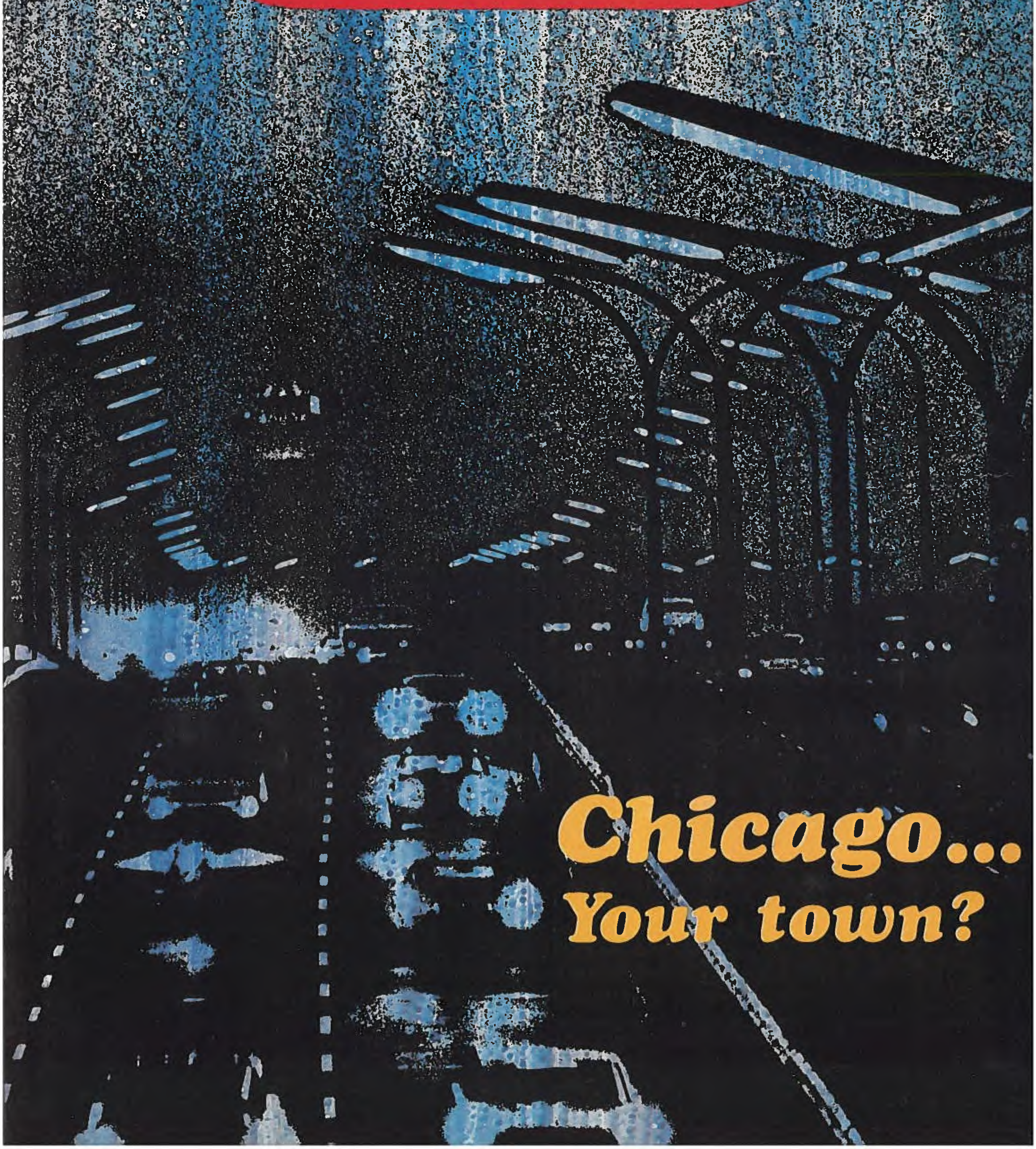
December
Canada Commerce
1973



Chicago... Your town?

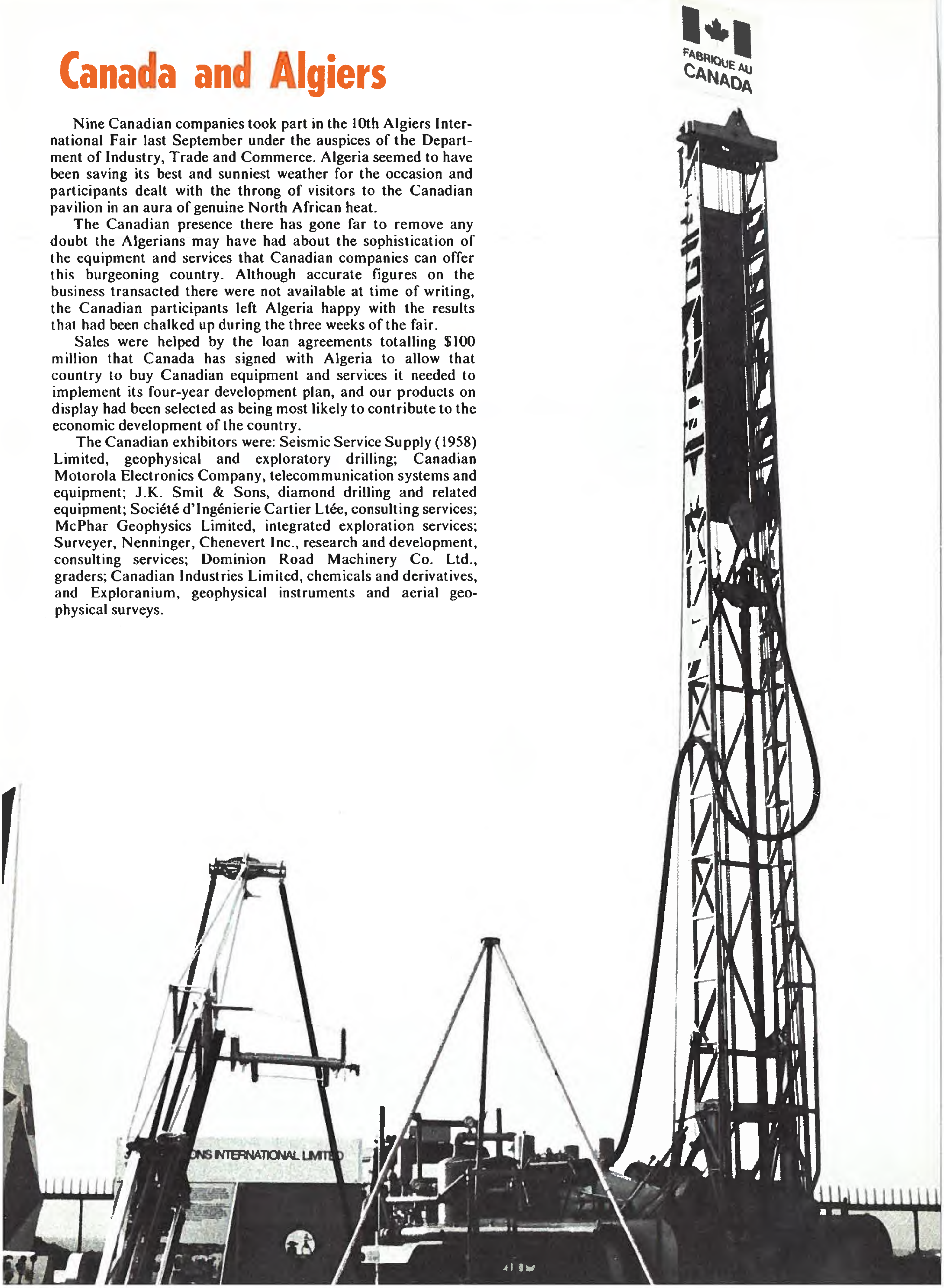
Canada and Algiers

Nine Canadian companies took part in the 10th Algiers International Fair last September under the auspices of the Department of Industry, Trade and Commerce. Algeria seemed to have been saving its best and sunniest weather for the occasion and participants dealt with the throng of visitors to the Canadian pavilion in an aura of genuine North African heat.

The Canadian presence there has gone far to remove any doubt the Algerians may have had about the sophistication of the equipment and services that Canadian companies can offer this burgeoning country. Although accurate figures on the business transacted there were not available at time of writing, the Canadian participants left Algeria happy with the results that had been chalked up during the three weeks of the fair.

Sales were helped by the loan agreements totalling $100 million that Canada has signed with Algeria to allow that country to buy Canadian equipment and services it needed to implement its four-year development plan, and our products on display had been selected as being most likely to contribute to the economic development of the country.

The Canadian exhibitors were: Seismic Service Supply (1958) Limited, geophysical and exploratory drilling; Canadian Motorola Electronics Company, telecommunication systems and equipment; J.K. Smit & Sons, diamond drilling and related equipment; Société d'Ingénierie Cartier Ltée, consulting services; McPhar Geophysics Limited, integrated exploration services; Surveyer, Nenninger, Chenevert Inc., research and development, consulting services; Dominion Road Machinery Co. Ltd., graders; Canadian Industries Limited, chemicals and derivatives, and Exploranium, geophysical instruments and aerial geophysical surveys.



Canada Commerce

Vol. 137 No. 12 December 1973

In This Issue

Our emphasis this month is mainly on the United States, Canada's chief trading partner. Canadian exports to the U.S. last year amounted to $13,530,901,554, according to Statistics Canada, and $10,966,373,000 for the first eight months of this year. Articles from the various posts in that country indicate from time to time that Canadians could do a lot better if they really put their heart into the business of exporting.

Reports in this issue do not go into the deep south; there is, in fact, no attempt to cover the whole of the United States. But the articles that we do carry show that there is ample scope to increase business there — even in Hawaii.

A Department program that should be of particular interest to exporters is the encouragement and help offered to medium and smaller companies to set up marketing consortia. This extension of the Program for Export Market Development has not been in operation long enough to assess results, but the few companies that have already taken advantage of it are reported to be getting good results. An export consortium, of course, is not a new concept in world trade — Japan does great business through its huge export houses, and even in Canada we have our families of consulting firms that join together for some of the larger contracts overseas.

The question Where does the money go? has probably been muttered by harassed housewives and businessmen ever since money took over from merchandise in the barter trade. Undoubtedly there have been many answers, most of them unsatisfactory. We have tried to provide another answer on page 32. It may not show where the money has gone, but it does indicate the ups and downs in valuation caused by the fluctuating rates of exchange in the world money markets.

Articles

Established in 1904.
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Publié aussi en français.

Japanese Lumber Trade Faces Canadian Building System

S.J. KAUFMANN, Commercial Secretary, Tokyo

Japan, a country with a 2,000-year history of sophisticated wooden house construction and appreciation of fine wood, is about to face a major transformation which will undoubtedly have important consequences for Canadian producers of lumber and other wood products.

Sixty four per cent of Japan's land area is forested (compared with 45 per cent for Canada). The largest wooden building in the world is the Tohdaiji Temple in Nara built in 752 A.D. About 1.9 million homes were built in Japan last year and more than 60 per cent of them were wooden. Projections by the Ministry of Construction call for an average of around two million starts a year until the 1980s. This gives an idea of the importance of wooden housing and of the lumber industry in Japan. Both the traditional Japanese wooden housing sector and the lumber industry, however, are facing problems caused by economic growth in Japan and a changing world situation with regard to forest resources.

The traditional Japanese building system is best described as a form of post and beam construction. The framework is simple and consists of a number of upright columns which run from the ground to the transverse beams and inclines of the roof. The vertical framing is held together either by short strips set in to appropriate notches in the uprights or by longer strips of wood which pass through mortisses in the uprights and are firmly keyed or pinned into place. The intricate carpentry required for this building system never fails to impress foreign visitors. But it does use considerably more manpower, especially skilled manpower, than the North American timber frame system. Of all the factors affecting construction costs in Japan, the cost of labour has increased most rapidly over the last seven years. This means that the traditional Japanese house is becoming more and more of a luxury. But even if housing companies were prepared to pay high wages for skilled construction labourers, the number of carpenters trained in these traditional woodworking skills is decreasing.

High labour cost is not the only problem in the traditional Japanese house construction system, which uses a wide variety of sizes in construction, and has little standardization throughout the country. Furthermore, because of the traditional handicraft flavour of this industry, most builders have been very small in scale. As a result, a fractured and complicated lumber manufacturing and distribution system has developed. There are 25,000 sawmills in Japan and 30,000 lumber distributors.

But modernization is under way. A number of wooden prefab house manufacturers have been very successful in the last five or six years, and some of the larger ones have an annual production in excess of 15,000 units. Under the guidance of the Ministry of Construction, some of the traditional builders have also been looking for ways to maintain their position against the inroads by prefab housing and new building methods using steel and concrete.

The Department of Industry, Trade and Commerce, through the Canadian Embassy in Tokyo, was aware of the efforts of the Ministry of Construction to find solutions to these problems, and invited Ministry officials to visit Canada and study Canadian timber frame construction methods to see if they could be applicable to the Japanese situation. After the officials returned to Japan, they proceeded to promote the introduction of this system to the building trade through articles in professional journals and seminar programs. The Council of Forest Industries of British Columbia (COFI), working with the Department in Ottawa, the British Columbia Department of Education and the Commercial Section of the Canadian Embassy in Tokyo, followed up with a program of seminars at the Embassy. Largely as a result of this activity, there has been an enthusiastic response from the Japanese lumber and building trade, which has sent a number of privately sponsored missions to Canada to study the timber frame system.

The Canadian Government, in co-operation with COFI, has also invited to Canada a number of experts who have started to draft a building code and lumber standard for the timber frame system in Japan. Largely because of the close co-operation between Canada and Japan in this venture the plans for introducing the system are proceeding ahead of schedule.

At present, the Ministry of Construction intends to introduce this system on what is known as a "semi-open basis" by April 1974. In the past, the Ministry had given special permission for five prefab manufacturers to produce their own version of timber frame houses on a "closed" basis. Each manufacturer had to expend a considerable amount of time and money to satisfy the building authorities that his own version was valid, and was then given a permit to build according to specifications originally tested by Japanese authorities. Operating on a closed basis has meant that the full benefit of the system, which lies in the standardization of lumber sizes, building components and construction methods, could not be achieved. Therefore, the Ministry of Construction's ultimate intention is to make timber frame construction an "open" system which any builder can use as long as he abides by the new building code and lumber standard.

The basic infrastructure required for the timber frame system — an efficient distribution system, the availability of standard components, the necessary carpenter skills, etc. — are not yet established here. For this reason, the Ministry of Construction intends initially to control the number of companies who may build with the system, gradually increasing the number until it feels that the industry is ready for the system to be put on a fully "open" basis. The first companies to be licensed will be those who have already obtained special permits on a closed basis and who, therefore, have the necessary skills and experience.

In order to develop a greater understanding and awareness of this system, the Ministry of Construction recently held a nation-wide design competition and houses based on the winning design will be erected on land owned by local housing authorities throughout Japan beginning about March 1974. It is also expected that the final drafts of the new building code and lumber standard will be completed by the end of March 1974 in time for the official introduction of timber frame construction.

