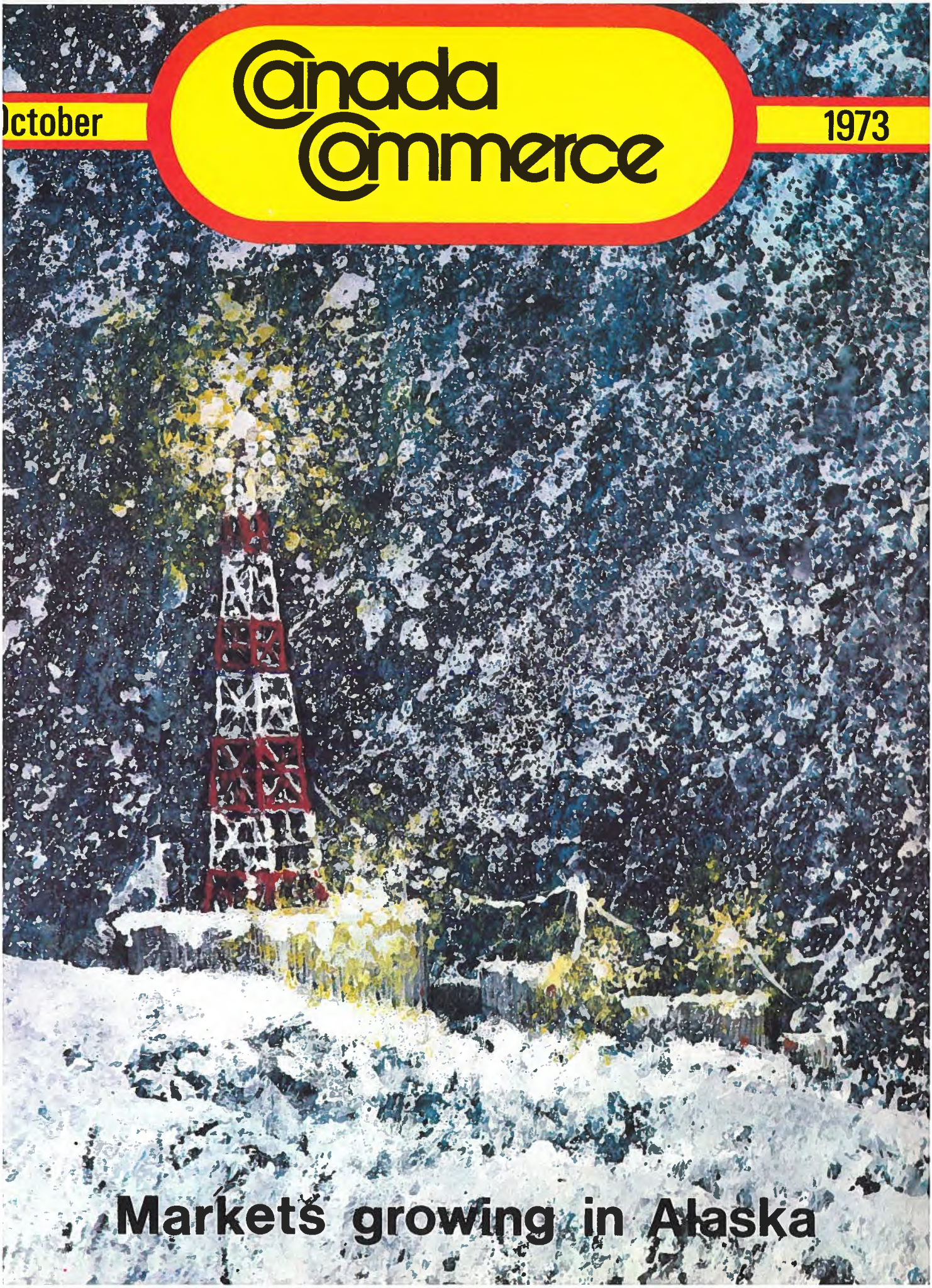
October 1973

Canada Commerce



Markets growing in Alaska

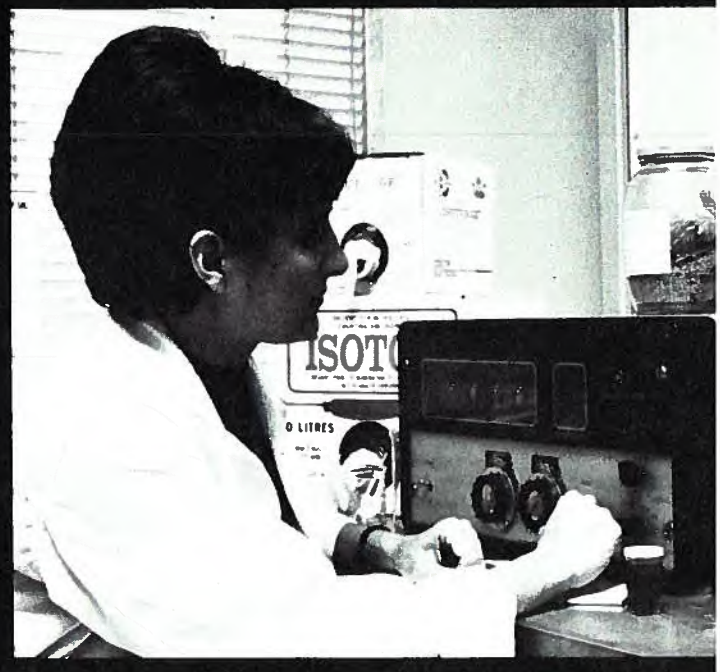
Innovative Effluent Handling System Wins Award

An unusual effluent handling system, installed at Air Canada's aero-engine maintenance facility in Dorval, has brought an Award of Merit to the Montreal consulting firm of SNC Inc. The award is sponsored by the Association of Consulting Engineers of Canada and *Canadian Consulting Engineer*.

The installation, designed by Dr. Carole D. Burnham, neutralizes highly toxic wastes produced by metal finishing, cleaning, stripping, and plating processes required for the maintenance and overhaul of the jet engines that power the Air Canada fleet. SNC Inc. provided design and construction management services for the system which went into operation last year.

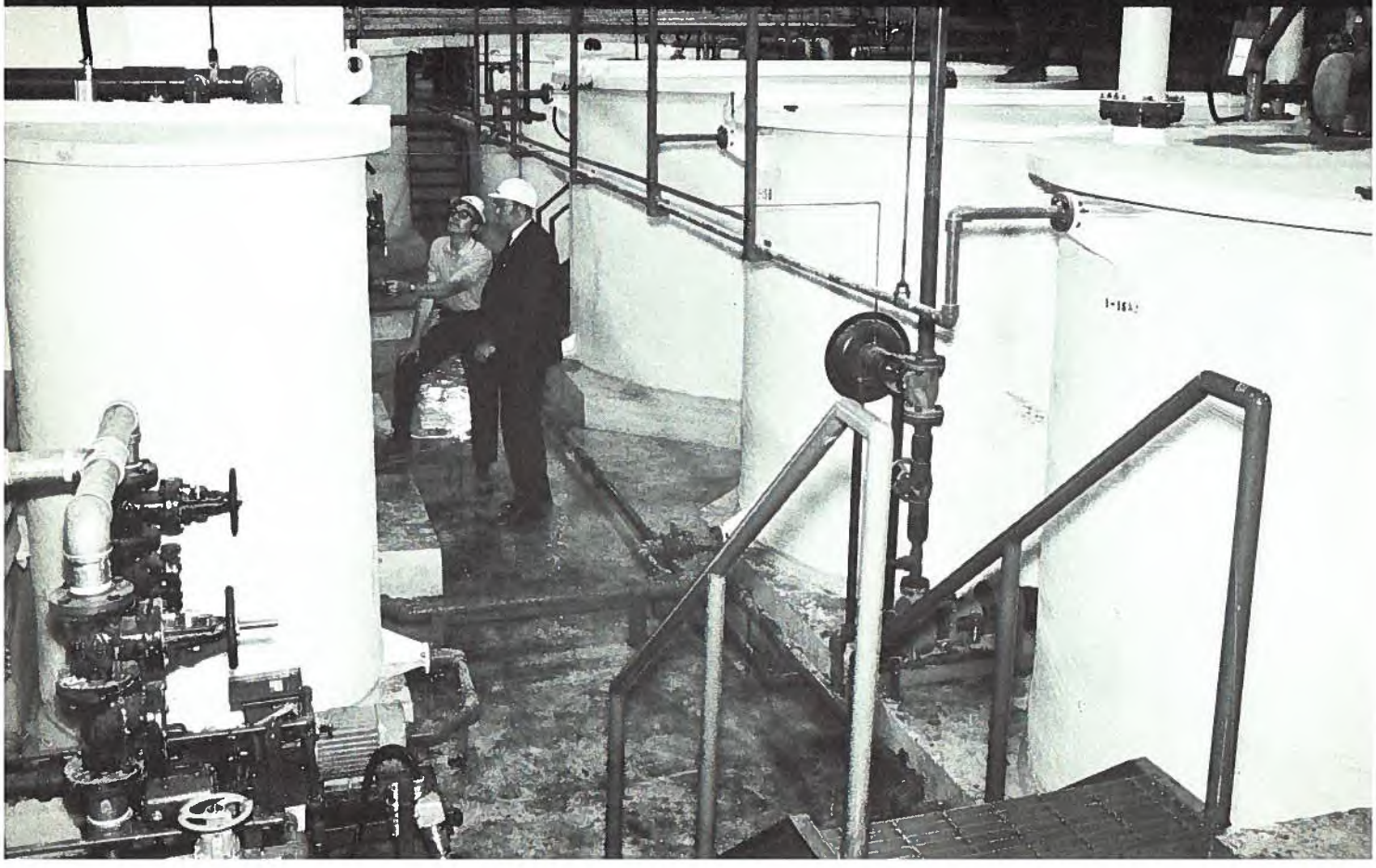
"Protection of the environment was a prime consideration from the start of design," said Dr. Burnham. "The system has a number of unusual features. For one thing, it must handle a great variety of effluents. Moreover, these effluents are produced sporadically — rather than continuously. Where possible, we sought to use the various chemicals in different effluent streams to neutralize each other."

Other wastes treated include fluorides, phosphates, chromates, acids, and alkalis. This is thought to be the only effluent system using cyanide waste to destroy alkaline permanganates and the cyanide electrolysis portion of the system is the second such installation in Canada. □



Dr. Carole Burnham in her laboratory.

Part of the SNC effluent system at Air Canada's Dorval, Quebec, facility.



Canada Commerce

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In This Issue

Alaska is a big land, big enough to contain the States of Washington, Oregon, California, Arizona and Nevada. It doesn't contain many people: just over a quarter of a million, in fact. But these people are young, well educated, comparatively wealthy and have much of the pioneering spirit left in them. Most of them are there because of the oil and gas and the mining industry. And they have to eat and they have to have houses to live in. Combine these factors with the development taking place there, and you have a market situation that is intriguing, to say the least.

Japan has already taken over as Alaska's best customer. In 1970 it bought goods worth $100 million and sold to the tune of $80 million. Canada, Alaska's closest neighbour, is only its second best customer. U.S. suppliers, apparently, are deterred by the admitted problems of delivery, problems that are the same for Canadians. Our lead article this month gives you some idea of the extent of the market at present and the expectations, but it remains to be seen whether Canadians have enough of the pioneering spirit left to venture into this "land of opportunity."

Selling to the United States, or to any other country for that matter, requires strict attention to the regulations governing standards and labelling, and even language. Any changes in the regulations are usually noted in the Foreign Tariffs and Trade Regulations section of *Canada Commerce*, but this month we also have an article to bring our readers up to date on the latest situation south of the border. This is important reading for any supplier shipping to that country and tells him where and how to get more detailed information.

Another country worth a second look is Algeria. Last year our exports to Algeria were worth $27.7 million, but our Post there reports great developments taking place that open up many opportunities for Canadians, particularly if they speak French, the working language of the country.

Articles

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The Hon. Alastair Gillespie, Minister
J.F. Grandy, Deputy Minister

E.C. Button, Managing Editor
W.H. Lambton, Editor
David Magee, Assistant Editor

Address correspondence to:

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

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Alaska
Land of Opportunity

ROLAND GOULET, Vice Consul and Trade Commissioner, Seattle

Alaska is big, with one fifth of the land mass of the United States. It could hold Washington, Oregon, California, Arizona and Nevada combined. Its coastline is longer than the total U.S. Atlantic and Pacific Seaboards. It has three million lakes of more than 20 acres, 10,000 rivers and streams, and six rivers over 400 miles long. Juneau, the capital, is almost as far from Point Barrow as Seattle is from the Mexican border, and is farther from Dutch Harbor in the Aleutians, than New York is from San Francisco. Alaska also contains the most eastern and the most western parts of the United States (the International Dateline cuts through the Aleutians). It is a land that has progressed from a vast untapped wilderness to a vibrant State on the threshold of the greatest economic development in the United States.

The people of this land are young, vigorous and friendly. Their median age is 23, seven years younger than the national figure, and they have a higher proportion of college graduates than any other State. The population numbers only 300,000 people but they have a common attitude reminiscent of the adventurous pioneer spirit.

Since statehood in 1959, the economy of Alaska has accelerated rapidly beyond

even the most optimistic forecasts. Economists foresee a 7.5 per cent rise in personal income to reach a per capita level (statewide) of $5,650 (Canada's per capita income is $3,550). The estimated volume of public bids for construction for 1973 is over $300 million and the projects range from a $15 million hospital addition in Anchorage, to a $1 million utilidor system in Barrow.

There is also the oil, discovered in 1968 on the North Slope of the Arctic coast. Since then, oil companies, the State of Alaska and Alaskans have passed through various states of mind, from the wildest hopes to sheer frustration. It now looks as if those hopes will be fulfilled by the construction of the pipeline.

One of the facets of the Alaskan environment is the high cost of living brought about largely by a lack of secondary industry and the high cost of transportation. The key to Alaska's survival is transportation, as the State depends almost entirely on imports from other states or countries for supplies.

Most of the traffic originates in Seattle, which is the biggest consolidation centre for Alaska-bound American and Canadian shipments. Seattle-based shipping firms have a year-round service to the main delivery points, as well as summer delivery services to northern coastal areas not accessible during winter.

Major Alaskan ports (Anchorage, Juneau and Ketchikan) receive all types of shipments, including containers and carload wagons. Including the rail system, which goes from Seward to Fairbanks, it is possible to service more than half the population of Alaska on a regular basis.

At competitive rates, the CN operates a barge system from Prince Rupert, but is equipped to handle only carload shipments (further information is available from your nearest CN office). If less than carload, the fastest route is through Seattle.

Major shipping companies recognize that services to more remote areas could be improved, but very little will be done until new transportation systems are developed. Air-cushion vehicles and all-terrain vehicles are being tested, but so far none have proved economically feasible for Alaska, mainly because there is only a small population scattered over thousands of square miles.

Facing the high cost of living in sparsely populated remote areas, residents of a dozen or more villages are now ordering groceries and supplies from a co-operative "general store" wholesale-retail operation with headquarters in Anchorage. This Alaska Consumer Federation (ACF) is the second co-operative of its type in the field, but the first with local headquarters. The older (1948) Alaska Native Industries Co-operative Association (ANICA) works through native-owned stores in some 50 villages, but is based in Seattle. Both the ACF and ANICA are native-owned and -operated but there is no conflict between the two organizations because they serve different villages. The idea is to eliminate the middleman and offer better service and prices. The ACF and ANICA warehouses stock everything from canned foods, clothing and hardware to building materials and snowmobiles.

Depending on the size of the orders from each village, the ACF will either charter a plane, or deliver by air parcel post. The ANICA group gathers all orders and ships twice a year on the *North Star*, a ship owned by the Bureau of Indian Affairs.

With 300,000 people scattered over such a vast area, some will say "Why bother selling in Alaska?" The answer is that Canada is Alaska's closest trading partner. When the pipeline construction goes ahead, over $2 billion of supporting business will be generated. In addition, the State will receive $1 million a day in royalties once the oil starts to flow. Canadian exporters would do well to establish their business ties before the rush, rather than see it go to foreign competitors. Other countries — Japan, for instance — have moved quickly to cover future trade and investment opportunities. Many Canadian manufacturers have unique cold-climate expertise which can be used to great advantage in opening the Alaskan market.

One area where Canadian manufacturers can be successful is in prefabricated houses. A 1971 study prepared by the Army Corps of Engineers indicates that construction costs in Anchorage are 70 per cent higher than in Seattle. The building cost differentials for other Alaskan cities are: Juneau 80 per cent, Fairbanks 90 per cent, and Barrow 250 per cent. Barrow is the most remote inhabited area on the North Slope and access is mainly by air, with only a short six-week period by sea. In Fairbanks the installed per-square-foot cost of mobile homes ranges from $15 to $17, modular units $19 to $24 and stick-built on-site construction $30 to $40. These are 1971 figures and should be revised upward by at least 10 per cent.

Because of the high cost of on-site construction and the very short construction season, prefabricated houses are becoming increasingly popular. But despite the lower building costs for prefabs, there are very few manufacturers in Alaska. Most of the prefabs are imported from the "lower 48" even though shipping costs are extremely high (approximately $4,000 to ship a 1,000 square foot house from Seattle to Anchorage).

The biggest market, naturally, is Anchorage with a sales volume of 2,000 prefab houses a year. Fairbanks has an annual demand for about 400 units. Another interesting, but neglected, market is for housing in remote areas. Under the equal opportunity principle, the Federal and State Governments have joined forces to provide decent housing for Indians and Eskimos, many of whom live in villages ranging in population from 75 to more than 2,000.

The original government proposal was to build 6,000 new houses over a period of five years, and last March a contract was awarded to a Seattle-based contractor to build 160 houses in Haines, southeast Alaska. The average cost per house was slightly less than $50,000 . . . and there is little resemblance to $50,000 houses built in Ottawa or Seattle! Also, Haines was an easy spot to develop. A similar contract in Barrow, where all the utilities would have to be provided, would cost about $90,000 per house.

The Department of Urban and Housing Development, in charge of the project, soon realized that providing low-income housing in a place like "Arctic Village" (population 85), on the North Slope, or Barrow, the most northern town in Alaska, was not going to be as easy as originally thought. It now looks as though only 200 to 300 houses a year will be built under this program. Nevertheless, this still represents an interesting market for Canadian prefab house manufacturers.

An excellent way to exploit the market is to enter into a joint venture with a local contractor or land developer by providing the necessary components and leaving the on-site assembly to the Alaskan associate. This would increase the U.S. content in the total project and avoid the Buy America Act, which does not apply on turnkey projects.

