

February

Canada Commerce

1973



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The Sectoral Approach to Marketing

The Department of Industry, Trade and Commerce is sponsoring a series of seminars, starting this month, on sectoral marketing. The idea is to show Canadian exporters where their best prospects may be found. To this end, a group of Trade Commissioners has returned to Canada to conduct seminars across the country (see box).

It is hoped that the seminars will not only increase the awareness within the exporting community of opportunities in new markets but also stimulate initiative in export marketing. As well, they should serve to re-emphasize the Government's services to the exporting community. The seminars have been planned in cooperation with the industry sector branches of the Department and most of the panels will be moderated by senior people from these branches.

Each seminar will take two days — the first being reserved for panel presentations and the second for business interviews and private discussions between officers and companies. The panels are grouped ac-

ording to marketing region and each Trade Commissioner will spend about 10 or 15 minutes highlighting export prospects within his area of responsibility.

He will outline the present market in his area, short and long-term plans, programs and potential and suggested ways for Canadians to participate. Comments may also cover methods of doing business in the specific area, purchasing procedures, procurement policies, the competition to be faced and so on. Naturally, the characteristics of each officer's area will influence the contents of his presentation as well as the nature of the seminar. Panel presentations will be followed by question periods.

The Department has been assisted in preparing these seminars by local trade and industry associations, the provincial governments and its own regional offices across the country. Additional information may be obtained from the regional offices. Invitations have been sent to many firms but if yours has not arrived, contact the regional office in your area.

Seminar Schedule

February 27, 28	Education market	Toronto
March 1, 2	Agriculture, fish & food products	Moncton
March 5, 6	Agriculture, fish & food products	Toronto
March 7, 8	Auto parts	Toronto
March 8, 9	Education market	Quebec City
March 8, 9	Agriculture, fish & food products	Winnipeg
March 12, 13	Mining equipment	Toronto
March 12, 13	Agriculture, fish & food products	Vancouver
March 15, 16	Mining equipment	Montreal
March 19, 20	Farm machinery	Saskatoon
March 19, 20	Telecommunication equipment	Montreal
March 22, 23	Oil & Gas equipment & services	Calgary
March 26, 27	Forest industry	Halifax
March 28, 29	Forest industry	Vancouver

In This Issue

Communicate is a popular word these days. It isn't enough anymore simply to speak or to write. You have to communicate — and knowing how is essential to any businessman's success.

People in export trade are especially sensitive to the need to communicate. They know they can't do business if they don't talk their customers' language — and that can be a problem because dictionary-style, word-for-word translations of correspondence, contracts or specifications just won't do.

The good translator is also a good communicator but he's a rare bird indeed. The article on page 4 offers some excellent pointers on doing business in another language. Naturally, its title is Talk Your Customer's Language.

While we're on the subject of communicating, there's another article that deals with a different sort of communication. It's about the Interchange Canada Program, which is aimed partly at improving rapport between businessmen, academics and public servants. As the article points out, the program is too new to be assessed, but it shows interesting possibilities. You can read about it on page 2.

To help you keep in touch with world trade, we're including in this issue a directory of foreign representatives in Canada.

Next month, we'll feature a revealing look at the economy of the People's Republic of China as it relates to Canada and we'll be telling you how retired executives can start a new career and see some of the world too. And a new feature starts next month — what we hope will be a regular column of opinion, written by Canadians prominent in business and industry.

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

Richard Waugh, Managing Editor
W.H. Lambton, Editor
David Magee, Assistant Editor

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Interchange Canada



Lloyd Leeming with Peggy Blackstock, manager of Ottawa's Shirley Leishman Books Ltd., which recently opened a new store in the capital devoted exclusively to Canadian books. Appropriately, it's called Books Canada.

DAVID MAGEE, Assistant Editor, *Canada Commerce*.

Lloyd Leeming is chuckling as he tells his visitor about his latest scheme: "It would be fascinating, in this cold town, to see whether we could develop what you might call a reflective area. There would be seats on swivels placed where the sun could get at them and there would be large sheets of alumina foil and you could sit in the seats and bask in the reflected heat. It could be an interesting social centre — if the sun was shining and the reflectors worked — people would come and sit and other people would join them and everyone could enjoy the winter sun."

That might sound a little offbeat to someone who hasn't spent a winter in Ottawa but anyone who has would have to agree that Lloyd Leeming's idea has a lot going for it. Some people claim Ottawa has the most miserable weather of any national capital in the world.

But Lloyd Leeming isn't in Ottawa to build "reflective areas," nor to develop many of his other ideas, although his stock in trade is good

ideas. He's here to head up the Federal Government's Canadian Book Centres Abroad program.

Mr. Leeming is not a public servant. People in private industry know him better as president of Labatt's Ontario Breweries Limited but he'll be working with the Department of Industry, Trade and Commerce for the next two years — to all intents and purposes as a public servant.

Something unique has to move a highly successful man to shift from the presidency of a large company to a job as a public servant, even if the government job is pretty senior and even if it's temporary. But there was something unique — something called the Executive Interchange Program — one of two programs making up Interchange Canada which is designed primarily to increase understanding between government, private enterprise and the university community. Interchange Canada has three other objectives: to help senior management people broaden their work experiences through the Executive Interchange; to help high-potential middle managers to develop to the senior level

through the Career Assignment Program and at both levels to provide participating organizations with "mutually beneficial" interchange of executives. Businessmen and academics have an opportunity to work in the federal government and public servants get a chance to work in the business world.