The traditional builders and lumber distributors were originally somewhat hostile to a system which represented a considerable departure from their established practices. However, because of the shortage of lumber experienced this past winter, and the rapid rise of labour rates and land costs, these people are beginning to become concerned about their competitiveness using traditional methods. They are beginning to realize that it is in their interest to develop skills which will be in demand by the large developers, who will become more and more important in the industry. These large developers are attracted by the economies of scale which can be achieved by rationalized production.

Needless to say, for timber frame to function efficiently in Japan the distribution system will have to be streamlined. The Ministry of Construction is working towards the development of major centres for building materials, and there is no doubt that the standardization of building components which the timber frame construction system will bring about will speed up simplification of the distribution system which is already under way. Mitsubishi Corporation hopes to establish 200 to 300 large chain stores to retail building materials, lumber and plywood but, because of considerable opposition from lumber wholesalers and auction centres, has postponed the plan for the time being. This sort of development, however, is inevitable.

These changes in the Japanese housing and lumber distribution sector are only one aspect of the major transformation which the lumber trade in Japan is facing. Of equal significance is the reduced availability of logs for the sawmilling industry and the changing economics of lumber production in Japan. There are 25,000 sawmills in Japan. For a long time Japan was self-sufficient in logs, but, because of the strong demand for housing after the war, imported logs began to play an increasingly important role as a source of supply. Notably, in the last 20 years imports of logs from the United States have increased ten-fold to 10 million cubic metres in 1972. (It is interesting to note that imports of sawn lumber in the form of baby squares have remained constant during the same period.) This means that over the last 10 years there has been a rapid growth of a sawmilling sector dependent on imported logs, primarily from the United States.

It is, therefore, not surprising that recent pressure from various groups in the western United States to restrict the export of logs has had a profound impact on the Japanese, who avoided a crisis by imposing restrictions on imports from the United States, and because the lumber market changed in North America. In the long run, however, the Japanese are not optimistic about being able to get the logs they require, either from the United States or other traditional or potential suppliers such as Southeast Asia, Brazil and Africa. There is also a realization that no large or rapid increase can be expected from the Soviet Union. In other words, Japan, which has been the largest log importer in the world, is now preparing itself for "the lumber import era".

The projections for log supply from Japan's domestic forests have been drastically revised downwards compared with 1966 predictions as a result of increased concern about conservation and ecology in Japan. Table 1 shows the present long-term predictions for the demand and supply of forest products in Japan. For 1973 the Forestry Agency has already decided on a 10 per cent reduction in the annual allowable cut in the national forests. Although official government figures still foresee an increase in the domestic production of softwood lumber through reforestation programs, and especially through the increased planting of coniferous trees, there is a certain amount of public skepticism about these predictions.

This gradual transition from log imports to more lumber imports is causing further changes in the traditional channels of trade and distribution. House builders, particularly the larger and financially independent prefab house builders, are trying to import lumber directly from overseas or set up joint venture operations in countries such as Canada to supply their lumber requirements. Sawmills are also beginning to import lumber, partly to sell with their own production and partly to process in their sawmills. A number of wholesalers are also beginning to import directly. It is largely in response to these developments that the bigger trading companies, who have traditionally handled the bulk of log imports, are beginning to expand their domestic distribution network. Real estate developers, some of them affiliated with trading corporations, may also want to import lumber directly for future development projects.

Another probable factor will be greater government intervention to ensure price and supply stability. In the past, the Japanese lumber market has been subject to regular fluctuations in demand that have been reflected in the somewhat erratic overseas buying practices of importers. The Forestry Agency is concerned over the situation and over the long-term supply of forest products and is considering methods of stockpiling imported lumber and plywood for release at times of strong domestic demand. A decision is expected soon.

The introduction of timber frame construction in Japan is opening up new possibilities for Canadian exporters of CLS lumber, plywood, building components and related products. Considerable interest has also been shown by Japanese importers in bringing in prefabricated homes from Canada or in joint ventures with Canadians to precut lumber in Canada for houses designed by Japanese to meet Japanese tastes.

This is a time of change and Canadian exporters must become as knowledgeable as possible about the Japanese market. They should visit Japan and meet with trading companies large and small, house builders, developers and distributors, in order to develop a marketing strategy which best suits their company's situation and product.

The Department of Industry, Trade and Commerce in Ottawa and the Commercial Section of the Canadian Embassy in Tokyo are anxious to help you gain an entrée into this lucrative market. □

Table 1

DEMAND AND SUPPLY OF FOREST PRODUCTS

		Average '69 – '71	1981	1991	2021
		Million cubic metres			
Demand	For lumber	60.4	71.6		
	For pulp	23.5	40.1		
	For plywood	12.3	20.5		
	For other	3.6	2.6		
	Total	**99.9**	**134.8**	**147.3**	**152.9**
Supply	Domestic	46.3	49.7	58.7	94.3
	Imports	53.6	85.1	88.6	58.6
	Total:	**99.9**	**134.8**	**147.3**	**152.9**
Import ratio (%)		53.7	63.1	60.1	38.3

Source: Forestry Agency, Ministry of Agriculture and Forestry

Table 2

JAPAN'S LOG AND LUMBER IMPORTS

	Jan.-June, 1972	Jan.-June, 1973
	1,000 cub. metres	
Southeast Asia	9,658	13,758
North America	5,679	6,614
(logs)	(4,830)	(5,314)
(lumber)	(850)	(1,300)
U.S.S.R.	3,722	3,608
New Zealand	881	1,000
Total	**19,940**	**24,982**

Source: Forestry Agency, Ministry of Agriculture and Forestry

Fishing for the British Market

H.G. GARLAND, Attaché (Fisheries), London

No place in Britain is more than 70 miles from the sea, so it is not surprising that the British people have always been accustomed to balancing their consumption of meat with the varieties of fish caught in the surrounding waters. Their own fishing fleets do not, however, catch a large enough quantity to feed a population of 55 million and, since the areas in which they operate do not produce all the species favoured by British consumers, imports from many different countries make up a large proportion of the total fish marketed in Britain.

Consumption of fish has been rising in recent years and in 1972 increased by more than three quarters of a pound per head to 19.2 pounds. All sections of the industry benefitted, since the increase was spread over the three categories listed in the National Food Survey: fresh, frozen and cured fish from 14.8 pounds to 15 pounds; fresh and frozen shellfish from 1.1 to 1.2 pounds; and canned fish from 2.5 to 3 pounds.

Local Production — The fishing side of the industry is divided into four sectors, the inshore fishery carried on by small boats all round the coast and the three sectors covered by the deep-sea fleets: near waters, which are usually defined as the North Sea and the areas immediately to the north and west of the British Isles; middle waters, which reach as far as Iceland, the Faroes and the west coast of Norway; and distant waters, including such areas as the Barents Sea, Bear Island and Spitzbergen, Greenland and the Atlantic Coast of Canada.

The catch by deep-sea trawlers has been declining and in 1972 the total landings of all varieties by British vessels amounted to 18.5 million cwt. (at the rate of 1 cwt. to 112 pounds), compared with 18.9 million cwt. in the previous year. The figures so far available for 1973 show that this trend is continuing, apart from some variations in particular species, and the high prices which made 1972 an exceptionally profitable year for the industry have risen still more this year, to the point where the different subsidies for the inshore and deep-sea fleets are no longer paid by the Government.

The landings of groundfish, which make up more than two thirds of the total, fell by 6 per cent in 1972 but the value of the catch rose by 16 per cent. There was a comparatively small decline in the landings of cod, by far the most important species, both in quantity and value, but the landings of haddock, which ranks second in both respects, fell by nearly 15 per cent. The increase in the total value of the groundfish group was caused mainly by the rise in the average landed prices of these two species. Of the other leading varieties, plaice, saithe (coalfish), whiting, skate, lemon sole and halibut also declined in quantity but there were increases in the catches of dogfish, hake, turbot, ling, redfish, monks and catfish.

In contrast with groundfish, pelagic varieties were more abundant in 1972. As a group, these varieties increased by 10 per cent to 4.4 million cwt., chiefly because of bigger landings of sprats and herring and, on a smaller scale, of mackerel.

Landings of the third group, shellfish, exceeded one million cwt. in 1972, up by 73,000 cwt. over the previous year's total. The value also rose considerably, principally because of the increased quantity and average landed price of Dublin Bay prawns *(Nephrops Norvegicus)*, otherwise known as Norway lobster or scampi, which accounts for more than 20 per cent of the total catch of shellfish.

Two recent international developments will have a bearing on future production, but with different effects on the inshore and deep-sea operations. Under the Common Fisheries Policy of the European Economic Community, any member country could fish in the coastal waters of any other members but, before joining the EEC on January 1, 1973, Britain negotiated an amendment to this principle. The result is that, for a 10-year period, only British vessels will have access to the whole of the British six-mile inner belt and to five specified areas in the six- to twelve-mile outer belt. The vessels of other countries which have historic rights in these areas of the outer belt may continue to fish there but are barred from operating within six miles of the British coastline. The inshore fishery, which accounts for 40 per cent of Britain's total catch, is therefore in a strong position and should continue to be so when the situation is reviewed in

1982, since the agreement reached in Brussels provided for the power of veto within the Council of Ministers and this could be used to counter any measures by other members that could adversely affect Britain's fisheries.

No agreement has yet been reached in the "cod war" with Iceland which began on September 1, 1972, when that country imposed a 50-mile fishing limit around its coast, and the long-term effects on Britain's deep-sea catch, more than 40 per cent of which comes from the Icelandic area, could be serious. The total landings from the Icelandic area for the first four months of 1973 showed a drop of 13 per cent below the comparable 1972 amount, but the British Trawlers' Federation estimate that the total for the year to August 31 will be only about 5,000 tons less than the 170,000 tons set by the International Court.

Imports — Imports of all fresh, frozen and cured fish and shellfish totalled 2.3 million cwt. in 1972, compared with 2.14 million cwt. in 1971. The fishing vessels of other nations are entitled to land their catches at British ports and the rise in the total quantity was largely caused by increased imports of fresh fish, particularly cod, herring and plaice. Imports of frozen fillets, which are brought mainly from Scandinavian countries and consist largely of cod, haddock and plaice, were less than in 1971.

In the category of fresh, chilled or frozen fish, the value of Canadian shipments in 1972 increased by $460,000. Imports from the two leading suppliers of these products, Norway and Denmark, were at much the same level as in 1971 but increased quantities came from the Republic of Ireland, the Netherlands, South Africa, Japan and the U.S.

Britain's total imports of fresh, frozen or cured shellfish rose appreciably in 1972 (see Table) but Canadian shipments to this market fell by 7,600 cwt. ($1 million), mainly because of the decline in supplies of pink shrimp *(Pandalus Borealis)*. This type of shrimp is classified as a prawn in Britain and prawns of all kinds make up two thirds of the total imports in this category. Pink shrimps, which are available from Norway and Canada, are regarded as being at the top end of the market, but other types of prawns from warmer waters readily find outlets here and supplies are imported from countries in the Caribbean, the Persian Gulf, and Indian Ocean and the South Pacific. In recent years Australia has become an increasingly important source of supply for frozen shellfish and in 1972 more than doubled the previous year's figure by shipping nearly 20,000 cwt. Although greater quantities of fresh, frozen or cured shellfish were imported from the Republic of Ireland and Norway, the value of the Australian shipments, $4.5 million, was the highest recorded in 1972. In that year imports from the U.S. rose by 50 per cent to 12,000 cwt., almost exactly the same amount which Canada had supplied in 1971.

Imports of canned and preserved fish and shellfish are also rising and in 1972 amounted to 1.5 million cwt., compared with 1.3 million cwt. in the previous year, mainly because of larger shipments of pilchards from South Africa and South West Africa. It is in this category that Canada makes the greatest impact on the British market, accounting for nearly 20 per cent of the total value of imports, and almost entirely with canned salmon.

Britain is a leading outlet for this product and in 1972 imported nearly 660,000 cwt. valued at more than $75 million. Since this is a traditional market for us, Canadian exporters have long-established connections and are fully aware of the difficulties of meeting the competition of the other principal suppliers, Japan, Russia and the U.S. Although Japanese shipments fell by 56,000 cwt. in 1972, they were almost double the Canadian figure of 163,000 cwt., which was worth $18.9 million, only $2 million above the amount received by U.S. figure was 56,000 cwt. Russia's share is much smaller, 43,000 cwt. in 1972, and has varied considerably in recent years.

The demand for other canned fish products, particularly the cheaper varieties, is also increasing. Imports of pilchards rose by more than 200,000 cwt. in 1972, and amounted to 330,000 cwt. ($10.5 million). Imports of sardines rose to 140,000 cwt. ($7.5 million) and of tuna, a species not as popular in Britain as in western Europe, to 65,000 cwt. ($4.5 million). Canned brisling and herring were imported on a slightly reduced scale but canned mackerel, most of which comes from Japan, increased from an insignificant amount to 66,000 cwt., valued at $1.5 million. Imports of sild, a variety which by British definition includes the sardines shipped from Canada and Norway, increased by 3,000 cwt. to 12,500 cwt. and were valued at $634,000.

Canned and bottled shellfish seem to be even more influenced by price and the supply position than are other fish products. Imports of canned prawns in 1972 fell by 20 per cent to 12,000 cwt. but canned shrimps rose from 21,800 cwt. to 24,500 cwt. Canned crab, which showed a large increase to 13,800 cwt. in 1971, mainly as a result of the efforts made by Canadian exporters, declined by 2,200 cwt. Because of the price, the British market for canned lobster had shrunk out of statistical sight, but in 1972 imports of this product showed a modest improvement in 1,800 cwt. valued at $386,000.

Britain is also a leading market for fish byproducts. In 1972 imports of fish meal rose by 58,000 metric tons to 359,000, valued at $73 million. Of this total, herring meal accounted for 191,000 tons and all other types of fish meal for 168,000 tons. Increased shipments were brought in from all the principal suppliers except Canada, which showed a decline from 16,500 tons and $3.6 million. Norway and Denmark retained their positions as leading suppliers, with 91,500 and 89,200 tons respectively.

Britain normally imports a comparatively small amount from the largest producer, Peru, but supplies from that source also rose in 1972, from 2,600 to 4,200 tons. The growth of the fish meal industry in Bermuda in recent years is shown by the increase in shipments to Britain, from a negligible amount in 1970, they amounted to 25,000 tons in 1971 and 32,000 tons in 1972.

Canada was responsible for only 1 per cent of the value of imports of fish and marine mammal oils last year, which totalled $31 million ($47 million in 1971). The reduced trade reflected the world shortage and smaller quantities were imported from all countries except Peru. Norway continued to be the principal supplier, followed by Peru, Denmark and South West Africa. No whale oil (other than sperm oil) had been listed in 1971 but imports in 1972 amounted to 17,500 cwt. Imports of unrefined sperm oil fell from 226,000 cwt. to 152,000 cwt. and herring oil, the principal product in this group, decreased from 1.6 million cwt. to 945,000 cwt. The combined quantities of all other fish oils, however, rose from 1.9 million cwt. to nearly 2.6 million cwt.

Market Prospects — It seems likely that Britain will have to depend, to an increasing extent, on other countries for supplies of a wide selection of fish products, and Canadian producers are in a good position to make up the deficiencies. Many British importers are already handling a number of Canadian products and tend to look to Canada first when local or Scandinavian supplies of other varieties are not enough to meet a growing demand.

