rio Doce. The mill will probably be located in the State of Minas Gerais and will involve an estimated investment of U.S.$500 million. It will be one of the largest in the world — Rio de Janeiro

Mexico ranks third among silver producers

Handy & Harman, international silver brokers, report that Mexico ranked third among world silver producing countries in 1971 despite the lowest production level in the past five years. Output totalled 37 million ounces, compared with 42.8 million ounces in 1970. The leading producers were Canada with 46.7 million ounces and the United States with 41.2 million — Mexico City

Non-traditional exports rise in Colombia

Colombia's non-traditional exports increased in 1971. Those with the largest volume of sales were (U.S. $'000): cotton linterns 30,340, live cattle 19,152, raw sugar 18,539, cotton yarns 17,989, fresh bananas 16,224, beef 11,307, chemical products 10,789, raw tobacco 9,555, emeralds and precious metals 8,244, oilseed cakes 7,214, cut flowers and flower buds 1,872, cotton manufactures 1,774, shoes 2,498, frozen shell fish 6,300, plants bulbs and tubers 1,971, and books and magazines, etc. 3,142 — Bogota

Colombian plant builds auto engines

Sociedad Colombiana de Fabricaciones Mecanicas (SOCOFAM) will begin producing Renault automobile engines this August at their assembly plant in Duitama, Province of Boyaca. Initially, the plant's production capacity will be 20,000 engines a year. It will employ 800 persons, some of them trained in France. SOCOFAM will establish commercial exchange with Chile where gear boxes for the Renault vehicles are built — Bogoto

Venezuelan steel mill boosts production

The Government steel mill has increased its yearly production capacity of steel ingots to 1.25 million metric tons. The expansion is expected to go a long way in meeting the increased demand in steel arising from the installation of a rolling mill and an electrolitic tin and chrome plating line which in March 1973 is expected to produce 130,000 metric tons of tinplate a year. This production level will make the country self-sufficient in this product. By the summer of 1974, the rolling mill is expected to go on stream with a production capacity of 700,000 metric tons a year of sheets, plates, strips, etc. Production from the rolling mill will be hot or cold rolled and will be supplied flat or in coils—Caracas

Colombia buys trains from Spain

The Colombian National Railways will buy 25 new diesel electric locomotives and spare parts valued at more than $6 million from the Spanish branches of Babcock-Wilcox and General Electric–Bogota

Wanted: Manufacturers

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

Year-round swimming pool

German firm is offering a Canadian company the rights to manufacture under licence its year-round swimming pool. This pool is installed below ground level in the backyard and can be reached through the basement. In summer, its semi-transparent dome opens hydraulically to provide an open-air swimming pool with direct access through the yard. Literature available. **Item 2592**

Garden table

Dutch firm is offering under licence the Canadian manufacturing rights to its multiple-use garden table. The table's base is made of high density polyethylene, the top of ABS material. The table stands firmly when the base is filled with sand. Optional equipment includes a bottle holder which is attached to the base, four snack trays which fit into the table top, and an umbrella. Literature available. **Item 2593**

Plastic pallet

British firm is seeking a licensing arrangement with a Canadian company to manufacture its new design of plastic pallet. The pallet is designed on the egg-crate principle to reduce stacking space. It is made from a special plastic which takes the form of hard outer faces with a sandwich of foam material, the whole produced from a single moulding. A pallet will carry three tons and a stack of three pallets carries eight tons. The pallets measure 48 in. by 40 in., are 5/16 in. thick, and weigh 16.1 lb. Literature available. **Item 2594**

Reinforced plastic silos

Austrian firm wishes to negotiate a licence with a Canadian manufacturer for the production of its reinforced plastic silos. These multipurpose silos are made of glass fibre reinforced polyester, moulded by a centrifuge casting process. Silos are made entirely at the factory and transported to the site in one piece. They are gas tight and acid resistant and require no maintenance. Literature available. **Item 2595**

Vented aluminum nail

American company is offering a licensing arrangement to a Canadian firm to manufacture its vented aluminum nails. These dual-purpose nails are used as fasteners for exterior siding materials and, in addition, provide a permanent vent system for the exterior walls of wood frame construction. Venting is accomplished by means of a slot running lengthwise along the body of the nail and through the head. The slot provides an avenue of escape for moisture vapor, thus reducing wood rot and exterior paint peeling. Literature and sample available. **Item 2596**

Air-cooled engines

American firm offers a licensing arrangement to a Canadian company to manufacture its single cylinder, four cycle, air-cooled gasoline engines in the 2 through 5-1/4 horsepower range. These engines are equipped with an L-head with horizontal crankshaft. Made of heavy duty cast iron, each is equipped with a half gallon fuel tank. These engines are claimed to be capable of withstanding heavy abuse under extreme operating conditions. They are unconditionally guaranteed for 500 operating hours. Literature available. **Item 2597**

Hotwater boilers

Swiss firm is offering under licence the Canadian manufacturing rights to its hotwater boilers. These boilers are horizontal 3-pass tubeless units of all-welded mild steel construction. One unit consists of a dual-purpose boiler which provides direct heating of both domestic hot water and medium pressure hot water for central heating; another is a plain heating boiler for use where low, medium or high pressure central heating systems only are required. It is claimed that these boilers have a high thermal efficiency and provide material savings of about 50 per cent compared with other models. They are easy to manufacture and dismantle, and are easily accessible for cleaning and inspection. Literature available. **Item 2598**