It's not a big program in terms of the number of people involved and it never will be, but it could have big results — "could have" because it's too new to assess. However, Interchange Canada has attracted some high-calibre people — like Lloyd Leeming — and they're reported to be enthusiastic about it.

Mr. Leeming didn't jump into Interchange Canada at the first chance he got. He was approached early in 1972 but decided the jobs going at the time didn't offer enough scope and turned them down. But he's always been interested in government and the political process and decided to see what else might come along. He says he was looking for a job that would involve some kind of "interplay" between federal and provincial governments and private enterprise.

His chance came when the Federal Government announced its policy on support of the publishing industry. The policy included in its objectives expansion of Canadian book exports and this chore was given to the Department of Industry, Trade and Commerce. Mr. Leeming was approached to run the book export project and this time he decided to pack his bags.

He says quite candidly that the business of publishing has never been of immediate interest to him but books have always been part of his life. He claims not to be a bookish person but his conversation was, in his words: "really quite innocent of the problem of the book industry" when he arrived at the Department in May. But he did have ideas and he quickly set about making himself familiar with Canadian publishing.

Since Mr. Leeming's arrival in Ottawa, many groups and individuals have become involved in the book program, which has a budget of a half-million dollars a year for the next three years. The Association for the Export of Canadian Books has been formed and plans call for increased Canadian activity in book fairs abroad and the establishment of Canadian book centres in Paris or

Brussels, London and probably New York. Mr. Leeming has been named president of the Association. The selling of books involves different techniques in each market and the book centres will be individually tailored to their markets.

Mr. Leeming's basic approach has been that most of the book program's input should come primarily from the publishing industry and not the Government. He says this is the only way to ensure a good chance of success. The program aims to quadruple Canadian book sales within a five-year period, which would mean sales of \$10 million a year by 1977.

If Interchange Canada can help achieve results like that for publishing and other industries, nobody will argue about its usefulness. At the Executive Interchange level, eight people from the private sector are working with the Government and seven public servants are working in private organizations.

Mr. Leeming feels the program should never involve large numbers of people but at least another dozen executives from the private sector should be recruited. As he puts it: "I've heard it suggested that the government community believes it's in the real world; the business community thinks it's in the real world and the academic community *knows* it's in the real world. If we can bring these communities closer together, then I think we could do a lot more".

Mr. Leeming believes that governments, businessmen and educationists are all concerned about rapidity of change and problems of the future, and he says: "You name it, there are a dozen different ways in which some kind of consultation or exchange between these groups could lead to better solutions of problems."

But even the most enthusiastic person is going to feel the weight of new pressures if he accepts an assignment from Interchange Canada. What's it like for a person from the private sector to find himself plunked down in the middle of the Federal Government?

Lloyd Leeming says the similarities are fairly easy to identify. The taxpayer would seem to occupy the same place in a public servant's mind as does the shareholder in the mind of the business executive. Parliament, or perhaps the Cabinet, can be compared to the board of directors of a

private firm. The various control mechanisms, planning activities, budgets and priorities have their parallels, too, but Mr. Leeming says people coming into public service are bound to be overwhelmed at first by the sheer size of the Government, "because no matter how big a company you come from, you are still dealing, when you come into the Federal Government, with a very big enterprise."

"Things move relatively slower than has been my experience," says Mr. Leeming, "but then the Treasury Board, if, for example, it's a money matter, is listening to a hell of a lot of submissions from a hell of a lot of places so its role is much more complex than generally would be the case in business."

Communications can be a sore point. Again, it's a question of size. Mr. Leeming says, and there are continual staff changes. He says it can be difficult to develop a network of communications. Even a simple thing like a telephone book can be out of date almost before it's published. He says: "There's a sort of training period, to get to — know where people are and who can do what. These things take time and can create frustrations but they're understandable, I think, when you've been around for a while."

Mr. Leeming says the interchange program will appeal only to certain kinds of people: "People who come into a program such as this should be those who are reasonably comfortable living with a fairly high level of uncertainty. It is not the kind of job that would probably appeal to someone who is accustomed to fitting into a closely structured sort of job and knows what he is going to do tomorrow. I don't think that's what this is all about."

But the man from Labatt's says there is a reverse kind of security too: "While we're all here to do a job and we're all interested in seeing that Interchange Canada works and is a worthwhile kind of activity — after all it's a fairly expensive one — we know we're here for a prescribed period of time and we'll be going back to our original institutions."

Most Interchange Canada postings are for two years and Lloyd Leeming's will end in the spring of 1974, but probably he will maintain some sort of connection with the

program. He suggests that the original participants might become "alumni" of the program and could become involved in panel discussions and other activities to promote it.

The response so far has been heartening for the Treasury Board, which established the program in September 1971, and the Public Service Commission, which administers it. The Commission, Chairman John Carson says, plays the part of "honest broker" in all interchanges. He says the program provides the Government with the services of people it could recruit in no other way. On the other hand, he says: "It gives businessmen a chance to get to know Government and to realize that it isn't simply a profit-and-loss proposition — that there are complicating factors which aren't always apparent to someone in the private sector."