Fish prices generally have risen sharply in the last two years and if supplies are available from Canada, this should make it worthwhile for our exporters to investigate a market of this size. The varieties of fish mentioned in this article will show the wide range of products in demand and, in addition to the products already being shipped in quantity from the Atlantic and Pacific coasts, there are promising prospects for a number of specialized lines, including eels (both live and frozen), dogfish, and shellfish such as mussels and oysters.

The Commonwealth Preference system under which Canadian fish products enter Britain free of duty will be eliminated by stages between January 1, 1974, and July 1, 1977, in which period the gradual transition to the Common Customs Tariff of the EEC will be accomplished. The first stage will impose a duty of 40 per cent of the full rate and subsequent stages will increase the proportion until the full rate, which varies according to the product, is reached in 1977. The full effect of this cannot be foreseen but it will undoubtedly make the task more difficult for our exporters.□

British Imports of Fish and Fish Products, 1972

	From Canada	Total Imports
	$'000	
Fresh, chilled or frozen	5,789	78,934
Salted, dreid or smoked	–	1,579
Shellfish (fresh)	766	25,397
Prepared or preserved	20,141	107,508
Shellfish (canned or bottled)	1,159	17,820
Fish meal	2,952	73,277
Fish oils	314	31,543
	31,121	**336,058**

More Help for Small Businesses

The romance of getting together for export

The Department of Industry, Trade and Commerce is offering a new kind of financial assistance to encourage medium-size and smaller companies to get into exporting.

The scheme is being managed under a new section of the Department's Program for Export Market Development and is designed to help firms set up product-oriented export marketing consortia by sharing the costs, on a repayable basis, for establishing and operating the consortia.

According to Department officials, the Program for Export Market Development has had gratifying results but they believe more of Canada's smaller firms could be exporting. There are 29,000 manufacturing companies in Canada — only 7,300 of them are registered in the Department's *Exporters Directory* and many of these are not continuing or substantial exporters.

Expansion of exports depends in part on attracting a greater number of qualified companies to venture into export markets. But many medium or smaller-size companies are inhibited by the cost of doing so.

Studies were made of the use of middlemen facilities such as trading companies and consortia as possible ways of inducing more companies to export their products. During these studies it became obvious, when a comparison was made with other major exporting countries, that, with the possible exception of primary and semi-processed trade, there were gaps in the facilities available to Canadian manufacturers for penetrating and exploiting world markets.

Earlier this year an addition was made to Section B of the Program for Export Market Development. Section B provides cost-sharing assistance for market identification and marketing adjustment for manufacturers and it was expanded to include established and qualified trading companies as well as manufacturers. It is still too early to make an assessment but five trading companies taking part in the plan are achieving encouraging results.

In addition to trading companies, product-oriented consortia were also considered as export tools. Some European countries have found this type of consortium invaluable in helping smaller manufacturing firms to enter world markets. Such consortia are operating in France, Belgium, Switzerland, the Netherlands, Austria, Norway and Denmark.

More than 100 export consortia are operating in France alone and they represent industrial sectors from farm equipment to lace and chocolates. In Belgium, groups such as the Belgian Metal Working Industries (Fabrimetal) are active in metalworking, chemicals, foods and textiles. Many of them have been developed by major Belgian trade associations.

The Swiss consortium, Biscoswiss, represents biscuit and sugar producers in export markets and about 500 Netherlands industrial arts firms use the Central organ for Arts and Crafts Makers as their agent. It appears that some countries provide grants to help consotia operate.

The primary and services sectors in Canada have generally recognized the value of group export marketing and there are a number of successful consortia serving producers of poultry, fish, sulpher, potash, lumber and honey, as well as engineering and design firms. These include Seaboard Lumber Sales, the Agro Company of Canada and Cansulex.

Department officials noted that many Canadian trade and industrial associations have discussed, from time to time, using export consortia and have expressed interest in seeing the Government take initiative in this area. But many of the companies that could benefit most from such export facilities do not have the resources to invest in initial consortia development costs.

Therefore, Section E of the Program for Export Market Development was established. Under this Section, the Department will share with groups of companies many of the costs incurred in feasibility study, formation and early operation of a consortium. Assistance is phased and takes the form of a repayable contribution covering up to one-half of the approved costs of setting up a consortium. Repayment is based on a percentage of the sales.

To be eligible for help, the companies must be: established and operating in Canada; manufacturing products with substantial Canadian content; able to demonstrate potential for significant increase in exports through consortia marketing. Normally, there should be at least five companies in any consortium.

Assistance is provided for a feasibility study, preparation of a marketing plan and establishment of the consortium's legal and financial bases.

If the feasibility study is favourable, assistance is provided to incorporate the group. Department officials are hopeful many companies will take advantage of the plan.

Some concern has been expressed about whether consortia will be eligible for Export Development Corporation financing or will be affected by combines legislation. But the Minister of Industry, Trade and Commerce, Alastair Gillespie, recently said; "EDC has made financing offers in the past for consortia and continues to be prepared to consider financing for consortia-organized projects, using the same criteria applied to other and long-term financing.

"The consortia program does not conflict, in principle, with the provisions of the Combines Investigation Act, which encourages agreements among competitors for export purposes only. Each application for assistance will be appraised as to its implications before it is approved."

For more information, contact the Special Projects Office, Department of Industry, Trade and Commerce, Ottawa K1A 0H5. ◻

Heating Up the Mid-Atlantic States

With demands for electricity doubling every decade, there is ample scope for Canadian equipment and for Canadian anti-pollution expertise.

EILEEN M. WOLF, Commercial Officer, Philadelphia

The mid-Atlantic region of the United States is one of the most heavily urbanized and industrialized parts of the country, though sparsely populated forest and agricultural areas still remain. The power needs of the 18 million people in the 100,000 square mile area are served by a dozen investor-owned utilities, 19 rural electric co-operatives and 37 municipal electric utilities. Five of the major utilities that have headquarters in the territory of this post — Philadelphia Electric Company, Virginia Electric and Power Company, Baltimore Gas and Electric Company, Pennsylvania Power and Light Company and Potomac Electric Power Company — are among the top 50 utilities in the most recent Fortune listings.

A variety of fuels — mostly different forms of oil and coal — are being used for electric power generation in the mid-Atlantic states. Depending on the fuel and the allowable maximum sulphur content, relative difficulties in procurement are being experienced. Every utility in this region is prepared, although not enthusiastically, to face price increases in their supplies. Many companies have hedged against fuel shortages by building or adjusting plants so as to enable them to burn more than one type. Recent federal legislation now prevents further conversion of facilities from coal to oil.

Depending on location, companies view nuclear energy as the power source of the future. Specifically, companies bordering the eastern coast where population is most dense seem committed to nuclear power in the future. Altantic City Electric Company, Delmarva Power Company (Wilmington, Delaware), Philadelphia Electric Company and Public Service Gas (a company servicing northern New Jersey) are participating in construction and ownership of additions to the nuclear generating station at Peach Bottom, Pennsylvania, and a new nuclear station in Salem County, New Jersey. Delmarva is also building its own nuclear plant — as are Virginia Electric Power, Pennsylvania Power and Light and Potomac Electric Power Company. In the early 1980's, Philadelphia Electric predicts that 70 per cent of its power will come from nuclear sources.

Inland, towards the Appalachians, where companies are located near the coal fields, nuclear energy is not expected to play a major role. Companies such as Potomac Edison, Appalachian Power and UGI's Luzerne Electric Division do not have the concentrated population demands of their counterparts to the east. These companies are seeking more efficient and cleaner ways to burn their coal resources.

If Canada has the knowhow, the time is ripe to demonstrate it.

Most utilities say it is difficult to plan the construction and operation of new generating plants because of the delays they are experiencing through the activities of environmental groups and government organizations. Common lead times quoted were six years for a fossil-fueled plant and ten years for nuclear stations, but this began to sound modest after talking to several utilities who had set their plans through the year 2000. Baltimore Gas and Electric's experience in trying to clear the way for a nuclear generating plant at Perryman, Maryland, reached such a point of frustration that the plans were dropped entirely. This company, however, is still convinced that nuclear power will become the major source of electric energy in the future.

It has become common practice for electric companies, large and small, to engage independent engineering consulting firms once they decide to expand their facilities. Among those most often referred to by the local utilities are Gilbert Associates, Bechtel Corporation, Booth Associates and United Engineers and Constructors, Incorporated. But there does not appear to be any set policy. Some utilities prefer a turn-key approach, and others the procurement of individual components. It is important that presentations of new developments in the utility industry be made to the consulting firm as well as to the electric utility.

Anti-pollution — As pollution control deadlines set by federal, state and municipal governments draw near, more and more is being spent in this area by the utilities. One rather costly answer has been to convert older coal-burning units to low-sulphur oil, or, in some cases, simply to shut down the plants completely. The maximum sulphur content allowed in most states is 1 per cent. By January of 1975, this will be reduced to 0.5 per cent in most parts of the mid-Atlantic territory (this requirement is already in effect in metropolitan areas such as Philadelphia and Baltimore). In certain sections of Maryland, some fuel with 2 per cent maximum sulphur content is still permitted, but this is a terminal situation.

Other answers to these problems include up-grading or replacement of fly-ash precipitators to reduce particulate discharge, and cleaning contracted-for coal and mixing it with low-sulphur coal to reduce ash and sulphur content.

It is evident, by talking to those concerned and seeing the amounts allocated for pollution controls and research, that the industry has a long way to go before it solves its problems. As a result, the utilities are extremely interested in looking at other countries' answers to these problems. If Canada has the know-how, the time is ripe to demonstrate it.

Buy America — For a number of years, foreign firms had great difficulty selling to certain segments of the United States because of a strong "buy America" policy. However, in recent years this policy has become a mere formality. When a utility becomes interested in specific foreign equipment, it becomes easy to prove its merits over what is offered by a domestic supplier. Not one company we have talked to provided an example of an off-shore supplier being turned down specifically because of a "buy America" clause. However, the off-shore supplier is competing with U.S. companies who are actively marketing their products on familiar territory.

It is essential to make frequent calls on the purchasing departments.

It is essential for a Canadian company wanting to penetrate this market to make frequent calls on the purchasing departments of the individual utilities. Perhaps the best approach is to align one's company (or product) with a local U.S. sales representative who is already well known to the electric utilities in a given locale. Canadian companies already following these routes are doing well in the mid-Atlantic market. The key to success, if a product is of competitive quality and price, is the actual sales call.

In summary, the prospects for Canadian suppliers to the electric power industry are wide open. The potential market for Canadian equipment in the mid-Atlantic states is substantial and growing. A conservative estimate would set the spending by the electric utilities for pollution equipment alone at more than $150 million a year. The purchasing policies of the companies in question have never been more opportune for Canadian products. □

LAFTA's New Officers

The Latin American Free Trade Association (LAFTA) has elected three new officers for the Permanent Executive Committee, all chiefs of their country delegations. Delfin Ugarte Centurion of Paraguay has been elected president, and Mario Antonio Cadenas Madariaga of Argentina and Julio Zamora Batiz of Mexico have been elected vice-presidents.

The Committee, composed of the permanent representatives of the 11 member countries, studies, suggests measures and submits recommendations for the effective implementation of the Montevideo Treaty; requests technical advice from individuals, national and international organizations; and represents the Association in dealings with other countries and international organizations that are of common interest — Buenos Aires

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◀ **The arrow beside an office address or territory listing indicates that there has been a change since the directory was last published.**

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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 November 7. Because of unsettled market conditions exporters should consult their bankers for up-to-date quotations.

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Algeria		
Dinar	.2380	4.20
Arab Republic of Egypt		
Pound (official)	2.5515	.39
Argentina		
Peso (financial)	.1000	10.00
(commercial)	.1997	5.01
Australia		
Dollar	1.4858	.67
Austria		
Schilling	.0533	18.76
Bahamas		
Dollar	.9984	1.00
Belgium and Luxembourg		
Franc	.0264	37.88
Bermuda		
Dollar	1.0397	.96
Bolivia		
Peso	.0499	20.04
Brazil		
Cruzeiro (official free)	.1637	6.11
Britain		
Pound	2.4196	.41
British Honduras		
Dollar	.6078	1.64
Burma		
Kyat	.2074	4.82
Chile		
Escudo (bank rate)		
(free)	N.A.[10]	
China, People's Republic of		
Yuan	.4188	2.39
Colombia		
Peso (fixed)	.0417	23.98
Costa Rica		
Colon	.1505	6.64
Cuba		
Peso	N.A.[10]	
Czechoslovakia		
Koruna (fixed basic rate)	N.A.[10]	
Denmark		
Krone	.1692	5.91
Dominican Republic		
Peso	.9984	1.00
Ecuador		
Sumre (official)	.0399	25.06
El Salvador		
Colon	.3994	2.50
Fiji		
Dollar	1.2870	.78
Finland		
Markka	.2669	3.75
France, Monaco, etc.[1]		
Franc	.2316	4.32
French Pacific[2]		
Franc	.0130	76.92
Franco-African Republics[3]		
Franc	.0046	217.39
Germany		
D Mark	.3923	2.55
Ghana		
New Cedi	.8652	1.16
Greece		
Drachma	.0369	27.10
Guatemala		
Quetzal	.9984	1.00
Guyana		
Dollar	.4444	2.25
Haiti		
Gourde	.1997	5.01
Honduras		
Lempira	.4992	2.00
Hong Kong		
Dollar	.1963	5.09
Hungary		
Forint (official)	.0869	11.51
Iceland		
Krona (official)	.0112	89.29
India		
Rupee	.1303	7.67
Indonesia		
Rupiah	.0024	410.00
Iran		
Rial	.0134	74.63
Iraq		
Dinar	3.3717	.30
Ireland		
Pound	2.4196	.41

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Israel Pound	.2377	4.21
Italy Lira	.0017	588.24
Jamaica Dollar	1.0982	.91
Japan Yen	.0036	277.77
Kenya[4] Shilling	.1379	7.25
Korea, Republic of Won	.0027	370.37
Lebanon Pound (free)	N.A.[10]	
Libya Dinar	2.777	.36
Malawi Kwatcha	1.2280	.81
Malaysia Dollar	.4422	2.26
Mexico Peso	.0799	12.52
Morocco Dirham	.2380	4.20
Netherlands Florin	.3803	2.63
Netherlands Antilles Florin	.5578	1.79
New Zealand Dollar	1.4873	.67
Nicaragua Cordoba	.1426	7.01
Nigeria Naira	1.4700	.68
Norway Krone	.1771	5.65
Pakistan Rupee	.1008	9.92
Panama Balboa	.9984	1.00
Paraguay Guarani (free)	.0080	125.00
Peru Sol (free)	N.A.[10]	

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Philippines[5] Peso (free)	.1490	6.71
Poland Zloty (fixed basic rate)	.2577	3.88
Portugal & Overseas Provinces[6] Escudo	.0393	25.45
Saudi Arabia Riyal	.2273	4.40
Sierra Leone Leone	1.2371	.81
Singapore Dollar	.3358	2.98
South Africa Rand	1.4876	.67
Spain & Dependencies Peseta	.0175	57.14
Sri Lanka[7] Rupee	.1551	6.45
Sweden Krona	.2340	4.27
Switzerland Franc	.3208	3.12
Syria Pound (free)	.2711	3.69
Thailand Baht (free)	.0501	19.96
Trinidad & Tobago[8] Dollar	.5041	1.98
Tunisia Dinar	2.2937	.44
Turkey Lira	.0713	14.03
United States Dollar	.9984	1.00
Uruguay Peso (free)	.0011	909.09
Venezuela Bolivar (official free)	.2330	4.29
Yugoslavia Dinar (official)		N.A.[10]
Zaire, Republic of[9] Zaire	1.961	.51
Zambia Kwacha	1.3893	.72

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

2. New Caledonia, New Hebrides, French Polynesia.

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

4. Rate also applies to Tanzania and Uganda.

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

6. Approximately same for Portuguese territories in Africa.

7. Formerly Ceylon.

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

9. Formerly Congo (Kinshasa).

10. Rates not available at press time.

Wanted: Manufacturers

This information is intended to promote additional manufacturing in Canada. Further material on items listed is for prospective Canadian manufacturers only. No responsibility is assumed for claims or statements made. Address inquiries, quoting item numbers, to: Industrial and Trade Enquiries Division, Department of Industry, Trade and Commerce, Ottawa K1A OH5.