Meat processing machines

Danish company is offering a licensing arrangement to a Canadian firm to manufacture its line of meat processing machines, including a meat tumbler, a ham press and a meat press. The meat tumbler consists of a revolving drum which moves the meat surfaces across each other and allows the meat to fall on itself for tenderizing purposes. The ham press and the meat press use a special technique that gives a high production capacity. The ham press is designed for pressing ham and other meats into cans. The meat press presses and moulds various meats while they are frozen. Literature available. **Item 2599**

Process of producing manganese cast steel

Polish state trading agency offers under licence the Canadian manufacturing rights to its process for producing manganese cast steel of high impact strength. The traditional process is improved by adding a modifying additive (antimony) to the liquid metal. No special equipment is required to introduce the modifying agent. The process, it is claimed, results in a 20 per cent increase in tensile strength, a 100 per cent increase in impact resistance and a 40 per cent increase in castings life. Literature available. **Item 2600**

Film carbons

Italian firm is offering under licence the Canadian production and marketing rights for its film carbons for typewriter and pencil use. In this product, the paper support is replaced by a polyester film whose traditional coating is replaced by a sponge layer containing molecules of liquid ink in micro cells. Under the pressure of typebars or pencils, the ink is released and transferred to the copy sheet allowing other cells to flow in to replace the used ones. The advantages claimed include very sharp copies, non-curling, clean handling, long-wearing and smudge-free carbon and copy. Literature available. **Item 2601**

New envelope

Canadian inventor offers for sale his patented envelope designed to provide maximum use. The main features of this new design are that it prevents unauthorized removal of contents, provides more effective sealing because of its narrow front flap, and can be used as a dispatch case because of its sturdy construction. Literature available. **Item 2602**

Combination eavestrough guard-hanger

American investor is seeking a licensing arrangement with a Canadian company to manufacture his combination leaf guard and bar hanger for use with box type eavestroughing. The inventor claims this system replaces existing outmoded fastening devices, prevents clogging of the gutter with leaves and other debris, permits maximum expansion and contraction, and can be used with any type of roof. Literature available. **Item 2603**

Multilayer lamination control system

American company offers the Canadian production rights to its multilayer lamination control system. This is a system for monitoring the resin viscosity of prepreg layers during multilayer lamination to achieve improved control of the cycle and produce premium quality laminates. The system also compensates for prepreg material variations, thus increasing the yields of the lamination operation. It can be used as a manufacturing as well as an analytical tool. Literature available. **Item 2604**

Coiled rod annealing furnace

American company offers the Canadian production rights to its coiled rod annealing furnace. It is a batch type, radiant tube-fired, recirculating atmosphere furnace. Combustion is accomplished by means of U-shaped radiant tubes, constructed of heat resistant alloy, suspended from the arch. Fuel used is natural gas, although conversion can readily be made to oil, propane or electricity. No combustion material comes into contact with steel being processed. Claimed advantages include simple design which reduces manufacturing costs by up to 50 per cent, reduction in required floor space because of its size (16 ft. wide × 18 ft. deep × 13 ft. high), easy access which facilitates loading and unloading, and low rate of down time for maintenance. Literature available. **Item 2605**

Reinforced hose

Swiss company offers under licence the Canadian production and export rights to its new process for continuously extruding low pressure fabric-reinforced hose with up to one inch inside diameter and up to 30 kp/cm^2 burst pressure. The process uses a specially designed extruder head and a fabric tape dispenser. Conventional manufacturing processes for such hose are claimed to require three to five manfacturing steps; this hose is manufactured in a single operation. Literature available. **Item 2606**

Irrigation system

American company is offering a licensing arrangement to a Canadian firm to manufacture a low pressure root feeding irrigation system. This drip feed system operates at very low pressure (1 to 20 psi) delivering water or water with fertilizer directly to the plant root zone. The system delivers water in a trickle at virtually zero pressure. Advantages claimed include increased crop yields and savings of labor, water and fertilizer. All parts are simple and reliable, and made of corrosion resistant materials. Literature available. **Item 2607**

Foreign Tariffs and Trade Regulations

Bermuda

Notification has been received from the Bermuda authorities of increases in the duty rates on alcoholic beverages and cigarettes that came into force on February 25, 1972. The rates shown are in Bermuda dollars, former rates in brackets.

Item No.	Description	Unit	New Import Duty Preferential	General
112.22	Malt liquors, beer, ale, stout, etc.	gal.	.62 (.54)	.64 (.56)
112.93	Other alcoholic beverages of 70 per cent under proof	proof gal.	17.00 (15.30)	17.30 (15.57)
113.16	Alcohol (except denatured)	proof gal.	17.00 (15.30)	17.30 (15.57)
113.29	Brandy	proof gal.	17.00 (15.30)	17.30 (15.57)
113.32	Gin	proof gal.	12.00 (9.00)	12.20 (9.15)
113.45	Rum	proof gal.	12.00 (9.00)	12.20 (9.15)
113.58	Vodka	proof gal.	17.00 (15.30)	17.30 (15.57)
113.61	Whisky	proof gal.	16.00 (14.40)	16.25 (14.64)
113.74	Liqueurs and cordials	proof gal.	17.00 (15.30)	17.30 (15.57)
113.90	Other potable spirits n.e.s.	proof gal.	17.00 (15.30)	17.30 (15.57)
112.21	Cigarettes & beddies	lb.	2.42 (1.86)	2.50 (1.92)

Brazil

Brazilian industries exporting products described in Regulation BSB 1 of the Ministry of Finance, dated January 10, 1972, will be allowed to import free of customs duty and industrialized product tax until 1974 the following: machines, equipment, research apparatus, parts and accessories, semi-finished goods and raw materials, and packaging material to be used in their production process. The list of export products enumerated in the Regulation includes items in practically all chapters of the Brazilian Customs Tariff.