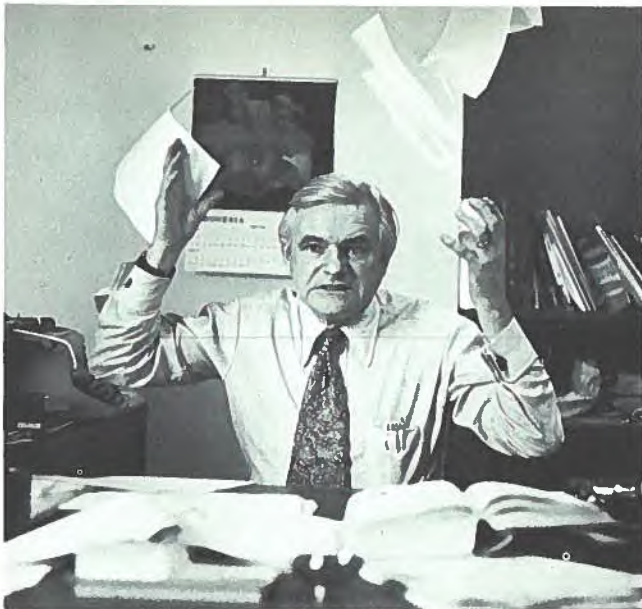
Mr. Carson agrees with Mr. Leeming that no real assessment of Interchange Canada is possible for some time, probably at least five years. However, there have been few problems to date. He says that everyone connected with the program is very much aware that "one bad apple" will ruin everything. He says: "Nobody is coming into the program for a rest cure."

The mechanics of Interchange Canada are not complicated. A company sends the Government information about its man, along with suggestions regarding the type of job in which he would be most effective. Similar information goes to companies planning to take on a public servant.

The program is called an interchange rather than an exchange for a simple reason. There is no reciprocity agreement, which means that the executive coming into Government does not have to be replaced by a public servant at an equivalent level of seniority and vice versa.

In addition to learning a great deal about Government through their day-to-day work, businessmen on interchange will receive briefings on the workings of such Government bodies as the Privy Council Office, the Prime Minister's Office and the Treasury Board.

For more information about Interchange Canada, write: Interchange Canada, Public Service Commission of Canada, Tower A Place de Ville, Ottawa K1A 0M7.



ROBERT McDOUGALL, Canada Commerce.

Dictation done, the English-speaking executive turns to his bilingual secretary and adds: "Put that into French, too, and send copies to our agencies in Quebec, please."

Sound familiar? . . . Maybe not, but some Canadian businessmen have been known to meet their translation requirements in this fashion. The approach may be expeditious, but it may be hazardous also. Secretaries, no matter how talented, seldom make good translators and their efforts may result in a muddled translation containing errors in interpretation, style and even spelling.

A skilled translator, on the other hand, is a breed apart, experienced and adept at transposing the exact meaning from a "source" language into the "target" language.

The importance of accurate translation cannot be stressed enough. Businesses can be hurt by inferior translation in several ways: sales could be lost, prestige could be diminished, confidences shaken and even lawsuits launched. In instances involving technical material, use of the wrong "equivalent" could result in an increase in cost or could even cause an entire project to be scrapped.

Choosing a Translator — The translating industry in Canada is growing rapidly. Statistics are scarce, but unofficial estimates place the volume of business last year at roughly \$15 million. This figure will likely grow as more and more Canadian companies enter export markets and as an increasing number of firms promote products domestically in both official languages.

Long-time users of translation services have by now probably found suitable translators. The task for newcomers, however, could be somewhat difficult. Currently, no legislation exists covering the translation profession; a person can call himself a professional translator regardless of competence. A businessman, under these circumstances, could run a gauntlet of translators before unearthing an able person.

Fortunately, there are three organizations which can assist a businessman in his selection. These are the 380-member Association of Translators and Interpreters of Ontario*; the Translators' Society of Quebec*, which has 700 regular and associate members and the 35-member Corporation of Translators and Interpreters of New Brunswick*. Together, the three provincial groups comprise the Canadian Translators and Interpreters Council (CTIC).

The organizations do not do any translating but refer competent translators from their membership to inquiring businessmen. To become a member, an applicant must pass a stiff examination set by one of the provincial organizations; have been practising translating for one continuous year and have a university degree (BA minimum) or five years experience. At present, membership is voluntary.

Fred Glaus, ATIO president, says the aims of the organizations are threefold: to protect the public from unfair practices in translation and interpretation; to improve the knowledge, skill and proficiency of its members; and to promote the observance of professional ethics by its members at all times.

Talk your customer's language

Mr. Glaus says private members' bills are now before the provincial legislatures of Ontario and Quebec which will give translators professional status if approved. ATIO and STQ members, after passing of the bills, will be permitted to add the initials RT (Registered Translator or TA (Traducteur Agréé) after their names as evidence of professional competence.

Cost of Translation — Fees for translation services vary greatly and are usually based on a price per word of the original text. This price also depends upon a number of factors, including the number of words, the language involved, complexity of text, delivery deadline, quality of production and volume. Estimates of costs are usually given free and without obligation by a translator or translating firm.