Flexible Tubing

German company seeks to licence a Canadian firm to manufacture its flexible tubing and hoses which are used mainly as air ducts in air conditioning, ventilating and extracting systems. Four types of tubing are available: flexible, semi-flexible, heat insulated and sound absorbing. They are made of various combinations of materials, including aluminum, PVC, fiber glass and fabric. It is claimed that considerable reduction in installation costs can be achieved due to the substantial reduction of the installation time. Literature available. **Item 2936**

Incinerators

American company offers under licence the Canadian manufacturing rights to its line of incinerators for disposing of commercial, industrial, institutional and pathological wastes. These units are constructed of 10 gauge steel and are lined with firebrick and insulation. The incinerators are equipped with a gas or oil burner, blower, stack, stainless steel stack screen and time controls. They are claimed to eliminate the problems of smoke, odours and fly ash which normally accompany incineration. Total combustion reduces ordinary waste to one-five hundredth of its original volume. Literature available. **Item 2937**

Insulating panels

French company offers under licence the Canadian manufacturing rights to its insulating panels comprised of exterior plywood covered with fibreglass and polyester resins. These panels are used in the manufacture of containers, trailers and truck bodies; in construction they are used for framing concrete, as curtain walls, and in the manufacture of prefabricated units. Literature available. **Item 2938**

Semi-precast reinforced concrete floors

Austrian firm offers the Canadian rights to manufacture under licence or joint venture its semi-precast reinforced concrete floors which have as a basic element a specially designed lightweight steel girder. The tensile strength of the steel gives a minimum proof stress of 71,100 lbs. per sq. in. The floors are composite structures consisting of precast planks which incorporate the lightweight steel girders; infiller concrete elements with a minimum breaking strength of 660 pounds for a 9" long block; and in-situ concrete. The floors, available in hollow rib or solid form, are claimed to have the advantages of prefabrication and reinforced concrete without the heavy weight of fully prefabricated floor slabs. Literature available. **Item 2939**

Concrete duct girders

Romanian company is offering under licence to a Canadian firm its new technology for manufacturing prestressed precast concrete duct girders. These prefabricated girders are used as the main structural members in industrial building construction. The girder is assembled and prestressed on the site, then lifted onto columns with the aid of a crane. The girders are made up on concrete panels which are assembled in such a manner as to form a central void which is used as an air conditioning duct. The duct girders eliminate the need for a false ceiling which is otherwise required for installing air conditioning ducting. Literature available. **Item 2940**

Construction system

American company is offering under licence to a Canadian firm, its technology for producing low cost building units. These units consist of circular concrete building shells erected on pedestal or slab floors. The exterior walls, floor and roof are made entirely of high strength, steel reinforced concrete poured on site in polystyrene fiber glass reinforced forms. Except for optional trim and decoration, exterior requires no maintenance. It is claimed that the reinforced concrete shell is virtually indestructible, fireproof, termiteproof, weather proof. Literature available. **Item 2941**

Data input keyboards

American company offers the opportunity to manufacture in Canada its solid-state date input keyboards. These keyboards are a family of solid-state, low profile system modules designed for use in computer terminals, key to tape, disc and cassette teletype printers, reservations systems, and the other computer systems requiring data input. The patented key-switch device consists of a key assembly operating in conjunction with the printed circuit board. The new switch has no contacting parts to wear or bounce and passes a negligible amount of current. It has the added feature of a high signal-to-noise ratio. Advantages of these keyboards include low cost, high reliability, light weight, low power drain and rugged construction. Literature available. **Item 2942**

Safety ski binding

Austrian inventor is offering the Canadian manufacturing rights to his patented safety ski binding designed for automatic safe release at time of a fall or accident. Among the advantages claimed are: multi-directional release at the point of danger (heel) in any forced direction; automatic height adjustment at front clamp; high quality plastic parts ensuring self-lubrication of moving parts and prevention of icing; and light weight. Marketing rights for the United States and other areas would be available to the Canadian licensee. Literature available. **Item 2943**

Test instruments

Swiss firm is interested in having its radiotelephone test instruments manufactured under licence in Canada. One of these instruments is a universal test set designed for testing all kinds of transceivers and tone calling systems in the full frequency range of 20 - 500 MHz including both amplitude and frequency modulation. The set incorporates a single generator, output meter, AM and FM modulation meter, LF millivoltmeter, spectrum generator, and a frequency counter up to 500 MHz with a sensitivity of 10 mV. In addition to the test set, high power alarm sirens and radiotelephone equipment are available for licensing. Literature available. **Item 2944**

Mist eliminators and fillings

German firm seeks a Canadian company to manufacture under licence its equipment for eliminating mist from flowing gases and its plastic fillings for use in heat and mass exchange processes. The mist eliminators are designed for use in cooling towers, process equipment, etc. It is claimed that this company's range of equipment solves nearly all mist elimination problems. The plastic fillings are functional elements for use in cooling towers, gas washers and humidifying plants. The fillings are inert against moisture and corrosion and have low susceptibility to encrustation. Literature available. **Item 2945**

Weaving mill

Swiss firm offers under licence the

Canadian manufacturing rights to its weaving mill which incorporates a liftable, noise protecting, air conditioning hood. Claimed advantages include individual air conditioning with lower air quantity requirement; better control of lint and dust thereby reducing cleaning required; increased output; fewer personnel due to minimum warp breaks; and improved working conditions due to a lower noise level, lower humidity level in the mill, elimination of lint and dust, etc. Literature available. **Item 2946**

Rubber textile tape

American company is interested in having its live rubber textile tape manufactured under licence in Canada. This rubber stripping can be utilized in garment manufacturing where an elastic web or braid is normally used. The product is claimed to be more economical and to offer performance advantages such as improved fit and comfort and long life when compared with thread elastics or braids. Applications include baby pants, men's, women's and children's underpants, ironing board covers, fitted sheets and sportswear. Literature available. **Item 2947**

Bearing puller and replacer

Canadian inventor offers the outright sale of his patent covering a bearing puller and replacer. The device consists of a pair of jaws with extension bolts and cross bolts, the latter to hold the jaws in place. To pull a bearing the jaws are hooked under its edge and a plate engages the bolts at the end of the shaft. A centering pin is inserted through the plate into the shaft end. Nuts are then tightened on the extension bolts and the bearing is pulled out. To replace it, the jaws are hooked over the edge of a fixed element on the shaft beyond the bearing and another plate with a hole to slide on the shaft is inserted on the extension bolts. When the nuts are tightened, the plate pushes the bearing into place. Literature available. **Item 2948**

Sanitation device

Canadian inventor seeks licensing arrangement with a Canadian firm to manufacture his sanitation device designed for collecting droppings of animals such as dogs. This portable device consists of a holder for a disposable bag and a long handle fixed to one side of the holder. The holder is equipped with a lid which can be opened and closed by a flicking motion of the handle. With this device, which is constructed of aluminum and weighs only 12 ounces, the inventor claims that droppings can be easily collected in a sanitary manner. The bag can be disposed of without being touched by the user's hands. Literature available. **Item 2949**

Honey for diabetics

Swiss inventor is in search of a Canadian company to produce under licence his honey for diabetics. This new product contains pure honey and may be safely eaten by a diabetic in normal daily quantities. In form and taste, the product is hardly distinguishable from genuine bees' honey. It may be used in cooking and baking, and serves as a basis for other products helpful to diabetics or persons restricted to a diet. Literature available. **Item 2950**

Foreign Tariffs and Trade Regulations

Brazil

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

Resolution 1792 of September 10, 1973 reduces the duty for six months on the following products: Nylon and similar yarn not put up for retail sale (tariff heading 51.01.01.03) from 55 per cent to 10 per cent. Not applicable in the case of texturized nylon yarn. Rayon acetate yarn (tariff heading 51.01.02.03) from 55 per cent to five per cent. Not applicable in the face of texturized rayon acetate yarn. Nylon fiber (tariff heading 56.01-.01.01) from 55 per cent to 25 per cent. Polyester fiber (tariff heading 56.01.01-.02) from 55 per cent to 25 per cent. Acrylic continuous filament tow (tariff heading 56.02.01.04) from 55 per cent to 20 per cent. Polyester wicks (tariff heading 56.04.01.02) from 55 per cent to 25 per cent. Acrylic wicks (tariff heading 56.04.01.04) from 55 per cent to 20 per cent.

Resolution 1795 of September 11, 1973 establishes a duty of 105 per cent on aerated rose wine, with certificate of origin and quality issued by a state organization of the exporting countries (tariff heading 22.05.01.99).

Resolution 1796 exempts from duty a quota of 4000 metric tons of powdered whole milk with 26 per cent of the fat matter (spray) intended for Compania Brasileira de Alimentos (tariff heading 04.02.02.01).

Resolution 1797 of September 19, 1973 reduces the duty from 55 per cent to 5 per cent for six months on kraft type paperboard, natural, unbleached, weighing 250 to 550 g/m². A certificate of guarantee as to type and specifications is required (tariff heading 48.04.99.00).

Resolution 1798 exempts from duty a quota of 18 metric tons of hardening agents (catalysts), a quota of 1000 metric tons of other catalysts (tariff heading 38.19.14.00 and 38.19.15.99), a quota of 90 metric tons of phenolic resins in liquid or paste forms (tariff heading 39.01.01.01), a quota of 2900 metric tons of phenolic resin in powders, granules, lump forms (tariff heading 39.01.02.01) and a quota of 72 metric tons of other phenolic resins (tariff heading 39.01.02.99).

Resolution 1799. exempts from duty for six months pharmaceutical glycerin (tariff heading 15.11.02.00).

Resolution 1800 of September 19, 1973 exempts from duty a quota of 1000 metric tons of Sorbital (tariff item 29.04.35.00). The Council will inform Customs offices where imports may be processed, what quantities and which parties qualify for exemption.

Resolution 1801 exempts from duty a quota of 20,000 metric tons of primary aluminum and its alloys (tariff heading 76.01.01.00).

Resolution 1802 of September 19, 1973 reduces the duty from 30 per cent to 5 per cent for 180 days on Zamac type zinc alloys (tariff heading 79.01.03.00).

Resolution 1803 of September 19, 1973 exempts from duty for 24 months certain goods falling within the following tariff headings without national similar which are included in programs to establish, expand, and re-equip hospitals, sanatoria, specialized medical clinics and similar establishments. 70.17.03.99; 90.10.05.00; 90.11.00.00; 90.15.99.00; 90.17.07.00; 90.17.13.00; 90.17.34.00; 90.17.39.00; 90.17.72.00; 90.17.99.99; 90.19.05.00; 90.19.06.00; 90.20.01.01; 90.20.01.02; 90.20.01.99; 90.20.02.00; 90.20.04.01; 90.20.04.02; 90.20.04.03; 90.20.04.99; 90.20.05.00; 90.20.07.01; 90.20.08.00; 90.20.97.00; 90.25.01.00; 90.25.03.00; 90.25.12.00; 90.25.99.00; 90.25.00.00; 90.28.03.00; 90.28.90.00; 90.28.99.00.

Resolution 1804 exempts from duty for 24 months certain agricultural equipment falling within the following tariff headings without national similar when imported directly by the user or consigned to him. 73.22.00.00; 84.21.01.00; 84.24.13.00; 84.24.14.00; 84.24.99.99; 84.25.01.01; 84.25.01.99; 84.25.04.01; 84.25.99.00; 84.49.99.00; 87.14.06.99; 87.14.99.00; 87.14.99.00; 88.03.99.00.

Resolution 1805 exempts from duty certain types of agricultural tractors if imported directly or consigned to user. The exemption will be granted by the Customs Policy Council's Executive Secretary (tariff heading 87.01.01.00).

Resolution 1814 of September 16, 1973 reduces the duty from 85 per cent to 15 per cent for six months on tires, for motor-lorries, motor-buses and motor vans, size 7.50 x 15 type SN - "Cinturato" 16 ply and inner tubes type 43Z15 (tariff headings 40.11.01.02 and 40.11.02.00).

Resolution 1815 exempts from duty for one year light naphtha for use in the manufacture of combustible gas for domestic purposes (tariff heading 27.10-.99.03).

Resolution 1817 exempts from duty strips and plates or sheets of silicon steel, in rolls, cold-rolled, non-oriented grain, insulated on one or both sides, of thicknesses from 0.5 to 0.6 mm, in accordance with Resolution 1670, if necessity of use is proved to the Industrial Development Committee and fiscal benefit is requested to the Council by the importer's class association as required by Resolution 1756 (tariff headings 73.15.12.99 and 73.15.15.03).

Resolution 1818 of September 28, 1973 reduces the duty from 55 per cent to 10 per cent on polytetrafluorethylene, PTFE (tariff heading 39.02.02.99).

Resolution 1819 exempts from duty for one year tricalcium phosphate (tariff heading 28.40.33.00) and vitamin A in form of oil, liquid and fat-soluble (tariff heading 29.38.04.01) for the production of vitamin A and A/D in powder.

Resolution 1826 reduces the duty from 55 per cent to 25 per cent for one year on special polyols for the manufacture of polyurethane micro-cellular structure foams (tariff heading 38.19.27.00).

Resolution 1829 reduces the duty from 30 per cent to 5 per cent for one year on di-electric paper for condensers, weighing up to 20 g/m² (tariff headings 48.01.01.06 and 48.05.09.00).

Resolution 1830 extends for one year Resolution 1050 raising the duty from 15 per cent to 45 per cent. The duty is reduced to 5 per cent for importers who purchase two tons of national product for each ton of imported material (tariff heading 28.38.31.00).

Resolution 1831 of September 28, 1973 exempts from duty for one year epsilon - caprolactam (tariff heading 29.35.48-.01).

Resolution 1832 extends for 24 months Resolution 1017 raising the duty from 30 per cent to 55 per cent on epoxide resins (tariff headings 39.01.02.08 and 39.01-01.07).

Resolution 1834 extends for one year the reduction in duty from 15 per cent to zero established by Resolution 1359 on Bisphenol A and Epicholorhydrin (tariff headings 29.06.99.00 and 29.09.01.00).

Resolution 1839 exempts from duty until June 30, 1974 Styrene (vinylbenzene, styrolene, styrol, styrene monomer) (tariff heading 29.01.35.00; and polystyrene (tariff heading 39.02.02.03).