The material may be imported free of duty and tax provided it is used by the exporter who is granted the privilege of free importation in his production process, and that the quantity does not exceed 10 per cent in value of the increase in exports as compared with the previous year.

Chile

Present regulations governing tourist traffic in Chile state that foreign non-residents entering the country by air must declare the total amount of foreign currency in their possession and must change a minimum of U.S.$10 for each day of their stay in Chile. If they enter by surface means and plan to stay more than seven days the minimum is U.S.$8.

Officers of the Central Bank take the foreign currency declaration from tourists on their arrival, stamp the copy and return it to the traveller. At the time of departure these stamped copies, together with the certificate received for the currency exchanged, must be surrendered to these officers.

If at the time of departure travellers still have local currency in their possession, the authorized commercial banks may buy it back at the official selling rate of E°28 to the U.S. dollar on submission of the following documents: (1) passport, (2) certificate showing the amount of foreign currency changed into escudos, (3) stamped copy of the traveller's declaration of foreign currency made on arrival.

The Central Bank will convert Canadian dollars at the prevailing rate.

Colombia

By Decree 305 of February 26, 1972, customs duty changes on about 650 items have been introduced by the Colombian authorities.

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

Japan

Effective April 1, 1972, the Japanese Diet instituted a number of changes in the import regime.

Following the termination of the Automatic Import Quota System on February 1, 1972, the Japanese have further liberalized a number of items. Included are such items as ham and bacon (BTN 02.06-1), refined sugar (BTN 17.01), compound feeds (BTN 23.07), sulphur (BTN 25.03), and tomato puree and paste (BTN 20.02). This reduces to 33 the number of four digit BTN items on which import quotas remain. In addition, however, there are still 44 items which the Japanese consider to be of a "Staple or National Security Nature" and which remain subject to import control.

The Japanese have also introduced tariff reductions on a number of items. Those of most interest to Canadian exporters appear to be rye (BTN 10.02), 5 per cent (15 per cent); rapeseed and mustard seed (BTN 12.01-3), free (4 yen/kg); beef tallow (BTN 15.02-1), free (2.5 per cent); malt beer (BTN 22.03), 10 yen/litre (20 per cent); whisky (BTN 22.09(1)B), 490 yen/litre (550 yen/litre); motor vehicles for the transport of persons (BTN 87.02), 8 per cent (10 per cent). The commodity tax rate applicable to passenger automobiles has also been reduced to 20 per cent, from 40 per cent and 30 per cent respectively, for large and medium sized automobiles. The present 15 per cent rate for small sized automobiles remains unchanged.

Other changes involve tariff increases on sulphur (BTN 25.03); ham and bacon (BTN 02.06-1); salted, dried or smoked beef and pork meats (BTN 10.06-2), and animal compound feeds (BTN 23.07-2).

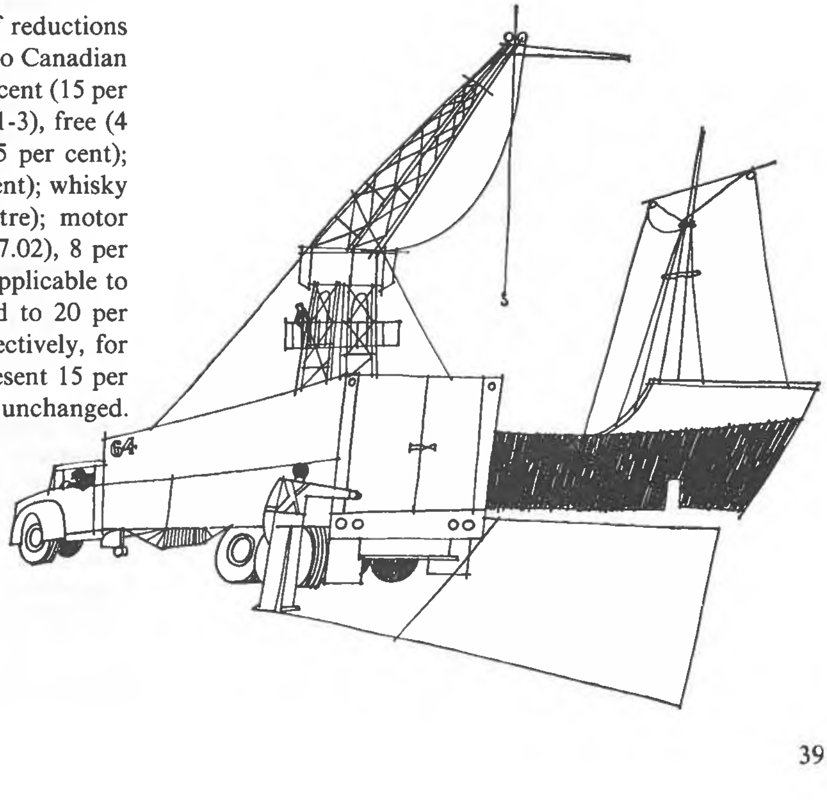
Japan

As a measure to stabilize domestic pork prices, the Japanese Government announced that pork imports will be allowed duty-free entry from April 15 until July 31, 1972. It is probable that this period will be extended for a further three months.

In a separate announcement the Japanese Government has notified that, "Hard roes of herring, fresh, chilled, frozen, salted, in brine, dried or smoked" will be liberalized with effect from May 1, 1972.