Costs also fluctuate on a geographical basis. Translation fees may be less in Ottawa than, say, in Montreal, Toronto and Vancouver, or vice versa. The degree of competence of a translator or translating firm may affect fees as well; the best-in-the-business may feel justified in charging more.

In Canada, most translators are located in the Ottawa-Montreal area. The rest work mainly out of Quebec City and Toronto, with a few being found in other parts of the country.

The fees of Alcide Saumure & Associés (The House of Translation) of Ottawa, one of the largest general translating firms in the city, demonstrate how different factors can affect the cost of translation.

The firm charges a basic rate of six cents a word. This applies to current material such as simple corres-

pondence, speeches and briefs. The language involved is not generally considered a factor at this level of translation.

As the difficulty of text increases so does the rate. Materials such as trade manuals, catalogues or specialized reports run around eight cents a word while materials involving electronics, telecommunications or computers may go as high as 15 cents a word.

Size of a project or volume of business can affect the basic rates. For example, a 15,000-word project would have a lower rate than a 5,000-word project, assuming both had the same basic text. A monthly magazine would be translated at a cheaper rate than a similar project done on a one-shot basis.

Advertising copy is judged on an individual basis. A single ad may be translated at the lowest basic rate of six cents a word; a more difficult one would cost more. There is always a minimum charge, computed at the rate for 100 words, regardless of the

category in which materials may fall. Rates for rushed projects are generally two cents a word higher than the regular fee.

Alcide Saumure & Associés supply finished translations in the form of typewritten copy and one carbon. There is a 10 per cent surcharge if a customer wants the translation in a form suitable for photostating or offset printing.

The Federal Government is by far the largest user of translation services in Canada. The Translation Bureau, operating under the Secretary of State, does the bulk of the translating for the Government and has divisions in most government departments and agencies responsible for translating English into French. French to English translations are all done by one section at a central location.

The Multilingual Services Division of the Bureau handles work in 60-odd languages and last year processed more than 17 million words. It has a highly competent staff of 22

fulltime translators and has on call 400 freelance translators who are hired on a contract basis. The division does translate some material prepared by private enterprise but only when it is integrated in texts promoting companies participating in government-sponsored activities.

G. A. Mendel, chief of the division, strongly urges companies with publicity material to be translated into a foreign language to have it translated first by a Canadian and then send a copy of the translation to an advertising agency in the country of destination.

"The agency there will be able to include the current local idioms in the translation so that the material will have the greatest local impact," says Mr. Mendel.

*Association of Translators and Interpreters of Ontario, 298 Elgin Street, Ottawa K2P 1M3. The Translators' Society of Quebec, Montreal 152. The Corporation of Translators and Interpreters of New Brunswick, Fredericton, N.B.



Measuring the assembly height of a section within an amplifier that will be used on the fifth transatlantic telephone cable constructed by the Bell System. (Photo: Western Electric).

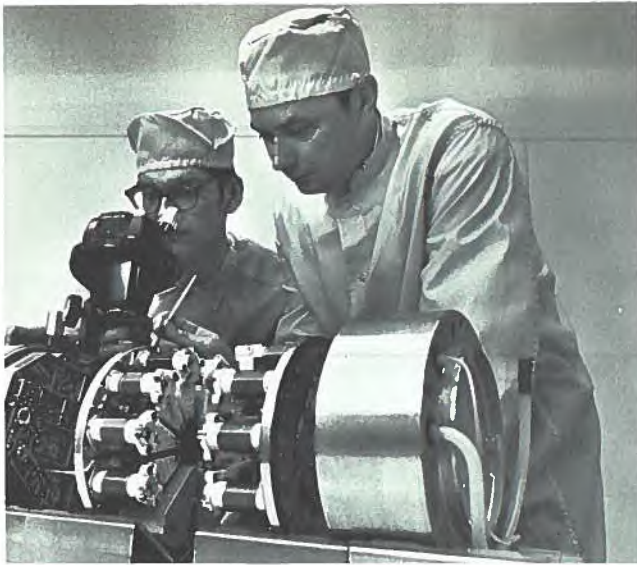
DON WISMER, Consul and Trade Commissioner, New York.

About 18 million people live within 70 miles of Times Square in mid-town New York City. This area, a nerve centre of commerce, transportation and manufacturing, includes parts of three states — New York, New Jersey and Connecticut, including the most populated half of Long Island — and is usually thought of

as metropolitan New York. It is not uncommon for commuters to travel 140 miles a day.

This area has a population density of about 1,800 persons per square mile. Compare this with the population density of the crowded Netherlands at 900 per square mile or that of Canada at five persons per square mile.

The per capita income in the area in 1969 was \$4,500. Compare this



High-voltage paper capacitors, used in amplifiers for submarine telephone cables, are given a careful check. (Photo: Western Electric).

figure for the whole of the United States: \$3,687. The figure for the whole of Canada that year was \$2,700. And the metropolitan New York figure of \$4,500 also takes into account the one-and-a-half million people who were on welfare.