Resolution 1887 extends until December 31, 1974 the exemption from duty on meat of beef and veal, fresh, chilled or frozen (tariff headings 02.01.01.00 and 01.02.01.00) and livers (tariff heading 02.02.12.00).

Malaysia

Importing tubes and pipe fittings of iron or steel, other than of cast iron, of less than six inches in diameter is now subject to specific licensing and quantitative restriction in the principal customs areas of the States of Malaya and Penang Island. This became effective, October 18, 1973.

South Africa

On November 16 the South African Government announced its first round of its 1974 Import Control System. The second round will be considered in May, 1974. The first round is set at a level of 60 per cent of the 1973 allocations. This 60 per cent level applies to four quota groups namely consumer goods, clothing, confectionery and alcoholic beverages.

The announcement added 51 items to the "Free" list including supplies for the printing trade, silk and other textile specialties, some sporting equipment and agricultural items including dairy machinery, cream separators and beekeeping machinery.

In addition, thirteen items have been removed from Paragraph 4 (the list of specific licence items), and these will be added to either Paragraph 2 (list of items for which imports will be allowed to meet full reasonable requirements) or Paragraph 3 (products subject to import quotas). Of the thirteen items affected, those that appear to be of interest to Canada include: rubber transmission belts; printing and writing paper, in rolls or sheets; wrought iron or steel pipes and tubes; light-weight coupling pipes; cables, cordage and ropes, aluminum serrated saw banding; trowels; conveyors and parts; concrete mixers.

It was emphasized that these relaxations of import controls would in no way detract from the undertaking given to domestic manufacturers that protection would be provided them if they were to submit a valid case. Further information on the above is available from the Africa Division, Pacific, Asia and Africa Bureau, Department of Industry, Trade and Commerce, Ottawa, Ontario.

United States

On October 17, 1973, the United States Food and Drug Administration announced that the designation of ingredients was to be required on all cosmetic packages. Cosmetic labelling ordered after March 31, 1974, and all cosmetic products labelled after March 31, 1975, must comply with the new requirement. Details are available from the United States Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa K1A 0H5.

Venezuela

The Venezuelan Customs Administration has announced that according to the regulations to the Customs Law, commercial invoices must be submitted to the Venezuelan Customs Authorities in the Spanish language or translated into Spanish.

This requirement which was established with the introduction of the new Customs Law and the new Customs Tariff, has not been enforced to date in order to simplify the transition from the former to the present customs procedures. However, it will be enforced after January 1, 1974 and any failure to comply with this requirement will be subject to fines.

Correction

On page 33 of the August issue of Canada Commerce there is an erroneous reference to a letter of exchange to be used when shipping to Guatemala.

In fact, there is no such thing. The document to use to avoid fines for incorrect documentation is a **Bill of Exchange,** and is an *essential* document for making shipments to Guatemala. For more information contact the Commercial Attache, Canadian Embassy, Apartado 400 Edificio Etisa, Plazuela Espana, 7a Avenida 12-19, Zone 9, Guatemala City, Guatemala, C.A.

International Projects

COLOMBIA — ELECTRIC POWER

The Inter-American Bank has approved two loans totaling $6.9 million to expand and improve the electric power systems of the Departments of Caldas, Risaralda and Quindio in west-central Colombia. The borrower is Central Hidroeléctrica de Caldas, S.A. (CHEC) an autonomous electric power company which provides 85 per cent of the electricity used by the three departments.

Execution of the project will increase by about 100 million kilowatt-hours the present power generating capacity of CHEC, as well as improve its operation and extend its services to several rural areas within its jurisdiction, which comprises one-third of the nation's coffee crops.

The project will cost an estimated $13.2 million, of which the Bank loans will provide 52.4 per cent, CHEC 29 per cent and the Coffee Committees of Caldas and Risaralda, the Department of Caldas and the Colombian Electric Power Institute (ICEL) the remaining 18.6 per cent.

The project will enable the CHEC to cover the electric power needs of the 1.8 million inhabitants of those three Departments until 1977. It is estimated that the consumption in the area served by CHEC, which amounted to 482 million kilowatt-hours in 1972, will rise to 560 million kilowatt-hours by 1977.

Implementing Organization: Central Hidroeléctrica de Caldas, S.A. (CHEC).

Procurement: International public bidding among member countries of the Bank on imported goods and services purchased with the resources of the Fund for Special Operations. International public bidding among eligible member countries of the Bank and non-member countries on imported goods and services purchased with ordinary capital resources. National public bidding on goods purchased locally.

Goods and Services: Contracting of civil works, construction of substations and installations of transmission and distribution lines; hiring of consultants for the design and administration of the generating works; purchase of pipes and other materials for canals and water distribution tunnels, dam gates, turbines, generators, conduits, switches, transformers, transformer components, transmission and distribution lines, insulators, vehicles and communications equipment.

DOMINICAN REPUBLIC WATER SUPPLY

The Inter-American Bank has approved an $18.6 million loan to help expand and improve the water supply system of Santo Domingo, capital of the Dominican Republic.

The loan will be used by the *Corporación del Acueducto y Alcantarillado de Santo Domingo (CAASD)*, a public agency charged with construction and maintenance of the city water and sewage system. The resources of the Bank loan will help execute the first stage of a master plan designed to satisfy the city's water and sewage requirements up to the year 2000 when the estimated population of Santo Domingo will be 2.6 million, and to prepare studies of a second stage.

The total cost of the project is estimated at $23.3 million, of which the Bank loan will cover 8 per cent and the Dominican Government the remaining 20 per cent.

Implementing Organization: *Corporación del Acueducto y Alcantarillado de Santo Domingo (CAASD).*

Procurement: International public bidding among eligible member countries of the Bank for the purchase of goods and services covered by resources of the Bank loan. National public bidding on domestic purchases.

Goods and Services: The drilling of 18 wells, the construction of 30 miles of water mains, of 2.8 miles of primary distribution lines and of five storage tanks; the acquisition of 20,000 water meters and the financing of house sewer connections, and the contracting of consultants to help CAASD organize and strengthen administrative and technical procedures and prepare studies and designs for the second stage of the Santo Domingo master plan.

ECUADOR — ANIMAL HEALTH

The Inter-American Bank has approved a $5.6 million loan to help Ecuador execute the first stage of a program to control and eventually eradicate foot-and-mouth disease in cattle. The loan is the eighth the Bank has made since it embarked on a campaign in 1968 to help its member countries in South America to eliminate foot-and-mouth disease from the continent. The Bank has previously made loans for similar efforts in Argentina, Brazil, Chile, Colombia, Paraguay, Peru and Venezuela which total $58.1 million.

The loan, which was extended to the Republic of Ecuador, will be used by the Ministry of Agriculture and Livestock (MAL) to vaccinate 80 per cent of the national cattle population by the fourth year, to train personnel needed for the project and to improve the country's institutional and statistical base for combating the disease.

The total cost of the project is estimated at $8.8 million, of which the Bank loan will cover 63.3 per cent and the Ecuadoran Government the remaining 36.7 per cent.

Implementing Organization: The Ministry of Agriculture and Livestock (MAL), Quito.

Procurement: International public bidding among eligible member countries of the Bank on imported goods and services covered by resources of the Bank loan as well as on the purchase of specific goods and services of local origin with a cumulative value of $1,655,000. National public bidding on domestic purchases.

Goods and Services: The acquisition of laboratory equipment, quarantine station and control posts equipment, vehicles, laboratory materials and office equipment; the construction of veterinary laboratories and quarantine station and control posts and the contracting of seven international consultants to work with Ecuadoran officials in execution of the program, and the granting of 15 international scholarships to local officials for study in the area of animal health and campaign administration.

WESTERN AFRICA — DROUGHT RELIEF

The International Development Association, an affiliate of the World Bank, has approved six development credits totaling $14 million to help finance a project for drought relief in the Sahelian countries of Western Africa. Individual credits will be to the Republic of Chad for $2 million, to the Republic of Mali for $2.5 million, to the Republic of Mauritania for $2.5 million, to the Republic of Niger for $2 million, to the Republic of Senegal for $3 million and to the Republic of Upper Volta for $2 million.

The project aims at helping people in drought-affected areas to re-establish their self-sufficiency through re-development and improvement of their farms and herds. With this objective in mind, IDA will extend lines of credit to each of the six countries for the purpose of implementing sub-projects. There will be no limitation on the type of activity or sub-project, provided they meet the following basic criteria: be of a drought-alleviating nature; help restore the productive base of areas seriously affected by the drought; generate benefits quickly; benefit a relatively large number of people; be demonstrably needed and supported by the local community.

The sub-projects are likely to fall within 10 broad categories: 1) rural water supplies and stock water supplies; 2) construction of wells and tube wells as well as earth dams and dugouts; 3) hydrogeological investigations; 4) land and water development; 5) livestock disease control; 6) afforestation and firebreaks; 7) village warehouses and grain storage facilities; 8) technical assistance, surveys and studies; 9) project management and 10) repair of feeder roads.

Government development banks will be chosen in five of the six countries as the agencies responsible for financial administration of the IDA credits. In the sixth country, Mauritania, the government's fiscal disbursement and audit agency will act as financial channel.

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.

Equipment and Machinery

ALGERIA — Equipment for manufacturing fabrics from textile waste (tenders close Feb. 14): Commercial Secretary, Canadian Embassy, Boite Postale 225, Grande Poste Algiers.

Radiology, surgical, sterilization, and other medical equipment: see above address.

GHANA — Valves, couplings, and pipe accessories: Commercial Secretary for Canada, PO Box 851, Lagos, Nigeria.

POLAND — Machinery for applying concrete strips and curbs; machinery to bind parcels and boxes with adhesive tape and steel tape or strips: Commercial Secretary, Canadian Embassy, Matejki 1/5, Srodmiescie, Warsaw.

SPAIN — All types of saws and other tree-felling equipment: Commercial Counsellor, Canadian Embassy, Apartado 117, 35, Nunez de Balboa, Madrid.

Fully-automated brewery equipment: see above address.

SWEDEN — Small marine propellors for aquamatic outboard drive and inboard drive (aluminum or bronze): Commercial Secretary, Canadian Embassy, PO Box 16129, S-103 23 Stockholm 16.

SWITZERLAND — Automatic parking systems using magnetic, not perforated, cards: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

WEST GERMANY — Hardware for leather goods and show manufacturing: Minister-Counsellor (Commercial), Canadian Embassy, Freidrich-Wilhelmstrasse 18, 53 Bonn.

Roller-bearing seals, radial seals, safety rings: see above address.

Foundry equipment and air-operated lifting equipment: see above address.

Abrasives, grinding wheels and compounds: see above address.

Fruit-packaging machinery: see above address.

Materials

ARGENTINA — Caustic Soda: Commerical Counsellor, Canadian Embassy, Casilla de Correo 3898, Suipacha 1111, Buenos Aires.

HONG KONG — Polyethylene laminated woven cloth; hot stamping foil; jute canvas cloth; laminated fabric; spandex and nylon hi-power stretch net; leather for manufacturing items such as industrial gloves: Canadian Government Trade Commissioner, Commission for Canada, 14/15 Floors, Asian House, 1 Hennessy Road, PO Box 20264, Hong Kong.

PHILIPPINES — Builder's hardware and construction supplies: Commercial Division, Canadian Embassy, PO Box 971, Makati, Rizal.

SRI LANKA — Welding materials (tender closes Jan. 10): Commercial Division, Canadian High Commission, PO Box 1006, 6 Gregory's Road, Cinammon Gardens, Colombo.

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

Hot and cold rolled steel, galvanized steel wire, copper strips: see above address.

Plastic packaging foil: see above address.

WEST GERMANY — Industrial yarns and fibres: Minister-Counsellor (Commercial), Canadian Embassy, Freidrich-Wilhelmstrasse 18, 53 Bonn.

UNITED STATES — Bar steel, forgings, castings and sheet metal for ordnance, aerospace and marine industries: Consul and Senior Trade Commissioner, Canadian Consulate, 2100 Adolphus Tower, 1412 Main Street, Dallas, Texas 75202.

Textiles

FRANCE — Company wishes to establish joint venture with Canadian firm: Minister-Counsellor (Commercial) Canadian Embassy, 35 Avenue Montaigne, Paris 8e.

GREECE — Sheeting, calicoes, imprimés, batistes, handkerchiefs, velours, upholstery fabrics synthetic/cotton or wool mixed or blended fabrics, woolen fabrics: Commercial Secretary, Canadian Embassy, 4 Ioannou, Ghennadiou Street, Athens 140.

WEST GERMANY — Yarns and fibres; yarns and textile industry equipment: Minister-Counsellor, (Commercial), Canadian Embassy, Freidrich-Wilhelmstrasse 18, 53 Bonn.

Foodstuffs

AUSTRALIA — Canned meats, fish, preserved vegetables: Commercial Counsellor for Canada, PO Box 3952, G.P.O., A.M.P. Building, 21st Floor, Circular Quay, Sydney.

SWITZERLAND — Rendered chicken fat: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

Freshwater fish, perch fillets: see above address.

Electrical and Electronics

AUSTRALIA — Agency agreements for professional telecommunications and electronic products: Canadian Consulate-General, Box 3952, G.P.O., Sydney, N.S.W. 2001.

COSTA RICA — Power transformers: Commercial Division, Canadian Embassy, Apartado 10303, San Jose.

PANAMA — Power transformers: see above address.

SWITZERLAND — Capacitors, relays and connectors: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse, 88, 3000 Berne.

Office Equipment

GHANA — Drafting instruments and supplies: Sahara Trading Agency, PO Box 5467, Accra - North.

SWITZERLAND — Office machines: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne.

The Ocean Freight Market

Prepared by the Office of the Transportation Policy Adviser November 28, 1973.

During November, uncertainty in consequence of the world energy crisis marked the ocean freight charter market. Unemployed tankers entered grain trades and several OBO carriers were transferred from oil to the major coal and ore routes, resulting in some rate cuts. Doubt about the availability of bunker fuel supplies, especially in Japanese trades but also in eastern Canada, increased the likelihood of laid up ships creating an artificial shortage of space and pushing up rates.

Alternate softening and firming of rates was particularly evident in the Hampton Roads/Japan coal trade. From an all-time record high of US$23.25 per ton in October, rates slipped to $14.50 at the beginning of November and subsequently posted a series of advances and declines. At the end of November, the coal rate again reached $23.25, reflecting heightened Japanese interest in energy supplies. Similarly, in other dry cargo trades many rates were maintained at high or set record levels. For example, heavy grain from the Great Lakes to Belgium/Holland/Germany rose to US $41 for an 11,000 ton shipment to Rotterdam compared to a previous record of $35.75 per ton in October.

In the time charter market, rates were either firm or slightly higher with inquiry somewhat restrained by possible bunkering problems. Emphasis was placed on prompt ship delivery and on short-term charters. For dry cargo ships of 15,000 to 20,000 tons deadweight, the highest charter rate for a one to three-month period was US$15.97 compared to $15.13 during the previous month.

