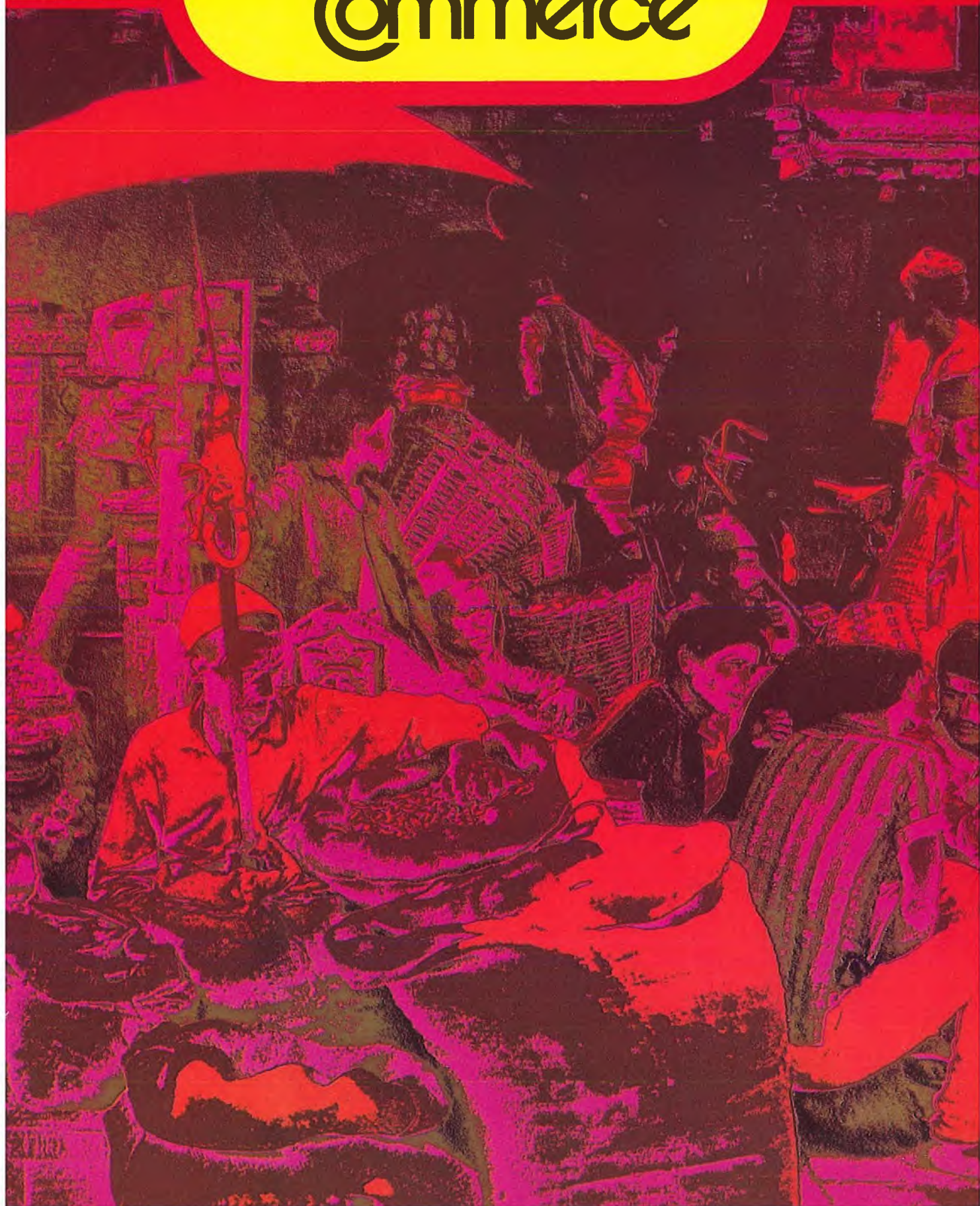


November

Canada Commerce

1973



Bangladesh Earth Station

Canada is providing the Government of Bangladesh with an \$8 million development loan to finance completion of the Asian country's first earth satellite station, near Chittagong. RCA of Canada Limited, Montreal, is building the station.

The Chittagong station was originally part of a 1970 development loan project between Canada and Pakistan that involved building stations at Karachi as well as Chittagong. The latter will be the terminal for Bangladesh's overseas communications. RCA of Canada Limited will inspect and test all equipment before the station is handed over to Bangladesh officials.

The earth satellite station at Chittagong will be similar to the one shown here, which was also built by RCA Canada at Arvi, India. Another is being completed for the Government of India at Dehra Dun and a similar station has also been built for Pakistan.



In This Issue

Occasionally one hears of a firm that swears it will never participate again in a trade fair — trade fairs are a waste of time and money, you sit in a booth and answer stupid questions or alternatively you don't answer any because nobody seems to be interested. But the fault probably lies with the firm. If you were asked to participate in a seminar, you would surely find out as much as you could about it before making any decision. The firm that criticizes a trade fair has probably failed to carry out the elementary precaution of finding out whether in fact that fair is suitable for the product and the market it is intended for. If a manufacturer is invited by the Department to participate, it is still the manufacturer's responsibility to ascertain if the fair is the right one for him: you don't blame the hostess for the invitation if the party is a failure. And to enable you to do a bit of homework we publish this month a list of those fairs during the fiscal year 1974/75 at which the Department will be sponsoring Canadian exhibits. There may be changes in the list, of course, but we will try to keep you up to date if and when changes take place.

Directly following this list and starting on page 19 there is a story carrying comments from one firm on how trade fairs have helped it to broaden its market and increase its sales. If you are still doubtful about the value of these activities, it would pay you to read it.

Our lead article this month forewarns our readers about what promises to be a gigantic project leading to many and various opportunities for Canadians — the Los Angeles rapid transit system. This smog-bound, traffic-congested city has decided that something must be done to relieve pressure on the streets. Canadians should be aware of the plans and suggestions in order to be prepared when decisions are made so that they are not left behind in the rush for business that will surely take place.

COVER: Sidewalk bargains in Kathmandu, Nepal.

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Publié aussi en français.



Los Angeles

Rapid Transit on the way?

WILEY J. MILLYARD, Consul and Senior Trade Commissioner, Los Angeles

The Mayor of Los Angeles, Tom Bradley, recently unveiled a proposal for a public transit system which would cost \$6.5 billion and provide an eight-corridor 116-mile network of subways, elevated trains and buses to be completed in 1990 if voters pass a 3/4 per cent municipal sales tax increase to raise funds. A team of five consulting firms produced the plan as part of a crash program to get some of the area's 3.5 million cars off the freeways as soon as possible. Stop-gap measures costing \$14 million over five years were also proposed to augment the plan. "Park and ride" areas, car pools, jitneys, purchase of more buses, exclusive bus lanes on freeways, and priority to buses on certain arteries are part of the stop-gap plan.

Of all the major U.S. cities, the one almost devoid of any sort of rapid transit is Los Angeles. In this city, the automobile has become a hallowed object of almost godlike mystique — the only means for most people to get about. The penalty it exacts is the imposition of one of the most pervasive and unbearable smog conditions that exists anywhere. This metropolis leads the U.S. in two- and three-car families and many hun-

dreds of miles of freeways accommodate their daily movement, but these routes are overburdened, dangerous and — at rush hour — maddeningly slow.

Los Angeles has not always been dependent on the automobile. The famous "red cars" of the Pacific Electric Co. served the area even before 1900 and by the late 1920's in their heyday, there was a network of 1,200 miles of rail lines fanning out 50 miles from the city centre. The Los Angeles Railway Company served the core area with 600 route miles. By the thirties, Pacific Electric was losing heavily and the advent of wartime gasoline rationing gave only a temporary rejuvenation. After the war, an attempt was made to incorporate rail lines in the budding freeway system, but the State didn't concur and felt it more important to devote all transport revenues to the freeways. Consequently, the rail lines were torn up and the last of the "big red cars" went out of service in 1961.

The SCRTD (Southern California Rapid Transit District) has since brought in 1,600 buses to replace the electric cars but these are not enough to serve the whole area. Besides, with the advent of freeways, people turned to their cars as never before, disdaining other forms of transport. But there is growing concern over the need for a modern public transit system and in 1968 the SCRTD came up with a plan for a \$2.5 billion 89-mile system. The voters turned it down but the mood of the public today is considerably different than it was five years ago. The threat of gas rationing is frightening and there is heightened environmental consciousness.

The plan introduced by Mayor Bradley will be subjected to six months or more of public discussion and environmental studies before the SCRTD board formally adopts it and submits a financing plan to the voters. It is expected that the board will recommend a flat 35 cent fare, only five cents more than the lowest current bus fare, and this should prove an inducement to voter approval. The 3/4 per cent sales tax increase would furnish most of the more than \$2 billion

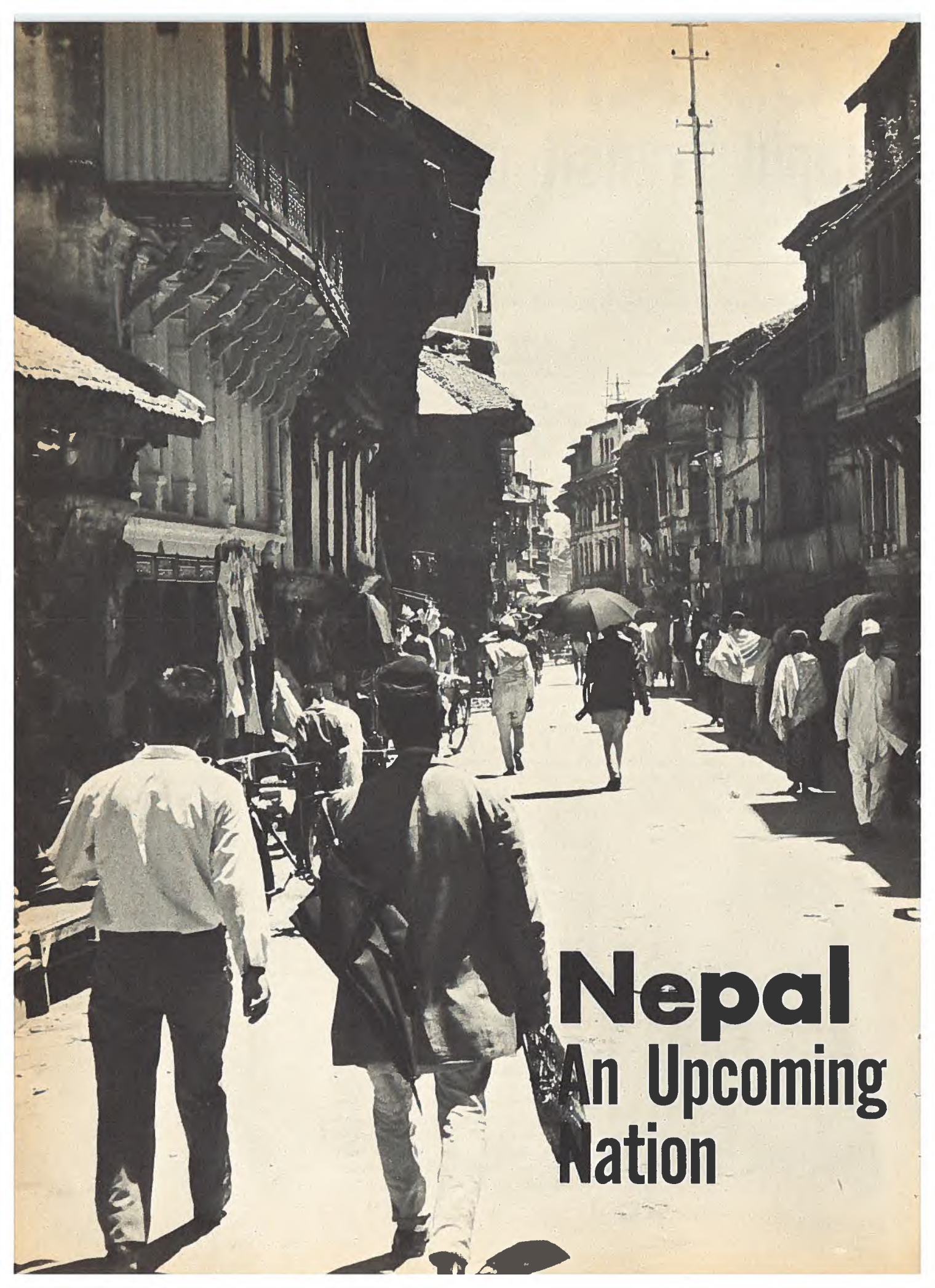
needed to obtain \$4.5 billion funds from Washington. The referendum is slated for June or November 1974, and backers of the plan hope to see construction start by 1975.

Except for buying another 1,000 buses, planners are sidestepping any recommendations at this time on the type of transit hardware that should be used, because the technology is in a state of evolution. They claim that a final decision on hardware can wait for 12-18 months. That leeway, they believe, will allow time for studies of new technology, especially the magnetically levitated and tracked air-cushion vehicles which are being demonstrated in Germany and Japan and by Rohr Industries in nearby San Diego. The big question for the planners is; "are they safe and practical in our desired speed range up to 80 m.p.h.?"

Consensus is that large cars carrying 85 or 90 passengers are needed to meet the expected passenger volume. But small "people mover" systems might be incorporated for centres such as Bunker Hill, Century City and Beverly Hills. The system would require 62 stations one and a half miles apart. Any system for Los Angeles will be more suburban in its characteristics than one in a denser, less automobile-dependent city.

Acquisition of all the equipment needed for such an elaborate system is bound to involve hundreds of contractors and sub-contractors and there should be numerous opportunities for Canadian manufacturers to participate — if the Los Angeles voters decide they want more public transit. □

Old Pacific Electric Company cars await dismantling for scrap in Los Angeles yard.



Nepal **An Upcoming** **Nation**

BRIAN E. BAKER, Assistant Commercial Secretary, New Delhi

Nepal: birthplace of the revered Gautama Buddha; custodian of eight of the world's ten highest mountain peaks; home of the fearsome Gurkha warrior, of tigers, lions and snow leopards, and perhaps also of the fleeting yeti or Abominable Snowman — a "once upon a time" land whose people toil placidly in green fields against a backdrop of pagodas, palaces and Himalayan mountain splendor.

Nepal: home of 11 million people, a land where an estimated 10 per cent only of the adult population is literate, where infant mortality is estimated between 200 and 300 per 1,000.

There are few countries in the world where the gulf between popular image and reality is as striking as in Nepal.

After a century of self-imposed isolation, Nepal emerged in 1950 to join the international community. But the country must still view its geopolitical situation in terms of a long tradition as a buffer state which has resulted in ingrained attitudes to policies and tactics required to maintain its political and cultural integrity. The words of the progenitor of the present ruling dynasty in Nepal, Bada Maharaja Narayan Shah, are as true today as they were two centuries ago when he described his central Himalayan kingdom as "a root between two stones."

The Nepali population derives from two main ethnic groups; Mediterranean (Indo-European or Caucasoid language group) and Mongoloid (Tibeto-Burmese language group). Nepali, the official national language, is the mother tongue of more than 50 per cent of the people. About 30 other languages and dialects also are spoken.

The pedestrian is still king in the streets of Kathmandu.

Nepal is a Hindu kingdom, with 88 per cent of the population following the Hindu religion. There is, however, much intermingling of Hindu and Buddhist beliefs, and many Nepalese consider their country to be divided about equally between the two. Both religions have assimilated many elements of Shamanism, an indigenous folk religion based on a belief in supernatural beings and on the ability of shamans to communicate with them.

Economy and Foreign Trade — Agriculture, largely on a subsistence level, directly accounts for 70 per cent of the gross domestic product, 80 per cent of the country's export earnings, and provides employment for 90 per cent of the population. Foodgrain production is the major activity within the sector.

Industry, producing mainly for domestic consumption, is largely small-scale and agro-based; rice, sugar- and sawmilling, cigarettes, textiles (jute and cotton), shoes, purified butter and vegetable oils. Apart from rice milling, jute is the most important industry; in 1970 and 1971 jute goods accounted for 27 per cent of exports to countries other than India, with raw jute accounting for another 43 per cent.

About 90 per cent of Nepal's trade is with India. Exports to India consist mainly of primary commodities: foodgrains, timber and crude materials. Exports of products such as bristles, mica, curios, musk, and animal skins are rising. Imports include manufactured consumer goods, food products, petroleum and petroleum products, machinery and equipment.

Although there is a persistent trade deficit, it has been comfortably covered by a surplus in the invisibles account — expanding tourism receipts, remittances from servicemen abroad and interest revenue — and by external grant assistance. As a result, the country has a favourable foreign exchange position of over \$100 million.