The Consulate General in Seattle would be happy to help any Canadian manufacturer to find a suitable partner, and such partnerships do not have to be confined to the housing field. For example, a consortium of two Canadian companies and two Seattle-based towboat firms was formed last February. Officers of the new group say the petroleum and gas activity at Prudhoe Bay and elsewhere along Alaska's North Slope and the Canadian Western Arctic was the major incentive to organize the consortium.

The new company, Arctic Transportation Ltd. (with headquarters in Vancouver) is based on the realization that Alaska is truly a land of opportunity, or to put it in the words of a company official: "Formation of the consortium was essential. No single shipping company or towing company could begin to provide the transportation services that are going to be required in the Arctic North." His

comments are relevant both to pipeline construction needs and to development of the whole Arctic region.

Projects such as the Lost River Mine, a venture in the Seward Peninsula (75 miles northwest of Nome), are likely to keep Alaska growing at a pace faster than most other U.S. states. The project, if everything goes according to plan, will produce 4,000 tons of fluorite concentrates a day, and help to create a new town at a cost of $40 million, new dock facilities ($15 million) and many needed jobs for natives.

There are numerous other areas such as these where Canadian companies could be active.

Canada is Alaska's second best customer after Japan. In 1970 we imported goods worth approximately $10 million from Alaska and supplied 32 per cent ($28 million) of all products bought by Alaska. These figures are not impressive when put beside our No. 2 competitor, Japan, who bought $100 million worth and sold goods worth $80 million.

The U.S. supplier to Alaska has to meet the same technical and ecological problems as the Canadian, but one point in our favour is that Alaskans are trying to diversify their sources of supply. Because of Alaska's size and the shipping distances involved, U.S. manufacturers tend to give preference to easier markets in other states, with the result that deliveries promised to Alaska are often not fulfilled. This has, understandably, irritated Alaskans. Canadian suppliers giving better service and prices could find a ready market for their products. □

Representative Freight Rates per 100 lbs. from Seattle, 1971-72

By air		
Ketchikan		$13.05
Juneau		17.40
Sitka		17.40
Cordova		19.55
Anchorage		19.55
Kodiak		27.50
Fairbanks		21.00
Nome		28.95
Valdez		23.25
By sea		
Anchorage		$ 8.30
Fairbanks		10.21
Juneau	(8,000 lbs. min.)	6.24
	(4,000 lbs. min.)	6.87

Furniture Tastes in Detroit As Varied as Car Designs

JOANNE KIRBY, Commercial Officer, Detroit

Furniture designers, with their myriad concepts and styling, are responsible for establishing a decidedly fragmented approach to furniture purchasing. It can be safely predicted, that if one were to take some 25 families from a middle-class Detroit neighbourhood shopping for household furniture, approximately 10 would opt for Contemporary, four or so for Early American and the remainder dividing their choices between Mediterranean, French Provincial and Italian Classic. But although Contemporary styling seems to enjoy a slightly higher priority than any of the other designs it cannot really be considered a clear leader.

Many and varied reasons have been advanced for the lack of a clear-cut trend in furniture buying in the United States but they are at best mere conjecture. One of the theories, at least for this area, is that exposure to the constantly changing automobile styling has had a corresponding effect on the Detroit resident's taste in furniture. The home fashion industry has voiced the thought, facetiously we trust, that if it became fashionable for people to park their bedroom suites in their driveways there is no doubt that more furniture would be sold.

loud, blatant colours have lost their popularity

People in the trade report that loud, blatant colours in upholstery have lost popularity and given way to the neutrals, depending on accessories to add excitement. Fabrics are soft and luxurious and genuine leather and leather-like materials are more and more in vogue. The thickness of fake fur upholstery affords a more daring look, to say nothing of the desirable extra cushioning. Prints show a definite awareness of the environment, combining flowers and butterflies effectively.

President Nixon's recent trip to China has had an obvious impact on both fashion and furniture designs with a sort of melding of cultures as East meets West. To illustrate the compatibility of Orient-inspired design in almost any setting, one U.S. manufacturer has introduced a sofa incorporating traditional Chinese accents. Upholstered in a new print fabric called "Of Birds and Dragons", the base has a black satin lacquer finish and sits on lotus-shaped feet.

A number of manufacturers have returned to the look of the thirties. The plump lounge chair with ballooning curves has been updated with contemporary floral and butterfly print upholstery and casters concealed in the overscaled bun feet. By way of contrast and mindful of the reluctance of Americans to stay put, other manufacturers have trimmed as much as five inches from sofa depth, making them easier to move and more adaptable to small apartments.

Chrome trim on upholstery is another important trend and some manufacturers have it going in all directions — sofas suspended on bent chrome brackets or perched atop chrome stovepipe legs. The bean-bag chair is still around but is now in a plastic frame to give it credibility as a piece of furniture.

The "home fashion" trend in the Motor City offers exciting prospects for the Canadian furniture industry, including lower duty rates (see accompanying box) which no longer make the cost of importation prohibitive.

Aside from the 250 retail furniture outlets, some of which operate five or six stores, a new merchandising concept has emerged recently in the area: the creation of vast furniture "supermarkets". Here you will find more than 60,000 individual items of name-brand furniture displayed in 300 showrooms, alongside a warehouse large enough to hold three football fields. These operations are programmed to do ten or twelve times the volume of a conventional large furniture store with a turnover of as much as 1,000 per cent over that of the average outlet. Basically, this means moving some 600,000 pieces every year, or enough to furnish more than 50,000 one-room apartments in the Metropolitan Detroit area.

Our Centennial Room display facilities in the Consulate are available to any manufacturer who wishes to enter the Detroit market but please reserve in advance to ensure that facilities are available when required. Prospective exporters may also wish to investigate the possibility of participation in the Hickory, North Carolina, shows during the Southern market weeks in October and April each year. The Department of Industry, Trade and Commerce sponsors a Canadian stand at these shows.

If your firm is not among those who have already made the transition to exporting, try it — you might like it! With the wide variety of styles and fabrics appealing to the United States consumer, chances are there is a market for your product line also. □

U.S. Duty Rates on Imported Furniture

The following rates of duty on furniture imported into the United States are as follows:

Wooden chairs	8½ per cent
Sofas, mostly wood manufacture	5 per cent
Upholstery, other than cotton	17½ per cent
chiefly cotton	10 per cent
mostly leather	10 per cent
rubber or leather, reinforced or laminated	15 per cent
Plastic, not reinforced or laminated	6 per cent

Canadians Launch Study in Nigeria

Canadian transportation specialists began arriving in Lagos, Nigeria in early August to begin a wide-ranging research project on the feasibility of containerizing Nigerian import and export traffic.

The study, sponsored by the Canadian International Development Agency, is being conducted by Canadian Pacific Consulting Services Ltd. of Montreal for the Government of Nigeria and its Port Authority.

The research team is headed by D.F. Toms, a CPCS consultant with a background in container shipping and other transportation systems. His group is analyzing current trade patterns as well as carrying out feasibility studies. The project is expected to be finished early next year.

California Sets U.S. Food Trends

HOWARD CUMMER, Assistant Trade Commissioner, Los Angeles

The ten counties of southern California contain about 60 per cent of the State's population of 21 million and these 12.3 million people live in just over four million households. In 1973 they spent $6.8 *billion* on food — an expenditure of $1,700 per household through a retail distribution network of 11,400 food stores, 7,000 grocery stores and 2,100 supermarkets. This network is serviced by a wholesale infrastructure of about 400 brokers and 100 distributors.

Is a market of this size too big for a Canadian company to enter and gain a competitive share? It might be, except for its unusual structure. The southern California food market is extremely splintered as the following figures show: 58 food chains control 73 per cent of the market; the remaining 27 per cent is held by independent food stores and groceries.

Of the food chains, Safeway with 237 stores and 1972 sales of over $755 million, holds the largest share with 12 per cent. The next 14 largest chains, controlling about 1,000 stores, have market segments varying between 1 per cent and 10 per cent. The remaining 43 chains with a total of about 360 stores have market portions of less than 1 per cent but more than 0.3 per cent.

Given this degree of fragmentation, it seems possible that a Canadian producer, with limited supplies, could carefully select his distributor to best match his supply capabilities to the market share of the outlet (or outlets). Thus, he could avoid being forced to withdraw from the market because of lack of product or becoming too dependent on one market area. In other words, the small producer (small at least in terms of the potential market) has a chance in Southern California.

How does a Canadian producer go about entering this market? The following guidelines are meant to be general — they may not apply to specific products but they should outline an approach that will make entry both easier and more successful.

First of all, there is the question of label clearance. Details of United States labelling regulations are set out in the March 14, 1973, issue of the U.S. Federal Register which is available from the United States Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa K1A 0H5. In most cases, final approval of labels comes only when the first shipment is cleared at the United States border, but it is wise to submit a proof sketch of the proposed label to the Western Hemisphere Bureau well before any shipping deadline. If the label seems to comply with United States requirements, it will be sent to Washington for comments. The label could be submitted to the nearest United States Customs clearance office but the first procedure should ensure that there will be no last-minute problems.

While waiting to find out if his labelling is acceptable, the Canadian producer should prepare a price list, including federal taxes (if any), tariffs, freight, insurance, etc. and send it, along with samples, to the Trade Commissioner in Los Angeles who can contact potential representatives. Information about tariffs, value for duty, country of origin markings and other United States Customs requirements also may be obtained from the Western Hemisphere Bureau.

In making up his California price list, the producer should assume that shipments will be made in economical carload lots. This may involve some risk when a new product is being introduced, but the most competitive price can be quoted by shipping this way. Indeed, smaller shipments may be more expensive than shipping in quantity and storing in local public warehousing. Local warehousing has the additional advantage of permitting quick delivery for re-orders — an important factor because almost all retailers use a computer inventory system and prefer 48-hour delivery. Information on public warehousing charges, which are regulated by the California Public Utilities Commission, is available from our Los Angeles office.

Once the Trade Commissioner has found representatives who are interested, the Canadian producer should come to Los Angeles and meet with them in order to choose the firm that will best represent his interests. If the Consulate is kept informed of progress in product introduction, the Trade Commissioner can follow up on behalf of the Canadian exporter. But this "watching brief" service does not replace periodic visits by the exporter to meet with his representative and accompany him on visits to customers.

Canadian products with a better-than-average chance for success in the California market include all types of exotic, specialty, health and gourmet food items. Frozen convenience foods, either in retail packs or intended for the HRI trade, also find a ready market.

Canadian bilingual labelling, if it complies with regulations, appeals to Californian consumers because it indicates a product that is foreign, "exotic" and therefore worth trying. Private labelling for either an established American brand or directly for one of the larger retail chains may be an alternative. The labelling and packaging may be done either in Canada or locally, depending on whether savings are possible by bulk shipping.

This market, then, offers a unique combination of high-income and population concentration for Canadian food exporters. California is the primary trend-setting market for the United States and sales here may indicate wider potential for a product. If you feel this may be the place to sell your food products, write for more information to the Senior Trade Commissioner, The Canadian Consulate General, 510 W. Sixth Street, Los Angeles, Calif. 90014. □

How to meet U.S. Standards

U.S. Division, Western Hemisphere Bureau

Standards requirements in both Canada and the United States are compatible in broad terms but there are many specific areas in which there are significant differences and the Canadian exporter must be prepared to meet United States standards. Most of the differences have arisen in legislation concerned with the new demands of the consumer. It is the intention of this article to highlight some of the areas of incompatibility and to indicate the kinds of advice and assistance available from the Department of Industry, Trade & Commerce.

Food — Health and safety regulations covering food inspection, food composition and food labelling are of tremendous importance to any country and Canadian and American labelling regulations differ significantly.

United States food labelling regulations pursuant to the Federal Food, Drug and Cosmetic Act and The Fair Packaging and Labelling Act have been in effect since 1967 and are particularly relevant to Canadian exporters because all food shipments to the U.S. are inspected at the border, whereas U.S. domestic production is not subject to such complete surveillance. Since 1971, the Food and Drug Administration in the U.S. has stepped up its enforcement of standards food imports; and to avoid the embarrassment and expense of a shipment being stopped at the border, firms should ensure before shipping that their labels comply with U.S. requirements. These are the most important points to remember when labelling:

1. The full address of the Canadian manufacturer must appear on the label (the street address may be eliminated if the company is listed in a local telephone directory). Make certain that "Product of Canada" is marked on the label.

2. A net weight or net content statement must be shown clearly on the principal display panel of the package and appear in the lower 30 per cent of that panel if its area is greater than five square inches. The type size to use for this statement depends on the size of the display panel. In addition, there are specific regulations governing spacing and the units used (statements giving fluid content must be in terms of U.S. measurements).

3. An ingredients statement (listing ingredients in order by weight) is required on all products that cannot be classed as standardized foods according to the Food and Drug Administration.

4. If any labelling statements are given in a language other than English (e.g. French), then all the required information on the label must also be given in that additional language. If any of these statements appears on what might be considered an alternate principal display panel of the package, then all the required information must also be placed on that alternate panel.

5. Various States have regulations in addition to these federal requirements. For instance, the labelling requirements governing pet foods are almost entirely State-regulated.

6. Wines and spirits come under the Federal Alcohol Administration Act, which is administered by the Department of the Treasury.

In addition to these regulations, new legislation was announced on March 14 this year, dealing in particular with nutritional labelling. Basically, the inclusion of any added vitamin, mineral or protein in a product, or of any nutritional claim or information other than sodium content on a label or in advertising, subjects a food to the requirements of nutritional labelling. All vitamins, nutrients and calorie content must be listed on a separate information panel on the label — vitamins to be listed as a percentage of the U.S. recommended daily allowance. All labelling ordered after December 31, 1973, and all labelling used for products shipped in inter-state commerce after December 31, 1974, must comply with these regulations.

Textiles — Canadian and U.S. textile labelling regulations and flammability standards reflect consumer concern, but each country has attempted to meet requirements in a different way. The first problem area is the care labelling of textiles to ensure that their utility and appearance are maintained. Canada has a standardized but voluntary care labelling requirement, but the United States has a nonstandardized but mandatory set of regulations covered by the Federal Trade Commission Trade Regulation Rule effective July 3, 1972. The rule applies to finished articles of wearing apparel as well as piece goods. The label bearing proper care and maintenance instructions must be permanently attached, unless by doing so it would substantially damage the utility or appearance of the article.

The second problem area is the flammability of certain textile products. In general, it can be said that U.S. flammability tests tend to be more stringent than Canadian tests. Children's sleepwear is especially well regulated. The latest U.S. ruling on this commodity became effective July 29 and stipulates, in effect, that the garment must not support combustion after the removal of the flame source. Furthermore, the garment must remain flame-resistant throughout its normal life-time — or 50 launderings. U.S. and Canadian regulations on flammability of rugs and carpets also differ.

Safety and Health — Safety and health standards have been further

strengthened in the U.S. by two recent acts: the Occupational Safety and Health Act of 1970 and the Consumer Product Safety Act of 1972. The first applies to machinery and equipment used in industry. The federal regulations pursuant to the act are now being enforced by 3,000 inspections a month of all kinds of facilities, including offices and warehouses. State regulations are made in conjunction with the federal requirements and insurance companies in each state have the best knowledge of them. This act, however, should have only indirect implications for Canadian exporters because the onus is on the individual U.S. employer to see that the standards are observed.

The second act, more recent and, perhaps, more important to Canadian exporters, covers all consumer products except motor vehicles, boats, drugs, foods, economic poisons as defined by the Federal Insecticide, Fungicide and Rodenticide Act, medical devices, firearms, aircraft, tobacco and cosmetics. It will be administered by a five-member Product Safety Commission which will have the authority to substitute a uniform mandatory product safety standard for the voluntary standards already adopted by most industries and the varying standards now enforced by state and local governments. The work of this Commission, however, has only just begun.

Certain features of the act may present real difficulties to Canadian exporters. They will be required to meet various inspection and record-keeping regulations that the Commission is empowered to lay down. In addition, once a mandatory standard is in place, the merchandise will not be able to enter the U.S. under bond until tests are run to determine whether it meets the required standard. If it fails to meet the standard but, through modification, could become acceptable, the Commission may allow delivery from customs custody under bond. The required modifications would then be made under supervision of an employee or officer of the Commission and of the Department of the Treasury.

Information on any of the acts and regulations described or on many other United States standards requirements may be obtained from the United States Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce in Ottawa.

New developments in this field will be reported from time to time in the "Foreign Tariffs and Trade Regulations" section of *Canada Commerce.*

Detailed information on the Occupational Safety and Health Act and the Consumer Product Safety Act may be found in the Canadian Standards Association journals, *CSA Quarterly Review* and *CSA Standards Canada.* □

Cooking Up a $1 Million Export Market

LISA SHAPIRO, Assistant Editor, *Canada Courier*

Good staff and efficient service are the keys to building exports, according to Russ Prowse, president of Garland Commercial Ranges Limited of Toronto. And Mr. Prowse should know: Garland is exporting about $900,000 worth of gas and electric commercial cooking equipment, out of total sales of about $5.5 million.

A subsidiary of U.S.A. Welbilt Corporation, Garland was established in Toronto in 1952 to distribute the U.S. lines. In 1956 the company started to produce its own products which it started to export in 1964. Free to export anywhere, Garland is now doing business in 33 countries, from Australia to Cyprus, France to Hong Kong, Jamaica to Lebanon. (In July it received an export achievement award from the Ontario Government.)

Except in Britain, where it owns a subsidiary, Garland does business through distributors. Because of the importance Mr. Prowse places on service, he insists that distributors order spare parts along with products, when they get new accounts.

The company will deliver parts to areas outside North America "within 48 hours from the time an order is received. And that goes for equipment bought as much as 15 years ago."

To show how serious the company is about service, it once bought an airline seat ticket to Vancouver to ship a 200-pound griddle to a B.C. lumber camp.

Occasionally the company is faced with the dilemma of one part being needed in two places at once: by an old customer with broken equipment, and by a new customer whose product can't be finished and shipped until the part is installed. Garland usually gives the old customer top priority because he suffers more by having broken equipment than the new customer by being without equipment for an extra day. "If someone goes into a restaurant, orders chips, and is told the fryer isn't working, he'll just walk out," Mr. Prowse says.

Garland equipment in Natal University, Durban, South Africa.