Activity in the tanker market was reduced owing to the lessened availability of oil cargoes and a significant amount of relet tonnage (from longer term tanker agreements) became available to depress rates. From Venezuela to U.S. North Atlantic ports (including the Portland terminus for the pipeline to Montreal), rates for crude petroleum dropped from an October peak of US$10.75 per ton to range between $4.20 and $7.00 during November. The highest rate paid for crude oil from Venezuela to eastern Canada eased from Cdn.$9.54 in October to $9.41 in November. Among the more unusual fixtures reported during November were four tankers from Vancouver to Portland, Maine, Northern Range or Point Tupper, N.S. These charters totalled 109,000 tons at rates of Cdn.$9.17 and Cdn.$12.22.

CHARTER RATES FOR REPRESENTATIVE CANADIAN AND WORLD TRADES

	Month		Rate (Cdn. $ per long ton)	Fixture Tonnage
Voyage charters:				
Heavy Grain from Great Lakes to Belgium/Holland/Germany:				
	November	1973	31.00 and 41.00	11,000 and 14,500
	October	1973	21.00 to 35.75	11,000 to 21,000
	September	1973	18.45 to 22.00	11,500 to 16,000
	November	1972	9.84 to 11.31	11,000 to 17,000
Coal from Hampton Roads, Virginia, to Japan:				
	November	1973	14.50 to 23.25	35,000 to 70,000
	October	1973	17.35 to 23.25	32,000 to 55,000
	September	1973	16.50 to 18.00	25,000 to 60,000
	November	1972	5.90 to 6.92	32,000 to 85,000
Crude Petroleum from Venezuela to East Coast of Canada:				
	November	1973	8.08 and 9.41	19,000 and 21,000
	October	1973	9.28 and 9.54	18,000 and 40,000
	September	1973	5.88	16,000
	November	1972	3.39 to 4.01	25,000 to 35,000
Crude Petroleum from Venezuela to U.S. North Atlantic*				
	November	1973	4.20 to 7.00	18,000 to 52,000
	October	1973	8.74 to 10.75	20,000 to 38,000
	September	1973	5.60 to 9.18	19,000 to 38,000
	November	1972	1.99 to 4.02	16,500 to 43,000
Time charters				
Dry Cargo Ships of 15,000 to 20,000 tons deadweight for 1 to 3 months:				
	November	1973	11.10 to 15.97	3 fixtures
	October	1973	8.50 to 15.12	3 fixtures
	September	1973	12.50	1 fixture
	November	1972	3.54 and 4.53	2 fixtures
Dry cargo ships of 20,000 to 30,000 tons deadweight for 6 to 12 months:				
	November	1973	6.00 to 10.90	4 fixtures
	October	1973	6.25 to 9.00	9 fixtures
	September	1973	7.70 and 9.50	2 fixtures
	November	1972	3.05	1 fixture

*Including Portland, Maine, the terminus of the Montreal/Portland Pipeline.

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N. G. St. Jacques
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Warsaw, Poland

J. H. Lang
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Provinces of Natal, Transvaal.
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U.S. Government and agencies; international organizations with headquarters in Washington. **All other trade promotion inquiries relating to the Washington, D.C., area should be addressed to the Consulate in Philadelphia.**

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Other countries: Bermuda

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Trade Lines

Aluminum smelter for Venezuela

The president of the Corporación Venezolana de Guayana, an autonomous corporation of the Venezuelan Government, announced a joint venture with Japanese interests for construction of a smelting operation in the Guayana region.

The investment of $200 million will be subscribed 80 per cent by the Japanese group and 20 per cent by the Corporación Venezolana de Guayana. The initial capacity of the plant will be 75,000 MT annually with an eventual target of 150,000 MT.

The new plant will produce aluminum exclusively for export. An existing smelter, a joint venture between Reynolds, USA and Corporación Venezolana de Guayana, will be expanded to 115,000 MT capacity with the output aimed to the local market plus Andean Pact markets — Caracas.

Norway increases chipboard exports

Norwegian chipboard exports in the first six months of 1973 almost doubled from 29,700 tons in the first six months last year to 56,000 tons in the corresponding period this year. Export value rose $4,8 million kroner to $9.7 million. Britain is the biggest market for Norwegian chipboard — Oslo.

Singapore

Singapore Airlines has plans to go into hotel development in the whole of Asia and is considering the formation of a subsidiary company which will run SIA hotels. It is felt that the development of hotels in various Asian countries is a necessary adjunct to the airline operation. Singapore Airlines has launched a number of low-priced holiday package tours to Asian cities and the price of the tours includes hotel accommodation — Singapore.

Volvo-International Harvester components agreement

The Volvo BM of Eskilstuna, Sweden, has concluded a long term cooperative agreement with International Harvester to produce components and undertake certain mutual marketing activities. Volvo BM manufacturers forestry equipment, farm machinery and heavy military tracked vehicles and will produce and develop components for International Harvester's products. International Harvester in turn will represent Volvo BM in markets where the company is not established. One of the first items in the agreement is that in 1974 Volvo BM will purchase parts for gear boxes from International Harvester worth about $2.5 million and will buy twice that amount in 1976. The gear boxes will be used in Volvo BM tractors — Stockholm.

Urban Transportation

The Federal Government has begun consultations with the Provinces aimed at "the establishment of a development corporation to marshal Canadian scientific and industrial capabilities to the task of satisfying a full range of transit requirement for urban areas across the country."

Three Federal Departments are involved: Industry, Trade and Commerce, Transport and Urban Affairs. The announcement was released at the Second National Tri-Level Conference dealing with the problems of urban growth in Canada.

If formed in partnership with all the Provinces and the Federal Government, the proposed corporation could try to satisfy the growing Canadian market for public transportation systems and components.

That market, it is estimated, will total about $5.5 billion by 1990 and there appears to be a need for pedestrian movement systems, mini-buses and other systems with medium to high capacity. It should be possible to tailor the systems to the needs of smaller communities as well as large ones.

Chicago
Where Accessories Mean Money

W.F. HART, Commercial Officer, Chicago

The market is worth approximately $18 billion a year — more than $6 billion wholesale — and growing daily. Distribution is clear cut and easy to plug into. Demand is for any quality product competitively priced. Some Canadian manufacturers are already selling to this market and making money. Your biggest problem will be keeping up with demand.

Sound like a fairy tale? Or your sales manager's private dreams? But it's all fact: there for the asking — the U.S. automotive aftermarket. If your product is used on, in or around an automobile — antennas, battery chargers, engine heaters, seat covers, hand tools, driveway signals, wiper blades — if it's sold to the car owner or the mechanic who maintains the car, then the automotive aftermarket is your market.

How do you get a piece of the action? Through a carefully managed combination of what you have to offer (product, service, packaging, catalogues, pricing) and what you must get, which is market knowledge and a good representative.

The U.S. automotive aftermarket is so vast and vibrant that it will absorb any relevant quality product competitively priced. Assuming you have this to offer, consider for a moment what seems obvious yet is often overlooked: effective packaging.

You're not only a manufacturer, you're a consumer, too. Remember the last time you were in a store? Did you pass up the item in a bright eye-appealing package for the one in a drab, colourless container? Were you carefully looking for that product better than all its competitors, able to do the job you wanted it to do most effectively? Did the sales person take the time to recommend one product over another as the better of the two? Or did he just ring up the sale and say thanks — maybe? The better able your product is to catch the customer's eye and sell itself, the less dependent you are upon salesmen over whom you have absolutely no influence or control. Don't spend money on packaging: invest it.

Purchasing is seldom a joy, rather it's a necessary evil. Buyers are simply human beings doing a job. All other factors being relatively equal a buyer will take the route of least resistance. Would you buy the product that involves simply placing the order, waiting for delivery and paying the bill, or the product that involves placing the order, figuring customs duties, engaging a customs broker, being certain that all the necessary papers are filled out and finally paying the bill by converting your money into foreign currency? If the answer is obvious then remember to quote prices for the U.S. market f.o.b. a major U.S. city in U.S. funds, including all customs duties and brokerage fees.

You must have market knowledge to launch and maintain an effective sales effort. When dealing with the automotive aftermarket this goes hand in hand with a competent manufacturers' representative.

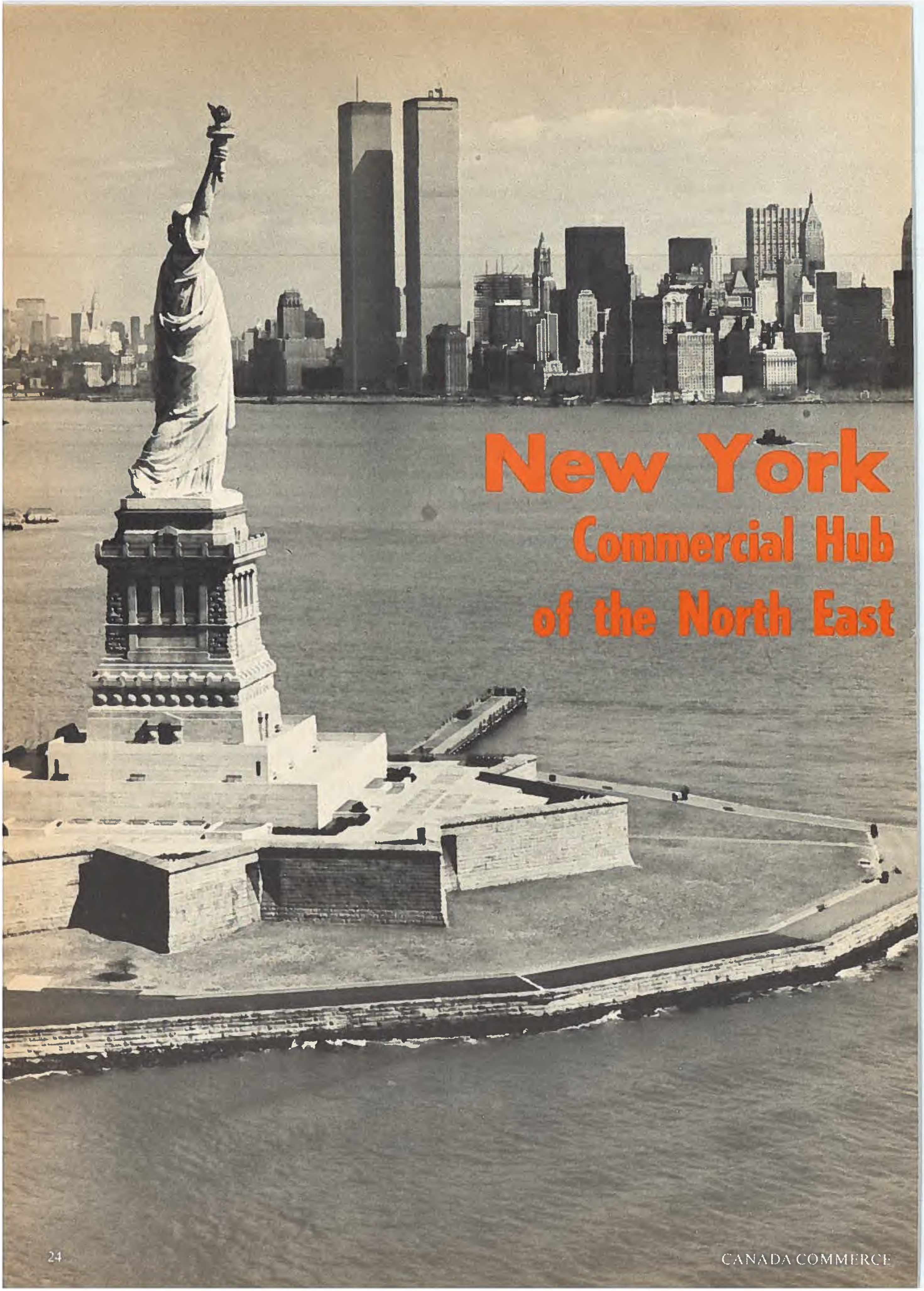
The case for an automotive rep can best be built by beginning with an indisputable fact — you cannot effectively sell the U.S. aftermarket from Canada.

A rep costs money; what will you get for that money? A professional salesman offering long-standing personal relationships with the buyers you must reach, a man who knows his market (he'd better know it — he doesn't make a buck until a sale is made), relief from the administrative burdens of a sales force, a local branch office. Can you accomplish all this, essential for success, and maintain the same cost-benefit ratio by using a direct sales force instead of a manufacturers' rep? You be the judge.

You have the product and you want to get into the market — what's the first step?

Contact the Canadian Consulate in Chicago. To assist you, we have market information and data, including a flow chart illustrating the channels of distribution in the automotive aftermarket. We maintain constant contact with a host of automotive reps and can guide you to the best man for your product. We can give you up-to-date information on automotive trade shows, local organizations and industry publications; all forums you can use to introduce and call attention to your product. Don't forget that Chicago is the home of major mass merchandisers such as Sears Roebuck, Montgomery Ward, Warshawsky and Company, Spiegels, J.C. Penney and many more.

Anyone with a product to sell wants to be in the right place at the right time with the right product at the right price. With so much to get right a lot can go wrong. But if your product is automotive, almost everything is right — now! □



New York
Commercial Hub of the North East

D.H. LEAVITT, Consul and Trade Commissioner, New York

New York, often called "Fun City", "The Big Apple" or "Gotham", is by almost any measure "where it's at".

Press reports tend to emphasize the more sensational and, unfortunately, negative aspects, but New York is still the commercial and cultural hub of the north-eastern United States and in many fields is the nation's leader.

The territory covered by the New York Office (Connecticut, southern New York, northern New Jersey) includes 8.6 per cent of the population of the United States and 8.9 per cent of all households. Approximately 18 million people live within a 70-mile radius of Times Square. (Bermuda, of course, is also within our territory but is not included in this article.)

The population density within metropolitan New York is about 1,800 persons per square mile. Compare this with the population densities of the Netherlands at roughly 900 persons per square mile and with that of Canada which is five persons per square mile.

Another major characteristic of the metropolitan New York area — its wealth — is shown in per capita income figures. In 1969, per capita income for the United States as a whole was $3,687, whereas per capita income in the metropolitan New York area that year was about $4,500 (despite estimates which place as many as one and a half million people in the area on welfare). Canada's per capita income in 1969 was approximately $2,700.

The Port of New York and New Jersey, which includes the Ports of Elizabeth and Newark with their important container facilities, is the nation's largest. In common with all sea ports, it has suffered a decline in passenger traffic which is reflected in the desolation of many of the once busy piers on Manhattan. But freight continues to flow briskly, and in 1971 the port handled 48 million long tons of imports valued at $10.6 billion (New York and Philadelphia alone account for almost one third of the total tonnage of United States imports).

Of the top 50 retailing companies in the United States, 14 are based in New York. Seventh Avenue (now officially renamed Fashion Avenue) is the centre of the needle trade; many of the major food importers are based around New York; and it is the main centre for giftware and the interior design oriented industries such as fabrics, floor and wall coverings.

A number of buildings are devoted to these trades and some maintain semi-permanent exhibitions: examples are 205/215 Lexington Avenue (National Furniture Mart), 225 Fifth Avenue (giftware) and 11 East 26th Street (glassware). The New York Merchandise Mart at 1 Madison Square Plaza (141 Madison Avenue at 28th Street) is a fine new building housing representatives of the toy, giftware and infants' accessories trades. Space is available in this building and the management are happy to co-operate with tenants who want to use their premises for exhibition purposes. The World Trade Centre, whose twin towers overtop the Empire State Building, is still being occupied and is an attractive site for shipping firms, customs brokers and clearing agents.