It is a landlocked country with a small domestic market and high production costs; it is fragmented by mountain ranges and is short of industrial raw materials; it lacks a significant pool of planning, management and entrepreneurial talent, and is in many ways

still tied to the past as a result of a deliberate policy of isolation that has only recently been set aside. Economic development, consequently, does not come easily to Nepal.

Agriculture — Predominantly an agricultural economy, with limited possibilities for diversification, Nepal's economic development will, for a long time to come, be largely dependent on its ability to increase agricultural production. And development will depend heavily on the ability to create a surplus in agriculture to pay for its large and growing import requirements.

Substantial technical and capital support has been provided by bilateral and multilateral aid agencies in the agricultural field. Projects have been carried out in foodgrain and cashcrop production, horticulture, animal production and health, land and water use, nutrition, resettlement, and extension of agricultural credit and marketing services.

Two loan agreements have been approved by the Asian Development Bank to finance the foreign exchange costs of the construction of irrigation facilities for 5,000 hectares (about 12,300 acres) in the Kankai area and a further 11,000 hectares (27,000 acres) in the Chitwan Valley. Service contracts for these projects have been negotiated. Procurement of some equipment and material has not yet been completed.

The World Bank Group has recently signed an agreement extending \$6 million to provide canal irrigation facilities to a total area of 28,700 hectares and tubewell irrigation to 2,700 hectares near Birganj. Approximately \$4 million of the World Bank assistance will be used to provide the entire foreign exchange costs of civil works, equipment and spares, and consultants. The project, expected to be completed by June 1978, will be executed by the Narayani Zone Irrigation Development Board, an autonomous government agency.

Industry and Tourism — There has been little significant industrial develop-

ment despite the ambitious objectives of the Government's Five Year Plans and substantial incentives such as tariff protection, tax holidays, duty exemptions on imported equipment and materials, and availability of foreign exchange for imports. Nepalese manufactured goods have difficulty competing with those from India which profit from the economies of scale offered by a large domestic market, and the backing of more experienced, more adequately financed marketing organizations. Until recently, the quasi-feudal Nepalese social system based on agriculture did little to encourage entrepreneurship or the development of managerial talent. Even the topography hampers efforts to industrialize.

Nepal has virtually no mining industry, although discovery of certain minerals such as iron ore, copper, nickel, cobalt, graphite and gypsum has been reported. Some findings appear promising but none have yet been established as suitable for commercial development. Mineral development has high government priority and a program has been outlined for a comprehensive mineral resources survey and for detailed investigation of known deposits.

Forests occupy about a third of the land area and could provide the raw materials for plywood and paper industries. Careful marketing studies, and probably marketing arrangements with India, will have to be made before development can proceed.

Small-scale industries, based largely on import substitution, have been reasonably successful in competing with Indian imports and at the present time offer the best avenue to industrialization. Several industrial estates have been established in which a wide range of products are produced: textiles, furniture, footwear,

carpets, blankets, razor blades, curios, edible oils, cigarettes.

Increasing numbers of tourists are discovering Nepal, one of the most beautiful countries in the world. The spectacular Himalayan ranges attract many for trekking and climbing. An ancient culture and civilization rich with its shrines and monuments of the Hindu and Buddhist faiths draw visitors and pilgrims from all over the world. The "Road to Kathmandu" has become "de rigueur" for the young international traveller in search of enlightenment (although the road may soon become less well-worn as a result of the Government's recent decision to end the legal use of hashish and other drugs). Unique flora and fauna absorb others.

For whatever reason they come, Nepal's visitors are contributing substantially to the country's national income and foreign exchange earnings. The Government hopes to maintain the influx. Last year a 10-year "master plan" for the development of tourism was adopted. It involves the preservation and restoration of the country's historical and religious monuments, expansion and upgrading of tourist facilities, and improvements in transportation. The World Bank has committed \$4.2 million for the construction of a new hotel in Kathmandu and the expansion of another: projects in which a Canadian group is involved.

Transport and Power — The hydroelectric energy potential of Nepal is great but still has to be developed. In October 1972 the ADB approved a loan of \$2.7 million to finance the foreign exchange costs involved in linking the central Nepal power grid at Hetauda to the Grandak power station being constructed by India. A Canadian firm is being considered by the Nepal Department of Electricity for the contract to provide consulting services. International tenders for the supply of material and equipment required for the 150 km of transmission line and substation to be constructed have yet to be called.

For many of Nepal's inhabitants transportation still means a human back and a narrow, precipitous foot-trail. The inadequacy of the transportation and communications network constitutes the

most serious constraint to the Government's objective of political and social integration and the spread of economic and social services. Major efforts, therefore, are being exerted to knit together the isolated regions of the country by road connections. During the Fourth Economic Plan period (1972 to 1976) more than \$100 million, or 40 per cent of total public sector expenditures, is to be invested in transport, 80 per cent of which is being devoted to roads. The World Bank, the Asian Development Bank, the United Nations Development Program, the People's Republic of China, India, Britain, U.S.S.R. and the United States are all assisting in the development of the road network.

A Canadian group has recently been awarded the contract by the Government of Nepal to provide consulting services for the engineering and supervision of construction of an all-weather road from Hetauda to Narayangarh, a distance of some 80 kilometers. The foreign exchange costs of the project are being financed by the ADB. When completed, the road will provide access to the fertile Chitwan Valley, an area with a rich potential for agricultural development.

Prohibitive construction costs make it uneconomical to service many remote areas by road. As a practical alternative, Nepal is carrying out a major program with the co-operation of the Asian Development Bank and Canada to develop an air network linking centres of settlement.

Canadian STOL (short take-off and landing) aircraft are well suited to Nepal's terrain and require minimum investment in facilities. Threading through mountain passes to set down on short



landing strips in the confined valleys, these versatile planes provide fast access to isolated communities formerly reached only by treks lasting days or even weeks. Four Twin Otters built by De Havilland Aircraft of Canada have been provided through a \$2.5 million CIDA development loan. A fifth is being purchased by Royal Nepal Airlines on a commercial basis. CIDA has also extended a technical assistance grant to make available a pilot instructor, a maintenance engineer and a ground-school instructor. Eight STOL strips are now in operation with about 20 others being improved or developed.

Telecommunications are still at the development stage in Nepal. The present telephone density of .06 per 100 persons is one of the lowest in the world and well below average for developing countries. Minimum communications between 78 centres throughout the country are provided by high-frequency radio stations operating on a part-time basis. An expansion program financed by the World Bank is under way. The second phase of this program, for which the World Bank has recently extended a credit of \$5.5 million, will start soon. The expansion and modernization of facilities under the credit include provision of telephone and telex exchange equipment, cable networks and subscriber's apparatus for about 11,000 subscriber connections, international and domestic HF radio station terminals, microwave systems,

Nepalese shaman administers rites in front of a newly arrived Twin Otter to ensure a prosperous flying life for the aircraft.

line circuits, vehicles, tools, testing and training equipment, consultants and buildings.

Much is beginning to happen in this kingdom sitting on the top of the world. Designated by the United Nations as one of the least advanced of the developing nations, increasing help from the multi-lateral and bilateral agencies of the world can be expected in Nepal. If you supply equipment or services for hydro development, forestry, pulp and paper production, highway construction, telecommunications, mineral development, irrigation or tourism, there may be something here for you. Check with the Canadian Post in New Delhi to see whether Nepal should be included on your next Asian itinerary. The few Canadian firms that have made the trip to this the original Shangri-La have found it worthwhile. □

The narrow market streets of Kathmandu, where store-front stalls provide an exotic hodge-podge of wares and the architecture casts the westerner back several centuries in time.



Changing Policies of the World Bank

The 1973 Annual Report of the World Bank (covering fiscal year July 1, 1972 to June 30, 1973) says that all targets of the five-year plan outlined by Bank President Robert McNamara in September 1968 were achieved or substantially exceeded.

Total Bank and International Development Association lending increased 128 per cent. Lending to Africa tripled 214 per cent; to Latin America, 128 per cent. Lending for agriculture increased 317 per cent; for education, 362 per cent.

The Bank made special efforts to assist the poorest and least developed countries and these were reflected by figures that show lending to such countries increased faster than the total.

Following are excerpts from a section of the Bank's Annual Report in which trends in agriculture, education, industry and other sectors were noted. They may be of interest to export-minded Canadians.

The growth in operations in the poorest and least developed countries has been made possible in large part by the growth of IDA resources. But there has been a shift also in Bank loans, not to the poorest countries, but to the middle income countries and to the poorer ones among them.

No less important than the increases in the volume of assistance have been the qualitative changes in the Bank's activities. The Bank has been taking a much more comprehensive view of the development process. Although economic development is the Bank's main concern, it believes that it is necessary also to promote the social development required to stimulate economic growth. Greater attention has, therefore, been given to the social aspects of economic growth, including population, employ-

ment, income distribution, health, malnutrition and the impact on the environment. Increasingly, assistance is being given on the basis of a comprehensive study of a country's economy, or of particular sectors within the economy, in the effort to assure that it has maximum impact at points of greatest need.

Greater attention has been given to types of projects that can help spread the benefits of development more widely, especially among the poorer sections of society. The attention is inspired by the conviction that the object of development can have no meaning unless it brings a better, fuller and more productive life to the mass of the underprivileged in poor countries.

Agriculture — In no sector has the volume of lending increased more rapidly than in agriculture. The sharp increase has been accompanied by a marked diversification in patterns of lending. In the Bank's early years, the emphasis was on basic irrigation infrastructure, such as dams and canals. But, over the years, there has been a shift toward financing on-farm activities, such as provision of credit and technical services. During the last five years, the shift has accelerated. The Bank has also become more heavily involved in storage, marketing, seed multiplication, forestry and fisheries projects. The importance of agricultural research has been recognized both in individual projects and through support for international research institutions.

The aim in these projects is not simply to increase agricultural production, by providing such inputs as credit, seeds and fertilizer, or supporting infrastructure in the form of roads, marketing facilities and soil conservation measures. The aim is to help improve the quality of life for the people of the area, by including also facilities for education, domestic water supply, health, or other social services.

Development of education — In education, as in agriculture, the Bank's activities have been characterized by growth and diversification over the last five years. When the Bank started pro-

viding assistance for the development of education a little over 11 years ago, it concentrated, as a matter of deliberate policy, on two fields. The first was vocational and technical education and training at various levels. The other was general secondary education. Other kinds of projects were considered only in exceptional cases.

Over the years, as the Bank gained more experience, it diversified its activities. A few years ago, it decided that it should broaden its approach further by determining priorities and selecting projects on the basis of a thorough examination of the education system as a whole. In particular, apart from projects which produce trained manpower directly, it should consider other types of projects which could have important long-term significance for economic development. Such projects would be "designed to encourage changes which improve the relevance, efficiency and economy of education systems."

In the earlier years, the overwhelming proportion of the assistance was for educational "hardware" — for the construction and equipment of school buildings. But, more recently, greater attention has been given to the "software" — to such aspects as improving the curriculum, producing better teaching materials, and planning systematically the education that is offered.

The Bank has sought to emphasize quality as much as quantity in the development of education. Thus, in Spain, it has supported a comprehensive education reform which will reach all population groups and make the entire system more relevant to the country's needs. In Ethiopia, assistance has been given for a comprehensive education survey conducted by the Government which could lead to far-reaching reforms designed to benefit all population groups in the country.

In collaboration with the United Nations Development Program (UNDP)

An analysis of urban resources and needs has made it clear that, at least in the poorer majority of developing countries, the shortage cannot be overcome by providing conventional "lowcost" housing.

and the United Nations Educational, Scientific and Cultural Organization (Unesco), the Bank has begun to finance a series of pilot projects designed to explore experimentally new ideas to maximize the contribution of educational systems to economic development. The first commitment for such a project was made in 1970 in the Ivory Coast; it was for a primary educational system based on the use of television for instructional purposes. Iraq, Malaysia, Thailand and Turkey are among the other countries where the Bank is supporting efforts to make educational radio and television more economical and effective.

Population planning — In the longer view, an important diversification of activity within the last five years is represented by the Bank's decision to enter the field of population planning. The decision is based on the conviction that rapid population growth is a major barrier to the economic and social progress of most of its poorer member countries.

The Bank and IDA have so far approved assistance totalling \$65.7 million for seven projects — in India, Indonesia, Iran, Jamaica, Malaysia, Trinidad and Tobago, and Tunisia. Help is being given for preparing projects in another five countries. Within five years, the number of projects supported by the Bank and IDA is expected to rise to about 30. In a majority of cases, the support will probably be combined with assistance from other external donors under cooperative funding arrangements. Population planning is a field in which the Bank co-operates closely with the U.N. Fund for Population Activities.

The volume of lending, however, is an inadequate index to the Bank's activities in this sector. Much of the Bank's contribution is in the form of technical assistance. Advice may be offered on such aspects as the organization and planning of a program, its

administration and evaluation, the training of personnel and communications. The assistance is not always linked to a financial commitment from the Bank itself.

A large proportion of Bank funds for population projects has been used to construct clinics, maternity centres, maternity hospitals and training schools, and for the purchase of equipment and vehicles. More recent projects have devoted greater attention to communications, education and evaluation and research activities.

Support for industry — The Bank's lending for industry in recent years has been marked by a number of new features. Firstly, the level of direct lending to industry has increased substantially, and within it support for government-owned industrial enterprises, which began in 1967. In fact, only four of the 21 specific projects financed in 1969-73 have been privately-owned. This is in accordance with a change in policy approved by the Executive Directors a few years ago, under which it was decided that the Bank would be willing to consider providing finance to government-owned industrial enterprises if satisfied that their managements were experienced and efficient.

Secondly, new dimensions have been introduced in the Bank's work on traditional heavy industries. Projects in such fields as mining, steel, fertilizers, and pulp and paper are judged in the context of the optimal pattern of national and international development. The Bank is tending to become involved at earlier stages in the shaping and preparation of projects; and the effects of such industries on the environment are regularly assessed so as to incorporate appropriate safeguards.

Thirdly, to reinforce the support for agricultural development, the Bank has given more attention to fertilizer projects — in India, Indonesia, Pakistan and Turkey. An increasing number of projects in this and related fields are being considered. The Bank has also given new emphasis to the financing of labor-intensive small-scale industries and other

industries that are primarily export-oriented. Increasing attention is being given to the impact which industrial enterprises have on employment and social goals.

The most notable feature, however, is that the Bank's support for development finance companies (DFCs) has greatly expanded. In many countries, DFCs are playing a role which goes beyond merely providing finance; they may assist in developing local capital markets, as well as in encouraging local entrepreneurship and the acquisition of appropriate technology. The benefits of their activities — which are concentrated on enterprises far smaller than those that could qualify for direct Bank loans — tend to be widespread. In recent years, the Bank has helped DFCs to develop policies and approaches to meet the increased demand in developing countries for industrial and tourism finance. Several new types of DFCs have been encouraged; and greater attention has been paid to achieving an appropriate balance between the developmental and the financial objectives of these institutions.

Electric power projects — The Bank has traditionally helped finance electric power projects with a view not only to providing a portion of the capital requirements, but also to promoting institutional and operational efficiency. Although its assistance has in the past been principally for generation and transmission facilities, it has sought to assure that the development of the sector is taking place on a balanced, co-ordinated basis.

The Bank now is increasingly directing its attention to the distribution aspects of the electric systems it helps to finance, with a view to stimulating concern for the welfare of the lower income groups among the population. It is plan-

Although economic development is the Bank's main concern, it believes that it is necessary also to promote the social development required to stimulate economic growth.

ned to seek opportunities to lend for distribution extensions at the margins of urban centres, in the countryside, and in smaller villages. Recognizing that there are benefits to society not adequately measured by the price which customers may be able to pay for electricity, the Bank has taken greater interest in such programs, and particularly in those for electrification of villages.

Improving water supply — In the water supply and sewerage sector, as the number of projects has increased, a special effort has been made to extend the benefits to more people, particularly the poor.

In the early years, the Bank's lending for water supply and sewerage projects was to a major extent on a city-by-city basis. But, in the last few years, increasing emphasis has been given to sector studies and to support for national programs which not only embody sound planning and long-range development but also attempt to serve groups of communities. Colombia, Israel and Tunisia are among the countries where such projects have been assisted. Projects are being developed in two other countries. Studies aimed at evolving the same approach are being financed in Indonesia. Under the co-operative agreement with the World Health Organization (WHO), signed in 1971, greater attention is being given to ways in which water and sanitation facilities can be extended to rural areas.