Peru

Supreme Decree No. 023-72-EF of February 8, 1972, adds an additional 207 items to the list of prohibited goods introduced by Decree No. 202-68-HC of June 24, 1968. The following products are included in the new list: cheese; fruits, preserved and dried; mixed seasonings; non-alcoholic beverages; beer; wines; alcoholic beverages (excluding gin and whisky); flours of meat and fish; oil cake and other residues resulting from the extraction of vegetable oils; dog biscuits; cigars; dentifrices; plastic curtains, tablecloths, toilet articles, statuettes and articles for decoration; furskins (except assembled); cellular wood panels; improved wood and reconstructed wood in sheets, blocks, or the like; wallpaper; lincrusta; binders, loose-leaf and others; diaries; sample albums; transfers; picture postcards, Christmas and greeting cards; calendars; printed pictures and photographs; baby carriages; wheeled toys; dolls and parts; other toys (except educational); playing cards; smoking pipes.



International Loans

Brazilian Steel Production to Increase

The World Bank has made a loan of $64.5 million to Companhia Siderurgica Nacional (CSN) of Brazil, the largest steel producer in Latin America, to help to increase the capacity of its Presidente Vargas plant at Volta Redonda, in the State of Rio de Janeiro. The project, which will require investments estimated at $448 million, will raise CSN's production capacity from 1.7 million tons of raw steel in 1972 to 2.5 million tons a year by 1976.

The CSN project is part of a $1.28 billion steel expansion program formulated by the Government of Brazil, aimed at increasing the raw steel production capacity of three large flat steel products mills from 3.7 to 7.2 million tons a year by about 1976.

A subsequent stage would raise capacity to 11 million tons by about 1980. The program also involves two other companies — Usinas Siderurgicas de Minas Gerais, S.A. (USIMINAS), and Companhia Siderurgica Paulista (COSIPA), and is designed to produce flat steel products competitively in sufficient quantities to make Brazil largely independent of imports. The Brazilian Government has asked the World Bank to assist CSN, USIMINAS and COSIPA with three loans for approximately $190 million equivalent. The Inter-American Development Bank (IDB) is also participating in the financing of the program.

The CSN project represents the second stage of the company's current expansion program. A first stage, presently under way, is raising CSN's capacity to 1.7 million tons. The IDB has already approved a $43 million loan for the second stage.

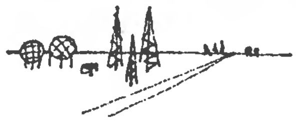
Technical Data — The loan of $64.5 million is for 15½ years with four and a half years of grace, at 7¼ per cent interest per annum, guaranteed by the Federative Republic of Brazil with a 1¾ per cent per annum guarantee fee payable to the Government. Other financing is by the Inter-American Development Bank, with export credits from Austria, Belgium, France, Germany, Italy, Japan, Britain and the United States.

The implementing organization is Companhia Siderurgica Nacional, Avenida 13, de Maio 13, Rio de Janeiro, G.B. Brazil; cable address SIDERURGICA, Rio de Janeiro.

The project includes installation of a 5,200-ton-a-day sintering plant; a coke oven battery with gas and tar recovery plant; a 6,000-ton-a-day blast furnace; a basic oxygen furnace steel plant with two 200-ton vessels; a new 600-ton a day oxygen plant; a continuous slab-casting unit; a continuous annealing line; two electrolytic tinning lines; modifications to the hot strip mill and various other existing installations, and expansion of CSN's iron ore mines.

World Bank and IDB loans will finance equipment procured through international competitive bidding with 15 per cent preference for Brazilian manufacturers; balance of the equipment to be financed by the bilateral credit institutions; downpayments on bilaterally financed equipment, civil works, incremental working capital and interest during construction to be financed by CSN; civil engineering, building and construction work will be carried out by Brazilian contractors.

The consultants are Arthur G. McKee & Co., and U.S.S. Engineers & Consultants, Inc., U.S.A.



More Electricity for Ecuador

The International Development Association, a World Bank Group member, has extended $6.8 million credit to help to finance the foreign exchange needed to expand the electric power supply in Quito, the capital city of Ecuador and one of its main industrial regions. The proceeds will help Empresa Electrica Quito (EEQ), the company responsible for the generation and distribution of electricity in Quito and its surrounding area, to finance a program to increase electricity supply by 48 megawatts. Estimated total cost of the project is $18.7 million.

The development of Ecuador's power sector has not kept pace with national needs and the country's per capita generation has remained among the lowest in Latin America. In the coming years, oil development is expected to stimulate a rapid growth of the country's industry, causing the demand for power to increase at a rate even faster than in the past. The demand in the Quito area is projected to increase at about 11 per cent annually. The expansion program, scheduled for completion in 1974, should satisfy electricity requirements in EEQ's area of service until 1975.

Technical Data — The credit of $6.8 million is for 50 years with 10 years of grace, interest-free except for ¾ of 1 per cent service charge; Ecuadorean Government to relend credit funds to EEQ for 24 years, four years of grace, 7¼ per cent per annum.

The implementing organization's Empresa Electrica Quito, S.A. (EEQ), Casilla 473, Quito, Ecuador.

The project is to construct a 30-megawatt hydroelectric station at Nayon on the San Pedro River and an 18-megawatt diesel electric plant near Quito; improve and expand the transmission and distribution system for the capital city of Quito, including a village electrification program; provide consultant services for management, administration and tariff matters of EEQ; and to undertake studies of the company's future power generation, and of social costs and benefits of village electrification.

The procurement is for civil works for the Nayon hydroelectric plant and all bypass works; equipment and services for diesel station construction; line switching and substation equipment; transmission, distribution facilities; engineering and supervision services; drilling and survey services for the La Mica hydroelectric plant; management assistance and studies. All contracts for the works will be awarded on the basis of international competitive bidding with 15 per cent preference for local manufacturers; contracts for 9 megawatts of diesel plant and civil works for Nayon plant are already let.