Although service is probably the most crucial single factor in export success, other things are important too, to Mr. Prowse. One is a good distributor. In fact, Garland's experience in the export market nearly ended after one year because a distributor in Britain did a "lousy" job. The next year Mr. Prowse found a new British distributor — "I went into kitchens in hotels and small restaurants and asked who their distributors were" — and things improved. (Last year Garland bought out the assets of the British distributor and set up its own subsidiary.) Using the same system, the firm has found distributors in 32 countries.

If a distributor is going "downhill" after a year, Mr. Prowse says "give him six months. If he doesn't improve, appoint a co-distributor. If after another six months, the first distributor hasn't improved, appoint the second one as sole distributor."

Since distributors do a better job when they know how the plant works, Mr. Prowse has taken advantage of the Federal Government's Export-Oriented Training Program. Groups of distributors visit the plant for two-week periods, with the company paying the hotel bill and the Department of Industry, Trade and Commerce paying the air fare.

Also important is the forwarder: he routes products the cheapest way, makes space bookings and does all the paper work. If there's a ship or dock strike, it's usually the forwarder who signals the company when it's safe to ship the goods. And he doesn't charge the company: he gets paid by the shipping firm. "I advise any exporter to get a forwarder who knows the market," Mr. Prowse says, but admits it's easier said than done. Because some forwarders specialize in

getting products to certain areas of the world, he suggests getting together with different ones and discussing what each can do for the exporter. In the end, however, finding a good forwarder is a process of trial and error.

The company has had no problems with insurance. It will ship goods any way the customer wants: c.i.f., c.f., f.o.b., or plant. But if it isn't paying the insurance, it insists on seeing proof of coverage.

Even with good service, good distributors and good forwarders, Mr. Prowse still hunts for more business himself. In 1972 he was out of Canada 107 days. He "hit every area where it was possible to do business". Some countries he visited because "someone felt there was a possibility of doing business there" and some countries he went to "cold."

He has found the Canadian Trade Commissioners helpful, but cautions that they are there "to help, not to sell." He adds: "Give information on your product to the local (IT&C) man so he can help you find a prospect. Supply him with catalogues — we send catalogues every time there's a change in our lines — visit him, show him the product."

An aggressive company, Garland was willing to adapt its own production techniques so it could cope with the export business. Because of the difference in Canadian and European voltages, the company had to set up a separate export production line with different voltage systems, terminal blocks and wiring systems.

Mr. Prowse points out that his company found itself in a happy selling position in Britain because of the North American concern over product size. "Space costs dollars here, so we have compact equipment. In England, space wasn't important in the past. But now space is costly and they are looking at North American standards."

Vice-president George Attridge says Garland also found itself in a good competitive position because of rapid increases in European labor costs. "Our equipment is geared for high labor cost, minimum labor factor and high productivity per square foot. Now that the Europeans are experiencing high labor costs, we're right there."

As was mentioned at the beginning of this article, Mr. Prowse thinks a good staff is one of a company's most important assets. In fact, he credits much of his success to his staff of about 110 (more in the summer). Although overcrowded — the company plans to move soon — the staff is happy, the plant clean. During the summer months everyone, management included, starts work at 7 a.m. every day and on Friday leaves at 11 a.m. Music is piped into both office and plant. And, on the shipping room walls, are signs that read: "If you're not proud of it, don't ship it." With the amount of export business this company does, it seems the signs really work. □

International Financing Series

The African Development Fund

With projects worth $74 million already approved, commitments are expected to reach $30 million a year.

HUBERT RECHNITZER, International Financing Branch

Late in 1972, Canada and several other donor countries concluded an agreement with the African Development Bank (with headquarters in Abidjan, Ivory Coast) to create a $100 million African Development Fund as a concessional lending agency or soft loan window of the Bank. The Fund became a reality at the Bank's ninth annual meeting in Lusaka, Zambia, early in July this year.

Canada played a leading role, particularly during the initial stages, in promoting the establishment of the Fund and has made a contribution of $16.7 million (in current terms), payable over three years. The Alternate Governor for Canada, Paul Gérin-Lajoie, President of the Canadian International Development Agency (CIDA), in his statement in Lusaka, said: "Our presence within this Fund is meant to express to Africa, in a practical way, Canada's desire to support and encourage all the efforts of the African countries to create for themselves political, economic, social and cultural institutions capable of defending and promoting their originality and identity."

The African Development Fund was brought into existence to provide the African Development Bank with additional external resources and to permit

the Bank to offer financing on concessional terms for the economic and social development of its member countries and for the promotion of regional and sub-regional co-operation among members.

The Bank, created in 1963 and in operation since 1966, has been handicapped by limited resources and its inability to provide concessional financing, and has had difficulties in building up momentum as a development financing institution. This, together with the exclusion of developed countries from Bank membership, made it difficult for the Bank to borrow in capital markets. The Fund is an attempt to resolve some of these problems without altering the regional character of the Bank. Thus, while the Bank continues as an African institution controlled by its 33 African members, the African Development Fund has been set up as a separate but associated entity with its own board of governors and executive directors.

The Fund's board — interlocked with that of the Bank — consists of the President of the Bank as chairman, and 12 executive directors, six from the board of the Bank and six appointed by the participating donor countries. Canada's executive director is David Hilton, with an office in Abidjan.

The major participating countries and their pledged contributions (in millions of dollars) are: Canada (15), U.S.A. (15), Japan (15), Italy (10), Britain (5.2), Germany (7.4), Sweden, Norway and Denmark (5 each). Some of these contributions, including that of the U.S., are still subject to ratification. The African Development Bank itself contributed the equivalent of US$5 million. The Fund can also receive other resources, including grants and loans from various public and private entities.

The Fund will use the staff and facilities of the African Development Bank but keeps its assets separate. The Bank staff has expertise in development financing (acquired in part through the technical assistance of the UNDP and USAID), particularly in transportation, agriculture and communication. Thus, the Bank and the Fund provide a basis on which a strong regional development institution can be built.

Lending Policy — In principle, all African member countries of the Bank have access to the Fund but countries or projects which cannot support the Bank's ordinary loans at near-commercial rates of interest will be given preference on soft loans. All projects must be of the highest developmental priority, whether national, regional or sub-regional. Loans will also be made to national development banks, which may relend the money for specific projects approved by the Fund.

The maximum loans envisaged at present will be $4 million for national and $10 million for multinational projects. These limits are set in relation to

provides the ADB with additional external resources

resources now available to the Fund and some flexibility may be allowed. The Fund will be able to join either local or foreign lending agencies in financing larger projects. Loans of less than $300,000 will be considered only in exceptional circumstances or for financing project preparations and engineering studies when they are part of an over-all loan agreement.

All loans, except those for project preparation or engineering studies, will have a maturity period of 50 years, including a 10-year grace period. The others will have a maturity of 10 years, including a two-year grace.

Normally, a loan from the Fund provides foreign exchange for expenditures on goods and services required for the execution of a project or program. These include the foreign exchange element represented by the imported components of domestically produced goods, and foreign expenditure under civil works contracts with local firms. However, because sufficient local currency is not always available to finance desirable projects, loans may also be given to finance a reasonable amount of local expenditure.

Loans will generally be granted only for projects in which the borrower has made or expects to make an investment from his own funds.

Procurement — To be eligible for procurement under Fund loans, the goods and services must be produced in the participating states, i.e. donor countries or members of the Bank. Procurement under Fund loans is tied to donors and Bank members, whereas, under the Bank's Ordinary Capital loans, it is open for competitive bidding to all nations. Canada is thus eligible for procurement under both types of loans.

Borrowers from the Fund will be required to purchase goods and services by international competitive bidding among members of the Fund, in accordance with rules which will be modelled on the procurement guidelines used by the World Bank.

Lending Sectors — The sectors of Fund lending will be influenced initially and to a large degree by past operations of the Bank. By the end of 1972, the Bank had committed $74 million. The sectors covered, with percentages in brackets, were: transportation (44), public utilities (24), industrial and financial institutions (17) and agriculture (15).

Although the Fund's lending program may cover other sectors, the major ones will for some time undoubtedly remain communication and agriculture. Special attention, however, will be given to social development projects (health, education, urban development etc.), although time will be required to build up staff expertise and to identify worthy projects. To help this process, Canada is providing $700,000 in technical assistance to the Bank this year.

On the basis of anticipated contributions to the African Development Fund, the volume of concessional loan commitments may possibly reach $25 million to $30 million annually within the next three years. Canada has also agreed to provide the Bank with an additional $5 million loan in support of the Bank's regular non-concessional lending operations.

For further information on the African Development Bank and Fund, write to the International Financing Branch, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5.□

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.

Dial 99 and

MINISTER'S OFFICE

Minister of Industry, Trade and Commerce
The Hon. A.W. Gillespie 2-0363
6-1880
Executive Assistant: M. Gillan 6-1880
Special Assistant: A. Lutfy 6-1880
Administrative Assistant: Mrs. J. Spear 6-1880

Minister's Advisory Council
Executive Secretary: M.K. Paumann 5-7485

Minister Responsible for the Canadian Wheat Board — **Justice Bldg., Wellington St.**
The Hon. Otto E. Lang 5-7127

Boards and Advisory Committees

Export Development Corporation — **309 Cooper St.** (613) 237-2570

General Adjustment Assistance Board
Secretary of the Board: J.R. Scopick 6-4560

Machinery and Equipment Advisory Board
Chairman: R.G. Head 5-6277
Vice Chairman: W.H. Chandler 2-5800

Metric Commission — **Tower A, Place de Ville**
Chairman: S.M. Gossage 5-6457
Executive Director: P.C. Boire 5-6457

National Design Council — **Centre Bldg., Place de Ville**
Chairman: Mrs. Thomas Bata 6-2573
Secretary General: E.P. Weiss 6-2573

Pharmaceutical Industry Development Advisory Committee 2-1758

Standards Council of Canada — **300 Sparks St.**
Chairman: J.P. Carriere (613) 238-3222
Executive Director: R.L. Hennessy (613) 238-3222

Textile and Clothing Board — **Tower A, Place de Ville**
Chairman: Dr. C.A. Annis 6-1157
Executive Director: P.A. Barker 6-6993

Dial 99 and

DEPUTY MINISTER'S OFFICE

Deputy Minister
J.F. Grandy 6-3560
Executive Assistant: G. Proulx 6-3560
Special Assistant: L. Kiez 6-3560
Parliamentary Returns Officer: P. Manning 5-6186

Strategic Planning Group
Special Adviser to Deputy Minister: F.J. Chambers 6-7951
Special Adviser (Foreign Ownership): H. Lazar 6-4290

Senior Assistant Deputy Minister — Industry
B.G. Barrow 5-7207
Senior Policy Advisors: J.C. Rutledge 2-7318
R.D. Hindson 2-1113

Senior Assistant Deputy Minister — International Trade
T.M. Burns 2-5969

Assistant Deputy Minister — Administration
L.J. Rodger 2-2262
Executive Assistant: M.W. Eustace 6-3210

Assistant Deputy Minister — Export Development
C.T. Charland 6-7065
Executive Assistant: M.A. Olivier 6-6448

Assistant Deputy Minister — Industrial Policies
L.F. Drahotsky 6-2413

Assistant Deputy Minister — Industry Development
R.G. Head 5-6277
Executive Assistant: Mrs. J.C. McCloskey 2-1501

Assistant Deputy Minister — International Trade Relations
R.E. Latimer 6-4176

Office of Tourism — **150 Kent St.**
General Director: T.R.G. Fletcher 6-5651
Executive Assistant: G. Nolin 6-5651

Senior Assistant Deputy Minister, Industry
B.G. Barrow — 5-7207

Office of the Senior A.D.M.: T.E. Bocking 5-6046

Program Office — Industry

Director
G.S. Conger 5-7249

GAAP (General Adjustment Assistance Program)
Chief: J.R. Scopick 6-4560

IRDIA (Industrial Research and Development Incentives Act)
Chief: D.A. Kellough 6-2501

IDAP and PEP (Industrial Design Assistance Program and Program to Enhance Productivity)
Chief: W.R. Graham 5-7174

PAIT (Program for the Advancement of Industrial Technology
Chief: W.R. Graham 5-7174

DIP (Defence Industry Productivity Program)
Chief: J.C.E. Mitchell 2-1490

IMDE (Industry Modernization for Defence Export)
Manager: L.A. Lynch 2-1292

Defence Export Development Projects 2-1490

Investment Analysis Branch

Director
J.H. Latimer 2-3847

Regional Offices Branch

General Director
D.G. Laplante 6-9028

Director
C. Varkaris 6-0578

(For list of offices, see page 20).

	Dial 99 and

Assistant Deputy Minister — Industry Development

R.G. Head	5-6277
Executive Assistant: Mrs. J.C. McCloskey	2-1501
Agriculture, Fisheries and Food Products Branch	
General Director	2-1289
M.J. Heney	2-1489
Director	
A.J. Stanton	2-1100
Livestock, Meat and Dairy Products Division	
Chief: J.V.L. Lefebvre	2-0001
Grocery Products Division	
Chief: W.R. Parkinson	2-0012
Fisheries and Fish Products Division	
Chief: A.J. Hemming	5-8107
Programs Division	
Chief: R.J. Horne	5-8245
Agricultural Products Division	
Chief: R.G. Savage	2-0015
Chemicals Branch	
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J.M. Bélanger	2-5760
Acting Director	
G.E. McCormack	2-6905
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Chief: A.E. LeNeveu	2-1591
Industrial Chemicals Division	
Acting Chief: J.K. Woyzbun	2-1071
Plastics and Rubber Division	
Chief: A.G. Pinard	2-1054
Programs Division	
Assistant Director: W.D. Dawson	2-1758
Electrical and Electronics Branch	
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G.R. Logan	2-8160
Director	
T.C. Jones	2-2243
Consumer Products and Components Division	
Chief: P.U. Aasgaard	2-9084
Electronics Division	
Chief: C.D. Quarterman	2-1091
Electrical Division	
Chief: V.E. Tant	2-9043
Company Development Programs	
Director	
A.G. Carr	2-8366
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Division 3	
Chief: R.J. Burns	2-1393
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J.C. Stavert	2-4737
Director	
J.P. Reny	
Programs Division	
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Machinery and Equipment Advisory Board	
Acting Secretary: S.A. Radley	2-1004
Assistant Secretaries: A.G. Boles, P.A. O'Brien	2-1004
G.W.S. Rooney	2-1004
General Analysis and Development	
Head: R.J. Billard	5-6441
Secondary Industries Machinery Division	
Chief:	5-7121
Mining, Metallurgical and Forestry Equipment Division	
Chief: R.C. Wallace	2-4082
Service Industries Machinery Division	
Chief: J.H. O'Connell	2-0324
Power, Fluids Handling and Environmental Equipment Division	
Chief: A. Chiperzak	2-0321
Resource Industries and Construction Branch	
General Director	
J.R. Midwinter	6-4963
Research and Planning Unit	
Head: K. Vanderven	2-5065
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Iron and Steel Division	
Chief: W. Black	2-0025
Industrial Minerals Division	
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Forest Products Group	
Director	
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Primary Wood Products Division	
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Manufactured Wood Products Division	
Chief: E.L. Kelly	5-7134
Programs Division	
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Construction Group	
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Textiles and Consumer Products Branch	
General Director	
A.M. Guerin	2-4078
Textiles and Apparel Group	
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L.C. Howey	2-1207
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Mrs. D.E.L. Taylor	5-6287
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Chief: M. Hersh	2-1081
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Clothing Division	
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Leather and Footwear Division	
Chief: M. Chapleau	2-1051
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Furniture Division	
Chief: J.A. Doyle	2-1545
Leisure Products and Crafts Division	
Acting Chief: H. Sherman	2-1048
Cultural Industries Division	
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Transportation Industries Branch	
General Director	
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Director	
G.E. Hughes-Adams	2-0605
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Ocean Industries Division	
Chief: M.J. Colpitts	2-0285
Guided Ground Systems Division	
Chief: E.P. Bishop	2-0051
Aerospace Systems Directorate	
Director	
DHC-7 Project	
Manager: R. Krajewski	5-6171

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Aerospace Sub-Systems Division	
Chief: C.B. Smith	5-6405
Vehicles Systems Directorate	
Acting Director: D.P.W. Wood	5-6627
Motor Vehicles Division	
Chief: D.W.C. McEwan	2-4478
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Chief: K.R. Burgess	2-1485
Special Vehicles Division	
Chief: R.F. Linden	2-1024
Program Co-ordination & Administration Division	
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Assistant Deputy Minister — Industrial Policies	
L.F. Drahotsky	6-2413
Office of Design	
General Director	
R.L. Elliott	2-0341
Design Application Division	
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Design Capability Division	
Chief: J.H. Swann	2-4494
Grants and Scholarships Inquiries	2-4494
'Design Canada' Communications Division	
Chief:	2-4491
Office of Industrial Policy	
General Director	
C.L. Stuart	6-3070
Policy and Program Development	
Director	
Policy Development Division	
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Program Development Division	
Chief: B.S. Barewal	5-6479
Policy Liaison Division	
Chief: G.L. Curtin	5-6237
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Director	
A.C. Kilbank	2-7408
Secondary Manufacturing Industries Division	
Chief: H.D. Henderson	6-5722
Resource Industries Division	
Chief: R.J. Konecny	6-5871
Import Analysis Division	
Chief: J.G. MacKinnon	2-4446
Productivity Analysis Branch	
Director	
I. Bernolak	2-1722

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 International Bureaux, 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.

Note: The following rates were current at September 28. Because of unsettled market conditions exporters should consult their bankers for up-to-date quotations.