Metro New York holds a leading position in the United States, and therefore in the world, in electronics manufacturing. The top five U.S. companies in electronics sales in 1971 were: IBM (\$5.6 billion), General Electric (\$2.3 billion), RCA (\$2.1 billion), Western Electric (\$1.7 billion) and ITT (\$1.6 billion). All these companies have their head offices in the metro New York area. They are also heavily committed in the area with manufacturing facilities, except General Electric whose operations are concentrated in up-state New York.

Other well-known electronics firms with large plants in the area are Sperry-Rand, The Singer Co., General Dynamics, General Instrument, North American Philips and Fairchild Camera and Instrument.

There are many leading research and development facilities in metro New York including IBM's Thomas J. Watson Research Center in Yorktown Heights, New York; Bell Laboratories at Murray Hill, New Jersey; Western Electric's Engineering Research Center at Princeton, New Jersey; ITT's Defence-Space Group at Nutley, New Jersey and Lockheed Electronics at Plainfield, New Jersey.

The density of population, concentration of electronics manufacturing and research, and high personal

income in metro New York combine to make the area particularly interesting to the Canadian electronics manufacturer.

It is almost self-evident that the market is highly competitive, both from a domestic and foreign source standpoint, and in terms of technology and pricing. Market penetration tends to be characterized by a "plateauing" phenomenon because of scale considerations. For example, a firm able to supply 1,000 units of X at Y dollars per unit might be passed over in favor of a firm able to supply 10,000 units of X at Y-plus dollars per unit, simply because the buyer wants to keep a single source.

Selling costs are high in terms of advertising, product presentation materials and wages and expenses of sales personnel. Firms successful in the market are usually producing in volumes sufficient to allow significant cost reductions because of scale or are producing a unique, technologically-advanced item.

One Canadian firm, Rapid Data Systems & Equipment Ltd. of Rexdale, Ontario, is doing well in New York because it has a unique, high-volume product. Its pocket calculator, the Rapidman, uses a one-clip integrated circuit for its logic and light emitting diodes for its information display. It has been advertised for sale at Alexander's Department Stores in New York for as low as \$88. Chain stores, importers' and manufacturers' representatives have requested Rapid Data's address from this office.

But the metro New York market often proves frustrating for the new-

A local manufacturers' representative is indispensable for marketing certain types of products. Canadian firms interested in hiring technically-educated salesmen with good contacts should buy *The Directory of Electronic Representatives*, published by the Electronic Representatives' Association, 600 South Michigan Avenue, Suite 819, Chicago, Illinois 60605. The directory costs \$10 and lists 1,200 independent representatives' firms across the country, their officers, territory covered and lines handled. The average E.R.A. rep-salesman sold more than \$630,000 in electronics products in 1970. Two other publications which could be valuable are: *Sources of Electronics Market Information* (\$2.50) and *Electronic Market Data Book* (\$15), both published by the Marketing Services Department of the Electronic Industries Association, 2001 "I" Street N.W., Washington, D.C. 20006.

For more information contact the Canadian Consulate, 1251 Avenue of the Americas, New York City, N.Y. 10020.

comer because of the complicating factors. The Canadian electronics manufacturer thinking of selling in the market should give serious consideration to four sectors in particular: government, components, consumer, and communications and industrial.

Spending on electronics by the Department of Defense, National Aeronautic and Space Administration and the Federal Aviation Agency will be about \$11.5 billion in fiscal 1973. A significant portion of that total will be spent in metro New York. Thanks to the Canada/United States Defence Sharing Agreement, Canadian firms are able to compete for defence business at no tariff disadvantage compared with U.S. firms. Canadian producers will have an advantage therefore, over suppliers in other countries. Naturally U.S. military standards are rigid but detailed information on them can be obtained from the International Defence Program Branch of the Department of Industry, Trade and Commerce in Ottawa.

Many defence procurement programs are "one-off" projects and can sometimes place smaller, low-overhead Canadian firms at a competitive advantage. The Canadian Consulate in New York has an officer working specifically with Canadian companies selling to the U.S. government market, either helping to establish local representation or providing direct introduction to local contractors.

There is only one way to describe the New York consumer electronics market. It is cut-throat. Macy's main store turns over roughly half a billion

dollars worth of merchandise annually and this kind of marketing power is the rule, rather than the exception, in metro New York.

Huge chain stores like Penney's and W. T. Grant and buying groups such as the Associated Merchandising Corporation demand and get volume considerations, large advertising allowances and, often, same-day delivery deals.

The market for color television, black-and-white television, portable radios, stereos, tape equipment, auto and other consumer products is worth about half a billion dollars for merchandise that remains in the area, and considerably more when centralized buying is taken into account.

In many cases, New York retail prices are comparable to Canadian wholesale prices. But most of the products come from countries with low labor costs. Not one portable radio is manufactured in the United States. More than 90 per cent of the stereo equipment sold in the United States is imported partially assembled or in components. The same is true for most portable television sets.

These facts may sound discouraging but there will always be room for companies like Rapid Data. The

Consulate is ready to help to arrange appointments with buyers but those Canadian suppliers who haven't done their homework could find a visit to New York embarrassing.