Electric Power Development Co. Ltd. of Japan is consultant for engineering and supervision of the Nayon plant and bypass; supervision of drilling and surveys for the La Mica plant; study of the thermal alternative for the La Mica plant; network study; management assistance; study for next stage in EEQ's power generation; and for village electrification study.

Argentine Pipeline to Stretch 450 Miles

The inter American Development Bank (IADB) has lent $20 million to Argentina to help to finance the cost of a 450-mile gas pipeline. The pipeline is to be laid between the Cerro Redondo fields in the extreme south of Patagonia and the main truck line to Buenos Aires. The total cost of the project is expected to be $65 million. Loans from suppliers and a line of credit opened by the U.S. Eximbank will cover most of the balance of the foreign content of this project.

Fiji Expands Power Supply

The Fiji Electricity Authority's first loan from the Asian Development Bank, totalling U.S.$4.7 million, will finance the foreign exchange cost of part of the development of FEA's electric supply in northwest Viti Levu which included Nandi and Lautoka townships and Nandi International Airport. Total cost of the project is U.S.$5.7 million.

The project includes the construction of a new generating station at Vunda with a 10 Mw generating capacity and two single-circuit 33 kv transmission lines between Vunda and Lautoka and Vunda and Nandi, re-arrangement and extension of the existing distribution system at Lautoka and Nandi and provision of consultant services. The project is expected to meet 1975 estimated generation and transmission requirements in the area and will permit the continued development of tourism and small industries, which is one of the goals of Fiji's Sixth Development Plan. The loan, to be guaranteed by the Government of Fiji, will be for a term of 20 years including a grace period of four years, at an interest rate of 7.5 per cent per annum.

Jamaican Transportation with Canadian Help

A Canadian firm of consulting engineers — Lamarre, Valois International Limited of Montreal — has been engaged by the Jamaican Government to carry out the second stage of an island-wide transportation survey. The $2,-686,790 survey, which is being partly financed by a Canadian International Development Agency loan, calls for technical and economic feasibility studies as a basis for specific road projects to be financed by international lending agencies. Detailed engineering designs, construction drawings and bidding documents will be provided and construction priorities determined. Canadian funds will cover the cost of Canadian goods and services including aerial photography and photogrammetry ($1,750,-000) and of expenses incurred in Jamaica ($583,000). Jamaica's contribution will be about $355,000.

The $500,000 first stage of the Jamaica transportation survey was one of four pre-feasibility and feasibility studies financed in part by a 1968 CIDA loan of $1.2 million. The first stage of the survey established the true cost of moving people and goods in Jamaica by road, rail, air and coastal shipping and identified areas requiring priority treatment in Jamaica's development plans.

CIDA Loan for Botswana Power

Additional Canadian funds of $10 million are helping the Government of Botswana to construct a power station for the Shashe mining complex project. A previous Canadian International Development Agency loan of $20 million financed the construction and the supply of electric generators, turbines, boilers and transmission lines for the Selibe-Pikwe electric power project in the northeast part of the country. The new loan will cover increased equipment and construction costs.

The project will help to provide the electricity necessary for the development of Botswana's mining industry, which began with the discovery of nickel and copper in 1967. The sparsely settled country has a population of some 600,000 of whom only 28,000 have jobs. Per capita income is $102. Canada, the World Bank and other donor countries agreed to finance the infrastructure costs of the project in order to boost the country's economy.

Major Expansion of Venezuelan Airport

A $17 million World Bank loan will help to finance foreign exchange costs of the $54 million first phase of a master development plan for Venezuela's main international airport at Maiquetia. Estimated total cost of the project, scheduled for completion by 1975, is over $100 million. The modernization and expansion program is designed to meet the needs of Venezuela's growing tourism and industrial sectors. The World Bank is also executing agency for a UNDP-financed feasibility study for the tourist development of a nearby 57.7-mile coast area between Los Caracas and Higuerote.

Technical Data — The loan is for $17 million and will run for 15 years, including three and a half years of grace, at 7¼ per cent interest per annum. Other financing is by local bond issues and government contributions.

The implementing organization is the Oficina Ministerial del Aeropuerto de Maiquetia, Ministerio de Obras Publicas, Caracas, Venezuela.

The project includes construction of a new paved runway 11,500 feet by 150 feet with parallel and connecting taxiways complete with lighting; runway approach lighting; navaids, including an instrument landing system; road, utility and drainage diversion works; a provisional freight terminal and improvements to the existing terminal building; detailed design of the air terminal complex; and consultant services for the study of management and accounting improvement to strengthen port authority.

Procurement is through international competitive bidding; prequalification procedures to be followed.

Consulting advisors are Tippetts-Abbott-McCarthy-Stratton, New York.

Singapore expands power system

The Asian Development Bank (ADB) has approved a U.S. $15.47 million loan to Singapore's Public Utilities Board (PUB) for expansion of the country's power transmission and distribution system, a project that will cost about $53 million.

The ADB funds will be used to finance the foreign exchange cost of the supply and installation of lines for a 230 kv. transmission system and the expansion of the 22 kv. and the 6.6 kv. distribution systems.

Interest rate on the loan is 7.5 per cent. It will have to be repaid over 15 years including a three-year grace period and will be guaranteed by the Republic of Singapore.

Early in the 1960s, Singapore embarked on a high priority program of developing export-oriented industries. A result of this has been that power consumption increased about 15 per cent a year from 1966 to 1970. This growth rate is expected to continue.

Nepal plans irrigation system

The Asian Development Bank will provide consultant services for preparing a feasibility study of an irrigation system as part of an integrated agricultural development program in the Chitwan Valley in Nepal. The development of the Chitwan Valley has been given high priority by the Government of Nepal because of its fertile soil and its accessibility. It is also a new settlement area.