Urban growth — Since 1970, the Bank has sought to develop an integrated approach to problems arising from the explosive growth of urban centres in developing countries. Although much of the work is still in an experimental stage, several new types of urbanization projects are being developed. Among the most promising is that of "sites and services" to cope with the acute shortage of housing and other facilities for the urban

poor. An analysis of urban resources and needs has made it clear that, at least in the poorer majority of developing countries, the shortage cannot be overcome by providing conventional "low-cost" housing. It is necessary to help the urban poor to help themselves in building and improving their homes. To do so, the provision of sites with minimum services for houses, schools, markets and other social needs has to be closely related to employment and transport opportunities.

Urban transport has a particularly strong influence on the pattern of urban growth, so a start has been made on projects which link urban transport with urban spatial planning. The main emphasis is being placed on improving the public transport facilities that are used mostly by the poor, while restraining the growth in the use of private automobiles, for which costly urban highways are required.

Tourism — The Bank began lending directly for tourism projects in 1969. The scale of lending is still small. But the Bank recognizes the important contribution which tourism can make to the foreign exchange earnings of a number of developing countries, and to the development of less developed areas within countries.

In its approach to tourism projects, the Bank has been very conscious of their social, environmental and cultural impact. It has also given considerable attention to some of the distributional aspects, for instance, by seeking to ensure that windfall gains do not accrue solely to private landowners when the development of a new resort is liable sharply to raise land values in the area.

An important study which the Bank has begun seeks to evaluate the benefits which developing countries derive from

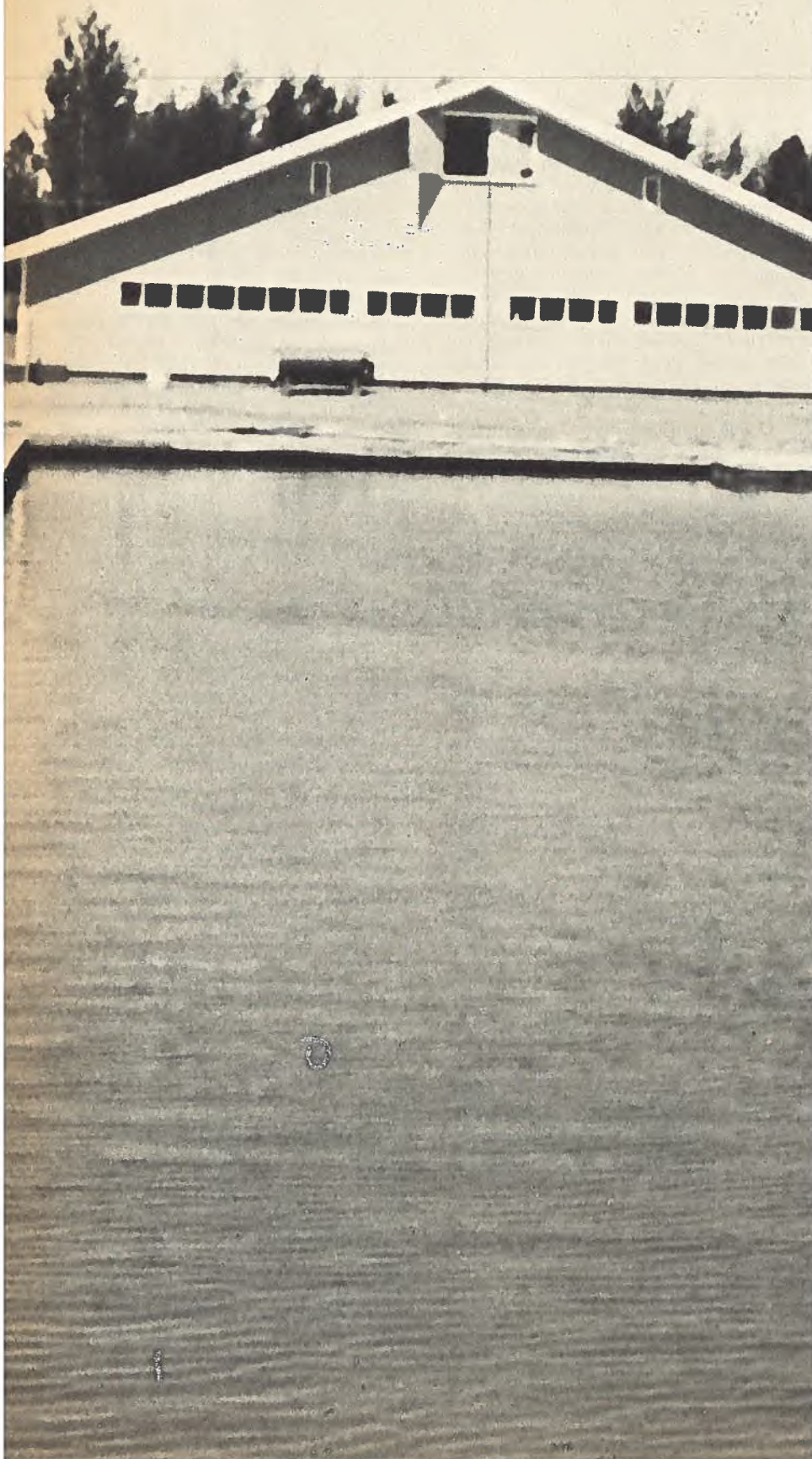
tourism. Such studies have been made for a number of developing countries. But more work needs to be done, and the concepts refined.

Environmental impact — An important new aspect of the Bank Group's activities in recent years has been the growing concern for the environmental impact of the projects it assists. The concern is based on the recognition that the environmental problems of the developing nations are very different from those of the developed. To the extent that the former are rooted in rural and urban poverty, they have to be solved largely through development. But to the extent that they increasingly accompany the development process itself, they can be avoided through careful planning and the provision of environmental and health safeguards.

The Bank's approach is based on the belief that developing countries cannot afford to ignore the threats to their ecology and to the health and well-being of their own people. The threats deserve early attention if such countries are to avoid mistakes that they themselves might, in the long run, find highly damaging and costly to remedy.

The work, begun early in 1971, now encompasses all projects that could conceivably result in environmental degradation or problems of public health and social well-being. It has not impeded the flow of assistance. In planning, formulating and appraising projects, environmental, health and social considerations are now viewed as integral elements to be evaluated and incorporated: the fundamental aim has been to add to economic development the new dimensions of ecological care. Experience so far has shown that the provision of environmental safeguards has in most instances not added greatly to the total cost of a project. Developing countries have generally shown an encouraging readiness to include such safeguards. The readiness is based, in part, on a growing realization that, in the long run, it is far cheaper to prevent environmental degradation than to remedy it — if, indeed, a remedy is possible. □

The Cultured Life of a New Brunswick Eel



Feel like downing a glass of live eels before supper tonight? (They slither all the way down the gullet and wriggle around in the stomach.) Or maybe jellied eels as an entrée? No? Then it may surprise you to learn that there are enough people in the world who relish such delicacies to make eel farming a thriving business for a New Brunswick firm.

Rivers and Nowlan Fish and Forest Products Ltd. has been in operation since the beginning of 1970 only, yet has already found export markets in the U.S., Scandinavia, West Germany, Italy and Japan. It ships out about a quarter of a million pounds of eels a year to these markets. That's a lot of eels, considering that the Japanese like them weighing in at about 10 ounces each: the European markets prefer them at between three and four pounds. Where do they all come from? That's a story with a long history.

Back in the late thirties, Leo Rivers, as a young boy, used to catch eels from the local rivers near his home in Pokemouche, N.B. He sold them from door to door for what he could get. Then he found a ready market in the U.S. that would take all the eels he could catch.

But catching them was a problem because netting them was the most efficient way and netting was illegal. It was never illegal to catch eels as there was no closed season on them, but nobody would ever believe that nets were set to catch only these slippery creatures — trout and salmon were much more tasty. And so Mr. Rivers became involved in a sort of running battle with the police. He was never caught, but he says he had to run damned hard once or twice.

This problem was eventually resolved, however, when a new type of net was introduced that discouraged other fish from entering it. This was around 1965.

In 1969 Mr. Rivers teamed up with Ronald Nowlan and they started to look around for bigger and better markets. These were not hard to find, particularly overseas. Apparently the world's eel-lovers could never get enough to satisfy their appetites. But supplying them was a different kettle of fish: no airline in North America would accept live eels as cargo because nobody had yet designed a suitable container for them. Eventually the partners came up with a design that was accepted by Air Canada who agreed to fly the fish to their destinations. But there was a time limit involving the life of the eel in the container. They had to reach their destinations within 72 hours of leaving Pokemouche, an out-of-the-way spot. This difficulty also was solved, although there are still a few problem areas. The Customs in Tokyo, for instance, closes at 4.30: the earliest scheduled aircraft that can take eels as cargo arrives at 4.45.

But because of the demand for eels, it became obvious very soon that simply fishing the eels out of the rivers, even with many other fishermen selling their catches to the firm, just would not begin to meet the demand. Rivers and Nowlan heard about eel farms in Japan, studied at first hand the methods used there, and last fall opened the first eel culture station in North America at Pokemouche in New Brunswick. It consisted of a building measuring 110 feet by 40 feet and containing a heated spawning

pond, a laboratory and office facilities. The pond has a base of about six inches of sand. There are now two indoor ponds capable of holding 240 pounds of elvers, 1,600 to 1,800 elvers to the pound. There are also outdoor ponds where the eels are put when they get larger.

Most of these cultured eels are destined for the Japanese market, where the preferred size is about 10 ounces, attained in about 18 months to two years. The Europeans prefer their eels much bigger than that, between three and four pounds, and it takes about four years for an eel to grow to that size. It is uneconomical to raise them for so long, and so the rivers of New Brunswick will provide the supplies for Europe. As a matter of interest, the biggest eel ever caught in Canada measured 50 inches and weighed 13 pounds. It was caught off the Ile d'Orleans near Quebec City.

The two partners have plans for more spawning and finishing ponds and, when the supply of eels is secure, intend to set up processing and freezing facilities on the premises.

Setting up an eel culture station, of course, involves a lot of money and much help has been given by both the provincial and federal governments on a cost-shared basis. And the federal Ministry of the Environment brought in Japanese technicians to keep an eye on the initial stages. The result is a thriving business with, apparently, the sky as the limit. The world's eel-eaters have never been able to get enough to satisfy them. A market is even starting to open up in Canada. Supply has been cut recently by pollution of many of the rivers where eels were formerly caught, particularly in Europe. Eels are not scavengers and live off other fish. If these fish absorb mercury, the mercury is further concentrated in the eels that eat them.

One point that works to the firm's advantage is that cultured eels are reportedly far tastier than the ones bred in nature. They have a softer skin and the flesh is more tender. And, as a fringe benefit, the firm is tops with the New Brunswick fishermen: keeping the eels out of the rivers saves the salmon and trout. □

Have a Good Canaday!

A deceptively simple promotion campaign has persuaded a leading Canadian hotel, Chateau Montebello in Quebec, to adopt an all-Canadian menu for a major convention and, according to Canada Packers, probably has been responsible for what it calls an "over-demand" for buffalo meat. Those are just two examples of the response to the promotion, say its backers.

The campaign was cooked up by the Canadian Restaurant Association and its publication, *Foodservice & Hospitality Magazine*, with help from other sources, including the Travel Industry Branch, Office of Tourism, Department of Industry, Trade and Commerce.

The idea is to promote a Canadian theme in the menus and, where practical, in the decor of the country's restaurants. The editors of the magazine say the promotion was inspired by the success of Canadian chefs at the World Culinary Olympics last year.

The campaign focuses on the phrase "have a good Canaday" and operators are being encouraged to have their employees greet all customers with it. Canaday is supposed to be any day of the year, with Canadian foods featured prominently on menus.

The magazine has published a booklet for the industry, presenting a variety of Canadian recipes (including one for buffalo) and a Canaday poster, as well as menu slips. As the promotion gains momentum the magazine is prepared to provide "more and better support materials" and a greater variety of menu suggestions. Increasing co-operation from suppliers and other industry groups is anticipated.

Foodservice operators wanting to become involved in the first phase of Canaday can obtain additional posters and menu slips at low cost from the magazine or from local offices of the Canadian Restaurant Association. For more information write: Foodservice and Hospitality Magazine, 60 Avenue Road, Toronto M5R 2H1.



C. Beauchamp, left, director of the publishing branch of Information Canada in Ottawa, meets M. Pierre Falize, Belgian Minister of Culture (French), at the Canadian stand.

Canada in World's biggest bookshop

DAVID HORLEY, Assistant Commercial Secretary, Brussels

Both English- and French-language Canadian book publishers were represented at the Brussels International Book Fair held in Brussels earlier this year. The fair has been described as the world's biggest bookshop, and about 133,000 visitors came to see what was displayed there. Fair authorities estimate that close to 40 per cent of these visitors made purchases either on site or for later delivery.

Quite understandably, the majority of inquiries and sales were for French-language publications but there was distinct interest also in the English ones.

Customs requirements prevented sales from the Canadian stand, but arrangements were made with local distributors and agencies to sell either individual copies or to take orders. For English titles, arrangements were made with the local branch of W.H. Smith and Son, the English bookseller and newsstand dealer. French language titles were handled by the Belgian publishing firm, Vander, which already handles distribution for several French-language Canadian publishers.

The Canadian stand, sponsored by the Department of Industry, Trade and

Commerce, was manned by representatives of the Canadian Book Publishers' Council, the Independent Publishers' Association, the Association des éditeurs canadiens, the Société des éditeurs des manuels scolaire du Québec, the Association of Canadian University Presses, and a number of individual Canadian French-language publishers. Information Canada also provided personnel from Paris and Ottawa.

The stand, one of several national stands, was designed without intervening partitions to run the length of what would have been several shallow individual booths. Thus the visitor was able to see at one glance the full range of those Canadian publications on display and examine at first hand any that caught his interest.

The Brussels Book Fair is aimed heavily at the reading public and, obviously, the Belgian market, and both during and after the show publishers and book stores in Brussels did a brisk trade through the heightened awareness of books and their benefits.

Belgium represents an attractive market for the publishers of French-language books and recently has imported about 9 per cent more than it has exported in books and other printed matter. Of the imports, those coming from France have enjoyed the lion's share of some 46-48 per cent. The other major share, about 34 per cent, has been from the Netherlands. But there is also a reasonably strong market for English-language books in Belgium. W.H. Smith and Son has a thriving store in downtown Brussels selling English language publications exclusively. Its success has been highlighted by the fact that this firm recently opened a sister store beside its main bookshop, selling paperbacks only. The manager of Smith's Belgian operation pointed out that about 70 per cent of his customers are Belgian, about 20 per cent Americans, and only a small minority are English. English-language publishers, therefore, should not overlook the Belgian market.

Participation in book fairs is, however, only part of the drive to sell Canadian books. The Association for the Export of Canadian Books is also sponsoring permanent book centres in Paris, London and New York. □

Canada's Trade Fair Program, 1974-75



The following is a list of trade fairs for the fiscal year 1974-75, beginning April 1, 1974, at which the Department of Industry, Trade and Commerce will sponsor exhibits. Although this program is relatively firm, changing conditions or unforeseen circumstances could necessitate adjustments. These will be reported in *Canada Commerce*. Canadian manufacturers interested in participating, under government auspices, in any of these fairs should contact the project manager either by

telephone (613-995-7334 or 995-8303) or by writing to the Fairs and Missions Branch, Department of Industry, Trade and Commerce, Ottawa, Ontario, K1A 0H5.

Companies interested in participating in trade fairs abroad which are not listed could be eligible to receive a financial contribution from the Department to cover the cost of participation. Details of this shared cost program can be obtained from the Fairs and Missions Branch.