The New York market for tubes, semi-conductors, passive and electromechanical parts and integrated circuit packages is worth more than half a billion dollars. Here again, imported products claim an increasing share of the market. There are, however, a great number of successful smaller suppliers, which indicates that aggressive marketing by Canadian firms should pay dividends.

The logical way to market components is through a manufacturer's representative who is familiar with local buyers and prices. The growth area in components is solid-state devices. New York is not a market for the faint-of-heart, but Canadian companies that are solidly capitalized should be able to compete.

The obvious growth sector in electronics in metro New York is communications and industrial products. New York is one of the world's major centers of banking and finance, broadcasting and international business, and communications and data display equipment prospects are

definitely bullish.

The total U.S. market for computer and data processing, industrial control and processing, testing and measuring devices, communications and navigational aids, nuclear electronics and medical, scientific and educational requirements has grown from \$2 billion in 1960 to \$8 billion in 1970. New York's share of the current market is well over \$1 billion.

IBM officials are certain that by the end of the century a computer in the home will be as common as today's telephone. There is nothing like IBM in Canada but Ferranti-Packard has established its display boards with the New York financial community; Consolidated Computer Services is successfully marketing its Key-Edit system; Guildline Instruments Ltd. is well-known for its high-precision measuring devices and Electrohome is selling equipment for closed circuit TV.

These companies prove that Canadian firms can compete in the metro New York market. The Consulate is able to provide general guidance on marketing strategy as well as introductions to buyers' and manufacturers' representatives.



Brazil: a wealth of minerals

A typical scene in the Amazon jungle where an Alcan subsidiary is building facilities for shipping a million tons of bauxite a year.

G. D. VALENTINE, Consul and Trade Commissioner, Rio de Janeiro.

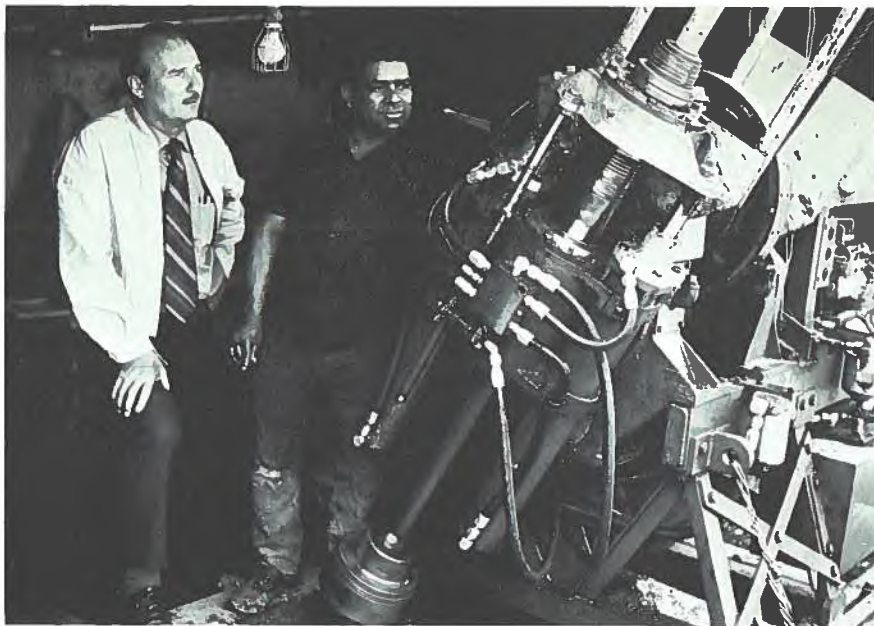
For years now, minerals in South America have usually meant Venezuelan oil, Chilean and Peruvian copper, Colombian emeralds, Bolivian tin, Mexican silver and Guyanese bauxite. Brazil was recognized for coffee. This situation is changing now as the world hears more and more of the country's mineral deposits. Brazil is setting a course to make mineral exports re-

place coffee as the country's most important source of foreign exchange and will probably succeed in its aim before the end of the seventies.

Not all the minerals found in Brazil are being actively exploited as yet, but the future looks more than just encouraging and Canadian exporters of exploration equipment and mineral processing machinery should definitely keep a sharp eye on this market.

Historically, mining has been im-

portant to Brazil since the Portuguese arrived in 1500 in their search for silver and gold in South America. In fact, Brazil's gold production between 1700 and 1770 almost equalled the total production of gold in North America between 1492 and 1850, a period when America was the leading gold producer. Despite its early history, however, the country did not have a mining code until 1934 and mining only received its latest impetus in the mid-sixties. The 1967 Min-



Paul Rak of Boyles Industries of Orillia, Ont., checks the operation of one of eight large drills supplied by his company to the Brazilian Mineral Exploration Company.

ing Code and Regulations now govern the mineral development of the country under the Ministry of Mines and Energy and its various sub-organizations such as the Departamento Nacional de Produca Mineral (DNPM) and the Cia. de Pesquisa de Recursos Minerais (CPRM).

DNPM was formally set up in 1933 to administer the mineral development and production and, in order to assist in developing Brazil into a leading mineral producer, CPRM came into being in January 1970. The company has four basic objectives: to stimulate the discovery and augment the utilization of Brazilian mineral and water resources; to guide, stimulate and co-operate with private enterprises in exploration and in studies intended for the utilization of water and mineral resources; to supplement, in a strictly limited capacity, private enterprises in the field of exploration for mineral and water resources; and to give administrative and technical assistance to entities belonging to the Ministry of Mines and Energy.