The study will recommend the most suitable irrigation system for the Lohathar area which covers 12,000 hectares. The integrated agricultural development program, for both Lohathar and the adjoining 7,000-hectare Upper Khageri area, will cover soil conservation and improvement, irrigation, cropping pattern, animal husbandry, product processing, marketing, agricultural research and extension, and farm organizations and institutions.

The provision of year-round irrigation water in the Lohathar area is expected to produce higher yields and more crops resulting in doubling farm incomes.

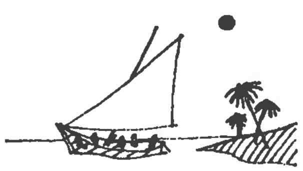
Nepal's Kankai Irrigation Project Gets $4.5 million from ADB

An Asian Development Bank concessional loan of $4.5 million will construct a diversion weir, intake structure and irrigation, drainage and farm road systems on the right bank of the Kankai River in Nepal's Jhapa District, close to the industrial centre of Biratnagar.

Estimated cost of the Kankai Irrigation Project, in the far eastern Terai region of Nepal, is $6.9 million. The ADB loan will cover foreign exchange costs and will be for a period of 25 years including a 7-year grace period at 2½ per cent per annum. Construction will be the responsibility of the Department of Irrigation and Water Works, Ministry of Water and Power, which will carry out the provisions of the Lands Act of 1964 with reference to land distribution, security of tenure and fixing of rent.

The project is expected to bring year-round water to about 12,355 acres of undeveloped farmland. Farm income is expected to increase significantly after the project is completed in 1976 through the introduction of double cropping and of new agricultural techniques. Initially, rice and jute will be grown in the area.

The project also calls for the establishment of a government-staffed agricultural sub-station. The substation will work closely with the Biratnagar Agricultural Station (already receiving ADB assistance for equipment and expertise) and will be supported by foreign experts in agronomy, small machinery, extension training and seed production. The Nepalese Government, which has agreed to help strengthen farmers' organizations in the area, will establish the Kankai Development Board to co-ordinate Project activities with the Kankai Project Office in the field as its executive body.



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.

Country and Currency	Value of foreign currency unit in Canadian dollars at April 28	Value of Canadian dollar in foreign currency units
Algeria		
Dinar	.2093	4.78
Arab Republic of Egypt		
Pound (official)	2.2820	.44
Argentina		
Peso (free)	.1986	5.04
Australia		
Dollar	1.1832	.85
Austria		
Schilling	.0429	23.31
Bahamas		
Dollar	1.0228	.98
Belgium and Luxembourg		
Franc	.0225	44.44
Bermuda		
Dollar	1.0397	.96
Bolivia		
Peso	.0836	11.96
Brazil		
Cruzeiro (official free)	.1703	5.87
Britain		
Pound	2.5909	.39
British Honduras		
Dollar	.6078	1.64
Burma		
Kyat	.1855	5.39
Ceylon		
Rupee	.1667	5.99
Chile		
Escudo (bank rate)	.0628	15.92
(free)	.0354	28.25
China, People's Republic of		
Renminbi	.4188	2.39
Colombia		
Peso (fixed)	.0459	21.79
Costa Rica		
Colon	.1498	6.68
Cuba		
Peso	1.0795	.93
Czechoslovakia		
Koruna (fixed basic rate)	.1515	6.60
Denmark		
Krone	.1419	7.05
Dominican Republic		
Peso	.9922	1.00
Ecuador		
Sucre (official)	.0397	25.19
El Salvador		
Colon	.3969	2.52
Fiji		
Dollar	1.2371	.81
Finland		
Markka	.2420	4.13
France, Monaco, etc.[1]		
Franc	.1973	5.07
French Pacific[2]		
Franc	.0108	92.59
Franco-African Republics[3]		
Franc	.0039	256.41
Germany		
D Mark	.3120	3.21
Ghana		
New Cedi	.7739	1.29
Greece		
Drachma	.0331	30.21
Guatemala		
Quetzal	.9922	1.00
Guyana		
Dollar	.5136	1.95
Haiti		
Gourde	.1984	5.04
Honduras		
Lempira	.4961	2.02
Hong Kong		
Dollar	.1781	5.61
Hungary		
Forint (official)	.0869	11.51
Iceland		
Krona (official)	.0113	88.50
India		
Rupee	.1364	7.33
Indonesia[4]		
Rupiah	.0024	410.00
Iran		
Rial	.0134	74.63
Iraq		
Dinar	3.0163	.33
Ireland		
Pound	2.5909	.39