1974	WHAT	WHERE	WHEN
Agriculture	World Poultry Congress and Fair This event is oriented toward members of the trade only and provides exposure for companies displaying poultry breeding stock and breeding techniques, chemicals, farm and processing equipment and supplies, drugs and related products and services to poultry buyers, scientists, producers, suppliers, marketers and government officials.	New Orleans	August 11-15
Automotive	Automechanika '74 The second venture in this market will feature body and frame straightening equipment, vulcanizing equipment, jacks, hoists, towing equipment, after-market parts and accessories.	Frankfurt	September 13-23
	Automotive Parts and Accessories Association This is the largest after-market parts exhibit in the U.S. and automotive parts such as brakes, clutches and mufflers are among the many items to be shown to an audience of national distributors, regional distributors, wholesalers, jobbers, service station operators, repair garages and car clinic operators.	Chicago	October 29-31
	21st Tokyo Motor Show A show to display automotive parts, give comprehensive technical explanations and have a discussion of specifications for quotation with senior industry purchasers.	Tokyo	September
Books	6th International Book Festival	Nice	May 2-7
	American Booksellers Association Exhibition	U.S.A.	June 2-5
	Australian International Education Exhibition	Melbourne	June

	19th U.S.A. International Book Exhibition	U.S.A.	June
	26th Frankfurt Book Fair	Frankfurt	October 10-15
	International Book Production Exhibition	London	October
	Commonwealth Book Fair	London	October
Clothing	London Fashion Fair Approximately 20 leading manufacturers of quality women's wear will display their lines in coats, sportswear, suits, leathers, outerwear, knitwear and dresses before an audience of 12,000 buyers from Britain and the EEC countries.	London	April 3-6 September 30- October 3
	National Children's Wear Association Junior Fashion Fair An important and prestigious 2 phase event for children's wear buyers. This fair will highlight children's outerwear, sportswear, dresses, infants' wear and knitwear.	London	April 3-6 September 30- October 3
	Women's Solo Apparel Show Fashion apparel to be shown will include outerwear, sportswear, coats, leather and knitwear.	New York	April & November
	Women's Solo Apparel Show A solo show specifically promoting women's sportswear, coats, suits, leathers, outerwear, knitwear and dresses.	Los Angeles	June & October
Construction, Materials, etc.	Industrialized Building Exposition (INBEX) An annual event featuring full size and scale systems and components, building material, consulting services, building and hoisting equipment and woodworking machinery.	Chicago	November 27-29
	International Airport Construction and Equipment Exhibition This is a bi-annual, international exhibition last held in Amsterdam in 1970. On display will be passenger and baggage handling equipment, freight handling equipment and machinery, aircraft handling equipment and airport administration services. The group titles include every aspect of the needs of modern jet airport from consultant and planning services to the last electronic "bon voyage" from a control tower system.	Geneva	June 18-21
Education	American Vocational Association Show This is a national educational equipment show emphasizing vocational technical training equipment used in schools and technical colleges. Electrical and electronic teaching systems, woodworking, metalworking, welding, automatic audio-visual equipment will be on display.	New Orleans	December 6-11
	12th European Educational Material's Fair (DIDACTA) A biennial international fair, the largest of its type featuring educational teaching and training equipment.	Brussels	June 10-14
Electronics	Canadian Electronic and Scientific Instruments Exhibition Considerable opportunities exist for the manufacturers of electronics and scientific instruments in this, our second venture in this market. A representative of each of the 30 participating companies will present a paper at the seminars to be held in conjunction with the Exhibition.	Shanghai	April 16-26
	International Trade Fair-for Production in the Electronics Industry (ELECTRONICA) Considered to be the most important event of its kind in Europe, this fair is a biennial, vertical event, highly technical, and draws mainly technical or business visitors to the exhibits of electronic components, measuring devices and production machinery.	Munich	November 21-27
	International Exhibition for Instrumentation and Automation (INTERKAMA) A triennial international trade fair presenting the latest information and developments in measuring and automation techniques through demonstration and discussion by experts.	Duesseldorf	October 10-16

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 October 19. 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	Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Algeria Dinar	.2380	4.20	Ecuador Sucre (official)	.0399	25.06
Arab Republic of Egypt Pound (official)	2.5515	.39	El Salvador Colon	.3994	2.50
Argentina Peso (financial)	.1000	10.00	Fiji Dollar	1.2946	.77
(commercial)	.1997	5.01	Finland Markka	.2669	3.75
Australia Dollar	1.4839	.67	France, Monaco, etc.¹ Franc	.2378	4.21
Austria Schilling	.0560	17.86	French Pacific² Franc	.0130	76.92
Bahamas Dollar	.9984	1.00	Franco-African Republics³ Franc	.0048	208.33
Belgium and Luxembourg Franc	.0275	36.36	Germany D Mark	.4140	2.42
Bermuda Dollar	1.0397	.96	Ghana New Cedi	.8652	1.16
Bolivia Peso	.0499	20.04	Greece Drachma	.0334	29.94
Brazil Cruzeiro (official free)	.1621	6.17	Guatemala Quetzal	.9984	1.00
Britain Pound	2.4338	.41	Guyana Dollar	.4444	2.25
British Honduras Dollar	.6078	1.64	Haiti Gourde	.1997	5.01
Burma Kyat	.2074	4.82	Honduras Lempira	.4992	2.00
Chile Escudo (bank rate)		N.A. ¹⁰	Hong Kong Dollar	.1963	5.09
(free)			Hungary Forint (official)	.0869	11.51
China, People's Republic of Yuan	.4188	2.39	Iceland Krona (official)	.0112	89.29
Colombia Peso (fixed)	.0423	23.64	India Rupee	.1295	7.72
Costa Rica Colon	.1505	6.64	Indonesia Rupiah	.0024	410.00
Cuba Peso		N.A. ¹⁰	Iran Rial	.0134	74.63
Czechoslovakia Koruna (fixed basic rate)		N.A. ¹⁰	Iraq Dinar	3.3724	.30
Denmark Krone	.1779	5.62	Ireland Pound	2.4338	.41
Dominican Republic Peso	.9984	1.00			

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units	Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Israel Pound	.2377	4.21	Philippines ⁵ Peso (free)	.1490	6.71
Italy Lira	.0017	588.24	Poland Zloty (fixed basic rate)	.2577	3.88
Jamaica Dollar	1.0982	.91	Portugal & Overseas Provinces ⁶ Escudo	.0393	25.45
Japan Yen	.0038	263.16	Saudi Arabia Riyal	.2273	4.40
Kenya ⁴ Shilling	.1379	7.25	Sierra Leone Leone	1.2371	.81
Korea, Republic of Won	.0027	370.37	Singapore Dollar	.3358	2.98
Lebanon Pound (free)		N.A. ¹⁰	South Africa Rand	1.4876	.67
Libya Dinar	2.777	.36	Spain & Dependencies Peseta	.0175	57.14
Malawi Kwacha	1.2280	.81	Sri Lanka ⁷ Rupee	.1560	6.41
Malaysia Dollar	.3934	2.54	Sweden Krona	.2401	4.16
Mexico Peso	.0799	12.52	Switzerland Franc	.3300	3.03
Morocco Dirham	.2380	4.20	Syria Pound (free)	.2711	3.69
Netherlands Florin	.4028	2.48	Thailand Baht (free)	.0501	19.96
Netherlands Antilles Florin	.5578	1.79	Trinidad & Tobago ⁸ Dollar	.5070	1.97
New Zealand Dollar	1.4806	.68	Tunisia Dinar	2.2941	.44
Nicaragua Cordoba	.1426	7.01	Turkey Lira	.0718	13.93
Nigeria Naira	1.4700	.68	United States Dollar	.9984	1.00
Norway Krone	.1835	5.45	Uruguay Peso (free)	.0011	909.09
Pakistan Rupee	.1008	9.92	Venezuela Bolivar (official free)	.2330	4.29
Panama Balboa	.9984	1.00	Yugoslavia Dinar (official)		N.A. ¹⁰
Paraguay Guarani (free)	.0080	125.00	Zaire, Republic of ⁹ Zaire	1.961	.51
Peru Sol (free)		N.A. ¹⁰	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.

Foodstuffs

BRAZIL — Whole milk powder for industrial use: Consul and Trade Commissioner, Canadian Consulate, Caixa Postal 6034, Edificio Scarpa, Avenida Paulista, 1765, 9 andar, Sao Paulo.

Smoked salmon, salmon roe, smoked codfish, salted herring: See above address.

SWITZERLAND — Beef, veal, pork, lamb, fish: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

Materials

BRAZIL — Firm seeks licensing arrangement for manufacture of cold storage insulating panels (polyurthane core and aluminum foil lining): Consul and Trade Commissioner, Canadian Consulate, Caixa Postal 6034, Edificio Scarpa, Avenida Paulista, 1765, 9 Andar, sao Paulo.

Aluminum dross and ball mist dust for production of exothermic powders used by steel mills: see above address.

SINGAPORE — Tinplate sheets for can manufacture: Commercial Counsellor, Canadian High Commission, P.O. Box 845, International Building, 11th Floor, 360 Orchard Road, Singapore 1.

SWEDEN — Hot rolled, annealed, pickled stainless steel raw bands, quality R 350, coal max. 0.050 per cent, chrome 17, 5-19 per cent and nickel 8-10 per cent: Commercial Secretary, Canadian Embassy, P.O. Box 16129, S-103 23 Stockholm 16.

SWITZERLAND — Non-ferrous metals: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

Woodpulp, newsprint, linerboard: see above address.

UNITED STATES — Duck and goose feathers and down: Consul and Senior Trade Commissioner, Canadian Consulate General, 500 Boylston Street, Boston Massachusetts 02116.

Stationery

PUERTO RICO — Writing paper, school books, carbon paper, accounting paper, envelopes, etc: Consul and Trade Commissioner, Canadian Consulate, 1606 Pan Am Building, Hato Rey, Puerto Rico 00917.

Textiles

DENMARK — Deep pile, natural coloured loomstate cotton, piece goods for slacks: Commercial Counsellor, Canadian Embassy, Princess Maries Alle 2, Copenhagen V.

SWITZERLAND — Textiles of all kinds: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

Automotive

SWEDEN — All types special tools for automobile repairs and servicing: Commercial Secretary, Canadian Embassy, P.O. Box 16129, S-103, 23 Stockholm 16.

Chemicals

BRAZIL — Polyvinyl co-polymer in powder (85 per cent polyvinyl chloride and 15 per cent polyvinyl acetate) for manufacturing phonograph records: Consul and Trade Commissioner, Canadian Consulate, Caixa Postal 6034, Edificio Scarpa, Avenida Paulista, 1765, 9 Andar, Sao Paulo.

UNITED STATES — Natural latex, up to 64 per cent concentration; basic chrome sulphate; nitro propane; butanol, 98-100 per cent pure; isobutynol, 99 per cent pure: Canadian Consulate General, 500 Boylston Street, Boston, Massachusetts 02116.

Electrical and Electronics

ARGENTINA — Tender for a system for telecontrol, telemeasurement and data processing for load dispatch centre and 22 electrical sub-stations: Commercial Counsellor, Canadian Embassy,

Casilla de Correo 3898, Suipacha 1111, Buenos Aires.

SWITZERLAND — Audio-visual materials, sound materials, closed circuit TV, language laboratories: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

Equipment and Machinery

BRAZIL — Fluorescent lighting systems and components: Consul and Trade Commissioner, Canadian Consulate, Caixa Postal 6034, Edificio Scarpa, Avenida Paulista, 1765, 9 Andar, Sao Paulo.

Machinery for printing on plastic surface: see above address.

NIGERIA — Locks and key blanks, sanitaryware and tiles, copper pipes and fittings, galvanized pipe and fittings, vinyl asbestos tiles, paint brushes, bathroom fittings, fasteners, tools, plastic pipe: Commercial Secretary for Canada, P.O. Box 851, Lagos.

Water closets, cast iron baths, wash basins, shower fittings, sinks and fittings: see above address.

PUERTO RICO — Office intercom systems, accounting machines, duplicating machines: Consul and Trade Commissioner, Canadian Consulate, 1606 Pan Am Building, Hato Rey, Puerto Rico 00917.

SWEDEN — Reducers, stress grading equipment and steel band packaging systems for logs, including covers: Commercial Secretary, Canadian Embassy, P.O. Box 16129, S-103 23 Stockholm 16.

UNITED STATES — Stainless steel laboratory cages for mice, rats and rabbits: Canadian Consulate General, 500 Boylston Street, Boston, Massachusetts 02116.

Steel and carbon steel Grade 1 pipe flanges and bends for plumbing and heating: Consul and Trade Commissioner, Canadian Consulate, 15 South Fifth Street, Minneapolis, Minnesota 55402.

Foreign Tariffs and Trade Regulations

Brazil

The following tariff changes have been announced by the Customs Policy Council:

Resolution 1788 exempts from duty a quota of 565 tons of maleic anhydride (toxic) as of August 30, 1973 (tariff heading 29.15.04.02) and revokes Resolution 1583 that established reference prices for the product.

Resolution 1789 of September 5, 1973 exempts from duty for 180 days aluminum foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcement material), of a thickness not exceeding 0.20 mm (tariff headings 76.04.00.01 and 76.04.99.00).

Resolution 1790 of September 5, 1973 exempts from duty for six months: (1) newsprint for offset printing basis weight over 35 g/square meter non-watermarked, manufactured with more than 50 per cent bleached chemical paste and coated surface (2) non-watermarked bristol or sulphate, manufactured with more than 50 per cent bleached chemical paste, polished, gummed and with good opacity (3) unbleached kraft paper for multi-ply bags, with basis weight of 80 to 90 g/square meter (4) unbleached blank paper for corrugated cardboard lining with basis weight of 120 to 160 g/square meter (tariff headings 48.01.02.02, 48.01.02.03, and 48.02.99.00). Resolution 1791 reduces the duty for one year as of September 5, 1973 on the following chemicals: Barium sulphate (precipitated) from 15% to 5% (tariff heading 28.38.08.00), Basic lead carbonate from 15% to 5% (tariff heading 28.42.05.00), Tetrahydronaphthalene (tetraline) from 15% to zero (tariff heading 29.01.45.00), Hexanetriol from 15% to zero (tariff heading 29.04.29.00), Pentaerythritol from 17% to 5% (tariff heading 29.04.31.00), Butylglycol (monobutyl ether of ethylene glycol) from 15% to zero (tariff heading 29.08.99.00), Paraformaldehyde from 37% to zero (tariff heading 29.11.25.00), Melamine (triaminotriazine) from 15% to 5% (tariff

heading 29.35.29.00), Lithopone from 30% to 5% (tariff heading 32.07.02.00), Polyvinyl alcohol from 30% to zero (tariff heading 39.02.01.10).

Chile

A Central Bank Resolution effective October 1, 1973 has abolished the multiple exchange rate system and reverted to the former two levels used for many years, namely the Banking Rate (now Escudos 280 per U.S. dollar or equivalent) and the Brokers' Rate (now Escudos 850). Imports and exports of all commodities are to be made at the Banking Rate. The only exception is the rate of Escudos 110 for exports of non-manufactured copper.

The Banking Rate also includes transactions related to imports and exports such as freight, insurance, commissions and consular fees as well as invisible transactions including loans, capital investment, interests, dividends and royalties. Most dollar sales for imports will continue to be on a future basis at 180 days from the bill of lading date.

The Brokers' Rate is for all transactions not directly connected with foreign trade, mainly travelling expenses including dollar sales by incoming tourists or businessmen and transportation expenses for outgoing travellers. Incoming travellers formerly required to sell \$20 per day to stay in Chile are now required to sell only \$10.

All import licences which expired between September 1 and September 30, 1973 are automatically extended for 60 days. Those still valid as of September 30 are also extended but only for 30 days.

Singapore

The Singapore Government announced that from August 15 the import of gold bullion is no longer subject to licensing. Since the establishment of the Singapore gold market on April 1, 1969, the import of gold had been restricted to dealers authorized under the Exchange Control Ordinance.

United States

On May 14, 1973 an order was pub-

lished in the U.S. Federal Register requiring all commercial processors of low-acid-canned foods to (1) register their plants with the Food and Drug Administration and (2) submit to the Administration on specified forms information about the process used for each low-acid food in each container size. These requirements apply equally to U.S. domestic, and foreign firms selling into the U.S.A. Registration of each product process must be done only once (i.e. no forms need accompany each shipment entering the USA).

Also, effective May 14, 1973, all functions under the U.S. Federal Hazardous Substances Act were transferred from the Secretary of Health, Education and Welfare to the Consumer Product Safety Commission; the regulations under this Act have since been revised and re-issued (in the U.S. Federal Register of September 27, 1973).

These regulations include all required labelling information to be shown on any products which are toxic, corrosive, irritating or flammable, as well as listing a wide range of banned hazardous substances (certain dangerous toys, fireworks, or products such as paints with a high lead content). All imports to the United States must comply with this Act.

Copies of both sets of regulations, and copies of the forms for low-acid canned goods and instructions for filling out these forms, may be obtained from the United States Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa.

Trade Lines

Subsidies for growing LEAR-varieties

The recently registered German rapeseed variety, Lesira, with an erucic acid content of less than 2 per cent, is scheduled for initial commercial production next season. This is the first positive result of German breeder and research institute efforts to produce a satisfactory low erucic acid rapeseed — Bonn.

Fish export plans

The recently issued invitation for international tenders for the constitution of a mixed joint-stock company (i.e. with participation of national and private capital) for the large scale exploitation of fisheries resources in Argentine national waters, is a reflection of the government's concern to exploit a hitherto neglected source of wealth. It would appear the government plans to place on the international market 50,000 tons of fish products suitable for human consumption by 1975 and no less than 150,000 tons by 1980. The project calls

for the erection of shore installations including filleting and processing plants, warehouses, refrigerated chambers, piers, ships chandlery, offices, housing for personnel, etc., to be started in January 1974 — Buenos Aires.