Within these objectives CPRM may also:

(1) prepare studies and execute geological and hydrological works as well as carry out exploration for mineral and water resources;

(2) carry out, directly or in co-operation with private enterprises, scientific, technological, economic and juridical studies intended for the exploration and utilization of mineral and water resources;

(3) give technical assistance to public and private enterprises through the signing of contracts for the rendering of services, and

(4) develop and support the training and improvement of the technical personnel required for its activities.

In collaboration with public and private entities, CPRM may enter into agreements and contracts for services to be rendered under remuneration or upon reimbursement of expenses made, in addition to taking the risk of investment.

As can be seen, CPRM is an important and powerful organization and one which is in a position to be of great assistance to mining companies. It can help to finance exploration by private companies or it can directly participate with them or it can go it alone. It is already familiar with Canadian equipment — its first imports were eight large drills for use in the search for uranium and other minerals.

As the exploration arm of the Ministry of Mines and Energy, CPRM is giving technical and administrative assistance to many of the various sub-organizations of the Ministry. These include the Departamento Nacional de Aguas e Energia Electrica (DNAEE), Comissao do Plano do Carvao Nacional (CPCAN), Comissao Nacional de Energia Nuclear (CNEN), and the Departamento Nacional da Producao Mineral (DNPM).

Most of this technical assistance has been in the form of direct con-

tracts for drilling, photogrammetry, geophysical services, etc. and in carrying out these projects, CPRM has used the services of almost all local Brazilian consultants and drilling operators. Some foreign firms have participated either in highly specialized fields such as the side-looking radar survey of the Amazon area, or indirectly through their subsidiary or associate companies in Brazil. As the future will be even more important, opportunities for foreign firms will become more interesting, provided they associate with Brazilian partners or form subsidiary companies of their own. At any rate, more and more will be heard of CPRM as Brazil moves ahead in the development of its mineral resources.

From November 6 to 10, 1972, officials of the Geological Survey of Canada plus other leading private Canadian geophysicists gave a seminar to about 65 Brazilian government officials, including officials of DNPM and CPRM on geophysics, geochemistry and other fields of geology. This was the first step in what is hoped to be a continuing program of co-operation between two of the largest countries in the hemisphere and whose geological terrain is so similar. In addition, more than 30 Brazilian geologists and other officials, both government and private, attended the recent International Geological Congress in Montreal in August last year. Many of them spent over two weeks visiting Canadian mining companies, consultants and equipment manufacturers to learn more about Canadian prospecting and mining methods.

Iron ore — The bulk of mineral exports are composed of iron ore and it is in this area that the principal expansions and activities are being undertaken. It has been estimated by many sources that Brazilian reserves of iron ore probably exceed those of any country in the world. The estimates range as high as 100 billion tons but perhaps the more accurate figure would be in the neighborhood of 10 billion tons.

When speaking of Brazilian iron ore, one company stands out above all others. The Cia. Vale do Rio Doce (CVRD), founded in 1942 and owned 85 per cent by the Brazilian Government, is by far the largest Brazilian producer and exporter of iron ore, and ranks as the world's fifth largest producer. It is also one of the 10 largest companies in Brazil. In 1970 the CVRD produced 21.8 million tons and in addition handled the export sales of an additional six million tons produced by two smaller com-

panies. Although 44 per cent of this total was designated as "fines", for the first time 750,000 tons of pellets were shipped. Exports in 1971 were estimated to be close to 28 million tons, and a target of 50 million tons or more has been set for 1975. Some forecast that Brazilian shipment will reach 100 million tons by 1977, with about eight million tons in the form of pellets.

The third step of the CVRD expansion program is now under way. More than \$500 million is being invested in new pelletizing plants, double tracking of the present metre gauge railway, expanding the patio facilities and enlarging the port of Tubarao to accommodate 250,000-ton bulk carriers. The second pelletizing plant is being built and preliminary contacts have been made on a third plant.

A breakdown of the long-term delivery contracts of the CVRD shows that this expansion is based on actual signed agreements, and CVRD salesmen are actively pursuing contracts around the world. In February last year, additional contracts were signed in West Germany for sales worth approximately \$100 million a year for a period of 15 years, although no actual tonnage figures have been released. In addition, long-term contracts were discussed with Poland, Czechoslovakia and Italy in March 1972. Even Canada, the world's largest exporter of iron ore, is a buyer with purchases over the last five years averaging over \$1 million a year.

More exciting perhaps for the future is the discovery a few years ago of a huge iron ore deposit at the Serra dos Carajas in the centre of the State of Para. A new company has been formed for the development of the project called Amazonia Mineracao S.A., which is 51 per cent owned by CVRD and 49 per cent owned by the Cia. Meridional de Mineracao, a subsidiary of United States Steel Corp. of Pittsburgh. Test drilling to determine the extent of the deposit terminated at the end of 1971 and exploitation has just started. According to press reports, there are measured reserves of 1.6 billion tons, indicated reserves of 2.9 billion and inferred reserves of an additional 6.6 billion tons of high quality ore. This would make the deposit one of the world's largest.