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Algeria		
Dinar	.2380	4.20
Arab Republic of Egypt		
Pound (official)	2.5704	.39
Argentina		
Peso (financial)	.1007	9.93
(commercial)	.2012	4.97
Australia		
Dollar	1.4949	.67
Austria		
Schilling	.0562	17.79
Bahamas		
Dollar	1.0058	1.00
Belgium and Luxembourg		
Franc	.0273	36.63
Bermuda		
Dollar	1.0397	.96
Bolivia		
Peso	.0503	19.88
Brazil		
Cruzeiro (official free)	.1633	6.12
Britain		
Pound	2.4280	.41
British Honduras		
Dollar	.6078	1.64
Burma		
Kyat	.2087	4.79
Chile		
Escudo (bank rate)		
(free)		N.A.[10]
China, People's Republic of		
Yuan	.4188	2.39
Colombia		
Peso (fixed)	.0427	23.42
Costa Rica		
Colon	.1516	6.60
Cuba		
Peso		N.A.[10]
Czechoslovakia		
Koruna (fixed basic rate)		N.A.[10]
Denmark		
Krone	.1755	5.70
Dominican Republic		
Peso	1.0058	1.00
Ecuador		
Sucre (official)	.0401	24.94
El Salvador		
Colon	.4023	2.49
Fiji		
Dollar	1.2263	.82
Finland		
Markka	.2685	3.72
France, Monaco, etc.[1]		
Franc	.2368	4.22
French Pacific[2]		
Franc	.0130	76.92
Franco-African Republics[3]		
Franc	.0046	217.39
Germany		
D Mark	.4165	2.40
Ghana		
New Cedi	.8716	1.15
Greece		
Drachma	.0334	29.94
Guatemala		
Quetzal	1.0058	1.00
Guyana		
Dollar	.4444	2.25
Haiti		
Gourde	.2012	4.97
Honduras		
Lempira	.5029	1.99
Hong Kong		
Dollar	.1976	5.06
Hungary		
Forint (official)	.0869	11.51
Iceland		
Krona (official)	.0112	89.29
India		
Rupee	.1300	7.69
Indonesia		
Rupiah	.0024	410.00
Iran		
Rial	.0134	74.63
Iraq		
Dinar	3.3974	.29
Ireland		
Pound	2.4280	.41

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Israel Pound	.2392	4.18
Italy Lira	.0017	588.24
Jamaica Dollar	1.1064	.90
Japan Yen	.0038	263.16
Kenya[4] Shilling	.1379	7.25
Korea, Republic of Won	.0027	370.37
Lebanon Pound (free)		N.A.[10]
Libya Dinar	2.777	.36
Malawi Kwatcha	1.2280	.81
Malaysia Dollar	.3964	2.52
Mexico Peso	.0804	12.44
Morocco Dirham	.2395	4.18
Netherlands Florin	.3968	2.52
Netherlands Antilles Florin	.5612	1.78
New Zealand Dollar	1.4916	.67
Nicaragua Cordoba	.1435	6.97
Nigeria Naira	1.4700	.68
Norway Krone	.1818	5.50
Pakistan Rupee	.1015	9.85
Panama Balboa	1.0058	1.00
Paraguay Guarani (free)	.0080	125.00
Peru Sol (free)		N.A.[10]
Philippines[5] Peso (free)	.1501	6.66
Poland Zloty (fixed basic rate)	.2577	3.88
Portugal & Overseas Provinces[6] Escudo	.0393	25.45
Saudi Arabia Riyal	.2273	4.40
Sierra Leone Leone	1.2371	.81
Singapore Dollar	.3358	2.98
South Africa Rand	1.4986	.67
Spain & Dependencies Peseta	.0177	56.50
Sri Lanka[7] Rupee	.1556	6.43
Sweden Krona	.2393	4.18
Switzerland Franc	.3323	3.01
Syria Pound (free)	.2711	3.69
Thailand Baht (free)	.0501	19.96
Trinidad & Tobago[8] Dollar	.5058	1.98
Tunisia Dinar	2.3084	.43
Turkey Lira	.0718	13.93
United States Dollar	1.0058	1.00
Uruguay Peso (free)	.0011	909.09
Venezuela Bolivar (official free)	.2341	4.27
Yugoslavia Dinar (official)		N.A.[10]
Zaire, Republic of[9] Zaire	1.961	.51
Zambia Kwacha	1.3893	.72

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. Rate also applies to Tanzania and Uganda.

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

6. Approximately same for Portuguese territories in Africa.

7. Formerly Ceylon.

8. E. C. dollar, at same rate, used in Barbados and Leeward and Windward Islands.

9. Formerly Congo (Kinshasa).

10. Rates not available at press time.

Export Opportunities

The inquiries listed below come from several sources, including various Branches of the Department in Ottawa and from the Trade Commissioner Service posts abroad. More information on these items can be had by contacting the post at the address shown under each item.

Apparel

JAMAICA — Safety rubber boots, resistant to caustic materials, with steel toe caps: Commercial Secretary, Canadian High Commission, P.O. Box 1500, Tobago Road, Corner Trafalgar Road and Knutsford Boulevard, Kingston 10.

NORWAY — Mountain boots, sports and hunting caps, cowboy boots and saddlery, riding pants, sports and leisure wear, work clothes for offshore and Arctic oil exploration: Commercial Secretary, Canadian Embassy, Postuttak, Oslo 1.

Builders

SPAIN — Timber frame houses for holiday villas: Commercial Counsellor, Canadian Embassy, Apartado 117, 35, Nunez de Balboa, Madrid.

Equipment and Machinery

BRAZIL — Saw mill machinery, chippers, wood working equipment, board mill equipment: Consul and Trade Commissioner, Canadian Consulate, Caixa Postal 6034, Edificio Scarpa, Avenida Paulista, 1765, 9 andar, Sao Paulo.

PHILIPPINES — Power hand tools, mill supplies, industrial hardware; tool steels, mill supplies, general industrial hardware items; sawmill supplies, hardware items: Commercial Division, Canadian Embassy, P.O. Box 971, Makati, Rizal.

Silver bracings for welding and related products; bearings, snap-rings and similar hardware items: above address.

SPAIN — All types office equipment (stationery to calculating machines): Commercial Counsellor, Canadian Embassy, Apartado 117, 35, Nunez de Balboa, Madrid.

SWITZERLAND — Masks, ear protectors, gloves, safety glasses, face protectors, helmets, etc.: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

THAILAND — Hotel furnishings and fixtures: Commercial Secretary and Consul, Canadian Embassy, P.O. Box 2090, Thai Farmers Bank Building, 7th Floor, 142 Silom Road, Bangkok.

TRINIDAD — Stainless steel equipment for food industry, dairies, drug and chemical industries as well as petroleum industry: Commercial Secretary, Canadian High Commission, P.O. Box 1246; Colonial Building, 72 South Quay, Port-of-Spain.

Materials

PHILIPPINES — Upholstery fabrics, furniture hardware: Commercial Division, Canadian Embassy, P.O. Box 971, Makati, Rizal.

SINGAPORE — Aluminum foil for crown corks, aluminum strips for taggers: Commercial Counsellor, Canadian High Commission, P.O. Box 845, International Building, 11th Floor, 360 Orchard Road, Singapore 1.

SWITZERLAND — Particle board: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

UNITED STATES — Condenser and coil winding — electrical grade kraft tissue: Consul and Senior Trade Commissioner, Canadian Consulate General, 500 Boylston Street, Boston, Mass. 02116.

Textiles

NORWAY — All types of textiles; polynosic, acryl, nylon, polyester and viscose fibres: Commercial Secretary, Canadian Embassy, Postuttak, Oslo 1.

Transportation

TRINIDAD — Ship charters, freight handling, possible ship purchases: Commercial Secretary, Canadian High Commission, P.O. Box 1246, Colonial Building, 72 South Quay, Port-of-Spain.

Miscellaneous

NORWAY — Bandages: Commercial Secretary, Canadian Embassy, Postuttak, Oslo 1.

WEST GERMANY — Injection-moulded plastic packs: Minister-Counsellor (Commercial), Canadian Embassy, Freidrich-Wilhelmstrasse 18, 53 Bonn.

International Projects

INDIA — URBAN SERVICES

The International Development Association has extended a credit of $35 million to the Government of India to help finance a project in support of the Calcutta Metropolitan Development Authority (CMDA) program for rehabilitation and improvement of basic urban facilities in Calcutta. The project, which will cost about $96.9 million forms part of the CMDA $230 million program for 1973-76. It comprises 44 schemes covering water supply, sewerage and drainage, roads and traffic improvements, garbage disposal, environmental hygiene, and housing and area development. Technical assistance will be provided in urban planning, and in the operation and maintenance of water supply and sewerage services.

Implementing Organization: Calcutta Metropolitan Development Organization (CMDA), Calcutta, India.

Procurement: Of the IDA-financed items, $9.2 million in equipment and material will be procured on basis of international tender, with domestic bidders accorded normal preference. Other equipment and material valued at $5.8 million unsuitable for international procurement will be purchased locally. Civil works of $19.5 million are diverse and small and unsuitable for international bidding and will be tendered locally. Consultants services up to $500,000 will also be financed by the credit.

Consultants: Consultant assistance to be provided for work on water supply and traffic studies as well as planning of urban land development.

MALAWI — POWER

The International Development Association (IDA) is providing $7.5 million to help finance a power project of the Electricity Supply Commission of Malawi (ESCOM). The Commonwealth Development Corporation (CDC), of Britain is participating in the financing of the project with a loan of up to $6.1 million.

Malawi is rich in water resources, among them Africa's third largest lake, Lake Malawi. The lake discharges into Malawi's principal river, the Shire, which falls about 1,300 feet over a distance of 50 miles in its middle reaches. The total power potential in this stretch is estimated at 415 MW. As a first step toward harnessing this potential, a 24 MW hydroelectric station was constructed at Nkula Falls.

A second hydro station at Tedzani was commissioned this year, to provide 16 MW of generating capacity.

The present project is required to meet the anticipated demand for power and has been designed by ESCOM's consultants.

Implementing Organization: The project will be carried out by the Electricity Supply Commission of Malawi (ESCOM), Ministry of Trade and Industry, P.O. Box 186, Blantyre, Malawi.

Procurement: All IDA financed goods and services will be procured by international competitive bidding.

Consultants: Consultants will be employed to carry out a study of ESCOM's tariff structure. They will be selected from a list of firms to be agreed upon between the Government and the Association.

PANAMA — INDUSTRIAL DEVELOPMENT

The Inter-American Bank has approved a $3 million loan to help Panama continue a credit program designed to expand and improve small and medium-scale industrial enterprises.

The borrower is the Banco Nacional de Panama (BNP), an autonomous state entity which operates largely as a commercial bank but which also extends development credits and performs certain central bank functions.

The proceeds of the Bank loan will be re-lent at concessional interest rates by the BNP's recently established Industrial Department, Banca Industrial, to small and medium-sized industries for the procurement of capital goods and services, for construction and for the provision of working capital.

Procurement: The acquisition of imported machinery, equipment, construction components and services.

New Name for CP Division

CP Rail Foreign Freight has been renamed CP Rail Overseas Trade. The division's general manager, G.H. Creighton, says the new name more appropriately describes its involvement in world trade.

CP Rail Overseas Trade specializes in developing transportation packages for traffic moving between North America and points around the world. The overseas trade group arranges intermodal routing plans and provides documentation, tracing and follow-up services.

Offices are maintained in Canada, United States, Britain, France, West Germany, Japan, Hong Kong and Australia.

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 OH5.

Folding shower

British company offers the opportunity to manufacture its folding shower cabinet under licence in Canada. The cabinet may be installed in bedrooms, offices, apartments or holiday homes. When folded it fits into a slim line cabinet only 9 inches deep. The shower can be fitted into any space 3 feet wide by 87 inches high. The cabinet is melamine, with internal linings of vacuum-formed plastic. It can be supplied with a mixing valve or its own water heater. Completely self-contained, the unit is claimed to be easy to install and simple to operate, blending with any decor. Literature available. **Item 2907**

Modular spirial staircase

British company offers the rights to manufacture under licence in Canada its modular spiral staircase. The step modules are made from heavy-gauge pressed steel. Each module contains its own section of the centre pole. Starting from a base plate on the floor, the assembler simply bolts one module to another until the required height has been reached. No scaffolding or crane is necessary. The steel components can be supplied prefinished with a plastic coating, galvanized, or primer-coated only. These units are claimed to be inexpensive and easy to install and have particular application in confined spaces. Literature available. **Item 2908**

Remote-controlled lock

British company seeks a Canadian company to manufacture under licence its range of automatic electronic locking devices and systems. Chief among these is a system controlled by an electronic key which emits signals that are identified by a control unit attached to a door, filing cabinet, cash register, etc. When the key comes within one metre of the control unit, the solenoid-operated latch of the lock is automatically disengaged. When the key passes out of range, the lock closes. Incorrect signals produce a warning tone. The system is designed to reduce casual crime which occurs when cash registers, automobiles, etc. are left unattended for a few moments. Since there is no need to remove the key from the user's pocket, both hands are left free. Literature available. **Item 2909**

Conduit coupling

American company offers the rights to manufacture under licence its new steel or aluminum conduit coupling used in constructing electrical raceways. It is a standard coupling with a centre island in which three holes have been drilled, tapped and plugged. One hole is always accessible so that the plug can be removed, a grease fitting installed and pulling compound inserted. Pulling compound can be added before and during the pull of conductors in a closed raceway at selected places between pull points. It is claimed that pull boxes are eliminated; there is less damage to conductors; raceways can be reused; and there are cost savings. Literature available. **Item 2910**

Safety valve

French firm would like to have its hydraulic safety valve manufactured under licence in Canada. This all-stainless steel valve is operated by the fluid in the system to be protected. The valve is said to completely eliminate all disadvantages of conventional valves such as quick erosion of seating, uneven opening, incomplete opening due to the opposing pressures between the system and the valve spring, problems in calibration of the spring due to heat action. The valve may be operated from a distance regardless of the pressure exerted by the system to be protected. Literature available. **Item 2911**

Cutting apparatus for slitting material

American company wishes to have its machine for cutting sheet material, such as paper, manufactured under licence in Canada. The sheet to be slit is passed between two rollers, the top roller consisting of a shaft carrying circular knives. The unique feature is the design of the bottom roller, or anvil, against which the circular knives press the material. This bottom roller is comprised of a shaft upon which are mounted many very thin cylindrical discs. The diameter of the hole in each disc is slightly greater than that of the shaft, thus permitting the discs to tilt and separate slightly to admit the edges of the circular knives as the material is being cut. The advantage of this roller over solid rollers or a stationary anvil is that the cutting edges of the circular knives are not blunted. Literature available. **Item 2912**

Decoiling and levelling machines

Dutch company offers the opportunity to manufacture under licence in Canada its line of decoiling and levelling machines for strip metal. These machines enable manufacturers using strip metal to work from coils instead of cut-to-length sheets. The machines are available in four sizes to handle metal up to 3 mm thick and 1000 mm wide, and can be coupled to a press or plate shears for incorporation into a production line. It is claimed that economies in production are achieved. Literature available. **Item 2913**

Process to convert waste paper into newsprint

British company seeks a Canadian licensee for its process which eliminates the need for virgin pulp by converting low-quality mixed paper waste into newsprint and related papers. The process involves the continuous washing of various grades of mixed waste paper. Since the process removes ink, staples, latex backings and other foreign materials no pre-sorting of raw materials is required. It is claimed that the newsprint is of high quality, yet the capital and operating costs are low. Information available. **Item 2914**

Corrugated safety covers for hydraulic lifts

British company seeks a Canadian firm to manufacture under licence its corrugated safety covers for hydraulic lifts. These covers form protective sides for scissors-lift type hydraulic platforms and tables. The covers are made of a resilient material which folds like an accordion when the table is lowered. The sides are joined at the corners with special clips to completely enclose the table for maximum safety. It is claimed to be durable, low in price, and easy to install and replace. Literature available. **Item 2915**

Monomer casting process

Swiss company seeks to licence a Canadian firm to manufacture polyamide products using its new process. The process involves the accelerated anionic polymerization of a caprolactam and/or laurolactam melt in a preheated mould at atmospheric pressure. It may be used in gravity casting or rotocasting.

This process is especially useful for the production of unusual shapes or very heavy objects. It is claimed that the products have superior mechanical and physical properties due to their high molecular weight, high order of crystallinity and low residual monomer content. Literature available. **Item 2916**

Water purification plant

Danish company offers the Canadian manufacturing rights to its waste-water treatment plant. This is a chemical-mechanical method intended primarily for food processing industries, such as slaughterhouses and fish plants. It is claimed that the process offers great advantages over traditional sedimentation or centrifuging plants; the processing is faster and valuable soluble proteins and emulsified fats and oils are recovered. The treated water is purified and recycled. The plant is automated and compact. Literature available. **Item 2917**

Battery vent plug

Swedish company seeks to licence a Canadian manufacturer to produce its new vent plug for automobile batteries. Made of plastic, the plug is extremely simple with no moving or breakable parts. When the acid level is normal, the clear plastic centre of the plug is black. When the acid level drops too low, the centre lights up. The unique feature is that topping-up can be done without removing the plug. A special inlet nozzle at the top of the plug receives a plastic tube from the small flask normally used to fill batteries. Claimed advantages are simplicity, visual control, speed of service, and cleanliness. Literature available. **Item 2918**

Pressure bander

British company offers under licence the Canadian manufacturing rights for its packaging device that ensures that all packages are tightly banded and all the same size if desired. Although designed for printers and stationers, the machine can be used in any business. The machine is simple, using compressed air to compact the load between a movable plate and a fixed end plate. No skilled labour required. Literature available. **Item 2919**

Dual electric converter

Belgian firm is offering the rights to manufacture under licence in Canada its battery charger. This charger has two converters but only one ferrite transformer core. It can alternately convert a battery's low voltage into higher voltage, and recharge the battery with AC household current. The device will be useful in all battery-operated portable electronic equipment. It is claimed that it is better, smaller, lighter, and cheaper than all comparable devices. Literature available. **Item 2920**

Bulldozer blade

Canadian inventor is interested in the outright sale of patent rights or in a licensing arrangement to manufacture his new multi-purpose bulldozer blade. This new blade functions as a dozer blade, a bucket, or as a clearing and ripping blade. It is claimed that efficiency in each activity is much higher than with regular attachments. Literature available. **Item 2921**

Hand looms

Austrian inventor wishes to licence a Canadian company to manufacture his hand looms. There are three models, each made of wood. The 20-inch model has seven shafts which permit the weaving of the three basic weaves as well as variations. The 28-inch loom permits the weaving of various cloths, ponchos, stair carpets, etc. The 30-inch model provides unlimited diversity of patterns and can be used to produce rugs, stair carpets, curtain material, etc. These looms are claimed to be ideal for use in schools and homes and to be simple to operate. Literature available. **Item 2922**

Insulated building block

Austrian inventor offers under licence the Canadian manufacturing rights to his new insulated building block. The block is made of expanded polystyrene faced with a special foil. It consists of two panels connected with fireproof struts, and is especially designed for garages, workshops, basements, and similar areas. These blocks are claimed to be scratch-proof, easy to install and to coat, and to have high insulating properties. Two methods of producing these blocks are suggested — by machine for mass production, and by hand for do-it-yourselfers. Literature available. **Item 2923**

Edge fastener

Austrian inventor wishes to licence a Canadian manufacturer to produce his new edge fastener which is claimed to have a wider field of application than conventional zippers or other fasteners. According to the inventor, the fastener can be made from a number of different materials. The machinery for producing this fastener has been developed in theory only. Information available. **Item 2924**

Foreign Tariffs and Trade Regulations

Bolivia

Supreme Decree No. 10804 of April 6, 1973 reduces the customs tariff rates on certain chemical products and other materials for use by the pharmaceutical industry.