Country and Currency	Value of foreign currency unit in Canadian dollars at April 28	Value of Canadian dollar in foreign currency units	Country and Currency	Value of foreign currency unit in Canadian dollars at April 28	Value of Canadian dollar in foreign currency units
Israel Pound	.2362	4.23	**Philippines**[6] Peso (free)	.1538	6.50
Italy Lira	.0017	588.24	**Poland** Zloty (fixed basic rate)	.2577	3.88
Jamaica Dollar	1.2955	.77	**Portugal & Colonies**[7] Escudo	.0364	27.47
Japan Yen	.0033	303.30	**Saudi Arabia** Riyal	.2273	4.40
Kenya[5] Shilling	.1441	6.94	**Sierra Leone** Leone	1.2371	.81
Korea, Republic of Won	.0027	370.37	**Singapore** Dollar	.3358	2.98
Lebanon Pound (free)	.3161	3.16	**South Africa** Rand	1.3271	.75
Libya Dinar	2.9467	.34	**Spain & Dependencies** Peseta	.0154	64.94
Malawi Kwatcha	1.2494	.80	**Sweden** Krona	.2078	4.81
Malaysia Dollar	.3519	2.84	**Switzerland** Franc	.2568	3.89
Mexico Peso	.0794	12.59	**Syria** Pound (free)	.2711	3.69
Morocco Dirham	.2129	4.70	**Thailand** Baht (free)	.0477	20.96
Netherlands Florin	.3081	3.25	**Trinidad & Tobago**[8] Dollar	.5386	1.86
Netherlands Antilles Florin	.5543	1.80	**Tunisia** Dinar	2.0519	.49
New Zealand Dollar	1.1857	.84	**Turkey** Lira	.0709	14.10
Nicaragua Cordoba	.1417	7.06	**United States** Dollar	.9922	1.00
Nigeria Pound	2.8835	.35	**Uruguay** Peso (free)	.0019	526.32
Norway Krone	.1503	6.65	**Venezuela** Bolivar (official free)	.2260	4.42
Pakistan Rupee	.2080	4.81	**Yugoslavia** Dinar (official)	.0584	17.12
Panama Balboa	.9922	1.00	**Zaire, Republic of**[9] Zaire	2.054	.49
Paraguay Guarani (free)	.0079	126.58	**Zambia** Kwacha	1.4576	.69
Peru Sol (free)	.0256	39.06			

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

2. New Caledonia, New Hebrides, French Polynesia.

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. Exchange rate at August 1971.

5. Rate also applies to Tanzania and Uganda.

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

7. Approximately same for Portuguese territories in Africa.

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

9. Formerly Congo (Kinshasa).

Colombia Plans $1.8 Billion Expansion

And thereby opens up opportunities for Canadian manufacturers and supplies in its new capital investment program.

CHARLES R. DONLEY, Assistant Commercial Secretary, Bogota

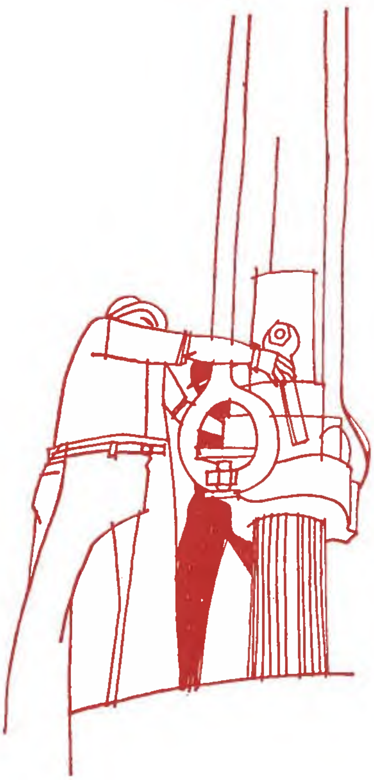
The Colombian Government has recently embarked on a capital investments program that will cost U.S.$1.8 billion and require approximately half that amount in foreign financing. The program, to be completed between 1972 and 1974, covers a wide range of public-oriented projects in such areas as energy, transportation, education and health. Also included are large industrial plants, refineries and mining developments. The general responsibility for the plan rests with the National Planning Department, but the actual administration and implementation of specific projects will be directed either by functional government ministries or more specialized semi-official organizations such as the government-owned power companies.

Projected Expenditures in Various Sectors

	U.S. $ million	
	Total Cost	Amount of Foreign Financing*
Energy	539.6	366.8
Transport	308.6	107.0
Water supply	50.0	20.0
Education	150.0	75.0
Health	6.3	5.0
Agriculture	*296.8*	147.6
Industry	337.7	127.7
Regional and urban development	135.0	75.0
National resources	15.0	7.0
Total	**1,839.0**	**931.1**

*The degree of foreign financing involved indicates the value of imported goods in each sector. Financing may be sought from the World Bank, Inter-American Development Bank, foreign government aid or suppliers' credits.

The greatest investment, in terms of dollars, will be in energy development—$540 million all told, about $360 million of which will require foreign financing and a similar amount of imported equipment. The largest projects are hydroelectric plants at Mesitas-La Guaca, Chivor and Samana, but there are also plans to extend transmission lines and continue Colombia's rural electrification program. Some of these projects have been planned for some time, and tenders have already been called on some parts of the Chivor project. Other projects are just now in the initial planning stage.



Transportation, another major investment area, offers particularly attractive opportunities for Canadian exporters in terms of the installation of new navigational and communication equipment for the country's Civil Aviation authority. A $90 million road building program is also envisaged which will require a significant amount of additional road building equipment (approximately half this amount will be spent on imported equipment).

In the industrial sector, a number of projects are planned—crude oil refineries at Cali (40,000 barrels a day capacity) and Tumaco (70,000 barrels a day) for example, and a combination DMT (dimethyl terephthalate) polyester fibre plant. Development of a number of coal mines and coke plants also indicate potential equipment sales opportunities.

Companies wishing further information on these projects should get in touch immediately with the Commercial Counsellor in the Canadian Embassy in Bogota. For detailed information on those projects that have been planned for some time, contact the appropriate industry sector division of the Department of Industry, Trade and Commerce, Ottawa.

In the high Arctic, a Canadian Forces engineer begins his survey of a northern airstrip.