Machine tools for Romania

Hugh Smith (Glasgow) Ltd., is to supply machine tools to five Romanian shipyards. The order is worth more than \$1.8 million and the equipment ranges from a 200-ton ship's frame bender to a 16-metre 2000-ton roll press — Glasgow.

Canada-Yugoslavia agreement

A new bilateral trade agreement between Canada and Yugoslavia has been signed in Belgrade by The Honourable Alastair Gillespie, Minister of Industry, Trade and Commerce, and his Yugoslav counterpart Dr. Emil Ludwig. The agreement provides a more up-to-date framework for trade relations with Yugoslavia through continued exchange of most-favoured-nation

treatment and provision for bilateral consultations at the request of either country. The agreement is consistent with both countries' obligations under the GATT — Ottawa.

Loan for Argentine chemical plant

Ex-Imbank of U.S.A. and LBI (Lloyds and Bolsa — Bank of London and South America — International Bank, Ltd.) are to grant a loan of US\$6.3 million to Petroquimica Bahia Blanca for the construction of an ethylene and propylene plant to be built at Bahia Blanca, Province of Buenos Aires. The Ex-Imbank loan is at 6 per cent and, with the LBI loan, will enable Petroquimica Bahia Blanca to buy equipment and services valued at about US\$14 million, of which the major part will be supplied by Arthur G. McKee of the United States. The plant will have an initial capacity of 120,000 tons of polymergrade ethylene a year and 12,000 tons of chemical-grade propylene a year — Buenos Aires.

International Projects

INDONESIA — FINANCE COMPANY

The World Bank Group is helping to establish the P.T. Private Development Finance Company of Indonesia (PDFCI).

The International Development Association, an affiliate of the World Bank, will provide a credit of \$10 million to the Government of Indonesia for re-lending to PDFCI. Another affiliate, the International Finance

Corporation (IFC), is subscribing the rupiah equivalent of \$482,000 to the share capital of PDFCI, which will total \$6.02 million.

PDFCI will help private enterprise in Indonesia, primarily in manufacturing and processing, transport, communications, tourism, and commercial-scale agriculture, through medium and long-term loans, equity investments, and guarantees. It will also underwrite corporate equity and debt securities, and

provide a range of other managerial and financial services. A distinctive feature of this company will be the active role that it is expected to play in the identification and promotion of new enterprises.

PDFCI was sponsored by a group of leading Indonesia private investors and Bank Indonesia, with the active support of the World Bank Group. IFC's promotional role in organizing a group of foreign shareholders was an important factor in establishing the finance company.

Wanted: Manufacturers

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

Spiral and suspended staircases

Belgian firm is offering the rights to manufacture under licence in Canada its prefabricated spiral and suspended staircases. Available in four different versions, the spiral staircases have as a common feature a central shaft around which the steps lock into place. The two versions of suspended staircases have in common a central stringer to which the steps are welded. The latter type can be supplied with a straight or curved stringer. Literature available. **Item 2925**

Carpet tile backing

German company is offering under licence the Canadian production rights for its atactic polypropylene backing for carpet tiles. The company claims that tiles with this backing require no adhesive, lie flat and are easily laid or replaced. Other features include good dimensional stability, uniform thickness and slip resistance. Literature available. **Item 2926**

Steering stabilizer for heavy vehicles

American company offers under licence the Canadian manufacturing rights to its steering stabilizer for use with heavy vehicles such as trucks and motor homes. The device has two powerful springs which are hooked at one end to the front wheel support member and at the other end to an oscillating fulcrum bar bolted to the steering axle. As the turn of the wheel works on the center support, the tension on the springs on each side is equalized by the bar. This keeps the tension pulling to the centre so as not to add tension to the steering wheel. This device is claimed to assure the driver of positive control of his vehicle under severe driving conditions such as blowouts, soft shoulders and high winds, to increase front tire life, and to reduce front end alignment problems. Literature available. **Item 2927**

Integrated system engineered components

Bermuda firm offers under licence the Canadian manufacturing rights to its building system which employs a standard form of construction, yet permits the widest possible flexibility. This system of pre-engineered components is designed for maximum flexibility and economy. The system is claimed to require little skill to assemble, is strictly

modular in manufacture, and consists in its simplest form of only three elements: an I-Bean, a link and a connector. Building constructed using this system can be established permanently or dismantled and relocated. Fields of application include schools, community buildings, hospitals, town houses, and custom built homes. Literature available.

Item 2928

Prefabricated modular building

American inventor is interested in licensing a Canadian company to manufacture his patented prefabricated modular building system. The system involves one or more basic units, each unit comprising a polygonal floor, an even number (at least eight) of triangular wall panels, and half as many roofing panels, except when modified to permit another unit to be attached. The walls and roof are substantially self-supporting when assembled and the building requires only the simplest type of connecting means at the joints. It is claimed to be easily erected by unskilled labour. Also, it can be dismantled and relocated. Literature available. **Item 2929**

Swimming aids and partitioning lines

Swedish company is offering the rights to manufacture under licence in Canada three products for swimmers — two are floating aids, the other is a partitioning line which dampens wave action between swimming lanes. All are made of polyethylene plastics. One floating aid fits around the upper body, and can be easily put on by a child. There are no buckles or strings, and it is claimed that it always stays in place. The other is a rectangular board with a grip bar on the under side which is claimed to be easy to hold while keeping the body low in the water for good swimming position. The partitioning line is equipped with an adjustable bracket for perfect surface contact. All products are said to be very durable. Literature available. **Item 2930**

Door Lock

American inventor seeks licensing arrangement with a Canadian firm to manufacture his door lock, which he claims cannot be opened by a skeleton key. This invention adds no moving parts to a conventional lock and is

operable with a conventional type of key. The lock is claimed to be simple, rugged and reliable, yet is inexpensive to manufacture. In addition to incorporating radially movable tumblers to release the lock cylinder, it provides a second locking means which can be released only by the full insertion of a proper key into the key slot. Literature available. **Item 2931**

Electrical connection

Spanish inventor is offering under licence to a Canadian company his new system of electrical connection which permits the manufacture of plugs and electrical connectors that are claimed to have many more advantages and to be cheaper to produce than those used at present. This new plug has no screw means for attaching it to a cable; hence no tools are required for assembly and disassembly. Since the plug does not require the cable to be peeled, the incidence of short-circuits is reduced. This new system is claimed to be advantageous in damp places since no auxiliary metal components are required. The connectors can be used with domestic appliances as well as in automotive and electronic applications. Literature available. **Item 2932**

Water softener

French firm is seeking to interest a Canadian firm in manufacturing under licence its automatic, constantly regenerating water softener which uses no electricity. The advantages of such a system lie in eliminating use of and dependence on electrical current. The device is fitted with a volumetric hydraulic motor driven by water pressure. Regeneration is constant and dependent on the water utilized. Literature available. **Item 2933**

Fibreglass luggage

Canadian inventor seeks licensing arrangement with a Canadian firm to manufacture his moulded fibreglass luggage. This luggage is manufactured from a shell of fibreglass and incorporates expandable fibreglass compartments. It is claimed that this type of luggage is durable, light weight and stain resistant. Because of its smooth interior surface, the requirement for a

fabric lining is eliminated. Literature available. **Item 2934**

Necktie rack

American company is interested in having its necktie rack manufactured

under licence in Canada. The base of the rack is made of hand-rubbed solid walnut, the frame of heavy-duty, chrome-plated wire. This rack is designed specifically for slip-on ties but can be

used for regular ties as well. Features of the rack include a full view of all neck-wear as it is stored and maximum protection against folding or wrinkling. Literature available. **Item 2935**

Alcan Expands

Alcan Aluminum Corporation, the U.S. fabricating subsidiary of Alcan Aluminium Limited, is expanding its hot and cold aluminum rolling operations at the Oswego, New York Works.

The existing hot rolling mill's capacity will be increased by about 100,000 tons a year. At the same time a

second cold rolling mill of about the same capacity will be added to the system. This will raise Alcan's total investment at the Oswego Works to more than \$120 million since the plant began operating in 1963.

Alcan is also expanding its cold mill operations at its Kingston, Ontario Works at a cost of about \$14 million.

Machine Tool Fair

The Argentine Chamber of Machine Tools Distributors is organizing FIMAQH 74 (Feria Internacional de la Maquina Herramienta 74) to be held in Buenos Aires from April 19 to 28. All types of machine tools will be displayed

but approval must be given by an ad-hoc commission that has been formed to screen fair entrants. For further information contact: Camara Argentina de Distribuidores de Maquinas Herramientas, Leandro N. Alem 36— 11° piso, Buenos Aires.

Building Research Congress

The Third South African Building Research Congress is being held in Durban next May. A Congress is held every five years and the one planned for 1974 will "cover a broad spectrum of subjects of international interest."

Topics of discussion will include trends in building, materials, labour,

training and management. A special travel package for delegates is also being organized. For more information contact: South African Trade Commission, PO Box 103, Commerce Court Postal Station, Toronto M5L 1E2, Ontario.

The Ocean Freight Market

Prepared by the Office of the
Transportation Policy Adviser, October 26, 1973.

A series of freight rate highs were set and subsequently broken through August and September. This upward trend continued into October, attaining rates considerably in excess of the 1970 shipping boom. For example, in the Hampton Roads/Japan coal trade, a 32,000-ton ship was fixed at U.S.\$23.50 per ton compared to the peak 1970 rate of \$13.50.

Voyage charter inquiry in grain rates was particularly strong and likely will be sustained in the short-term due to certain developments, including the announcement in October of further Canadian wheat sales to the People's Republic of China. The sale will involve up to 224 million bushels with shipment to commence in January 1974. The Great Lakes/

Belgium/Holland/Germany trade is indicative of the notably higher grain freight rates. In October, up to Cdn. \$28.12 per ton was paid in this trade compared to peaks of \$22.00 in September and \$12.53 in October 1972. Also, increases were widespread in other Canadian dry cargo voyage charter rates. A prominent example was the iron ore rate from the St. Lawrence to England where the September rate of Cdn. \$7.75 more than doubled during October to a record \$16 per ton.

Inquiry for tanker space was active and forced rates upward. The rate for transporting crude oil from Venezuela to the United States North Atlantic rose from a high of Cdn. \$9.18 in September to \$10.08 in October. Exactly one year ago the highest rate paid per ton was Cdn. \$2.45.

CHARTER RATES FOR REPRESENTATIVE CANADIAN AND WORLD TRADES

	Month	Rate	Fixture Tonnage
		(Cdn. \$ per long ton)	
Voyage charters:			
Heavy Grain from Great Lakes to Belgium/Holland/Germany:			
	October	1973 21.00 to 28.12	11,000 to 21,000
	September	1973 18.45 to 22.00	11,500 to 16,000
	August	1973 10.50	20,000
	October	1972 9.59 to 12.53	8,100 to 24,000
Coal from Hampton Roads, Virginia, to Japan:			
	October	1973 17.35 to 23.50	32,000 to 55,000
	September	1973 16.50 to 18.00	25,000 to 60,000
	August	1973 13.55 to 15.00	13,000 to 50,000
	October	1972 5.36 to 7.31	27,000 to 95,000
Iron Ore from St. Lawrence River Ports to Great Britain:			
	October	1973 15.77 and 16.00	15,000 to 40,000
	September	1973 7.75	20,000
	August	1973 7.57	19,000 to 25,000
	October	1972 4.19 to 4.40	20,000 to 34,000
Crude Petroleum from Venezuela to U.S. North Atlantic*			
	October	1973 8.74 to 10.08	20,000 to 38,000
	September	1973 5.60 to 9.18	19,000 to 38,000
	August	1973 5.82 to 6.79	20,000 to 38,000
	October	1972 1.65 to 2.45	17,000 to 50,000
Time charters			
Dry Cargo Ships of 15,000 to 20,000 tons deadweight for 6 to 12 months:			
	October	1973 7.25 to 10.05	8 fixtures
	September	1973 6.67 to 8.42	4 fixtures
	August	1973 6.60 to 6.96	5 fixtures
	October	1972 2.88 to 4.88	9 fixtures
Dry Cargo Ships of 20,000 to 30,000 tons deadweight for 6 to 12 months:			
	October	1973 6.25 to 9.00	7 fixtures
	September	1973 7.70 and 9.50	2 fixtures
	August	1973 5.65 to 8.50	10 fixtures
	October	1972 3.17 to 4.49	8 fixtures

*Including Portland, Maine, the terminus of the oil pipeline to Montreal.

Engineering	<p>6th Annual Offshore Technology Conference A major show on ocean technology. The technical sessions include a broad range of engineering and scientific subjects related to the development of oceans.</p> <p>Offshore Technology This is an international trade fair concentrating on oil and gas exploration and operation. On display will be all types of products from scientific oceanographic instruments and surveys to major oil exploration and development rigs.</p>	Houston	May
		Stavanger, Norway	September 3-6
Films	<p>Cannes International Film Festival The Cannes Film Festival is the largest annual gathering of film producers, buyers, and distributors in the world and provides an excellent venue for buying and selling of motion pictures, film and film rights.</p>	Cannes	May
Food	<p>National Fancy Food Show An annual exhibit and workshop session for the distributors, manufacturers and retailers of fancy and gourmet foods, specialty foods, biscuits and confection, and of wines and spirits.</p>	New York	July 28-31
Furniture	<p>Hickory Furniture Mart This is a vertical household furniture show which takes place in the spring and fall. Hickory area shows are the largest and most important in the U.S., attended by about 77 per cent of the major U.S. buyers.</p>	Hickory	April 19-26, October 18-25
Jewellery	<p>R.J.A. International Jewellery Trade Fair An annual fair held under the auspices of the Retail Jewellers of America. It is considered to be the largest exhibition of jewellery store merchandise displaying fine and costume jewellery, flatware and stemware.</p>	New York	July 28-31
Machinery	<p>International Exhibition for Environmental Sanitation (<i>Pro Aqua Pro Vita</i>) Held every two years, Pro Aqua Pro Vita is recognized as the most important European trade fair featuring pollution abatement equipment, specialized environmental equipment and services for sewerage and sewage treatment industry, waste treatment, noise treatment, refuse treatment and disposal and the treatment of gasses discharged from combustion and other processes.</p>	Basle	June 11-15
	<p>International Woodworking Machinery and Furniture Supply Fair This is an international fair held every two years for the furniture and woodworking industries showing the most advanced automated equipment.</p>	Louisville	September 21-23
	<p>Second International Fair of Equipment & Products for the Mining Industry (TECHNOMIN) A specialized international fair for mining products and equipment. This fair will be held in conjunction with the World Mining Congress.</p>	Lima	November 3-12
	<p>Salon Technique Internationale de l'Equipment Hotelier (EQUIP'HOTEL) This is an annual specialized fair promoting the sale of equipment for hotels, restaurants, cafeterias and allied industries (catering, heating, furniture, etc.)</p>	Paris	October 11-22
Office Equipment	<p>National Office Products Association Show This is the largest national show in the U.S. for office furniture, equipment and supplies. Different from other office furniture shows in that no national block of exhibitors is permitted: each buyer bases his purchasing decisions on quality, style, delivery, etc., and is not influenced by country of origin.</p>	Chicago	October 30- November 2

Textiles	31st Interstoff Trade Fair 32nd Interstoff Trade Fair This is an international, biennial exhibition for textiles.	Frankfurt	May 27-30, Nov. 19-22
Miscellaneous	11th Algerian International Trade Fair A trade fair held annually and having considerable international representation.	Algiers	September
	International Treffpunkt (Information Booth) An annual event considered to be the largest industrial fair in the world. The Treffpunkt is an information and business office for Industry, Trade and Commerce, Travel Bureau, air lines and provincial governments.	Hanover	April 25-May 3
	International Trade Fair This fair will be of particular interest to the manufacturers of telephone equipment, PBX's, telephone sets, card stock and fine paper, industrial sewing machines, geophysics and exploration equipment, chain saws, cattle, poultry, typewriters, computer equipment, film, aluminum, liqueurs, road graders, snowblowers and medical equipment.	Izmir	August
	Leipzig International Trade Fair (Information Booth) Leipzig Fair celebrated its 50th anniversary in 1972 and is recognized as an emporium of world trade, a centre of East-West trade and, not least, as a meeting place for an exchange of information on scientific and technological development.	Leipzig	September 1-8
	Milan International Trade Fair This is an annual fair. In the past, Canada has exported primary materials and agricultural products. This sector will continue to increase but future emphasis will be placed on manufactured goods, which represents two thirds of Italy's imports.	Milan	April 14-25
1975			
Books	7th International Book Fair of Brussels	Brussels	March
Clothing	International Men's and Boys' Wear Exhibition (IMBEX) An exhibition of men's and boys' apparel including outerwear, sportswear, slacks, jeans and knitwear.	London	February 28- March 8
Construction, Materials, etc.	16th Salon Internationale du Batiment An annual event exhibiting all sectors of the building trade from industrialized building to interior decoration. On display will be model houses, timber systems, roof trusses, heating systems, insulation, doors, windows.	Belgium	February
Engineering	International Oceanology Equipment and Services Exhibition An international tri-annual fair covering a wide field of products and services related to the offshore industry. Products to be displayed may include offshore equipment such as drill rigs, crane barges, oil pollution removal equipment and submersibles.	Brighton, England	March 17-21
Farm Equipment	California Farm Equipment Show An exhibition of heavy agricultural implements for the northwest market and related industrial equipment, particularly short line.	Tulare	February
Textiles	Frankfurt Home Furnishings and Textiles Fair This will be Canada's first official participation in this international fair, which exhibits draperies, upholsteries and clothing fabrics.	Frankfurt	January 9-13
Music	International Record and Music Publishing Market (MIDEM) This is the largest international gathering of music publishers and record people in the world and provides an excellent international market place for the music industry.	Cannes	January

Trade Shows can be a big help

Canadian involvement in trade fairs and exhibitions goes back a long way — to 1851. In that year, Canada was represented in the great international Crystal Palace Exhibition in London, England. By all accounts, our sleighs, saddles, buffalo robes and birchbark canoes were well received.