Information regarding the rate of duty applicable on specific products may be obtained from the Latin America Division, Western Hemisphere Bureau.

Brazil

Changes in import duty have been introduced by Customs Policy Council Resolutions as follows.

Resolution 1671 reduces the duty from 45 per cent to 5 per cent for six months as of June 29, 1973, on low density polyethylene (tariff heading 39.02.02.02) and revokes Resolutions 1323 and 1513, which established the reference price of US $281.00 per ton c.i.f.

Resolution 1675 reduces the duty from 55 per cent to 10 per cent for six months as of May 23, 1973 on polystyrene (tariff heading 39.02.02.03). Benefit may be withdrawn if warranted by national production.

Resolution 1676 establishes a duty of 55 per cent on printed circuits (tariff heading 85.19.08.00).

Resolution 1686 extends for 180 days as of June 22, 1973 resolution 1476 of October 30, 1972, reducing the duty from 55 per cent to 30 per cent on ethylene glycol polytherephthalate (tariff heading 39.01.02.05).

Resolution 1687 exempts from duty for six months as of June 22, 1973 seamless steel tubes (tariff heading 73.18.03.01) complying with the following specifications:

(1) seamless steel tubes, according to DIN regulation 2440 and 2441, black with smooth endings and/or thread and gloves up to 63.5 mm of nominal diameter.

(2) seamless steel tubes, according to DIN regulation 2448, black, with smooth endings, and according to DIN 1629-11 and ST 00 steel, up to an external diameter of 82.5 mm inclusive.

Resolution 1688 of June 22, 1973 exempts from duty for one year dyed sisal thread of more than 750 n/kg (1 and 2 filaments) (tariff heading 57.07.01.99).

Resolution 1689 exempts from duty a quota of 5500 tons of high carbon steel plates (tariff headings 73.15.13.01, 73.15.14.01 and 73.15.15.01). Quota to be distributed by the Bank of Brazil Foreign Trade Department (CACEX) in accordance with recommendations by the National Steel Council.

Resolution 1691 of June 22, 1973 raises the duty from 30 per cent to 37 per cent for a period of one year on polyamide resin in powder or granular form of a molecular weight inferior to 1,000 (mil) a product of the condensation of vegetable fatty acids, unsaturated, dimerized or trimerized with polyamine of the ethylenic series (tariff heading 39.01.02.06).

Resolution 1692 alters the text of Resolution 1474, making it read "reduces the duty from 30 per cent to 10 per cent on white acrylic resin powder for use as impact modifier for rigid PVC laminates (tariff heading 39.02.02.09)".

Resolution 1693 exempts from duty for one year, as of June 22, 1973 maleic anhydride (toxilic) (tariff heading 29.15.04.02) for importers who show proof to CACEX that they shall purchase the national similar at the rate of 100 tons to 250 tons of the imported product.

Resolution 1694 maintains the reference price of US $900.00 per ton c.i.f. on nickel sulphate (tariff heading 28.38.31.00).

Resolution 1695 adds the following products to a list of items exempted from duty when used exclusively for agricultural purposes:

(1) alpha-gama-diamine caproic (lysine) with a minimum concentration of 97 per cent (tariff heading 29.23.30.00).

(2) semicarbazone acetone with a 100 per cent purity (tariff heading 29.29.99.00).

(3) para-amino-benzene-arsonic acid, with 98 per cent minimum purity (tariff heading 29.32.03.00).

(4) nitrofurfural diacetate with 100 per cent purity and 3-amino-2 oxazolidinone with 100 per cent purity (tariff heading 29.35.99.00).

(5) erythromycin thiocyanate with a 925 mcg/mg concentration (tariff heading 29.44.06.00).

Resolution 1698 of June 22, 1973 reduces the duty from 45 per cent to 20 per cent for one year on silicium steel plates or strips in rolls, non-oriented grain, cold laminated, insulated on one or both sides, of a thickness of 0.50 to 0.65 mm. (tariff headings 73.15.15.03 and 73.15.12.99).

Resolution 1699 establishes a duty of 20 per cent for 2 years on silicium carbonate (carborundum) for material of granular size up to 220, 1F, 2F and 3F. The rate on black silicium carbonate is 35 per cent (tariff heading 28.56.05.01).

Resolution 1700 of June 22, 1973 exempts from duty for one year low density-polyethylene of the vulcanizable variety, to be used for the insulation of electric cables or semi-conductors, and black thermo-plastic for protecting covers of telephone cables when for the exclusive use of manufacturers of cables and wires for the transmission of electric energy (tariff heading 39.02.02.02).

Resolution 1701 exempts from duty a quota of 6.350 tons of raw wool (tariff headings 53.01.01.00, 53.01.02.00 and 53.01.03.00) to be distributed by CACEX, which may extend benefit to include wool tops (tariff heading 53.05-04.00) up to 42 per cent of the quota. Benefit only applies to shipments prior to October 31, 1973 and may be withdrawn at any time to guarantee sale of national product.

Resolution 1702 of June 22, 1973 extends for one year the duty exemption on distilled tall oil (tariff heading

38.05.02.00).

Resolution 1703 adds some chemical products classified under the following tariff headings to the list of items exempt from duty contained in Resolution 438, when used exclusively for agricultural purposes: 29.21.22.00; 29.21.99.00; 38.11.03.00.

Resolution 1708 exempts from duty for six months as of June 4, 1973 phthalic anhydride (tariff heading 29.15.01.02). Also revokes Resolution 1492 of November 20, 1972, establishing a minimum c.i.f. value of US $300.00 per ton.

Resolution 1713 of June 25, 1973 exempts from duty for one year the following products:

(1) raw hides (fresh, salted, dry, pickled) including sheepskin with wool (tariff heading 41.01.00.00).

(2) wet blue bovine hides (tariff heading 41.02.02.01).

(3) Tanned bovine hides (tariff heading 41.02.02.03).

Resolution 1714 of June 15, 1973 reduces the duty for one year from 50 per cent to 10 per cent on sodium hydrosulphite (tariff heading 28.36.01.00).

Resolution 1716 of July 3, 1973 reduces the duty from 30 per cent to 5 per cent for a period of 7 months on lead scrap (tariff heading 78.01.04.00).

Resolution 1717 of July 10, 1973 exempts from duty for a period of one year the following products:

(1) A quota of 120 tons of polyol-polyester or a mixture of polyester-polyol with polyether-polyol (polypropylene glycol) for use exclusively in making footwear soles (tariff heading 38.19.99.00).

(2) Polyurethane of high linear polymerization based on polyester polyols with polyhydroxide connections reactive to diisocyanates of other nitrogenous functions, for the manufacture of adhesives for polyvinyl choloride (tariff heading 39.01.02.07).

(3) Adhesive tape with a fabric base of bidirectional polyamide nylon of 15 per cent elasticity, fine, highly resistant, coated on one side with high fusion adhesive, for use exclusively in the footwear industry (tariff heading 64.05.99.-00).

Resolution 1718 established duty-free quotas on the following steel products:

(1) A quota of 400,000 tons of thick and thin plates, hot and cold rooled sheets and coils classified under tariff headings 73.08.00.00, 73.13.01.00, 73.-13.02.00 and 73.13.03.00.

(2) A quota on 80,000 tons of tin plate, P. & S. unassorted and chrome plate included in tariff items 73.13.04.01, 73.13.07.03, 73.13.04.99.

(3) A quota of 30,000 tons of structural shapes of various heights and widths as follows:

U sections from 80 to 380 mm.
I sections from 80 to 500 mm.
H sections from 80 to 380 mm.
angle sections from 76.5 to 203.2 mm.

These products are classified under tariff items 73.11.03.00, 73.11.05.00, 73.11.07.00, 73.11.09.00 and 73.11.10.00.

(4) A quota of 20,000 tons of galvanized sheets, painted, in rolls, coated with synthetic resin and others included in tariff headings 73.13.07.01, 73.13.-07.04 and 73.13.07.09. Resolution 1719 establishes duty-free quotas on the following products.

(1) A quota of 14 tons of converters (hexamethylenetetramine) (tariff heading 29.26.13.00).

(2) A quota of 4 tons of hardening preparations included in tariff item 38.19.14.00.

(3) A quota of 5 tons of catalysers included in tariff item 38.19.15.99 (catalytic agents other than for cracking petroleum).

(4) A quota of 675 tons of phenolic resins classified in tariff headings 39.01.01.01 and 39.01.02.01.

(5) A quota of 5 tons of phenol resins included in tariff item 39.01.99.00.

(6) A quota of 9.2 tons of phenol resins included in tariff item 39.01.02.99.

Resolution 1721 of July 13, 1973 reduces the duty from 55 per cent to 5 per cent until February 28, 1974 on cotton, not carded or combed (tariff heading 55.01.00.00).

Resolution 1729 reduces the duty from 55 per cent to zero for six months as of July 17, 1973 on viscose rayon yarn (continuous) not put up for retail sale (tariff heading 51.01.02.05).

Resolution 1730 reduces the duty from 45 per cent to zero for one year as of July 17, 1973, on acetylsalicylic acid (tariff heading 29.16.99.02).

Resolution 1731 of July 17, 1973 reduces the duty from 30 per cent to zero on flax residues and other wastes for use by the paper industry (tariff heading 54.01.-02.00).

Resolution 1732 of July 20, 1973 reduces the duty from 30 per cent to 15 per cent on electrolytic manganese with a minimum content of 99.5 per cent (tariff heading 81.04.03.01).

Resolution 1733 maintains the reference price of U.S. $90.00 per unit c.i.f. on non-electric typewriters (tariff heading 84.51.03.00).

Resolution 1734 maintains reference prices on tools and their accessories (tariff headings 82.02.03.02, 82.02.03.06, 82.03.03.00, 82.05.06.00 and 82.05.-07.99).

Resolution 1735 reduces the reference price from U.S. $31.00 to $29.00 per kilogram c.i.f. on Tetracycline (tariff heading 29.44.15.00).

Resolution 1736 reduces the duty from 105 per cent to 45 per cent on electric gas burner by direct and automatic ignition for domestic washing and drying machines (tariff heading 84.40.98.00).

Resolution 1737 reduces the duty from 15 per cent to zero, as of August 5, 1973, on industrial diamonds and diamond powder (tariff headings 71.02.01.00 and 71.04.01.00).

Resolution 1738 of July 20, 1973 reduces the duty from 15 per cent to zero, for 180 days, on crude naphthalene (tariff heading 27.07.04.00).

Resolution 1740 establishes a duty-free quota of 40,000 tons for one year, as of July 20, 1973 on ilmemite ore (tariff heading 26.01.11.02).

Resolution 1741 of July 20, 1973 reduces the duty from 15 per cent to zero for two years on ethylenediamine (tariff heading 29.22.28.00).

Resolution 1742 reduces the reference price from U.S. $130.00 to $125.00 on ammonium chloride (tariff heading

28.30.02.00).

Resolution 1743 raises the duty from 30 per cent to 45 per cent for a year as of July 20, 1973 on ammonium chloride (tariff heading 28.30.02.00).

Resolution 1744 maintains reference prices on dolls of all types (tariff heading 97.02.00.00).

Resolution 1745 maintains reference prices on toys (tariff headings 97.03.01.-00 and 97.03.03.00).

Resolution 1746 reduces the duty from 30 per cent to zero for 180 days as of July 20, 1973 on cellulose nitrate with added fillers, colouring matter, plasticisers or other substances (tariff heading 39.03.-04.04).

Resolution 1747 of July 20, 1973 exempts from duty for one year lyophilized vaccines for human use, with diluents, against the following diseases: parotitis (monovalent), german measles and parotitis (bivalent combination), measles, parotitis and german measles (trivalent combination), (tariff heading 30.02.01.99).

Resolution 1748 exempts from duty titanium dioxide (tariff heading 28.25.-01.00) and titanium dioxide-based pigments of the rutile and anatase types (tariff headings 32.07.03.02 and 32.07.-03.03) provided the importer produces proof of purchase of national product at the rate of 60 per cent of the imported material.

Resolution 1749 raises the duty from 45 per cent to 55 per cent for two years on titanium dioxide-based pigments of the rutile or anatase types (tariff headings 32.07.03.02 and 32.07.03.03) when imports are independent of purchase of national product.

Resolution 1751 exempts from duty until December 31, 1973, black beans and any other types of beans (tariff headings 07.05.03.01 and 07.05.03.99).

Resolution 1754 reduces the duty from 55 per cent to 5 per cent for six months as of July 25, 1973 on Duplex paperboard with the upper surface made of bleached cellulose and the back made of wood or mechanical pulp, unbleached cellulose and sundry shavings. Total weight between 250 and 550 grams per square metre, and triplex paperboard similar to Duplex paperboard, but which has on the back an external coating of bleached cellulose. Total weight between 330 and 550 grams per square metre (tariff heading 48.04.99.00).

Resolution 1755 establishes a duty free quota of 12,000 tons of crude coconut oil (copra) (tariff heading 15.07.01.11) and/or crude palm nut oil (palmiste) (tariff heading 15.07.01.12) to be distributed alternatively by the Customs Policy Council.

Resolution 1756 exempts from duty for one year when no national similar available iron or steel bars and rods, strips, wire coated or not, pipes and tubes (tariff headings 73.10.00.00, 73.12.00.00, 73.14.00.00, 73.15.00.00 and 73.18.00.-00).

Resolution 1760 exempts from duty until December 31, 1973 unrendered fats of bovine cattle, sheep or goats, tallow (including premier jus) produced from those fats (tariff headings 15.02.01.00 and 15.02.02.00).

Resolution 1761 of August 13, 1973 extends for a period of 24 months the increase in duty from 7 per cent to 25 per cent on combine harvesters, self propelled and others (tariff headings 84.25.01.01 and 84.25.01.99).

Resolution 1762 extends until December 31, 1973 the duty reduction from 45 per cent to 15 per cent established by Resolution 1614 on regenerated cellulose tubes for use in the manufacture of artificial sausage casings (tariff heading 39.03.-01.03).

Resolution 1763 of August 13, 1973 extends for one year the exemption from duty on methyl methacrylate when the importer produces proof to CACEX that he has purchased similar national product in a proportion of not less than 900 per cent of the quantity to be imported (tariff heading 29.14.18.05).

Resolution 1764 of August 13, 1973 extends for one year the increase in the duty from 17 per cent to 47 per cent on methyl methacrylate (tariff heading 29.14.18.05).

Resolution 1765 extends for one year the exemption from duty established by Resolution 1388 on acetone cyanohydrin (tariff heading 29.27.07.00).

Chile

The Government of Chile ratified the Caracas Protocol, which amends the Montevideo Treaty, on February 5, 1973. On this date, the Permanent Representative of Chile to LAFTA, Ambassador Pedro Daza Valenzuela, deposited at Headquarters the instrument of ratification approved by the Chilean Parliament and signed by the President and Foreign Minister of Chile.

The Caracas Protocol, which is of crucial importance for LAFTA's future action, postpones up to December, 1980, the free-trade deadline originally set up for year-end 1973 in the Montevideo Treaty. The Protocol was signed by all LAFTA countries on December, 1969 in Caracas during the Ninth Annual Conference.

So far, Chile is the eithth party to ratify the Protocol. The Seventh Conference called upon the countries that have not yet ratified it, to do so promptly and adopted safeguards to protect members' interests in case the Protocol does not go into effect.

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.

Democratic Republic of Vietnam

A. Blum, Commercial Counsellor in Peking, People's Republic of China, will visit Hanoi in the Democratic Republic of Vietnam in the second half of November.

Twin Otter Flies Wall Street – Philadelphia Service

Downtown Airlines, which operates a scheduled seaplane service between Wall Street and downtown Philadelphia, started flying a de Havilland Twin Otter on the service in early August. The aircraft carries 20 passengers and is equipped with floats. It replaces two six-passenger, float-equipped Piper Aztecs, which have been on the route since it was started a year ago.

Robert J. Anderson, president of the airline, is quoted as saying that the $625,000 Twin Otter, which is equipped for instrument flying, will provide a degree of reliability the smaller planes could not offer. Not only can it fly in poor weather, he said, but its weight also will enable it to land and take off in rougher water than the smaller planes can take.

Mr. Anderson said he plans to acquire a second 20-passenger Twin Otter soon and use it to begin service in Washington. — New York

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Ireland Opens Development Office

A new office of the Irish Industrial Development Authority was opened last month in Toronto by Mr. Justin Keating, Ireland's Minister for Industry and Commerce. The Authority is a government agency for promoting industrial development in Ireland.

Mr. Keating said that more than 500 overseas-sponsored companies have established manufacturing plants in Ireland since 1960, 134 of them being U.S. firms with a total investment of $207 million.

Among the incentives offered by the Republic are: immediate tariff free access to the British market and progressive tariff-free access to other EEC markets, with complete tariff freedom by 1977; state incentives including a 15-year tax relief on profits (under the Canadian/Irish Double Taxation Agreement, the tax-free profits earned in Ireland can be repatriated to Canada without incurring taxation in Canada); and absence of restrictions on industrial investment from abroad and complete freedom to repatriate profits.

The Ocean Freight Market

Office of the Transportation Policy Adviser

The general advance in dry cargo freight rates — dating from mid-1972 — eased slightly during late June and early July. Modest rate declines were recorded, particularly in the Atlantic grain trades. Dampening influences included the U.S. action to cut back soybean exports by 50 per cent and the Canadian adoption of export controls on oilseeds. This situation of faltering upward momentum was soon reversed with new record high rates being paid. In the middle of August, a 30,000 ton ship was fixed at US$13.55 in the Hampton Roads/Japan coal trade, exceeding by 5¢ the highest rate paid in this trade during the 1970 shipping boom. Subsequent coal fixtures rose progressively higher reaching US$18 per ton for a 50,000 ton ship chartered at the end of September.

Higher freight rates were the norm in Canadian trades. In several trades, rate levels increased by two to three times compared with the corresponding period in 1972. Among heavy grain trades, the average rate from the Great Lakes to Britain was Cdn.$22.71 during the third quarter, $17.80 in the second quarter and $15.29 at the beginning of the year. Representative fixtures for transporting heavy grain from the Great Lakes to Belgium/Holland/Germany were US$9.25 in September of last year, $14.40 in April 1973, $18 in July, $19.50 in August and $22.00 at the end of September 1973. Average rates for heavy grain from British Columbia/North Pacific to India rose from an average Cdn.$20.05 per ton during the second quarter to $30.26 during the third quarter. For iron ore from the St. Lawrence to Britain, the average voyage fixture rate rose to $7.50 during the period July to September from $7.19 during the second quarter.