Everyone has his own personal feeling about the word peace. What it means, and what we should be doing to achieve it. For Warrant Officer Bob Ellis of Dartmouth, N.S., it's watchful hours aboard a destroyer in mid-Atlantic. For Corporal Larry Meidell of Moncton, N.B., it's working with Radar equipment at Armstrong in northern Ontario. For Sergeant Leonard Haché of Bathurst and 600 men like him, it's international peacekeeping in Cyprus. For a medical patient from Koartac, in northern Quebec, it's the air evacuation by Forces helicopter that just might have saved his life. And, for others, it's simply the tranquility of the Canadian wilderness. Whatever the feeling, we in the Canadian Forces know that peace doesn't just happen. We're ready to fight if it ever comes to that, but with all our military skills we're working hard for peace.

Through Education.

It takes knowledge to work for peace. So, we're expanding the facilities of our Military Colleges. We're increasing the financial assistance we give to students at civilian universities. We're participating in international training programmes in Ghana and Kenya. We're giving courses to people from a dozen countries of Africa, Asia, the Caribbean and South America who've come to Canada to learn. In conjunction with our Reserve Forces, we're teaching summer students first-aid, survival techniques and defensive driving. We're involving Canada's northerners in our recruit training, with several Eskimos entering the Forces last year. And we're developing teaching programmes so good that industry borrows from them.

Through Emergency Relief.

It takes concern to work for peace. So at home we've fought forest fires in Moosonee, Chibougamau, and Pine Point on Great Slave Lake. And we've helped to control floods in Bridgewater and Truro in Nova Scotia when these and other communities were threatened. Away from home we're doing our share for victims of international disasters. Our people have flown hundreds of tons of medicine, food, clothing and shelter to flood victims and refugees in the Calcutta-Dacca region. And we evacuated hundreds of Canadians, Americans and other nationals from West Pakistan last December.

Through Research and Development.

It takes innovation to work for peace. So we have a group studying environmental medicine and the effective integration of men and machines. We're helping develop certain regions of the North by constructing new roads and bridges. And we're opening up Arctic settlements to year-round air traffic with airfields at places like Pangnirtung, Igloolik and Whale Cove.

Through Search and Rescue.

It takes responsibility to work for peace. So we have search and rescue squadrons spread from Prince Edward Island to British Columbia, ready to find and help the lost and the wounded. We're continuing our education programmes to the public on defensive flying and the use of the latest navigational aids. And we're saving lives — 193 last year alone.

Through Co-operation.

It takes awareness to work for peace. So we're supporting the other government departments regulating fishing fleets, and detecting maritime pollution. We're participating in the avalanche control programme that keeps the Trans-Canada Highway open all winter. We're contributing to wildlife counts and cleaning up polluted rivers. And we're removing unsightly buildings and unused dams for the Department of Indian Affairs and Northern Development.

Through Understanding.

It takes involvement to work for peace. And a realization that peace in the world means nothing more than peace of mind. So we're encouraging more French-speaking participation in the Forces to better reflect the bilingual nature of Canada. And we're helping people cope with the Canadian climate, like the residents of London, Ontario, during the heavy snowstorms of January '71.

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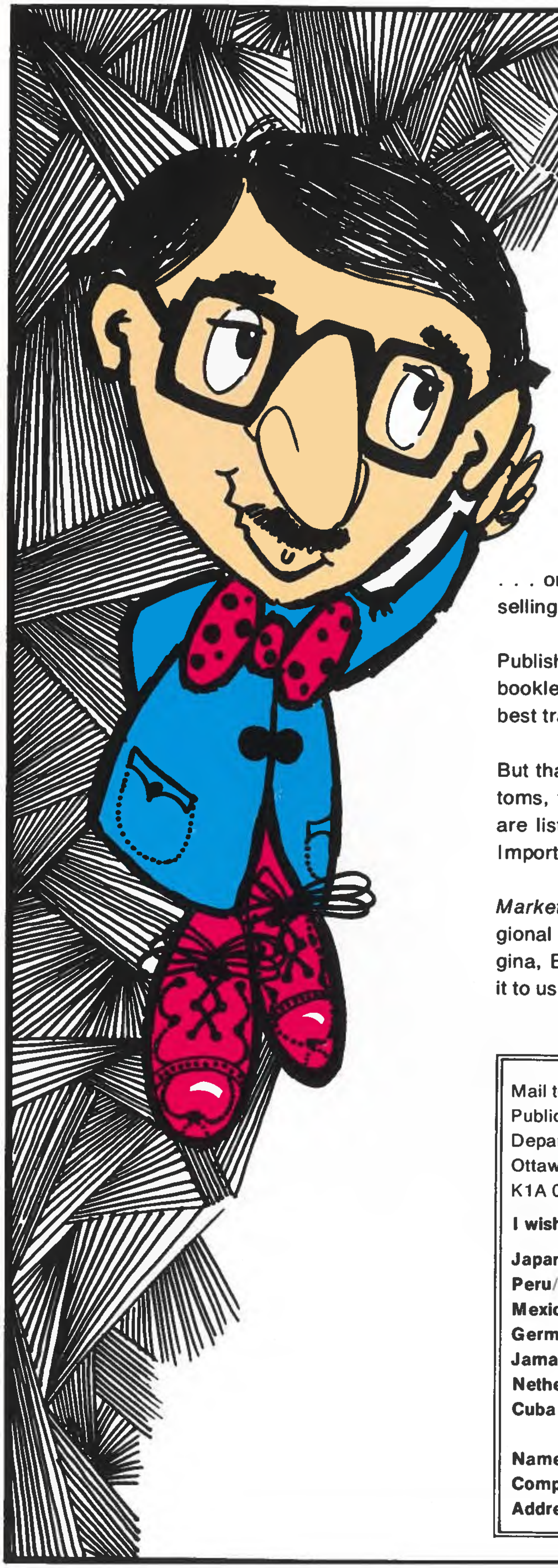

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