These days, of course, the products are somewhat different but the principles behind trade show participation are much the same. These shows still represent one of the best ways to promote goods or services, but there is the qualification that not just any show will do. Deciding where and how to exhibit is a tricky business at the best of times. More on that later.

The Department of Industry, Trade and Commerce encourages export-minded companies to exhibit abroad and most that do find it a rewarding experience. Take, for example, the case of Controlled Environments Ltd.'s participation in the Moscow agricultural exhibition — Selkhozteknika-72.

Controlled Environments Ltd. is a Winnipeg firm manufacturing plant growth and environmental equipment, particularly for agriculture. Recently, the company made its final report on its participation in the Moscow show to the Department's Export Market Development Program office.

The report exemplifies the type of response the Department usually receives from companies that become involved in trade show promotion. Naturally, some companies have less than happy experiences at these events but it is probably fair to say that most firms benefit.

The following are excerpts from the Controlled Environments Ltd. report:

"We feel our participation in this show was extremely worthwhile; most of all, because it enabled us to talk personally with end users of our equipment, both those having our equipment and, more particularly, those potential users. *It is only at exhibitions like this that one is allowed such personal contacts.* [editor's italics]

"Secondly, it 'opened the door', enabling us to hold discussions with important government officials in the Ministry of Agriculture and the Academy of Science and the Academy

of Agricultural Science. It was still not easy to arrange such appointments but we are convinced that our participation aided us in so doing.

"Thirdly, personal technical discussions enabled us to put across our story, to explain features of our equipment and to work with potential users having special problems requiring modifications that we could provide . . . to suit their purposes.

"Fourthly, we were able to distribute complete catalogues, Russian translations, technical articles, etc. to each of those visiting our booth. This is something that cannot be done through science academies or trading corporations.

"Fifthly, we learned that equipment already sold has been performing excellently, has been well received and that we have earned an excellent reputation in many parts of the Soviet Union. For the first time we were able to learn where some of our equipment is located . . . We now have a list of 60 names and addresses, *otherwise unobtainable*, of people who discussed their requirements with us. They came from 15 different locations, all the way from Latvia to the Korean border and from Archangel to Odessa . . .

"... Although we have obtained orders previous to this exhibition . . . we judge from the many inquiries that we should see an increasing volume of business from the Soviet Union, resulting from the discussions held at the exhibition."

The company report noted that a loan from the Department's Program for Export Market Development helped to minimize the financial risks involved in the Moscow venture.

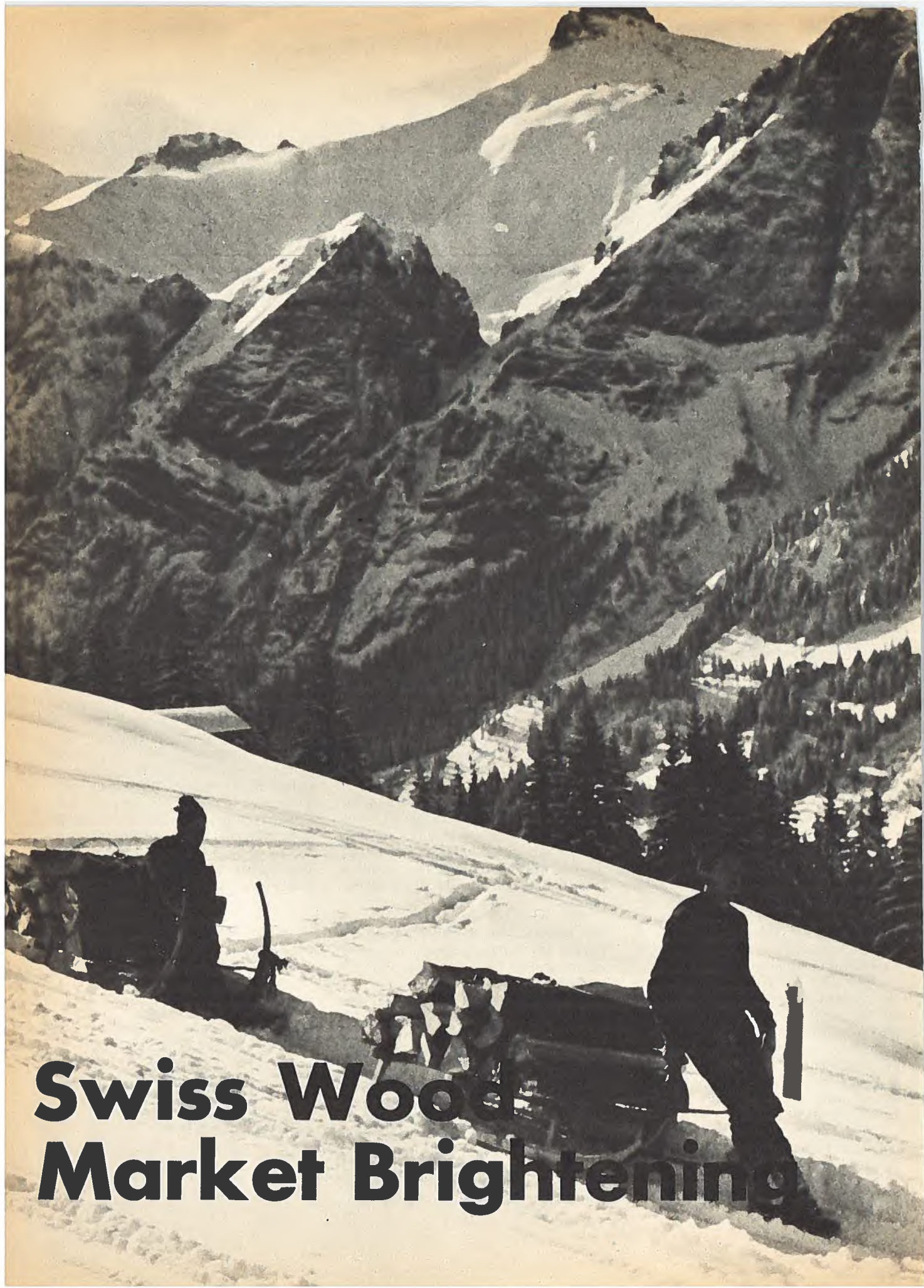
The report also dealt with the problems encountered but generally these were of the type experienced by other Canadian companies in the Soviet Union and they have been dealt with in other issues of *Canada Commerce*. Controlled Environments Ltd. made one important point about selecting a show in which to participate. Quoting from the report: "Since this was an agricultural show, it suited our purposes ideally and if there is another such show three or four years from now, we would hope then

also to participate. If it had been an ordinary industrial trade fair, it would have been of no value at all."

The Fairs and Missions Branch of the Department can be of great assistance in selecting the right show. It can also help companies to avoid the many other pitfalls of trade show participation.

Controlled Environments Ltd. concluded its report with some general pointers which should be borne in mind when deciding whether to become involved in trade shows: "You cannot sell anything by sitting on your laurels. You must travel . . . at every opportunity . . . You must participate in the appropriate exhibition. You must have great patience and perseverance. The break-through will not come quickly but once you have your break-through you are very well ahead and your earlier investments should pay off. You must have something that they need, that they cannot make themselves. You must have some expertise and you must be able to prove it. Plan to supply spare parts with the original order . . . Be prepared to discount in the negotiating procedures and don't start off with low pricing."

Those comments, of course, were aimed at those who might be interested in selling in the Soviet Union but, in a general way, they apply to just about any market. For more information about how trade fairs can help your company, contact the Fairs and Missions Branch, Department of Industry, Trade and Commerce. □



Swiss Wood Market Brightening

Traditional logging sleds are still the best transport in the Swiss mountains.

MAX MEISTER, Commercial Officer, Berne

About one third of Switzerland's total productive land area of 7.8 million acres is forested. Public forests account for 73 per cent, the rest are privately owned. Public as well as private forests are under the control of the Swiss Government's forestry service which sees to it that the forests are not over-exploited and that, at the same time, a continuous supply of wood is available to the industry.

The complete clearing of any forested area, public or private, is prohibited and, if permission for partial clearing is granted, reforestation, subsidized by the Government, has to take place immediately so that the over-all forest area is not diminished. Production is almost three quarters spruce and silver fir followed by pine, beech, oak and other species.

Harvesting of trees is difficult in many parts of the country because the topography makes it impossible to use large machinery. Manual labour is still needed but is scarce in Switzerland, so wood production probably will not rise beyond 4.5 million cubic meters a year.

Switzerland has 1,451 sawmills with 8,500 workers; 47 veneer, plywood, blockboard and fibreboard factories with a total of 2,860 workers, and 2,038 carpentry shops and chalet constructors employing, all told, 14,750 workers. These sawmills, which use mostly local wood, operate on a relatively small scale and have difficulty in competing with the larger units usual in the supplying countries, chiefly because of rising labour costs. Consequently it is expected that a certain amount of integration will take place within the industry here, with larger units using the most up-to-date equipment.

The wood industry maintains a central office in Zurich, "LIGNUM Schweiz. Arbeitsgemeinschaft für das Holz", which promotes the use of wood

and also organizes participation in Swiss trade fairs. Timber and lumber dealers have formed the Swiss Association of Wood Merchants, with 37 members, and plywood dealers are grouped in the Swiss Association of Plywood Merchants, with 80 members.

Switzerland's main supplies of tropical timber and lumber come from Africa and Asia. Deciduous wood comes from France, Germany, Yugoslavia and the United States. Austria supplies more than 50 per cent of imported coniferous wood, with other important suppliers of this variety being Sweden, Finland, Germany and France. Finland supplies 72 per cent of the pulpwood. Veneers and plywood come from Austria, Germany, France, Italy, Finland and Yugoslavia.

Statistics show that round wood imports, with the exception of tropical wood, are decreasing every year, while lumber imports, especially of spruce and fir, are increasing. Imports of pulpwood showed a dramatic drop between 1970 and 1972 due to a larger supply from Swiss forests and increased imports of mechanical and chemical pulp.

The market for plywood, which is used mainly for forms in the construction industry and for packing cases for the export trade, has been increasing rapidly. But government measures taken in the latter part of 1972 to reduce construction volume will probably have some effect on the market, although the packing case sector should continue to grow.

The main hardwood specie imported from Canada is elm. Softwood species include hemlock (95 per cent) and Douglas fir. Red cedar, which was popular a few years ago, is no longer in great demand. The lumber quality is clear, from which panelling, window frames, friezes for parquet, and ladders are made. Other qualities of Canadian lumber and construction wood are not competitive on the Swiss market, considering the domestic supply, the duty advantage of Switzerland's EFTA partners and lower freight rates from European sources of supply.

Importers also encounter difficulties in getting lumber sawn to sizes and specifications needed for this market.

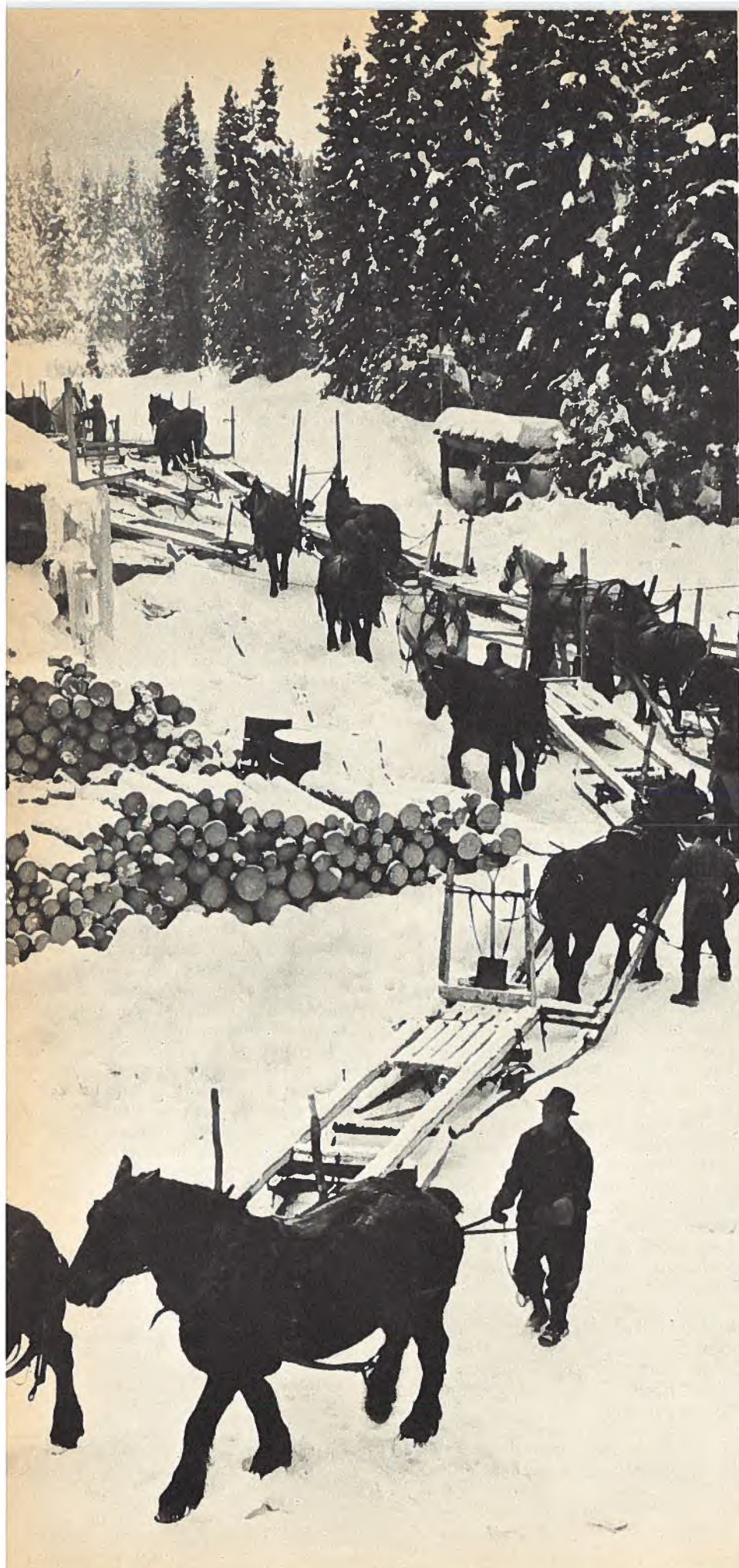
Furthermore, deliveries are sometimes late or irregular, due to strikes, shortages or lack of shipping space. But devaluation of the dollar has had no influence so far on the competitive position of the Canadian exporters. It was offset by higher prices in Canada and increased shipping costs.

Although imports of plywood from Canada (725 tons in 1972), compared with total plywood imports (49,379 tons), are small, the outlook is promising. Canadian Douglas fir plywood is used mainly for formwork, but the increase in imports is due to its application in farm building construction. A large construction firm in Berne has developed a standardized cowshed which it hopes to sell throughout Switzerland. It is of rigid frame construction with plywood walls. The frame is made of Swiss lumber, but the plywood is Canadian. The company has already received orders for 100 units valued at about \$7 million.

Import regulations and customs duties

— There are no restrictions on imports of wood into Switzerland and customs duties are relatively low. Deciduous wood from Canada and several other countries has to be accompanied by a phytosanitary certificate stating that the wood is free of alnus bark-beetle (*Xylosandrus germanus*). In Canada, these certificates are issued by the federal Department of Agriculture. No certificate is required for coniferous wood. There are three different tariff rates, namely the general tariff, applicable on imports from Canada, the EEC tariff, and the tariff applicable on imports from under-developed countries (see Table 3). There is also a turn-over tax of 6 per cent of the value of imported wood, except pulpwood. The statistical fee is 3 per cent of the amount of duty.