Time charter inquiry was strong throughout the third quarter, and rate levels moved sharply upwards. For example, the average per ton rate paid for a 30,000 to 40,000 ton dry cargo ship for four to twelve months trading rose from $4.92 during the second quarter to $6.33 during the following quarter.

Tanker rates posted appreciable increases during the third quarter. The average rate paid to transport crude oil from Venezuela to the east coast of Canada rose to Cdn.$7.73 from the average $3.94 of the second quarter. Rates from the Mediterranean and Persian Gulf to Portland, Maine — the terminal for the pipeline to Montreal — were similarly significantly higher.

Buoyant markets for shipowners slashed the number of laid-up ships. At the end of August, the British Chamber of Shipping reported[1] only 916,000 tons deadweight of laid-up dry cargo and tanker capacity compared to 1,150,000 tons at the end of the second quarter 1973, and the peak 7,347,000 tons deadweight unemployed at the end of May 1972.

[1] *Daily Freight Register*, October 1, 1973, Page 5.

CHARTER RATES — THIRD QUARTER 1973

The rates shown in column A are in sterling or U.S. dollars with the Canadian dollar equivalent in column B calculated at £ = 2.541 and U.S.$ = 1.000. For comparison the rates for the previous quarter are shown in column C with the Canadian dollar equivalent in column D calculated at £ = 2.479 and U.S. = 1.000. The rate schedule does not necessarily represent all charter movements to or from Canadian ports since details of certain fixtures are not published.

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 third quarter of the year were as follows:

	Third Quarter 1973		Second Quarter 1973	
	A £ or US$	B Cdn. $	C £ or US$	D Cdn. $
General Trading (approximately 4 to 12 months)				
11,000-15,000 dwt. 13-16 knots	8.27	8.27	7.21	7.21
15,000-20,000 dwt. 13-16 knots	7.36	7.36	6.29	6.29
20,000-30,000 dwt. 13-16 knots	7.56	7.56	6.44	6.44
30,000-40,000 dwt. 13-16 knots	6.33	6.33	4.92	4.92

VOYAGE CHARTERS—Average rates for the second quarter of the year were as follows:

Heavy Grain (per long ton)				
St. Lawrence to Britain	£5.27	13.39	£5.28	13.09
St. Lawrence to Belgium/Holland/Germany	9.88	9.88	9.63	9.63
St. Lawrence to Norway	*11.85	11.85	*11.40	11.40
St. Lawrence to Poland	15.40	15.40	—	—
St. Lawrence to Algeria	19.92	19.92	—	—
St. Lawrence to India	37.50	37.50	—	—
St. Lawrence to People's Republic of China	*31.00	31.00	*19.25	19.25
Great Lakes to Britain	£9.33	22.71	£7.18	17.80
Completing St. Lawrence	*£6.00	15.25	*£4.75	11.78

	Third Quarter 1973		Second Quarter 1973	
	A	B	C	D
	£ or US$	Cdn. $	£ or US$	Cdn. $
Great Lakes to Belgium/Holland/Germany	18.41	18.41	18.72	18.72
Completing St. Lawrence	10.68	10.68	11.58	11.58
Great Lakes to Poland	*25.50	25.50	—	—
Great Lakes to Algeria	*28.00	28.00	—	—
Completing St. Lawrence	*21.00	21.00	—	—
Great Lakes to Italy	25.00	25.00	—	—
Completing St. Lawrence	*16.00	16.00	—	—
Great Lakes to Japan	*31.75	31.75	—	—
Completing St. Lawrence	*23.25	23.25	—	—
British Columbia/North Pacific to India	30.26	30.26	20.05	20.05
British Columbia/North Pacific to Japan	18.75	18.75	16.34	16.34
British Columbia/North Pacific to People's Republic of China	£6.94	17.63	£6.33	15.69
British Columbia/North Pacific to Persian Gulf	27.90	27.90	—	—
British Columbia/North Pacific to South Korea	17.78	17.78	15.48	15.48
Coal (per long ton)				
Hampton Roads to Japan	15.03	15.03	10.26	10.26
British Columbia to Japan	*6.15	6.15	—	—
Oilseeds (per long ton)				
British Columbia to Thailand	*35.00	35.00	—	—
Oilseed meals (per long ton)				
Great Lakes to Belgium/Holland/Germany	21.21	21.21	—	—
Sulphur (per long ton)				
British Columbia to India	*23.00	23.00	22.50	22.50
British Columbia to New Zealand	*£5.88	14.94	£6.09	15.10
Potash (per long ton)				
British Columbia to South Korea	14.40	14.40	—	—
Iron ore (per long ton)				
St. Lawrence to United Kingdom	£2.95	7.50	£2.90	7.19
St. Lawrence to Belgium/Holland/Germany	*5.88	5.88	4.73	4.73
St. Lawrence to Italy	5.73	5.73	—	—
St. Lawrence to U.S. Atlantic	2.50	2.50	2.83	2.83
Oil black (per long ton)				
Venezuela to East Coast of Canada	7.73	7.73	3.94	3.94
Venezuela to Portland, Maine	6.54	6.54	3.94	3.94
Persian Gulf to Portland, Maine	30.83	30.83	18.30	18.30
Mediterranean to Portland, Maine	12.00	12.00	6.90	6.90

*One fixture reported only.

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REGIONAL OFFICES IN CANADA*

	Telex	Phone
Halifax, Nova Scotia Suite 1124, Duke Tower Scotia Square Director, Nova Scotia Region: C.P. McPherson (Territory includes Newfoundland)	019-21829	(902) 426-3851
Fredericton, New Brunswick Eastern Canada Building 212 Queen Street Director, New Brunswick & P.E.I. Regions: F.D. Grimmer	014-46140	(506) 454-9707
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*These offices operate under the direction of the Regional Offices Branch.

A shady boulevard in central Algiers

Algeria

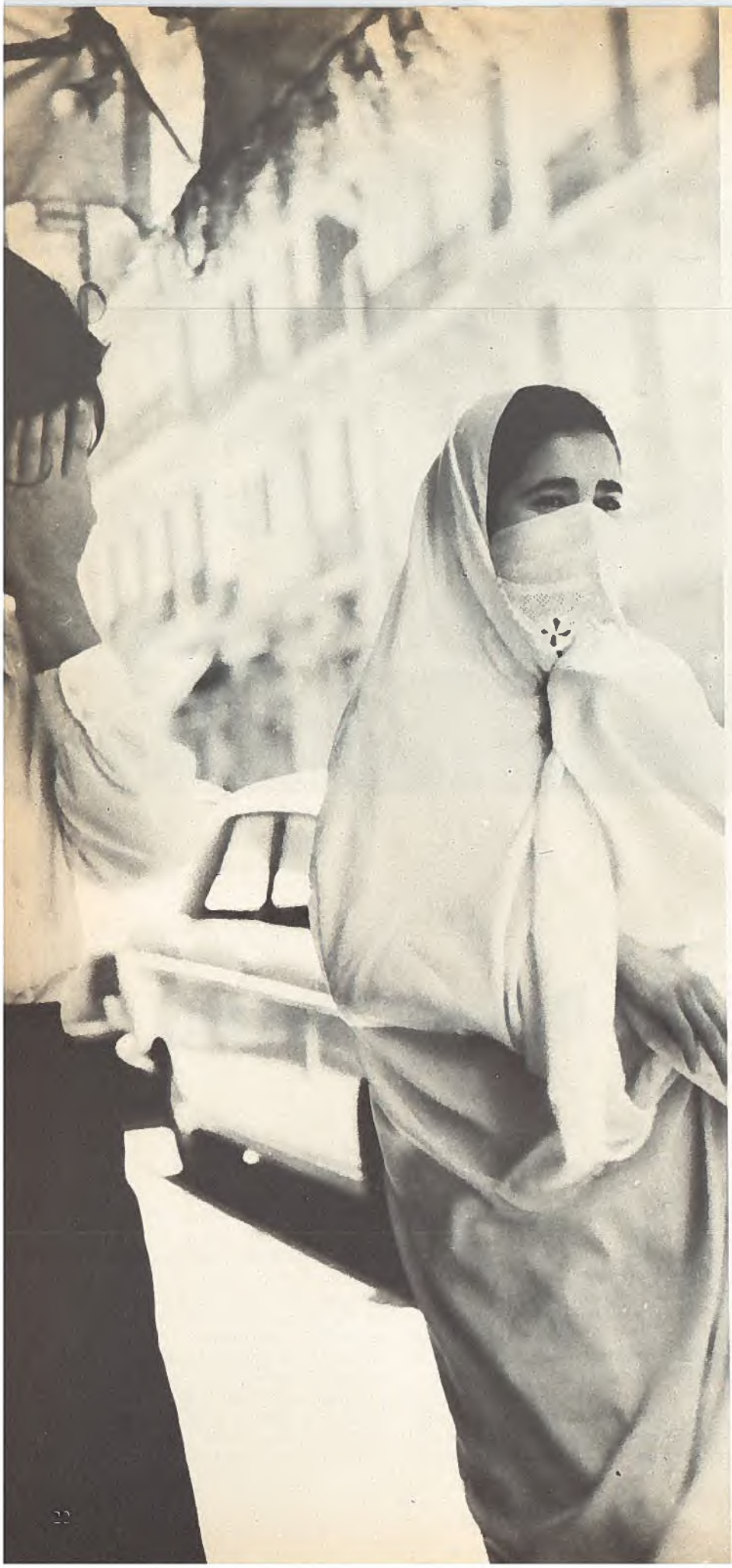
Rising Imports In a Dynamic Economy

A.C. PERRON, Commercial Secretary, Algiers

The Algerian Government will have invested more than $17 billion in its economy between 1970 and 1977, about 45 per cent of it for industrial development. The economic system can best be described as one of "state capitalism" in which government and industrial leaders make decisions based principally on efficiency and economy of resources. Economic development plans call for imports of vast quantities of capital goods which, in 1971, were valued at $1.6 billion and made up approximately 72 per cent of total imports. The value of imports rises considerably every year, and potential foreign suppliers are flocking to Algiers — hotel rooms must be booked weeks in advance.

The key to success is a personal visit. And if you speak French, the working language in Algeria, you will have a distinct advantage over your competitors.

The Democratic and Popular Algerian Republic won its independence from France in 1962 after a particularly bloody seven-year war. Before this, Algeria was not just a colony but a province of France and economic activity was oriented more towards creating a complement to the French economy than to ensuring in-depth industrial and commercial development. With independence, the new regime decided to create a viable autonomous country based on Algerian needs and realities. To achieve economic development, foreign controlled industry and agriculture was nationalized. In 1965 a group headed by



Col. Boumedienne, then head of the army, took over from President Ben Bella.

During the past several years economic policy has been marked by the firm commitment to establish a strong industrial base and to centralize decision-making powers. To achieve economic "take-off" by 1980 the Government has implemented four-year development plans and created state-managed farms and industries. Most industrial sectors are now controlled by monopolies which are expected to be profitable with a minimum of government financial assistance. State control has been extended to such fields as foreign and domestic trade, credit and pricing, with the private sector still playing a small and perhaps slowly diminishing role. Although "growing pains" are evident, a certain degree of flexibility is expected to be introduced to ensure the necessary adjustments between economic theory and its day-to-day applications.

The backbone of Algeria's economy is the oil and gas industry which provides more than 70 per cent of all foreign exchange earnings. In order to expand revenues, the Government has decided to develop as quickly as possible the petrochemical industry based on cheap raw materials.

The 1966-1969 Four Year Plan was a first attempt at centralized planning and was followed by a more realistic plan for 1970-1973. Investments during this period are expected to reach $5.6 billion with 45 per cent being directed into industrial development. The planned annual expansion rate of the gross national product is an optimistic 9 per cent, with indications that this may be met. In the year ending in December 1972, more than 94 industrial projects were completed, including the Arzew refinery, the Skikda ethylene plant, two propane extraction plants and three cement works. Although the cost of several projects in the plan was underestimated, increased oil revenues following the Tehran agreements have almost made up the difference.

Camera-shy young women in Algiers are indicative of the changing customs.

The planned programs during the Four Year Plan call for investments of 50 billion dinars ($12 billion) and in fact cover the economic objectives up until 1980, by which time the population will have increased from 13 million (1971) to nearly 20 million (an annual increase of 3.2 per cent). While the main objective of the plan will be continued industrial expansion, far greater emphasis will be placed on the development of more labour-intensive activities to absorb the rapidly expanding labour force. According to 1980 projections, production of oil will reach 100 million tons (55 million tons in 1972), gas production will be approximately 60 billion cubic metres (contracts have already been signed for 58 billion cubic metres by 1980, compared with three billion in 1971) and other mineral production (iron ore, zinc, baryte concentrate, mercury, phosphate) will increase by a third. The value of production in manufacturing industries is expected to grow even more rapidly, with steel production more than tripling and output in chemicals, petrochemicals and mechanical construction all increasing by 300 per cent. Production in textiles is expected to more than double, and the output of food products to increase by just under 200 per cent.

In general terms, the forthcoming plan envisages a minimum annual growth rate of 8 per cent, with GNP doubling in the decade. By 1980, it is hoped that national per capita income will reach 2,500 dinars (about $600) compared with less than 1,000 dinars in 1966/1967. If this is to be achieved, it will mean that the country will have to become self-sufficient for many products, including cereals, meat and vegetables, and have a sustained investment rate second only to that of Japan in recent years.

Export opportunities are numerous, both for services and equipment, and cover most manufacturing sectors except consumer products. Doing business in Algeria is not difficult, and rewarding personal relationships can be developed with often warm and hospitable decision makers.

Visit the country — Visits are absolutely essential if exporters wish to penetrate the expanding Algerian market. Confidence in the supplier plays a far greater role in selling than in most other countries.

Many decision makers are severely over-worked and cannot always devote sufficient time to each project. They therefore welcome face-to-face discussions with potential suppliers to decide who could be counted on to provide suggestions, guidance if required, and support in the event of difficulties. Importers often do not know exactly what sort of equipment or services they need and the degree of confidence in a supplier can be crucial in the final purchasing decision.

Technical documents describing a given requirement are often intentionally vague in order to provide suppliers with maximum latitude in suggesting various alternate possibilities. After a first study of these documents, suppliers should come to Algiers to discuss the requirement and obtain a precise idea of what is needed and why. Algerian buyers are prepared to accept proposals which differ from those initially requested and have done so on several occasions. They are pragmatic and look only for the best solution at the best price. Bidders who don't visit the market are limiting their chances of success.

Competition for Algerian export orders is considerable, and to be successful a supplier should invite decision-makers to Canada. The resulting benefits of such an initiative are obvious, one of the most important being the opportunity of impressing the Algerian visitor with the competence, technological ability, and reliability of your firm. Algerian buyers don't have time to make mistakes and can't afford to take chances with suppliers unknown to them.

Contracts — Contracts signed with Algerian firms are usually broader in scope than those signed in many other countries. Apart from technical clauses, there are several other areas which must be covered.

Technical assistance: Whenever equipment is involved, suppliers are expected to send technicians to Algeria to train local service personnel in all aspects of after-sales service. Their stay can vary from a week to several months, depending on the complexity of equipment. Fully trained Algerian technicians are in short supply and the importance of technical assistance cannot be overemphasized.

Training in Canada: In addition to offering technical assistance in Algeria it is often a good idea to offer local technicians a training period in the supplier's plant.

Servicing: After-sales servicing is, as always, most important. Potential suppliers must ensure that the buyer is provided with maximum assistance to permit the rapid and efficient servicing of his equipment.

Pricing and payment: Having read so far, you are probably saying "all this is fine, but it costs money". The Algerians will be the first to agree. They prefer to pay more to be sure they are getting quality equipment and excellent training for their technicians who, in turn, will be capable of training others. Algerians fully realize suppliers are building costs into their proposals, but they accept the fact, provided exporters don't become greedy.

Down payments of 10 per cent and progress payments can be obtained. Letters of credit are rarely extended and the common technique is cash against documents for smaller contracts.

Financing: All proposals for larger transactions must include financing, which may vary in time from two to 10 years. Although supplier credits are usually the rule, increasingly large loans are being signed on a government-to-government basis and with foreign banking consortia. These loans are becoming less and less tied. Nevertheless, many countries provide strong support to their exporters by signing advantageous tied loans. This obviously stiffens competition for Canadian firms.

Calls for tender: Algerian law specifies that all foreign purchases must be preceded by a call for tender giving a minimum of three weeks to submit bids. Calls for tender can be public or restricted. Restricted calls, when only suppliers known to Algerians receive tender documents, are numerous and Canadian suppliers should send as much information as possible on their products and firm.

The Algerian economy is booming and imports are rising to impressive levels. Total investments during the next few years will surpass those of most other developing countries and the investment rate will continue to be one of the highest in the world. Numerous requirements for equipment and services could be satisfied by Canadian firms. The Commercial Section of the Canadian Embassy in Algiers has a lot more information on this market and is anxious to help potential exporters. Let us know when you are coming: a visit could prove most rewarding. □

India
Market for Oilfield Equipment

BRIAN E. BAKER, Assistant Commercial Secretary, New Delhi

The availability of petroleum products is a major concern in India today. With domestic production meeting barely one third of India's current annual requirement of about 22 million tons of crude oil, petroleum products constitute the largest single item on the import bill. In 1972 this amounted to approximately $280 million. Given current consumption, production and price trends, imports may reach $520 million by 1979. India can ill afford this level of foreign exchange expenditure. Efforts are being intensified to hasten exploration and development of prospective oil-bearing areas.

Offshore oil exploration began in earnest in India this summer with the commissioning of a floating platform built in Japan. The platform will be operated under an owner-assisted contract by the Government's Oil and Natural Gas Commission. Drilling will be conducted in the "Bombay High" area off the West Coast.

Late in 1972, the Government of India announced its intention to invite foreign participation in oil exploration in the offshore areas other than the Bombay High. Contractual arrangements will only be decided after negotiation with the interested foreign parties. However, the agreements are likely to be similar to those now prevalent in Indonesia, where all exploration risk is borne by the foreign collaborator and repayment made under a production-sharing scheme in the event of commercial finds. Interest in participation in this offshore oil exploration has been expressed from Canada, France, Italy, Japan, Britain, the U.S.A. and the U.S.S.R.