The area is alive with construction activity and the city is in a perpetual state of rebuilding and regeneration. There is an ambitious project for a new convention centre on Manhattan's West Side which, with 750,000 square feet of floor space, will be easily the biggest in the United States. Another dramatic project is the Manhattan Landing which will cover 113 acres on platforms over the river: 10,000 units of housing will be included and the cost will be the enormous sum of $1.2 billion.

Services are an important feature of the New York economy. Broadway, Wall Street and Madison Avenue are synonymous with the theatre, high finance and big business. Canadian banks and investment houses are, of course, well represented.

As an industrial centre, New York houses the headquarters of 196 of the top 1,000 American manufacturing companies. Around New York City, New York State, Connecticut and northern New Jersey there is a total of something like 56,000 manufacturing establishments. They cover almost the entire range of industry but particularly important are chemicals, textile manufacture and farm produce in New Jersey: clothing, printing, photographic equipment, scientific instruments and electrical machinery in New York State: and aero engines, machine tools, electrical equipment and fabricated metals in Connecti-

cut. New York State is the leading manufacturing state in the U.S. and accounts for nearly 70 per cent of total United States production in the photographic industry, 29 per cent in clothing and 23 per cent in the printing and publishing industry.

Many of the major national and international trade shows are held in New York and attract buyers from all over the United States and abroad. Although the Coliseum is the main venue, important shows also take place in the big New York hotels. The completion of the new exhibition centre will likely boost even further the importance of New York as a centre for trade shows.

Every year Canadian companies in a wide variety of fields — food, clothing, jewellery, giftware, leather goods, boats and electronics, for instance — exhibit their goods in New York. Some participate in stands or exhibitions sponsored by the Department of Industry, Trade and Commerce, such as the one at the Retail Jewellers Association Exhibition or the displays of Canadian fashion held at the McAlpin Hotel, and others take advantage of the Department's cost-sharing arrangements under the Program for Export Market Development.

The Commercial Division of the Canadian Consulate-General in New York has in its magnificent new premises in the Exxon Building a first-class site for receptions and displays which can provide exporters with a convenient area for promotions. The Canada Room, as it is called, can be used in conjunction with other facilities available in the Consulate-General such as a theatre and conference room. (See *Canada Commerce,* May, 1973.)

It is almost impossible not to be statistically and psychologically overwhelmed by the metro New York market area. True, it is not an easy market because of its size, sophistication, and wide range of industries, but, because of its importance as a distribution centre, it can be a profitable and sometimes essential key to marketing in the United States.

Like any other market, New York is made up of many sub-markets. Although tackling a mass market in New York almost the size of Canada may be a challenge and strain the resources of a Canadian exporter, many Canadian firms have found a profitable niche in our territory.

There are a growing number of examples of Canadian exports in New York. Canadian apparel can be found in most of the prominent New York stores. The sign showing events at Madison Square Gardens was manufactured by Ferranti-Packard Limited of Toronto. Hawker Siddeley Canada Limited has supplied passenger cars for the Port Authority PATH railway system. De Havilland Aircraft of Canada recently sold a Twin Otter to Downtown Airlines for passenger service between New York and Philadelphia. There are many other examples.

Perhaps there is also room for your firm's product: if you haven't already explored the possibilities drop a line to Deputy Consul-General (Commercial), Canadian Consulate General, 1251 Avenue of the Americas, New York, N.Y. 10020, or call us at (212) 586-2400. New York is only a postage stamp or telephone call away — it could be one of the best investments you've ever made. □

Basic Research for Canadians

The following items are brief resumes of Canadian patented processes of basic research undertaken by the National Research Council of Canada. They are available for licence to Canadians on application to Canadian Patents and Development Limited, 275 Slater Street, Ottawa, Ontario K1A 0R3. The case number should be quoted in each instance.

Barite Beneficiation

Barite, an inert, high density, low cost material is used extensively as a weighting agent for oil and gas well drilling muds. The current energy crisis and the resulting search for new oil and gas fields is expected to increase the demand for this material, especially for off-shore drilling.

A process called agglomeration has been developed by the National Research Council of Canada to beneficiate barite ores. This process involves grinding the ore to very fine particles and chemically treating the particle surfaces so that a subsequent operation of mixing ore and oil will result in the barite being selectively absorbed into the oil. The non-absorbed material can then be removed and the oil containing barite further treated to produce high grade barite suitable for drilling muds.

Grades of 97 per cent barite with over-all recoveries of 80 per cent have been obtained using this process. These results are much better than those obtained using current technology such as tabling and flotation, where very fine particles cause problems. **Case #4748.**

Ilmenite Beneficiation

World demand for pigment grade titanium dioxide has continued to expand in recent years. But the supply of naturally occurring titanium dioxide is dwindling rapidly and this has led to increased research directed toward the production of titanium dioxide from the more abundant mineral, ilmenite.

For various economic and environmental reasons the chlorination process is now being adopted more frequently in the production of titanium dioxide pigment. This process requires that clay-like minerals containing calcium and magnesium be largely eliminated from the starting material, which may be rutile or ilmenite. Certain large ilmenite deposits in Canada contain significant amounts of these undesirable minerals, which are finely disseminated in the ore body.

The spherical agglomeration process developed at N.R.C.C. has proved more successful in treating finely ground ores than have most conventional techniques. The process involves treating a suspension of finely ground ore in such a way that one component is preferentially formed. into spheres while the residue remains in suspension. The two fractions are then readily separated by screening and washing. In the particular case of an ilmenite ore from Quebec the calcium and magnesium minerals were eliminated to the physical limits of separation to produce an acceptable concentrate. In addition, the spherically agglomerated titaniferous material is in a form suitable for charging into a fluidised bed chlorinator. **Case #4747.**

Food for Thought

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The energy scare has sent a number of American companies to have a second look at South Africa's Sasol company, pioneer of the gas-and-oil-coal industry, especially since Chicago's Institute of Gas Technology has forecast that nearly 10 per cent of oil consumed by the end of the century will have come from coal.

The Economist

The movement of people and goods within cities, and to a lesser extent between cities, is becoming one of the major transportation challenges an increasingly urbanized society faces, according to John Gratwick, vice-president for research and development of Canadian National Railways.

Globe and Mail

Recent shortages of newsprint in the United States, caused mainly by Canadian strikes, have focused increased attention on recycling as a source of paper for the country's newspapers.

The Gazette

Within three years Imperial Chemical Industries should be churning out 100,000 tons of protein animal feed a year, grown not from soil but from North Sea gas.

The Economist

Industrially, growth and profits and the power that accompanies them accrue to those nations and corporations exploiting new materials and innovative designs to develop high-technology manufacturing methods.

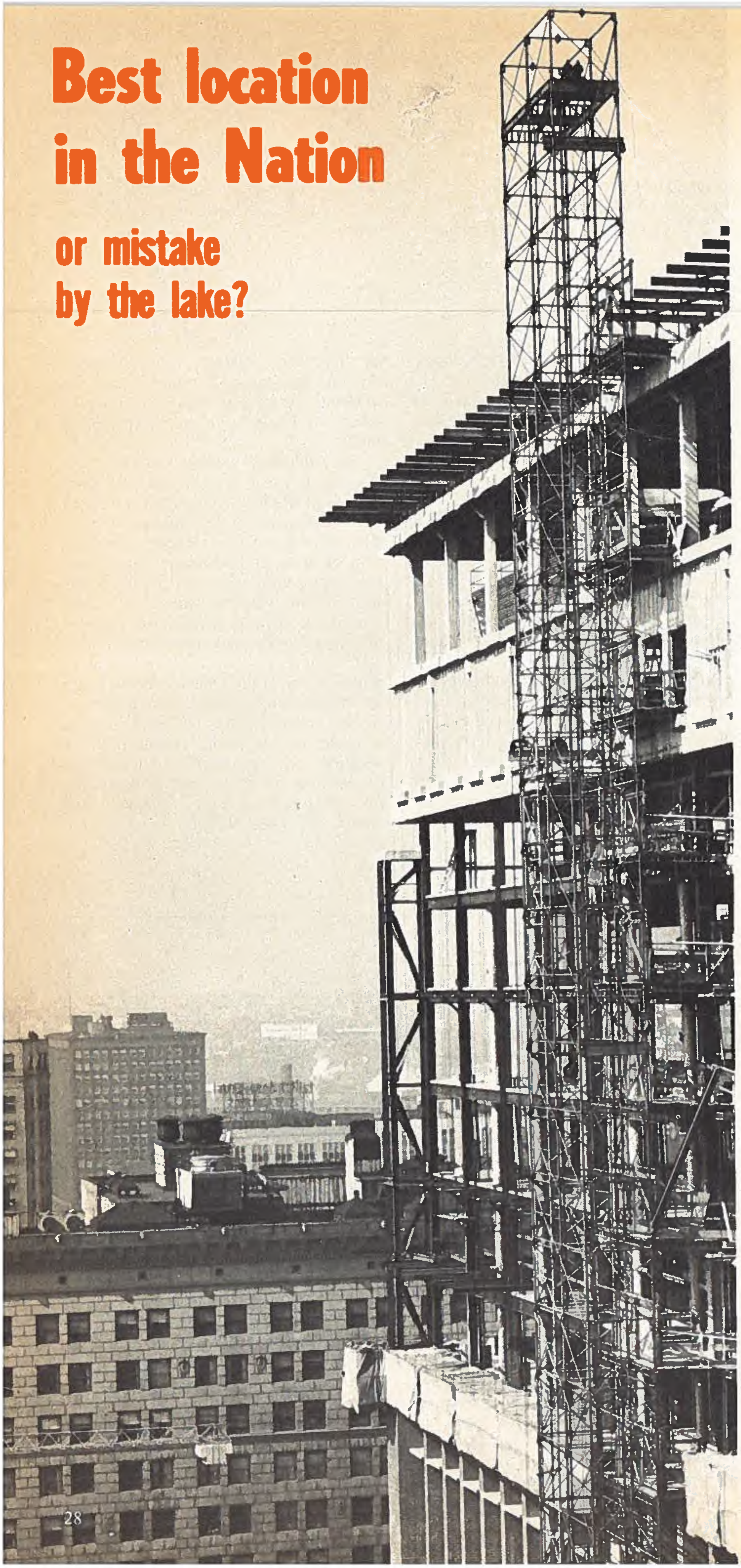
The Financial Post

An Administration-backed bill calling for the United States to make a 10-year conversion to metric measurement has been approved by a House of Representatives science subcommittee.

Globe and Mail

Best location in the Nation

or mistake by the lake?



ALLEN KILPATRICK, Consul and Senior Trade Commissioner, Cleveland

For years Cleveland proudly described itself as the "Best Location in The Nation" and the huge industrial complex which grew up around Greater Cleveland gave proof to the claim. Some years ago, however, Cleveland began to falter and shouts of best location in the nation began turning to whispers. Television comedians made Cleveland the butt of their jokes and even Clevelanders were heard to describe their city as the "Mistake by the Lake". But, Mr. Businessman, I am pleased to report that Cleveland is alive and well and living only 35 minutes from Toronto.

It is now clear that Cleveland has started a revival that will offer opportunities for Canadian companies. The revival has started with the injection of new life into downtown Cleveland. New life in this case includes a huge apartment and shopping centre ($35 million) in the heart of the downtown area, a new $60 million Justice Center, one new 400-room hotel under construction and at least two more in the planning stage. Among projects in the planning stage is a $350 million complex that will include a 1,000-room hotel, office buildings and stores. Much thought is also being given to a new or at least improved mass transit system, and a feasibility study is under way for a jetport in Lake Erie, which, if built, would cost $2 billion.

If you have products or services related to any of these developments, let us hear from you.

Apart from the new developments, let me remind you of the continued importance of Cleveland-based corporations. No less than 23 of *Fortune's* 500 corporations have their corporate headquarters in the Greater Cleveland area. This list includes such multi-national giants as TRW (annual sales $1.7 billion); Eaton Corporation ($1.2 billion); White Motor Corporation ($950 million), and White Consolidated Industries ($728 million), to name a few. It should be noted that a number of these corporations are involved in the automotive or defense industries and thus it is often possible for Canadian components to enter duty-free under the Canada – U.S. Auto Pact or the defense sharing agreement.

It is also worth remembering that these multi-national corporations often offer a three-way payoff. First, there is the opportunity to sell products to these corporations for use in their U.S. plants. Secondly, there is the opportunity to increase or promote your sales to their Canadian subsidiaries, as often the technical and engineering people located at corporate headquarters influence purchases made by Canadian subsidiaries of U.S. corporations. Finally, and this should not be overlooked, there is the opportunity to sell to subsidiaries of these corporations located in third countries.

We find that very often, particularly in the case of new capital projects, specifications and purchasing decisions (especially for capital equipment) are made in the corporate headquarters of the multi-national corporations. It is, therefore, possible that your marketing efforts with multi-national corporations in Cleveland could pay off in sales in the United States, in Canada, and in third countries.

We know most of these corporations, their purchasing officers and how they purchase. We would be pleased to share this information with you. Canadian manufacturers are currently selling a wide variety of products to the major corporations, including castings, forgings, automotive parts, machinery, fasteners, chemicals and many others. There are opportunities for almost every conceivable product.

It has been our experience that, with few exceptions, these corporations do not have strong "Buy America" preferences. Most purchasing decisions are made on the basis of commercial considerations — price, quality, delivery time, etc. In this regard it should be emphasized that frequently, and particularly now when supply is tight, delivery time is of critical importance and Canadian companies can often overcome a slight price disadvantage through delivering a quality product more rapidly than their American competition. Price is important, but it isn't everything.

The highly industrial nature of the Cleveland area results in high per capita income and thus a ready market for Canadian consumer goods. Sales of general merchandise, apparel and furniture total approximately $1 billion a year. Canadian apparel is now well established in this area, as are giftware and institutional furniture. Canada is gradually establishing a reputation as a source of consumer goods. This process is being enhanced by the amazing number of Clevelanders now travelling regularly to Canadian cities and thus becoming more and more familiar with Canadian merchandise.

If you have a consumer product and haven't tried this market, why not let us evaluate your possibilities. Approximately 50 per cent of retail sales are made by department stores. It is a competitive market, but a sophisticated one, receptive particularly to well designed quality products.

In short, Cleveland offers opportunities for a wide variety of Canadian products. It is close to Canada, excellent transportation is available, Canadian products have an enviable reputation and we are currently selling about $1 billion worth of Canadian products in Ohio. Despite this impressive total, we have only begun to scratch the surface.

If you haven't exported to this area, why not provide us with: 1. Information on your company, including your total capacity and capacity available for export; 2. information on your products, and 3. prices delivered Cleveland.

We will tell you what your chances are in this area and how you can enter the market. If you are already in the market and aren't in touch with us, why not let us know. We are constantly helping established companies expand their sales. We don't always have the know how, but it is our job to know who. Part of your export sales force is at: The Canadian Consulate, 55 Public Square, Cleveland, Ohio 44113. When did you last seek our assistance?