Market prospects — In the first six months of 1973, less round wood and lumber was imported, although, because of higher prices abroad, the value should be higher. For the time being, Swiss sawmills are reducing their stocks. Some



varieties of wood are in short supply in the traditional exporting countries and deliveries were delayed in the first half of this year. For Canadian western hemlock, the most important wood export item to Switzerland, demand is also greater than supply. Only imports of plywood continue unabated, with prices weakening.

The strong measures imposed by the Government at the end of last year to dampen the economy, particularly the building boom, will probably affect the lumber business. But the long-term outlook for wood is bright. Swiss demand for Canadian hemlock remains high and the market for Douglas fir plywood, used in agricultural buildings (which are not affected by the building restrictions), is expanding. Much will depend on the supply and price situation for wood in Canada, the development of the freight rates and the value of the Swiss franc in relation to the Canadian dollar. If Canada's competitive position improves, there are good prospects that a larger share of the Swiss market for lumber, plywood and hardwood veneer can be gained. □

Table 1
WHAT SWITZERLAND BUYS
FROM CANADA

	\$ million	
	1971	1972
Veneer, walnut	80	207
Veneer, hardwood	2	50
Plywood, hardwood	-	7
Plywood, Douglas fir	22	16
Total	104	280

Source: Statistics Canada

Table 2
WHAT SWITZERLAND BUYS

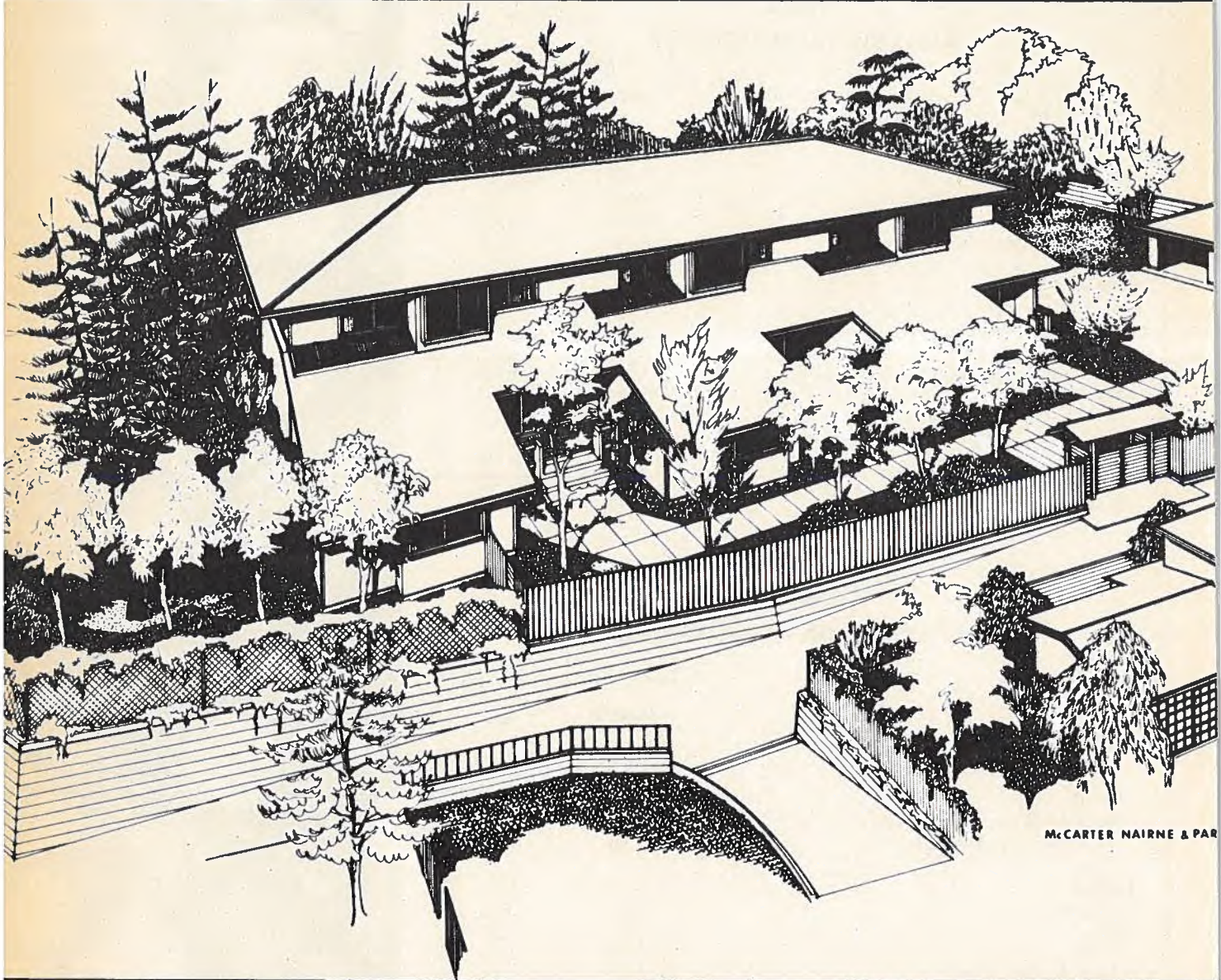
	Metric Tons	
	1971	1972
Round wood		
Tropical	57,774	72,579
Oak	34,030	29,470
Beech	34,007	32,728
Other deciduous round wood	18,592	15,960
Spruce/fir	24,206	20,520
Other coniferous round wood	4,585	4,076
Lumber		
Tropical	15,876	21,671
Oak	31,046	31,113
Beech	6,810	4,565
Other deciduous lumber	3,640	3,198
Spruce/fir	159,904	167,062
Other coniferous lumber	11,727	11,828
Pulpwood	115,512	25,290
Veneers	2,840	3,697
Plywood	38,815	49,379

Table 3
TARIFF RATES ON WOOD IMPORTS

	(Swiss francs per 100 kg.)	
	General	EEC
Round wood		
Tropical	free	free
Oak	-.30	-.24
Beech	-.50	-.40
Other deciduous round wood	-.20	-.16
Coniferous round wood	-.50	-.40
Lumber		
Tropical	free	free
Oak	1.—	-.80
Beech	2.20	1.76
Other deciduous lumber	1.80	1.44
Coniferous lumber	2.50	2.—
Other		
Pulpwood	-.05	-.04
Veneers	16.—	12.80
Plywood, raw, over 10mm thick	12.—	9.60
Plywood, raw, less than 10mm thick	15.—	12.—
Other plywood	33.—	26.40



Tokyo Townhouse



McCARTER NAIRNE & PAR

Canadian Style

A three-unit woodframe townhouse being built in downtown Tokyo to provide residences for senior Canadian Embassy staff will also serve for a year to demonstrate Canadian house-building techniques and materials.

The project was organized after the Japanese Ministry of Construction requested an education program on Canadian house-building methods. The Japanese want to increase their housing supply by 1.9 million units a year and are studying ways of speeding up construction as well as controlling housing costs.

The two-story complex will provide three units of 3,000 square feet each as homes for External Affairs officers and their families. The design, by McCarter, Nairne & Partners of Vancouver, incorporates facilities for official entertaining.

The townhouse is being built on a site acquired by the Government of Canada five years ago. Construction costs are being covered by the Council of Forest Industries of British Columbia (COFI), under the Co-operative Overseas Market Development Program, which is supported equally by the Department of Industry, Trade and Commerce, the Government of British Columbia and COFI.

Construction should be complete by the end of the year. The townhouse is sited and proportioned to harmonize with existing residences in the area and much of the garden of the house formerly occupying the site has been retained.

Interiors are designed for Canadian-style living and conform to the Canadian

National Building Code. Initially, the interiors will be kept in three stages of finish — one unit in rough framing, one with roughed-in services and one completely finished.

For one year, Japanese building authorities, architects, contractors and lumber dealers will be able to study the stages of woodframe construction based on Canadian standard-dimension lumber and construction-grade softwood plywood.

A three-man Canadian framing team was flown from Vancouver by the prime contractor, Community Builders Ltd. of Port Moody, British Columbia, to work on the framing with members of the Tokyo Small and Medium House-builders' Association.

Cleve Edgett, COFI's Vice-President of Promotion, said: "The townhouse project is an on-the-spot demonstration of both our building materials and our techniques. We think the Japanese construction industry will be favorably impressed with the speed of frame construction and the degree of comfort that our methods provide."

Mr. Edgett also said that Japan, although currently the largest offshore market for Canadian lumber, is a difficult market to supply because it must be done to Japanese specifications rather than to Canadian. But, he said, "Few of our other worldwide competitors are in a physical position to supply Japan with processed lumber.

"Any growth in shipments to Japan is related to the need to supply standard Canadian sizes, which would require a new approach to home construction in Japan. So, we are attempting first to export Canadian home building technology."

An important part of COFI's promotion effort has been the sponsorship of a series of building seminars in Japan during the past year and many Japanese groups have visited British Columbia to study the home building industry and carpentry training programs in that province.

The unprecedented use of Canadian Embassy housing to demonstrate Canadian home building techniques and materials came about after it was discovered that while COFI was seeking a central

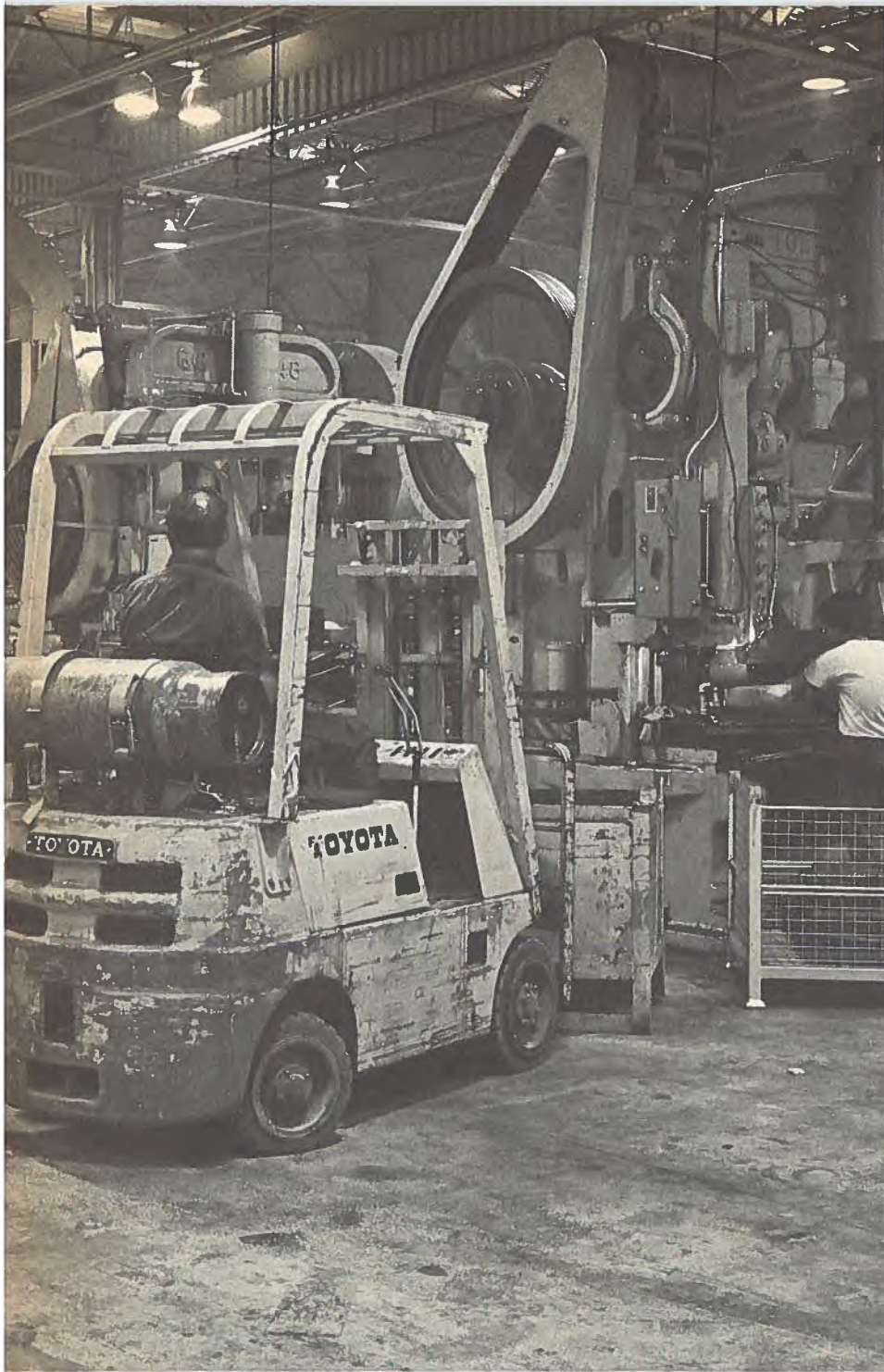
Japanese site for demonstrations, the Canadian Government was considering building more embassy housing on one of the sites it owned in Tokyo.

While Canadian construction methods are being used, the design was developed to show how those techniques could be adapted to Japanese requirements. The traditional Japanese building method produces good homes but it is too slow to meet current Japanese housing objectives. The old way means that each Japanese house is, in effect, hand-crafted. It is built of seasoned lumber cut in dimensions roughly like those of a Canadian four-by-four. The design tends to follow post-and-beam style with hand-fashioned mortise-and-tenon joints, and wooden pegs instead of nails.

William Leithead, project architect said: "Japanese builders will have to understand the entire Canadian home-building system. We have methods of ventilation to prevent dry rot and we incorporate insulation, dampcoursing and vapour barriers so that parts of the house function is an integral unit. These techniques are not used in Japan.

"We are installing Canadian heating and air conditioning equipment because these features are rare in present Japanese housing and little equipment for these purposes is manufactured there. However, we are using Japanese plumbing and wiring to demonstrate the adaptability of our system to Japanese materials, where suitable."

It is too early to tell if the project will have the desired effect but it exemplifies the aggressive attitude necessary to compete in international markets. Certainly, it is a perfect example of how to apply that old dictum about creating a demand and then filling it! If it works, it should open a huge new market for Canadian producers of goods and services. □



These lift trucks have 7.5 acres of plant to cover every day.

and 40 swathers have been sold in South Africa. The new plant will also assemble Swedish Volvo combines and tractors for distribution through the company's 63 retail outlets in western Canada.

The company had no trouble selling out a bond issue to raise money for the new plant as the farmer-owners bought out the entire issue within six weeks. Company President Donald V. Larson said the sale had been expected to take about two years. The company also received a \$1.2 million grant from the Department of Regional Economic Expansion.

Mr. Larson said the company has, for the present, stopped its exploration of the U.S. market. It has a sizeable share of the Canadian market and intends to develop overseas exports. He admitted the company has much to learn about exporting. In addition to testing its equipment in Cuba, U.S.S.R. and Colombia, the company will attend the agricultural fair in Brno, Czechoslovakia, and it intends to become involved in other trade fair promotions.

Mr. Larson said the company's R&D capabilities are being expanded but its resources in this area are still limited. Therefore, markets where Co-op machinery will work without extensive modification are being sought. But the company is redesigning its entire line of products, and is prepared to adapt its sales approach to specific markets.

One of the company's strengths is customer relations. Those 80,000 farmer-owners are quick to let the company know about equipment problems. Mr. Larson said response to customer feedback is probably much quicker than in other companies and claimed that Co-op Implements can have improvement kits on the market within a year. He said the company is determined to give good service to export customers. □

Winnipeg's biggest plant

North America's only farm equipment manufacturing co-operative is embarking on its first export program. Canadian Co-operative Implements Ltd., with headquarters in the Winnipeg suburb of Transcona, has opened a \$7.2 million plant with 331,000 square feet

of working space. It is the largest manufacturing plant in the Winnipeg area.

Most of Co-op Implements' production until now has been sold to its 80,000 farmer-owners in Western Canada but there are potential markets in Cuba, Colombia and the U.S.S.R.,

Data Generation for Metals Industry

Proposals for a data bank to assist the metals industry are being outlined in a series of cross-country seminars sponsored by the Department of Industry, Trade and Commerce. In addition to the seminars, the Department is surveying more than 6,000 metals industry firms and holding meetings to determine what is needed for a market data generation system for the industry.

Canada's long-standing commercial ties with the United States, Britain and other countries soon will undergo changes — changes that are difficult to predict. But one thing is certain — Canadian industry must become more competitive, more diversified. Canadians are going to be forced to exercise better cost controls; to show healthier profit margins. They will also have to be able to forecast market conditions in order to compete.