Inland, oil exploration activities were started in India as early as the last decade of the 19th century by the Assam Oil Company/Burmah Oil Company and their associates, but operations were confined mainly to Upper Assam. Soon after independence in 1947, the work of geological and geophysical exploration was extended to other parts of the country. From 1949 to 1959 oil exploration was carried out by the Standard Vacuum Oil Company in the West Bengal basin, first alone and later in participation with

Brian Baker, author of this article, discusses Canadian drilling equipment capabilities with A.K. Mitra, director of drilling with the Oil and Natural Gas Commission of India.

the Government of India as the Indo-Stanvac Petroleum Project.

In 1956, the primary responsibility for countrywide development of petroleum resources was vested in the Oil and Natural Gas Commission (ONGC), an organization of 22,000 employees set up by the Government. Certain areas of Assam, however, are still leased to Oil India Limited, a joint venture of the Burmah Oil Company and the Government of India.

Since its inception, the ONGC has drilled 930 wells of which 504 are oil, 70 gas, and 22 water injection; 252 are dry, and 82 wells are under test. About 30 drilling rigs with capacities of 2,000 to 6,000 metres are being operated of which 75 per cent are used in exploration. ONGC expects to have more than 50 rigs in operation by 1978. Daily production is presently in the order of 84,000 barrels.

Oil India has drilled 329 wells since 1952 of which 257 have been producers. Four drilling rigs are in operation. At the present time production is at the rate of 63,000 barrels a day.

In general, the techniques and equipment employed in India for oil exploration and production are not as advanced as those prevalent in the western world. Some transfer of technology will be required if this country is to extract the greatest benefit from its oil resources.

Canadian Assistance — The availability of oil resources is critical to India's developmental efforts, but the scarcity of foreign exchange restricts the imports necessary to meet the demands of the exploration and production program. In recognition of these difficulties the Canadian International Development Agency in 1971 extended a $15 million Development Loan to the Government of India for use by ONGC and Oil India. The loan is being allocated in $3 million allotments over a five-year period. Canadian machinery, equipment and services for use in oil and gas exploration and development are eligible for financing under this credit facility.

Procurement Procedures — Both ONGC and Oil India float tenders in Canada for the purchase of equipment, machinery or services. Unfortunately, the diversified supply capabilities of Canadian oil equipment manufacturers are not well-known in India. As a result, Canadian firms have not always been informed of tender opportunities by the Indian purchasers. To overcome this deficiency, companies in a position to supply should plan to visit India at the first opportunity. A period of five working days within India is recommended for travel to and briefing of the organizations involved.

Where a personal visit in the near future is not possible, companies should provide copies of their product literature to the appropriate parties in ONGC and Oil India. In the Oil and Natural Gas Commission, Tel Bhavan, Dehra Dun (U.P.), India, you should send copies to B.S. Negi, Chairman; A.K. Mitra, Director (Drilling); M.A. Alwar, Director (Stores and Purchase); and H.P. Aranha, Director (Production). In Oil India Ltd., Duliajan, Assam, India, send copies to C.R. Jagannathan, Resident Chief Executive; C.G. Banerjee, Production Superintendent; P.R. Bhattacharjee, Drilling Superintendent; and D.B. Sawant, Stores Superintendent.

The use of local representatives familiar with the relevant regulations, requirements and personalities can be of considerable help in securing business here. Lists of recommended representatives dealing with Indian oil interests may be obtained by writing to the Canadian High Commission, P.O. Box 5208, New Delhi 110021, India.

Equipment and services to be financed by the Canadian Development Loan for ONGC and Oil India must have a Canadian content of at least 66⅔ per cent. When submitting tenders, companies are instructed to include a declaration of the Canadian content of the items which they are offering for purchase. At the same time, copies of tenders and Canadian Content Declaration Forms must be provided to the Canadian International Development Agency. (CIDA treats these tender copies as a closed tender call and they are not opened until the dates established by the recipient.) Unless otherwise agreed to by CIDA, the lowest tenderer with acceptable Canadian content must be awarded the contract.

The purchase order issued by the Indian buyer is certified by the Government of India and subsequently confirmed by CIDA as being eligible for Development Loan financing. Payment of the f.a.s. Canadian port cost of the equipment or material is made by CIDA directly to the Canadian supplier. Payment of ocean freight and insurance is the responsibility of the Indian authorities. In the case of services, payment is made by CIDA to the Canadian firm on submission of monthly progress claims certified by the Government of India or its delegated authority.

Opportunities — Since 1971, only about a dozen Canadian companies have actively pursued sales to ONGC and Oil India, securing business of approximately $4 million. Sales have included the following: casing; drill pipe; subs; drill collars; centralizers; gas compressors; well-heads; Christmas tree assemblies; kellys; tracked vehicles; pigs and pig indicators, and valves.

Although the market is relatively small, the CIDA Development Loan ensures that Canadian equipment receives favourable consideration. Canadian suppliers should experience little difficulty in selling to ONGC and Oil India with this credit facility.

As the field users and purchasing departments in India become more familiar with the Canadian industry's manufacturing capability, sales could be substantially increased. In fact, requirements over the next year which the two oil-producing organizations have suggested they could source in Canada amount to more than $7 million.

Further information concerning the CIDA Development Loan and equipment and service requirements of ONGC and Oil India, may be obtained by contacting G.W. Sharpe, Asia Division, Canadian International Development Agency, 122 Bank Street, Ottawa, Ontario K1A 0G4; or by writing to the Canadian High Commission in New Delhi. □

White-Collar Crime

A High-Risk Venture

DAVID MAGEE, Assistant Editor

Ask any cop — he'll tell you the best way to make an illegal bundle is *not* blasting your way into a bank with a sawed-off shotgun. No — the big money is in "white-collar crime."

How big? Well, one of the favourite white-collar capers is stealing securities. As is often the case, Canadian statistics aren't available but a U.S. expert estimated that securities lost, stolen or otherwise missing in his country have a total value of about $50 billion. To put it another way — about one fifth of the U.S. money stock cannot be accounted for.

Obviously, losses in Canada are not nearly as high but even if they're only a thousandth of that $50 billion, they're still high enough. Think about that, and then consider that security stealing isn't the only opportunity open to the executive crook. He can always indulge in a little insurance fraud, maybe some wash trading, perhaps a fling at pyramid selling, maybe a phony franchise deal or a fraudulent advertising scheme — or even a good old-fashioned bankruptcy.

As you might expect, organized crime — and that isn't necessarily synonymous with the Cosa Nostra — is behind most business frauds and thefts. But the individual can cut quite a swathe too.

You may remember the case of Elias Rabbiah, one of the truly great con men. He sold shares in Racan Photo-Copy Corp. with promises of a copying machine that would revolutionize the industry. Of course, that wonder copier never quite made the market but Rabbiah made about a half-million — dollars. And his fiddling made no small contribution to the downfall of Atlantic Acceptance Corporation, which had poured money into Racan. Rabbiah

was caught, released on $30,000 bail seven years ago and hasn't been seen since in Canada. But he must be out there somewhere, possibly cooking up another scheme.

More recently, Quebec Provincial Police arrested a man (who hadn't been identified at this writing) in connection with a $1.3 million defrauding of the Quebec Deposit and Investment Fund. The fraud involved a senior officer of the fund who allegedly provided one of two required signatures on two cheques, having forged the second cheque. The fund is a provincial government agency that invests contributions of participants in the Quebec pension fund. It has assets of well over $1.5 billion — a considerable temptation.

With these examples of what a determined individual can accomplish, it isn't hard to imagine the threat posed by criminal groups. But it's going to get tougher to commit white-collar crime. It's more difficult already and one of the reasons is the Royal Canadian Mounted Police Commercial Crime Branch, headed by Inspector Henry Jensen.

The Commercial Crime Branch began full-fledged operations in the late sixties and now has 235 officers and support staff working across the country. The RCMP is an extraordinary police force and the officers of the Branch are extraordinary Mounties. The Financial Post called them "the intellectual elite" of the force.

$50 billion worth of U.S. securities "missing"

They have been highly educated and specially trained for their jobs. Inspector Jensen, for example, has an M.A. in Public Administration, a B. Commerce and the U.S. Securities & Exchange Certificate of Training. He plans to take a university course on tax law and policy.

Other officers of the Branch are similarly well-equipped to combat crime in the business world. The Branch has accountants and tax experts as well as graduates in law and commerce. All of them are regular RCMP officers trained for their new jobs on force time. They make a formidable group.

The Branch has investigated everything from the Atlantic Acceptance collapse to common bankruptcies — in fact, the Bankruptcy Act amendments of 1966 gave the RCMP the power to investigate suspected fraudulent bankruptcies and that paved the way for the formation of the Commercial Crime Branch.

Inspector Jensen says that fully 75 per cent of the bankruptcies his Branch investigates are fraudulent and wryly notes that the ancient meaning of bankruptcy was fraud. The Branch is called upon to investigate perhaps 5 per cent of all bankruptcies in this country and, though Jensen doesn't come right out and say it, the implication is that 75 per cent of the other 95 per cent of those bankruptcies are crooked as well.

Bankruptcies aside, stock promotions and securities frauds have been the big headaches. These activities, says Inspector Jensen, are difficult to detect. That's where the policeman's mind comes into play. He's naturally suspicious. An accountant might pass a company's books without asking too many questions — and that's happened many times — but if the accountant is also a policeman, the inquiries are usually more involved.

Inspector Jensen says the job of his Branch is quite simply to put commercial crooks out of commission and he believes one of the most important things it can accomplish is to help maintain public confidence in business by providing effective law enforcement. His officers try to prevent specific illicit activities from blossoming but sometimes it is necessary to allow a fraudulent operation to run for a period of time before action is taken, in order to gather more evidence for a successful prosecution.

Investigations are more often than not convoluted. In one case, stolen blue chip stocks were taken to other countries and sold through various financial institutions that often did not know the stocks were stolen. (Thefts often remain undetected until routine audits are made.)

What Jensen calls the "enforcement community" — police forces, securities commissions, etc. — got together to question these institutions. This turned up several less-than-lily-white transactions. At this point, the work had really only just begun. As Jensen puts it, his Branch had to "investigate backwards", in co-operation with police forces in other countries, notably Britain, Scandinavia, West Germany, Italy and Switzerland.

Why don't the financial institutions do more on their own to fight white-collar crime? For one thing they are often reluctant to admit something amiss. General knowledge of a theft in which one or more of their employees were involved might undermine confidence in their operations. And the institutions are often reluctant to mount a full-scale, in-house investigation because that might slow down commerce.

Another obvious question is: who buys stolen securities? They can be used as loan collateral — a bank will usually lend about 50 per cent of their face value. They can be used to doctor balance sheets — if you can buy $1 million worth of securities for, say $150,000, it looks good on the books. A construction company can use stolen securities to put up performance bonds and thus avoid tying up working capital. A financial institution can get the securities into its books, then make a deal with an affiliated company to exchange good paper for bad. The good paper goes into a private company — the bad into a public company which, promptly on cue, goes bankrupt.

But anyone succumbing to the temptations will have to be very inventive to keep ahead of Jensen and his crew, as well as the increasingly-vigilant securities commissions across Canada with which the Commercial Crime Branch works very closely.

No doubt, Mafia-backed groups are elements in the ranks of white-collar

75 per cent of bankruptcies fraudulent

criminals but, according to Jensen, organized corporate crime can take more subtle forms. It can, for instance, involve family ties. It's not a tight-knit federation with, as the public might imagine, a Godfather figure running the show. But there is, Jensen says, a loose-knit structure.

Sometimes government is the target of the criminals. For example, the Unemployment Insurance Commission was victimized by crooks who revived dormant construction companies. Names of people who had died prematurely were obtained with little effort and social insurance numbers for these dead persons were obtained with equal ease.

The resurrected bodies were listed on

the rolls of the revived construction companies as living, breathing workers. When the companies conveniently hit slack periods and these "workers" were laid off they were paid unemployment insurance benefits which, not too surprisingly, ended up in the pockets of the company owners.

There have been attempts to defraud other government agencies. National Revenue has been assisted in the investigation of cases involving fraudulent T4 slips. The Local Initiatives Program and Opportunities for Youth have been defrauded for small amounts and the DREE program is a temptation for fraud artists but its grants are handed out only after careful scrutiny of potential recipients.

Inspector Jensen modestly says that in spite of the difficulties — fraud can be almost intangible; people are unwilling to admit they've been played for suckers — his Branch has been "reasonably successful." But Jensen must not only keep up with what's current in commercial crime, he must also try to foresee trends.

One type of crime he expects to be investigating with increasing regularity is securities counterfeiting. He says we're moving into a cashless society and

the Commercial Crime Branch: "the intellectual elite" of the Force

phony securities will be much more lucrative than funny money. Besides, he says, counterfeiters are having a hard time with the new Canadian bills, and securities will be easier. Jensen also expects to see increased use of computers in crime.

His prediction about computers has already come partially true. Earlier this year, Equity Funding Corporation of America collapsed. United States investigators found that the Los Angeles company had based much of its growth — and it was once the fastest-growing financial services organization in the U.S. — on $2 billion worth of phony insurance policies.

The story of Equity Funding's rise and fall is full of twists and turns but it's enough to say that computers were used to produce non-existent but extremely saleable insurance policies. To add a really up-to-date touch, bugging devices were used to eavesdrop on conversations of insurance examiners. The crooks behind the scheme (most Equity Funding employees were unaware of what was going on) were able to play on the fast-buck mentality of others in the financial community who rarely asked any searching questions about the crooks' methods.

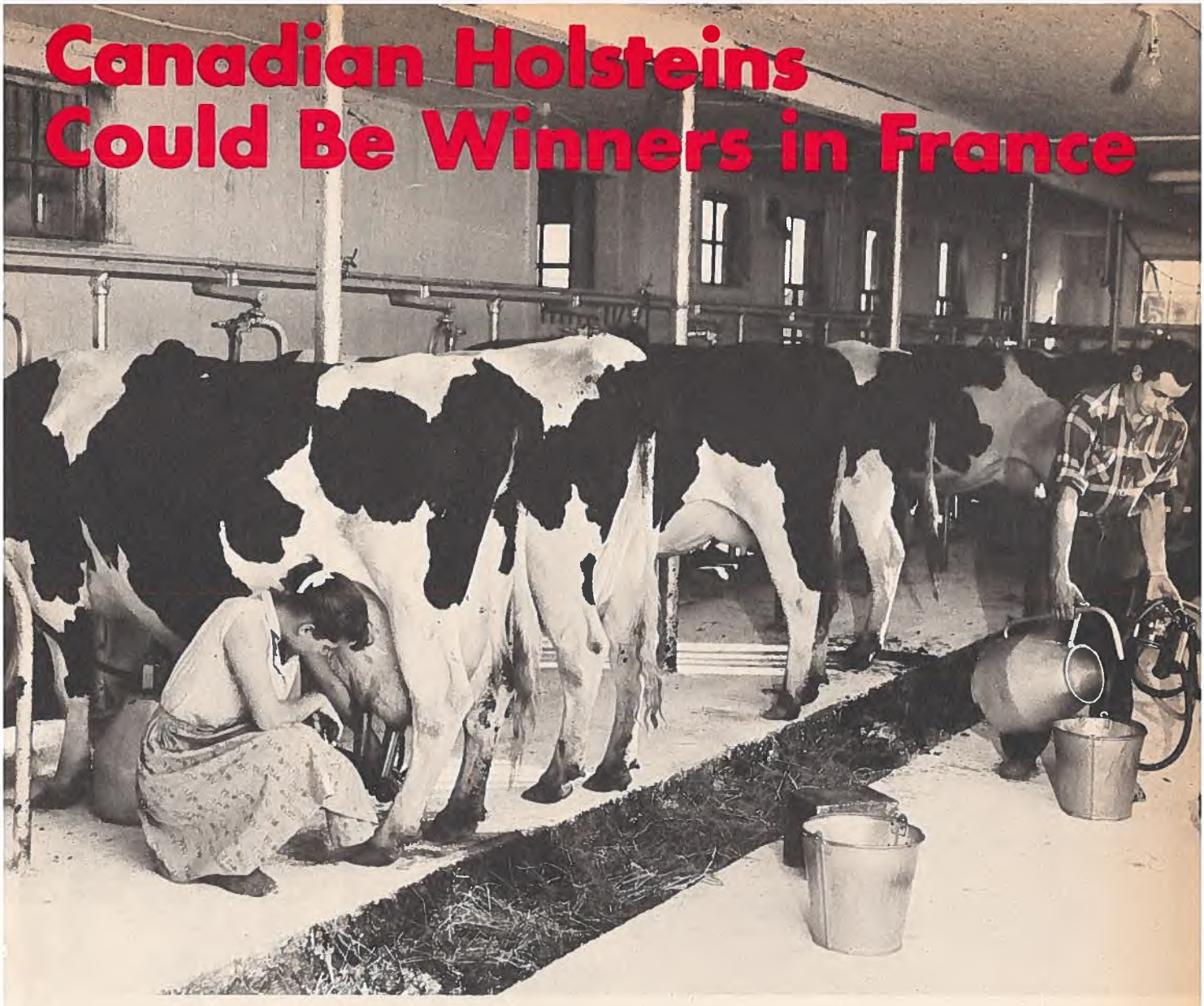
Could it happen in Canada? Not if Inspector Henry Jensen has his way. □

Scottish Building Boom

Boom conditions created by oil developments have put unprecedented pressure on the construction industry in towns in the Northeast of Scotland. The Trade Commissioner's Office in Glasgow reports that housing, hotel development, industrial building, harbour redevelopment, hospital work and a host of other projects have taxed the labour market to the hilt, so much so that, in some cases, the building of new houses has been brought to a standstill.

Building costs have risen steeply, despite the counter-inflation policies of the Government. Land within commuting distance of Aberdeen is fetching up to $40,000 an acre. The high costs of materials (lumber, for example) and competition for labour make building an expensive proposition. Greater use of industrialized building techniques — factory-built houses — are now seen as ways of reducing the pressure on the industry, and housing units in Norwegian lumber are being imported for assembly and erection. Such is the demand for new houses that the preference for traditional building methods is being set aside, offering great scope for Canadian suppliers.

Canadian Holsteins Could Be Winners in France



G.W. DOUCET, Commercial Secretary (Agriculture), Paris

A breeder from southeastern France, near Lyon, imported the first Canadian Holstein Friesian in 1965, after a world-wide study had led him to choose this animal as the best dairy cow in the world. Between 1965 and 1967, after conditions for import were established by negotiations between the French Ministry of Agriculture and Senator Harry Hays (at that time Canadian Minister of Agriculture), more than 600 Canadian Holsteins were imported by French breeders.