Don't let Cleveland become your "mistake by the lake" when it might easily become for you "The Best Location in the Nation". □

There's more than tourism in Hawaii

KENNETH G. RAMSAY, Consul and Trade Commissioner, San Francisco

Honolulu is a bustling thriving metropolis, similar to many North American cities in its high rises, neon lights, rock music, bars, brief cases and glitter. With a population of just over 700,000, Canadian manufacturers may be inclined to overlook the potential of Hawaii, which achieved full statehood in 1959, but they would be making a mistake.

With a need to look to the U.S. mainland and foreign sources for virtually everything the state consumes, the market, though small, is ripe for aggressive development by competitive Canadian manufacturers. The cost of living index, the highest in the world, has resulted in even pineapple from Formosa being competitive on the Hawaiian domestic market.

The State of Hawaii consists of seven inhabited islands with a total area about three times the size of Prince Edward Island. Its most pressing problem at the moment is how to prevent the rapidly growing harvest of tourist dollars from changing a gracious, gold-sanded tropical paradise into a sun-baked, concrete parking lot.

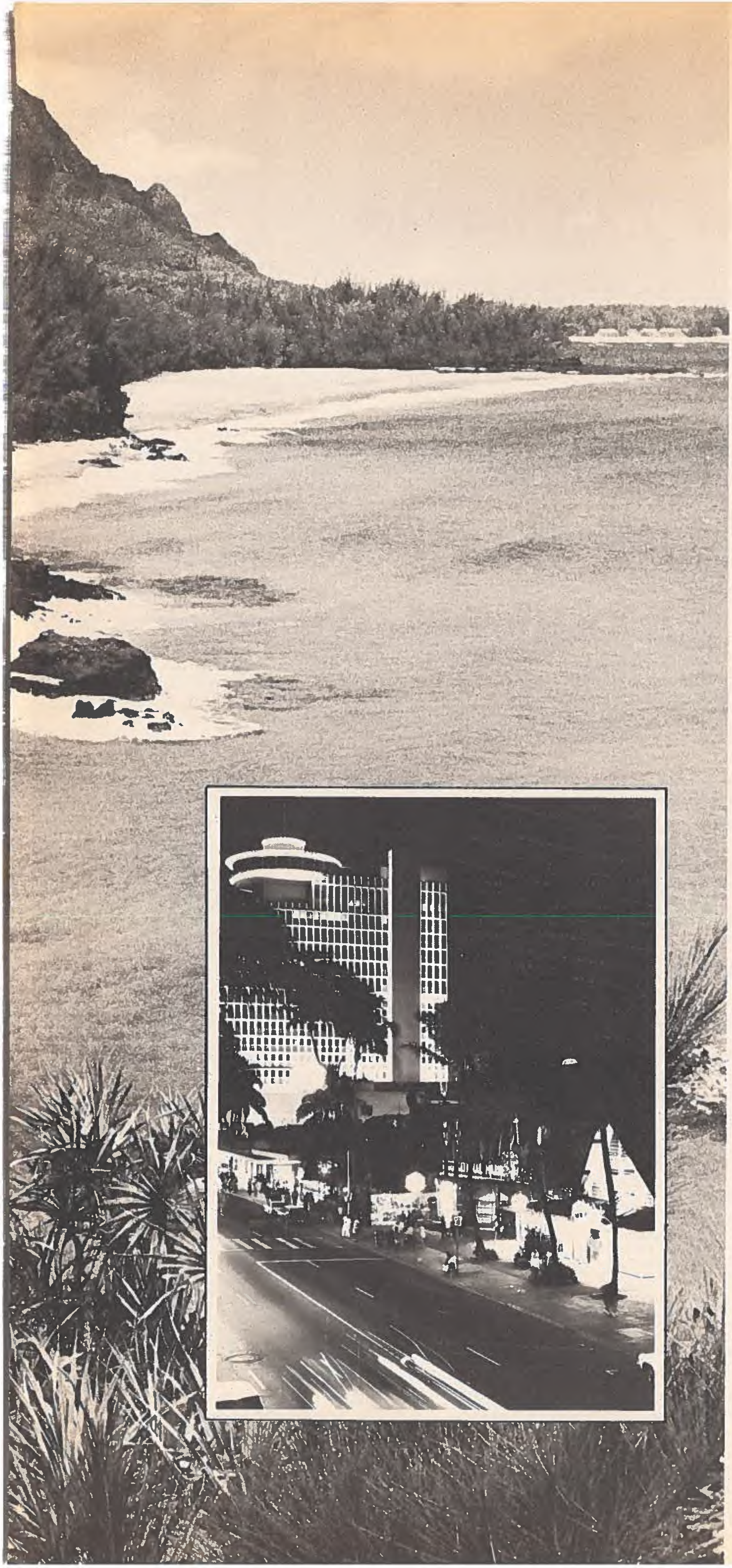
Part of the struggle to prevent this was the introduction in 1969 of building restrictions in Honolulu. Because of a delay in the effective date of these restrictions, there was a building boom in Hawaii to get projects "under the wire". The completion of so many new tourist rooms coincided with a mainland recession which reduced the number of U.S. tourists, and a cutback in U.S. Far East military forces which limited the number of servicemen and their families visiting Honolulu on leave. The timely advent of the Japanese tourist, however, changed what might have been a disaster for the tourist industry in 1971 and 1972 into a temporary difficulty.

The extent of this difficulty is easily measured in terms of the occupancy rate of Hawaii's more than 36,000 hotel rooms (up from 1,500 in 1946). This occupancy rate which was running at a 12-month average of 74 per cent in 1970, dropped sharply in 1971, but was well on the way to recovery in 1972 at 70 per cent.

What particular avenues are appropriate for development by Canadian manufacturers?

The construction industry consumed about $4 million worth of Canadian lumber in 1972. Though still beset by escalating costs due to strikes and inflation, the industry is recovering rapidly. Prefabricated housing, builders hardware, furniture, and appliances from Canada are as competitive in Hawaii as they are on the mainland and getting Canadian products there poses no particular problem. Most shipping is containerized and there is direct service available out of Vancouver by ship and by barge. Perishables from eastern Canada, which are competitive on the U.S. mainland market, can reach a Hawaii-bound ship by refrigerated truck to Vancouver or New York. For those items which can absorb the cost, C P Air operates a frequent service to Honolulu. Some air freight rates, per pound, from Vancouver are: smoked salmon, 25 cents; clothing, 15 cents; apples, 8 cents; cheese, 30 cents.

The 2.2 million visitors to Hawaii in 1972 (25,000 in 1947) spent $755 million to sleep, eat, dress, and buy souvenirs to collect dust on attic shelves. Servicing the requirements of these visitors can be a worthwhile project for alert Canadian



manufacturers, either directly with mouth-watering specialty foods and eye-catching clothing, or indirectly in the form of comfortable hotel facilities and fertilizer for the golf greens. At the same time, exporters should not lose sight of the sales possibilities engendered by Hawaii's nascent manufacturing industry as efforts are made to lessen Hawaii's dependence on outside sources.

Canada's total exports to Hawaii in 1972 of $14 million works out to about one tenth of what Japan supplied, one tenth of what Australasia and Europe supplied, and one twenty-fifth of what goes to Hawaii from the U.S. mainland. Three items — newsprint, lumber, and urea — accounted for $9 million; beef, pork sausage, grains, and whisky accounted for another $1.8 million. Further examination shows that individual items of over $10,000 were tires, furniture, aircraft parts, motor vehicle parts, sodium hydroxide, and an all too often forgotten product, books.

The combination of a burgeoning tourist industry and a pleasant place to visit on a tax-deductible business trip suggests that manufacturers can better the present Canadian level of supplying only 2 per cent of Hawaii's requirements. Canadians can expect to find a ready welcome in Hawaii merely because they are Canadians. The Commercial Division of the Canadian Consulate General in San Francisco, which services the Hawaiian market, would be happy to co-operate with any Canadian exporter who is interested in this market.

And the Hawaiian consumer would probably have a word for him too — Mahalo, Thank you! □

The Winds of (Ex)Change

D.M. JACOBS, International Financing Branch

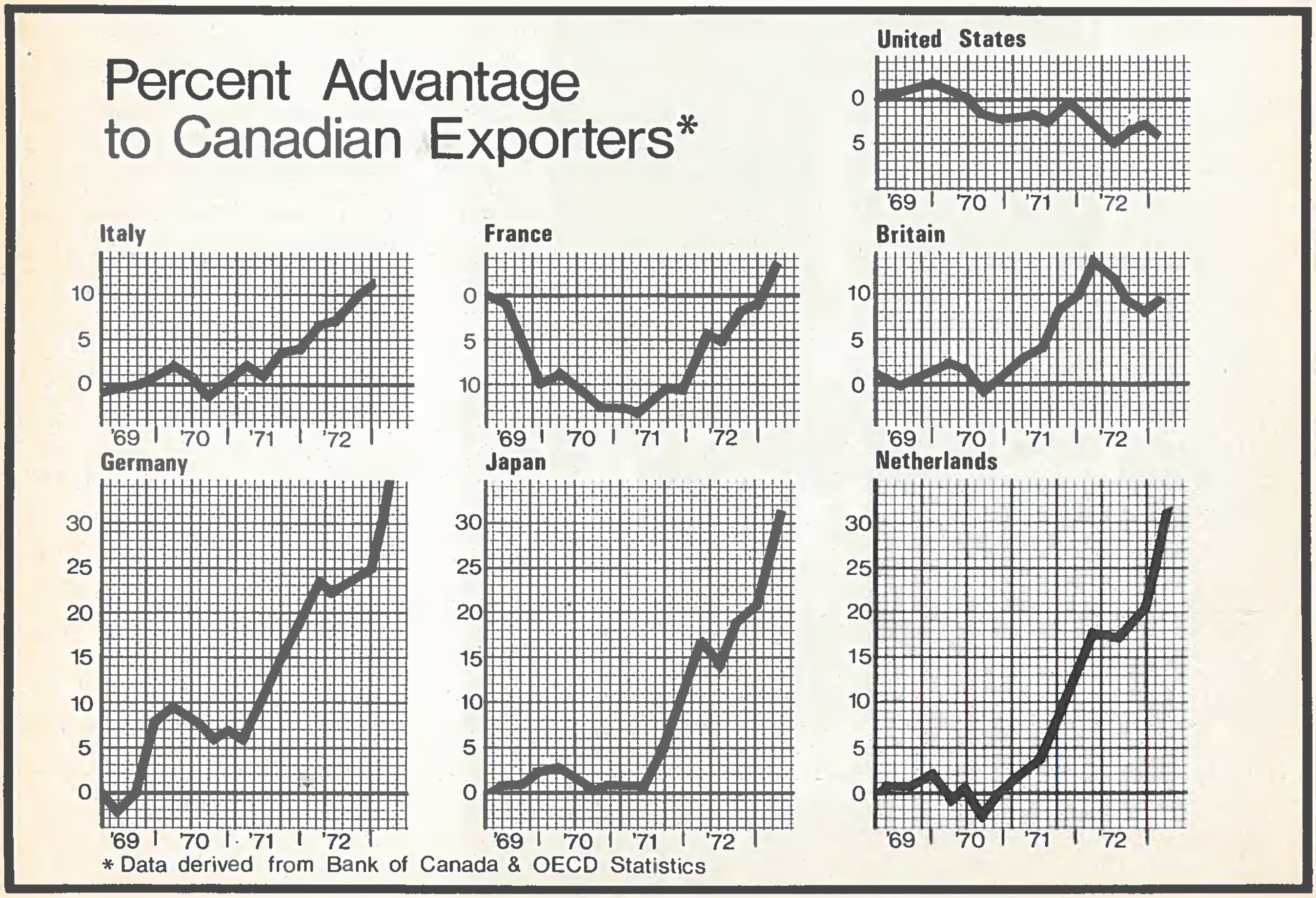
In the past four years there have been several dramatic realignments of world currencies. One result of these changes has been to make Canadian goods and services for export significantly less expensive by comparison with similar products or services from Germany, Japan or the Netherlands.

In addition, this price advantage has been further augmented because our rate of inflation has been less than that experienced by most other major exporting nations. Following the old adage that . . . 'a picture is worth a thousand words . . . , these two effects have been combined in the accompanying charts to show Canada's position relative to seven other countries.

A point that should not escape attention is the recent additional advantage of U.S. exports when compared with our own. While Canadians may be justifiably pleased with their export performance, they would be poorly advised to rest on their laurels. By way of comparison it is notable that seasonally adjusted Canadian exports improved 24 per cent in the first six months of 1973 over the same period of 1972. In the same period, U.S. exports increased by 38 per cent. During this interval our trade balance improved by roughly 40 per cent, from $610 million to $853 million; in the same interval the U.S. reduced its trade deficit from over $4,000 million to approximately $800 million. And the U.S. will probably achieve balance in its trade account for 1973, thereby displaying an improvement of approximately $7,000 million, according to seasonally adjusted figures provided by the Census Bureau.

Beyond doubt, comparative price attractiveness is an important element in trade. Price itself, however, is but one element in trade and expansion of our exports will rely heavily on a total sales effort.

The time is ripe for Canadian industry, with government support, to respond dynamically to the opportunities now available. The adequacy of our responses to the challenges of today will determine the degree of our export break-throughs tomorrow, and this in turn will help to establish long-term economic gains for Canada.



Percent Advantage to Canadian Exporters*

* Data derived from Bank of Canada & OECD Statistics

New Preferential Tariff Arrangements

An Exchange of Letters between Canada and Australia has established the new legal framework for preferential tariffs that were derived from bilateral agreements the two countries formerly had with Britain. These agreements expired when Britain entered the European Economic Community.

The Exchange of Letters supplements the 1960 Canada-Australia Trade Agreement and provides for continuation of a broad range of tariff preferences. A similar Exchange between Canada and New Zealand was signed last summer.

The new Exchange also brings Canada's obligations under the 1960 Trade Agreement with respect to dumping into line with provisions of the GATT Anti-Dumping Code, of which Canada is a signatory. It also allows provisional waiving of the direct shipment provisions in order for Australian goods to qualify for Canadian preferential tariff treatment.

The Exchange with Australia, like the arrangement with New Zealand, should serve to reassure the Canadian business community, particularly companies now exporting to that part of the world, that the important preferential trading relationship will be maintained.

Canadian exporters not already selling in Australia and New Zealand are being urged to examine the opportunities in these markets and the Deputy Minister of Industry, Trade and Commerce, James Grandy, recently led a Canadian trade development mission to the South Pacific, the prime objective being to acquaint business people in Australia and New Zealand with Canadian capabilities.

A number of recent developments, in addition to the tariff agreements, make Australia and New Zealand attractive markets for Canadians. These include currency re-alignments and a 25 per cent across-the-board tariff reduction in Australia. The two countries are among Canada's most important export markets for manufactured goods, with two-way trade totalling more than $400 million every year.

GATT Symposium Papers Available

Last winter, the Canadian Export Association sponsored a symposium at which highly-qualified people discussed Canada's options and objectives in the upcoming round of trade negotiations under GATT auspices. The talks, of course, are underway and bargaining will probably continue for several years.

The papers delivered at the symposium, therefore, will likely be of considerable interest for some time to come. They have been printed, along with other material, and the complete report is available from the CEA. Price for Association members is $3.00, for non-members it is $5.00. Write the Canadian Export Association, Suite 1020, 1080 Beaver Hall Hill, Montreal 128, Quebec.

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