Good marketing decisions are based on sound data and this is what the Department's proposed data generation system for the metals industry is all about. The system is quite similar to those in use in other sectors. It is not a new concept. For example, the Canadian Copper and Brass Development Associa-

tion (CCBDA) has developed a system that provides its members with statistics covering product, alloy, market class, geography and even specific size ranges.

Members of the CCBDA use this information in many ways — but especially for forecasting. Forecasts using data from this system have accounted for improved budgeting and production planning and the system also helps CCBDA members do a good selling job because they know where their markets are, the size of them and the direction in which they are going.

It is probably true that any particular industry knows best what kind of data it requires to do an effective marketing job. That is why the seminars for the metals industry, to be followed by "working" sessions, were planned. These gatherings are under the supervision of the Non-Ferrous Metals Division of the Resource Industries and Construction Branch of the Department.

The program is aimed at all companies involved in the metals industry, either directly or indirectly. Included are metalworking and metal fabricating firms, as well as companies incorporat-

ing metal fabricated products in their finished goods.

The seminars stress the profit to be derived from participating in the program. The mechanics of data generation are being discussed at the seminars and established at the "working" sessions. The industry is being given an opportunity to work with Statistics Canada to establish the data collection and dissemination methods to be used in the system.

Speaking at one of the first seminars, held early in June, the Minister of Industry, Trade and Commerce, the Honourable Alastair Gillespie, noted that the program is part of the Department's effort to strengthen secondary industry in Canada, in order to add value to national output, decrease reliance on imports and, where possible, increase exports. He said that for the system to work, companies must participate by contributing information, "but, and this is important, these companies will receive, in return for their participation, information out of the system which they can put to profitable use — the sound data upon which pragmatic decisions are based." □

Canadian Design Wins Award

A unique Canadian-designed-and-built waste shredder/compactor has won an award from the American Iron and Steel Institute. Benson Industries Ltd. of North Vancouver, British Columbia, was presented with the Institute's Design in Steel Award for Best Engineering Environmental Enhancement and Control Equipment, 1973.

Benson calls its machine the RABCO Un-cinerator. It is a compact piece of equipment, capable, it is claimed, of

processing up to one ton of waste an hour. Benson calls it a non-polluting alternative to incineration in hotels, highrises, drive-in restaurants, townhouses, hospitals, schools — even ships.

Benson claims the machine uses only two moving parts to shred, crush or flatten all types of metal or plastic containers and soft and wet garbage, as well as to smash glass bottles. The RABCO Un-cinerator appears to be gaining wide market acceptance.



Farmers with a purpose

W.H. LAMBTON, Editor

As you tag along in the supermarket, do you sometimes wonder what has happened to the quality of food, speculate as to why it doesn't taste like it used to, get mildly annoyed at the excess fat in the bacon? Then take heart, there's a man in Alberta who is trying to do something about it, or at least about the fatty bacon.

Mr. Sten Berg is owner of Alberta High Bred Stock Farm, a major hog producer. He is also chairman of the export committee of the Alberta Hog Producers Marketing Board and a director of the Alberta Export Agency, a provincial government organization. As a farmer, he sends about 3,000 pigs a year to market, and so he is fully aware of the problems of a primary producer. Through his other activities he is also aware of the problems of the wholesaler and retailer. And as a family man he knows what the consumer wants.

As a matter of fact, he doesn't have too much sympathy for the consumer — "if they don't like what they buy, why in heaven's name do they buy it? The consumer is at least in part responsible for the quality of food in the supermarket."

It is Mr. Berg's concept of farm marketing, however, that is the subject of this article. There are about 20,000 hog producers in Alberta. Until fairly recently, each producer sent his hogs to market whenever they reached the right weight. There was never a steady flow, and the packers had little idea of how many tons of meat to expect over the course of a year. Nor did the farmers have any assurance of the price they would get when their hogs were ready to be shipped.

Mr. Berg and his committee on the marketing board thought long and hard about the problem and eventually came up with what looked like a promising solution. Why not offer the opportunity to commit production upon the commitment to purchase?

The Alberta Hog Producers Marketing Board had come into being in 1970. Every producer in the province automatically pays dues to the board on every hog shipped to the market. But the producer still marketed as an individual, still shipped his produce when it was

ready, and the packer or wholesaler had no control over how much he got or when he would get it.

If enough farmers could be persuaded to follow a breeding and shipping program to guarantee the packer so many tons of meat a year, the packer in turn could assure a customer of so many tons of pork and pork products a year. It would be long-term planning, since it takes about 12 months to produce a marketable hog. Farmers were canvassed and enough agreed to try the Forward Contracting Concept.

But the local, or national, market is an uncertain beast at the best of times for farmers. Why not try an overseas market? Last fall, Mr. Berg was on an Albertan trade mission that went to Japan. He made inquiries there about the

possibilities of the Japanese buying Canadian pork, and the results were encouraging. He has also talked with members of the many Japanese trade missions and delegations that have visited Canada. Interest, he says, remains high, and negotiations seem to be moving in the right direction.

Mr. Berg emphasizes that despite the provincial government organizations that are involved in the concept, there are no regulations that tie down the producers or the packers. It is a system of negotiation only between all the parties concerned. A producer is asked to participate in the scheme and, if he sells a contract, he signs a legal commitment to deliver over the period agreed on in that contract. The wholesaler or packer then knows exactly how much meat he is

going to get and the farmer knows the price to expect and can budget his outlay.

As far as Mr. Berg knows, nobody in Canada has tried this concept in farm marketing practices. It seems to be an obvious approach, one that benefits everyone concerned, even the consumer if he lets it be known what quality of meat is desired. But, of course, results cannot yet be measured. The first commitment with the packers is for three years, with so many hogs delivered every month. But the future is bright, and if Japan is the first overseas market, who is to say that the next may not be the European Common Market countries. Any farmer who can organize a bunch of other farmers — and make market management stick — will take a lot of stopping. □



The Implications for Canada

JOHN HALSTEAD, Assistant Under-Secretary of State for External Affairs

This is part of a paper presented at a meeting of representatives of the Department of External Affairs and 26 universities and institutions with programs in international relations. Mr. Halstead reviewed some of the more important elements of change in the world system and the implications for Canada of changing world power relationships. (Reprinted from International Perspectives.)

The first change is the movement away from a bipolar structure, dominated by the United States and the U.S.S.R. and largely conditioned by the ideological confrontation between them, to a more fluid multipolar structure, increasingly open to dialogue and negotiation based on state interests rather than ideology. With respect to East-West relations, this change offers some obvious advantages to a country like Canada in its relations with the Communist countries. It allows us more room for manoeuvre, more chance to pursue our distinctive interests and more opportunity to contribute to international intercourse and co-operation, without being accused (or at least suspected) of ideological impurity.

There are, of course, a number of examples already of movement in that direction: our relations with Cuba; our recognition of the People's Republic of China and our support for its seating in the United Nations; our rapprochement with the Soviet Union; and our early

support for the proposal for a conference on security and co-operation in Europe. In these cases, we have followed lines different from those of the United States, not for the sake of being different, but because our perception of what was desirable and feasible was not the same as that of the U.S. Not only am I sure our perceptions have been realistic in these cases, but I believe we may in the process have made it easier for others, with other responsibilities, to move in the right direction.

When we come to the implications for relations between the United States and its allies, the picture becomes a great deal more complicated for Canada. First, there is the question of the effect on

... we have followed lines different from those of the United States, not for the sake of being different, but because our perception of what was desirable and feasible was not the same as that of the U.S.

Canada of the shift in relative power and influence from the United States to the European Community and Japan. Is this likely to create a more balanced and stable situation in the non-Communist world, or, on the contrary, a more unstable situation of greater rivalry? This, of course, is what Henry Kissinger's recent "Year-of-Europe" speech is all about, and much will depend on whether the search for co-operative solutions to the security and economic problems facing the United States and its major allies is successful. It is certainly in Canada's interest that the co-operative approach should triumph over rivalry and competition and Canada should do what it can to contribute to that end.

This does not necessarily mean supporting the United States in all matters against the European Community and Japan, in spite of the fact that a good many Canadians believe that the maintenance of predominant U.S. leadership

is essential to Canada's well-being. Indeed, I think the new situation offers us enhanced opportunities for diversifying our relations and reducing our vulnerability to policy changes of any single outside power. This implies seeking partners on a pragmatic basis where our interests converge with or complement those of other like-minded countries. It is true that, in the short term, the enlargement and development of the European Community pose serious problems of trade adjustment for Canada, but in the longer term the growth of European prosperity and cohesion seems likely to offer us greater chances of trading and co-operating with the Community, provided, of course, the general trend toward liberalization can be maintained. Similarly, the degree of political integration in the European Community that is probable in the foreseeable future is unlikely to cause us insurmountable problems, provided the larger framework of the Atlantic alliance is maintained and strengthened, if possible, by a new consensus on common objectives.

Harder to be heard — One of the dangers, however, is that the emergence of the European Community and of Japan as economic great powers able to compete with the United States may tend to favour the development of a triangular power structure in the non-Communist world, where it will be harder for Canada to fit in or make its voice heard. There are indications that some Americans may be thinking in such terms. In his speech, Mr. Kissinger did mention Canada once and Washington has assured us that the Americans want our contribution to the developing search for "shared principles" of co-operation. There is likely to be a strong temptation, however, for the three main non-Communist centres of economic power to

negotiate the most important questions among themselves.

Another danger is, of course, that co-operation among the United States, the European Community and Japan may falter in the face of increasing competition among them and give way to a trend toward ever-larger regional groupings hardening into protectionist blocs. This could happen if the U.S. Government fails to get the necessary authority from Congress or other key partners are unwilling to participate in a meaningful way in the forthcoming multilateral trade negotiations. Or it could happen if the negotiations themselves fail, particularly if the present precarious monetary stability is lost and the basis for further trade liberalization is destroyed in the process. If protectionist tendencies were in this way to become stronger than those favouring liberalization, Canada would probably find its openings in other markets, particularly in Europe, increasingly cut off and would be forced more and more into a North American continental bloc.

Reduction of war risk — The second change I should like to look at is the decreasing probability of war among the super-powers with the establishment of nuclear parity between them and the growing limitations on the use of military force in their relations. While this does not necessarily mean a reduction of the risk of conventional wars in relations among non-great powers (and indeed the reverse can be argued), it certainly does mean a reduction of the risk of any war involving Canada, since the only conceivable military threat to us is from a conflict between the nuclear super-powers. Canadian security is, therefore, enhanced under the new circumstances.

At the same time, there is likely to be a general shift in emphasis in international relations (at least among the developed countries) from military factors to others, such as economic, technological and ecological. In these fields,

described as "functional", Canada, with its relatively large and sparsely-populated territory, its rich resources, particularly its energy resources, and its advanced economy, is in many ways at a comparative advantage. It should, therefore, be possible for Canada to play a relatively more influential role in a world where security considerations, though still central, will no longer dominate the day-to-day business of international affairs. Signs of this can already be seen in the increasingly important place Canada occupies in such areas as technical and development aid to the Third World, protection of the human environment, national resource management and so on.

On the other hand, we have to take note of an important question mark: do

... in the longer term the growth of European prosperity and cohesion seems likely to offer us greater chances of trading and co-operating with the Community . . .

we have the economic independence necessary to take the decisions that count, and the means to carry them out? Are we able to shape our trade and monetary policies in an optimum way for Canadian interests, or is the room for manoeuvre left to decision-makers in Canada so small that Canadian interests may go by default or be left to others to defend? This sort of question is likely to become of growing importance as global supplies of natural resources, and particularly energy sources, become scarcer.

The third element of change I want to mention, closely related to the second, is the increasing requirement for international co-operation and regulation, particularly in the "functional" fields, in order to compensate for the proliferation of smaller national states and their inability to cope with the new problems emerging on a global scale. It seems to me that it is very much in Canada's

interest to promote such international efforts and that they, in turn, are likely to give Canada enlarged scope for influencing the international environment in favour of the sort of interdependent world most congenial to Canadian interests. One such field of endeavour where we have been particularly active is the Law of the Sea. Whether we can also make any distinctive contribution to a solution of the problem of dealing more effectively with non-national power elements (e.g. multinational enterprises, civic disobedience groups, terrorist organizations) I do not know, but it is certainly as much in Canada's interests, and perhaps more than in those of any other country, to try.

What I ought now to try to do is to make some sort of synthesis out of the various considerations which go into these positive and negative implications for Canada. It is obviously not easy, the more so because the balance of considerations is likely to vary according to future international events, particularly in the trade and monetary fields, many of them no doubt unpredictable. More important in my view, however, is the fact that the balance will also depend in large part on what we ourselves do.

Accentuate the positive — What we should do, of course, is, in the words of the popular song, to "accentuate the positive" and "eliminate the negative" — follow policies designed to reinforce the positive trends and forestall, counteract or counterbalance the negative trends. How? Well, some of the possibilities on the positive side are: diversifying Canada's external relations and reducing Canada's vulnerability in accordance with the "third option" while maintaining our harmonious relationship with the

United States; developing more substantial relations in all fields and building a continuing dialogue with the European Community and Japan; encouraging and contributing to the process of détente both in our bilateral relations with the Communist countries and multilaterally in such forums as those dealing with the Conference on Security and Co-operation in Europe and Mutual and Balanced Force Reductions; promoting international co-operation and regulation in the United Nations and other organizations, particularly in tackling the new global problems of an economic, technological and environmental nature. On the negative side, we can take defensive action ourselves and warn our friends and partners of the dangers of regional-

ism and protectionism for stability and security.

Domestic policies — Is this enough? I do not think it is. The policies I have been talking about are essentially foreign policies and I believe the outcome will, in the last analysis, depend more on domestic than on foreign policies. Can we take the measures necessary to support a "long-term strategy" along the lines of the "third option"? Does our federal system or our geopolitical situation allow us to? Do we want to?

These questions in turn raise others which are often debated, implicitly or explicitly, by Canadians. One is whether the emphasis on Canadian independence is an anomaly in our increasingly interdependent world, in a world where closer international co-operation is not only desirable but increasingly essential. The other question is whether Canadian integration with the United States is inevitable and in step with the times. It may be tempting in this connection to draw an analogy between North America

and Western Europe, where the countries of the European Community are integrating their economies and merging their sovereignties in a search for greater unity. Without trying to supply answers to these questions, I should like to point to two important distinctions. The first is that interdependence among a number of countries of differing but broadly comparable power is one thing, whereas an exclusive interdependence between two countries of vastly disparate power is quite another. The second is that there is no real parallel in cultural, economic or political terms between the group of countries making up the European Community, on the one hand, and Canada and the United States, on the other: perhaps a closer parallel would be between the countries of the European Community and the provinces of Canada! □

Food for Thought

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The Department accepts no responsibility for their accuracy.

The Alberta Government is participating in a private study to determine the feasibility of using dirigibles to move natural gas from the Arctic.

Globe and Mail

The U.S. Interior Department has announced the successful operation of a pilot plant showing that coal can be converted into synthetic gas on a large scale.

Globe and Mail

Nuclear power is now 5 per cent of total U.S. electric power generating capacity with the addition of 10 new plants on stream thus far in 1973, the Atomic Industrial Forum says in its mid-year report. By year's end, AIF expects 11 more reactor licenses to give nuclear

facilities a 7 per cent share of total U.S. generating capacity.

Chemical and Engineering News

Students are staying out of engineering, and officials now forecast a shortage of engineers four years from now.

The Futurist

The University of Edinburgh's department of machine intelligence has taken a world lead in the development of intelligent robots. The department's *Freddy* machine can put together a finished construction using a computer-driven "hand" after sorting out the components required from a disorderly heap, identifying them visually via a television-

camera "eye" and laying them out ready for final assembly.

Electronics and Power

The cassette recorder, now well established in the home entertainment and dictating machine fields, is beginning to make a significant impact in digital data recording.

Electronics and Power

There is a tortoise and hare aspect to the great Canadian train race.

Way out in front, but occasionally sleeping on the job, is the sleek Turbo. Coming on at a staid pace, with every confidence that it will win out in the end, is the more conventional LRC.

The Financial Times



Canadian Graders to Zaire

Eighty road graders, and the spare parts to keep them on the job, have been shipped to the Republic of Zaire in Africa. The \$2 million procurement contract for the graders was obtained from Zaire by SNC Inc. of Montreal and the equipment was supplied by Dominion Road Machinery of Goderich, Ontario.

The graders will be used by the Zaire Roads Department on a major road construction and maintenance program. The project received a \$2 million loan from the Canadian International Development Agency.

The photograph shows one of the graders being loaded aboard ship at Hamilton, Ontario.

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