In 1967, the Syndicate of French Breeders of Holsteins-Frisonnes was established. As interest in the Canadian animals grew, it became clear that an in-depth comparison of the Canadian Holstein with the best French dairy cow, the Frisonne, under normal French conditions would contribute greatly to the effort on the part of both governments to improve the economic, human and social conditions of dairy farmers.

Therefore, the French and Canadian Governments undertook an analysis over three years, beginning in the fall of 1968, of 50 Canadian Holsteins and 44 French Friesians dispersed among six farms and one research station in France.

Fifty pregnant Holstein Friesians and 44 French (Friesians) were chosen under the same criteria and divided among six farmers and a special research station in the normal dairy regions of France. Seventeen young bull calves from each breed out of the first lactation were studied by the research station for meat quality and production, eight being slaughtered at 13 months and nine at 17 months.

During the three-year test period seven Holsteins out of 50 were eliminated, or 8.5 per cent, excluding those eliminated for brucellosis. The Holsteins calved an average of 2½ months sooner than their French counterparts — at the end of the test period, 28 Holsteins out of 50 (56 per cent), and 17 Frisonnes out of 44 (38.6 per cent) had calved for the fourth time.

Average milk production per lactation of the Holsteins exceeded that of the Frisonnes by 31 per cent (5,280 kg vs. 4,041 kg) over the three lactations, and by 21 per cent for those cows which had completed three consecutive lactations

and calved for the fourth time (5,064 kg vs. 4,187 kg). Milk production per day of lactation also favoured the Holstein by 21 per cent (17.2 kg vs. 14.2 kg), and milk production per day of productive life was not far behind at 18 per cent (12.9 kg for the Holstein, 10.9 kg for the Frisonne). The figure for milk production per day of life showed the Holstein superior by 24 per cent. By May 1, 1972, 35 Holsteins out of 50 (70 per cent) and 25 Frisonnes out of 44 (56.8 per cent) had completed their third lactation.

When milk composition was tested the Frisonne was found to have a slight advantage; its milk on the average containing more fat and protein material. The average differences over three lactations favoured the Frisonne by 1.5 grams per 1,000 and 0.8 grams per 1,000 respectively. However, taking into account the higher milk production of the Holsteins, their over-all production of fat and protein materials exceeded that of the Frisonnes by 20 per cent over the three lactations.

Measurements taken during the first lactation showed a slightly shorter milking time for the Holsteins — 5.15 minutes compared with 5.42 for the Frisonnes — and a distinctly greater quantity of milk from the Holsteins obtained in 3 minutes (12 kilos compared with 9.3 kilos for the Friesians).

Seventeen young bulls from each breed were tested at the research station in Theix. Eight from each breed were slaughtered at 13 months and nine at 17 months. Because of the small sample, the results are of limited value but a number of points can be made.

The comparison at slaughter at the age of 13 months indicated insignificant differences in commercial and actual yield, but an advantage for the Frisonnes in conformation according to French standards.

When slaughtered at 17 months of age, small differences in live weight, warm carcass weight, and yield (1.1 per cent to 1.8 per cent) indicating a small advantage for Frisonnes at this age, appeared.

In France, interest in Canadian Holstein Friesians and semen can be expected to increase significantly as a result of the report once we have distributed the information among the thousands of French dairy farmers whose average size of operation now comprises

only eight or ten cows. At the recent Paris Agricultural Fair, over 5,000 inquiries were handled. More than 1,700 head and countless vials of semen have been exported from Canada to France since the program began and one farm of Canadian Holsteins in France now has 1,500 head, the largest dairy farm in Europe — fittingly, the owner is none other than the first French importer of Canadian Holsteins. The report of the comparison test will be translated into several languages and used effectively to stimulate demand in other European countries.

There are two dangers that could hurt our efforts, especially if Canadian Holstein exporters neglect the EEC, and particularly France, because "we don't have the animals", or "France won't pay the price", or "Spain and Greece are buying all we've got".

The report contains a section on meat production which, while not conclusive, indicates that the Frisonne has a slight edge, especially if French finishing practices and conformation expectations are not influenced by active Canadian promotion. French meat production traditionally has been a by-product of milk production, and animals are finished for slaughtering fairly late. They should be convinced that their problem with meat shortages and dairy operations can be solved by separating the two: by using Holstein cows for dairying, and by finishing young bulls for slaughter around 12-13 months. This last resistance to Canadian Holsteins should not go unchallenged by our absence in the French market.

Perhaps more dangerous still is the resistance in the minds of many people in France to those who have brought about change. A small group of Canadians and Frenchmen forced open the French market to Holsteins, despite every obstacle. The final trump card of those opposed is to accept the qualities of the Holstein in general but to argue that the Canadian Holstein is not necessarily the best Holstein as everyone seems to think. It is imperative, now that there has been so much preparation, now that the test results are out, that we do not leave the Western European market open and unchallenged to competition. It is important that we not rest on our laurels of the 1960's but meet this competition head on.

The major constraint on increased exports of Canadian Holsteins and semen to France is a regulation which limits imports to cattle of relatively high performance pedigree. Cattle of this quality are in such demand both domestically and abroad that only the most determined and financially capable French producers can import. It is in the interest of French producers, as well as Canadian exporters, to permit entry of commercial class cattle at buying prices more realistic to French producers. □

Food for Thought

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Greater awareness and use of the multidisciplinary engineering subjects, tribology, terotechnology, corrosion technology and materials handling, by industry could produce large saving.

I.E.E. News

MacMillan Bloedel Ltd. has negotiated a license agreement with a French consortium for the use and development of MB's high-yield kraft pulping process.

Financial Post

The federal Cabinet has approved a new oceans policy for Canada that emphasizes the need to develop all the "essential industrial and technological ingredients to exploit offshore resources."

Globe and Mail

The Atlantic herring, one of the world's most numerous fishes, currently is being overfished in some areas. Recently a 16-nation International Commission for the Northwest Atlantic Fisheries recommended that the herring catch from the Gulf of Maine be reduced by 5,000 tons in 1973. Maine dominates the U.S. herring industry, specializing in fingerlings packed as sardines.

Lobsters now are so scarce that they bring the highest price of any seafood taken from U.S. and Canadian waters. Some experts think that the only way to ensure enough of the crustaceans in the future will be through lobster farming. Already a Massachusetts hatchery is hatching lobster eggs and raising the larvae until they are an inch long, then releasing them in the area the mother came from. Meanwhile, geneticists are seeking to develop a fast-growing, peaceable lobster that will reach table size in a year.

National Geographic Society News Bulletins 14.256 and 14.271

The transmission lines for electric power from the James Bay hydro-electric development will require a corridor three miles wide from near Fort George, Quebec, to Montreal, 650 miles to the south.

Globe and Mail

An agreement to burn more coal at power stations in 1973/74 has been reached by the Central Electricity Generating Board and the UK National Coal Board.

Electronics and Power

The generation of nuclear power from an abundant and cheap fuel that does not produce highly radioactive residues and from which there is no likelihood of a runaway nuclear chain reaction could be a practical proposition by the year 2010 if work now in progress at the UK Atomic Energy Authority's Culham Laboratory reaches fruition.

Electronics and Power

The first off-shore exploratory well to be drilled in the Arctic seas has been licenced by federal authorities. Imperial Oil Ltd. of Toronto, will start the 15,000 feet-deep test from a man-made island in the Beaufort Sea off the Mackenzie River delta by next fall.

Globe and Mail

Methane from solid wastes could fill 11 per cent of U.S. needs for natural gas, says Dr. John T. Pfeffer, a sanitary engineer at the University of Illinois at Urbana-Champaign. Dr. Pfeffer proposes shredding city garbage, removing glass and metal, adding sewage sludge, and fermenting the combined wastes to produce methane, carbon dioxide, and odorless land fill.

Chemical and Engineering News

Three US scientists have suggested that harnessing the flow of the Gulf Stream to produce electricity by means of large, low-speed, underwater turbine generators may be a feasible and economic means of improving that country's energy position.

Commerce Today

A two-year federal program to protect domestic textile makers by restricting cotton yarn imports has backfired.

Thirteen developing countries subjected to the trade restrictions have not even been fulfilling the limited delivery quotas; at the same time, one of the Canadian companies the program was designed to protect — Cosmos Imperial Mills Ltd. of Hamilton — has closed three yarn factories.

The result is a shortage of yarn for the domestic textile industry and a steep climb in prices.

Globe and Mail

TRADE LINES

New Malaysian shipyard

An agreement has been signed by the Malaysian Government and three private companies for the establishment of a $52 million shipyard in Pasir Gudang near Johore Baru. The Government will have a 50 per cent interest; Sumitomo Shipbuilding and Machinery Co., Ltd., of Japan 25 per cent; International Maritime Carriers Overseas Ltd. of Liberia and Kuok Brothers Sdn. Bhd. of Malaysia 12.5 per cent each. The work on the project, which involves the construction of two drydocks — one catering for 80,000-ton and the other for 400,000-ton ships with other ancillary facilities for ship repairing — is expected to be completed in two years.

The shipyard will be known as the Malaysian Shipyard and Engineering Sdn. Bhd. and will initially concentrate on ship repairing. Shipbuilding will start after the fifth year of operation. Sumitomo Shipbuilding will provide technical services and assistance and training for the construction and operation of this project. — Kuala Lumpur

Scotland's new oil centre

Aberdeen, better known as an old university town and the centre of a thriving fishing industry, is now moving into a new era based on oil. The changes which have taken place over the past year or so have been little short of phenominal.

As the oil race picks up momentum, Aberdeen will continue to boom, bringing an even greater demand for space, labour and housing. There are now more than 180 firms involved in the oil industry in Aberdeen alone, and new companies are moving in at the rate of two a week. The spin-off from the North Sea oil industry has also given new work to existing companies. For example, local engineering concerns are taking on more contracts, fishing trawlers are being used as safety boats for the rigs, the local food industry is doing good business in supplying the rigs. The service industries, supplying everything that the drilling companies require, have perhaps benefitted most. The boom, of course, is stretching beyond Aberdeen to Peterhead and further up the coast as well as down to Montrose where P and O has reclaimed 35 acres of land for its own service company which will be in operation soon.

There are some indications, however, that the smaller service firms are finding the going a bit too strenuous to stay in the race. — Glasgow

Norway to produce more ilmenite

Titania A/S, the only Norwegian producer of ilmenite (titanium) concentrate, is increasing production capacity to one million tons annually as from September this year. Last year, sales amounted to 680,000 tons compared with 608,000 tons in 1971. Ilmenite concentrate is supplied to pigment factories in Europe, including the Norwegian company Kronos Titan A/S, Fredrikstad, which last year produced 18,400 tons of titanium pigments. — Oslo

Germany expects record oilseed harvest

West Germany expects a record harvest of oilseeds this year. Local production is estimated at 272,000 metric tons, an increase of approximately 9 per cent over last year. Of this, 252,000 tons will be winter rapeseed. This increase results from an enlarged acreage of 108,316 hectares (1972: 106,081 hectares) and from high yields per hectare. But oil contents of winter rapeseed will be lower than last year, probably not exceeding 38.7 per cent compared with 39.4 per cent (percentage at a moisture level of 10 per cent). — Bonn

Scotland sells to France

Exacta Circuits, Selkirk, is supplying through-plated printed circuit boards for machine tool control and data processing at the Paris and Grenoble factories of Telemecanique. The order is worth $150,000. — Glasgow

Data on 300,000 firms

Air Canada has something new for importers and exporters. It's a business information service called INTERFILE. Under agreement with London-based INTERFILE International, Air Canada has access to the information services of INTERFILE — recorded data on more than 300,000 companies throughout the world. Air Canada claims that INTERFILE will be of great benefit to Canadian companies seeking to sell or buy products and services at home or abroad. For example, a businessman wanting information on a company, product or service, fills in an INTERFILE inquiry form, which is available from Air Canada Passenger and Cargo sales representatives. Information is provided on computer printouts at no charge. Companies wishing to have detailed information about their products or services listed in the INTERFILE computer can do so by subscription. A yearly minimum fee of $400 is involved.

Research on apple scab

A research project is being conducted in Lebanon to study the occurence, biology and control of apple scab, a disease seriously threatening the Lebanese apple industry. The control program is developed in close co-operation with the Ministry of Agriculture, Plant Protection Department. The Ministry has already purchased 26 instruments which are placed in various parts of Lebanon, five more were financed by the Lebanese Fruit Office and six by the Plant Disease Institute of the University of Bonn in Germany. It is hoped that this widely supported program can also be adopted in other apple growing areas outside Lebanon and help to produce better fruits at lower costs. — Beirut

DSM to increase caprolactum production

The Dutch State Mines (DSM) is planning to increase production of caprolactum from its present 300,000 metric tons, which is 16 per cent of world production, because of an expected increase in demand for this raw material for nylon. A company official said that Nypro UK, in which DSM has a 55 per cent interest and which is a joint venture with the British National Coal Board, has plans to double its production capacity to 150,000 metric tons at a cost of about $4 million.

Other company plans include a joint venture with a Brazilian state company to produce 35,000 metric tons of caprolactum, and the doubling of the present capacity of 70,000 metric tons of its wholly-owned subsiduary Nipro Inc. of Georgia. — The Hague

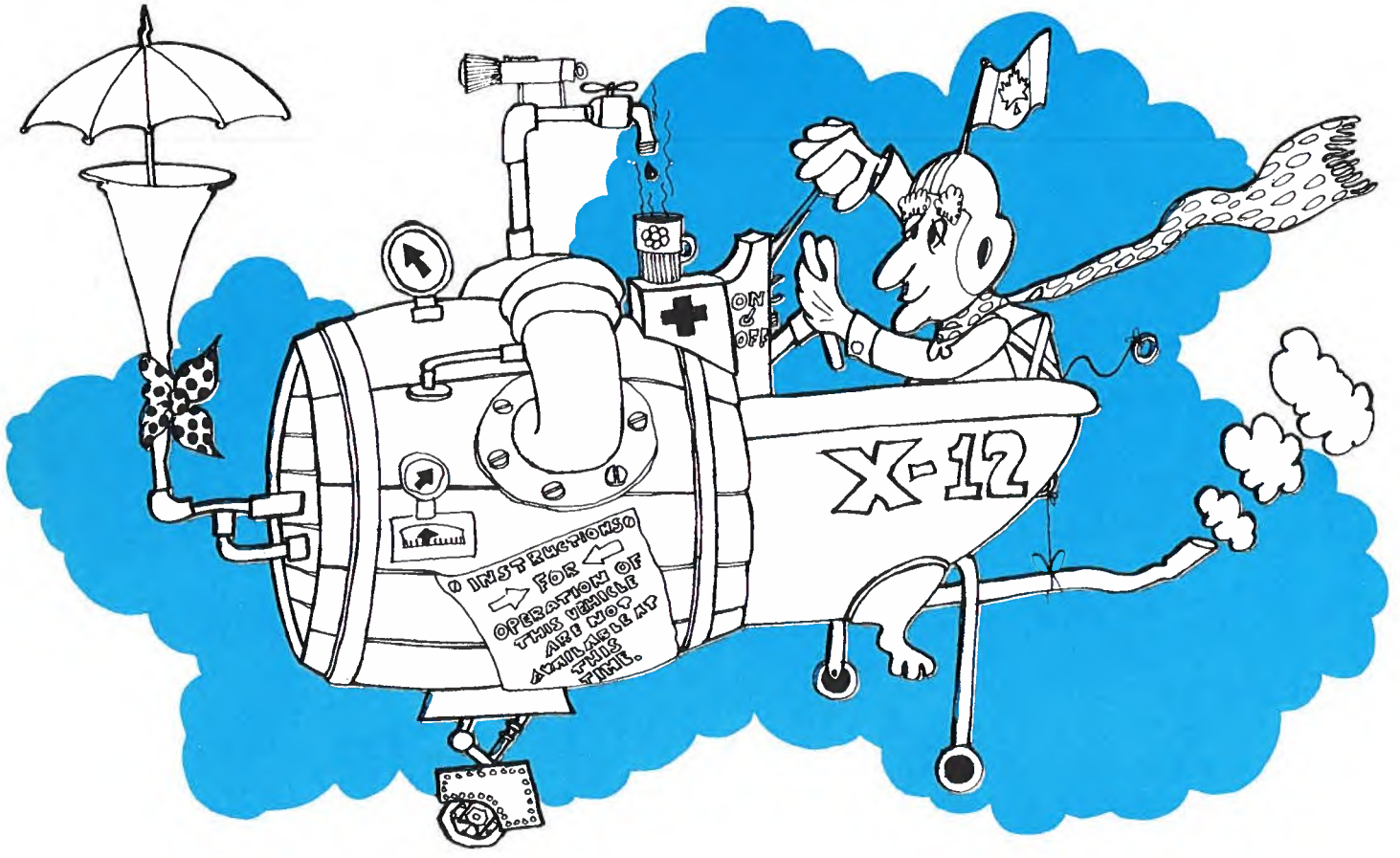
First Canadian Tobacco Harvesters in Czechoslovakia

The initial shipment of tobacco harvesters made by Balthes Farm Equipment Ltd. of Tillsonburg, Ontario, was delivered to the Czechoslovak Tobacco Trust in time for spring planting. Since then, the machines, first of their kind to be used in Czechoslovakia, have proven their superiority over older methods.

During a visit to the Tobacco Research Institute's experimental farm, D.S. Baker, Commercial Secretary of the Canadian Embassy in Prague, was shown one of the Balthes machines in operation, as well as a comparison between a field planted by the machine and another planted by traditional method. Officials of the Tobacco Trust told Mr. Baker they are well satisfied with results. They told him they are particularly pleased with such features as automatic watering when the young plant is placed in the furrow.

It is expected that other sectors of Czechoslovak agriculture will require specialized machinery to meet new production quotas. The Commercial Division, Canadian Embassy, Prague believes this situation offers potential for Canadian manufacturers. For more information, contact the Commercial Division, Canadian Embassy, Mickiewiczova 6, Prague 6. □

A Balthes tobacco harvester was tested at the experimental farm of the Czechoslovak Tobacco Trust. Examining the machine (from left to right) are: Ing. F. Serina, director of the farm, D.S. Baker, Commercial Secretary, Canadian Embassy and M. Hudec, Commercial Officer, Canadian Embassy.



We Have a Problem!

The strange contraption shown above doesn't fit into any of our exhibits. Communications, agriculture, ground or marine transportation, none of them have claimed it; nor have aviation and space, physics, meteorology, astronomy or even our timepiece exhibits.
Maybe you can help us place it in the right spot and visit our museum at the same time.
It's a participatory experience!

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