A pre-feasibility study is under way to determine the best route for transporting the ore to the coast, some 500 to 700 miles away, depending upon which port site is chosen. As it is presently envisaged, contracts will be let for possibly three



This helicopter is equipped with Canadian geophysical instruments and will be used by Companhia de Pesquisa de Recursos Minerais (CPRM).

to six engineering feasibility studies covering the transportation, mine site, town site, communications, deep sea port and power supply. Various Canadian firms are actively pursuing these studies at the present time, and other development steps will undoubtedly follow. The equipment possibilities are enormous and the project could well cost about a billion dollars.

The third big project in iron ore development is the new Mineracoes Brasileiras Reunidas project near Belo Horizonte in the State of Minas Gerais. This new company is owned 51 per cent by ICOMI, the country's largest producer of manganese and 49 per cent by Hannah Mining of the United States. It already has a 15-year, 105-million-ton contract with Japan. The deposit is being developed under the supervision of Bechtel Engineers from San Francisco and it entails a mine site plus a railroad to the Bay of Sepetiba, south of Rio de Janeiro, where a new port will be built. Financing has been granted by the EXIM Bank, World Bank and the export Bank of Japan. The railroad line is being built by the Federal Railroad with financing from the World Bank and EXIM Bank and 80 new locomotives and 1,320 ore cars plus other railroad equipment and rails are being bought. The project should be completed this year at a total cost of well over \$200 million.

Bauxite — Although bauxite does not now play a large role in the mineral exports of Brazil, very large deposits have been located and claimed in the Amazon area. The largest and richest deposit so far re-

ported is on the Rio Trombetas northwest of Santarem in the State of Para. The site contains upwards of 250 million tons and is owned by Alcan Ltd. of Montreal. Unfortunately, development of the mine has been postponed indefinitely due to lack of demand.

The Jarri mine owned by National Bulk Carriers is located further up the Trombetas and, in the Amazon area, it is the next most developed after Alcan. Alcoa and Kaiser have also staked claims in the area, as has Rio Tinto Zinc whose deposit in the Paragominas area of Para might be tied into the transport system of the Carajas iron ore mine of Amazonia Mineracao. All these developments will no doubt bring vast changes to the Amazon area and the surrounding cities. Belem and Santarem are already the scene of activity for new port facilities and hotels, and the Transamazonian Highway will bring further developments to the area in the next few years.

Bauxite mining in Brazil is not new, but before the development of deposits in the Amazon it was concentrated in the State of Minas Gerais near Ouro Preto and Pocos de Caldas where close to half a million tons was mined in 1970 by the three major firms. Almost all of this was used to produce alumina, and aluminum production in 1970 amounted to over 65,000 tons. Brazil could become self-sufficient in aluminum in this decade.

Manganese — Brazil is one of the world's leading producers of manganese ore, with one firm, Industria e Comercio de Minerios S.A.

(ICOMI), dominating. This company, partially owned by Bethlehem Steel, accounts for approximately 80 per cent of the Brazilian production of manganese. In June 1972 the world's first pelletizing plant for manganese was officially opened by ICOMI near its mine in Amapa, on the northern side of the mouth of the Amazon. The site is said to be one of the world's most picturesque mining towns. The other important producer of manganese is Cia. Meridional de Mineracao, a U.S. Steel subsidiary, with mines in Mato Grosso and Minas Gerais.

Other companies also produce manganese in Brazil but their total production is small compared with ICOMI and CMN. Canada was the third largest market for Brazilian manganese in 1970 and manganese the third most important import by Canada from Brazil in 1970 and 1971, with imports amounting to \$1,872,933 and \$1,797,000 respectively.

Columbium (Niobium) — Brazil is the world's leading producer of niobium and has recently expanded production of pyrochlore concentrates. All production is from the Companhia Brasileira de Mineracao e Metalurgia (CBMM) mining operation at Araxa in the State of Minas Gerais. Ferrocolumbium is also produced at the same site. New magnetic separators were added to the plant in 1970 and capacity has now reached the level of 25 million pounds a year of Cb_2O_5 . Lower grade ores are available in some quantity and these would appear to be economic given good market conditions. Canada, the second largest producer of columbium, imported small amounts from Brazil in 1971.

Copper — An exciting copper find in Bahia, the Caraiba Metais, has received backing from the area development corporation for a planned investment of at least \$100 million dollars. Supposedly, the output of refined copper will begin at a rate of 35,000 tons a year this year or next. Information is difficult to obtain but transportation and water supply problems seem to be the major obstacles to be overcome, and these might delay the project somewhat.

All copper produced in Brazil now is coming from Cia. Brasileira de Cobre in the State of Rio Grande do Sul. Its new concentration plant went into full operation in 1971 to produce about 6,000 tons of refined metal a year from a reported deposit of approximately five million tons of 1.4 per cent copper ore. The Pignatari Group controls the Bahia deposit

and the Cia. Brasileira de Cobre, so that almost all copper production in Brazil will be under the control of one firm. Imports of refined unfinished copper now amount to more than 50,000 tons a year.

Tin — New tin deposits being developed in the Rondonia area indicate that Brazil could soon become one of the world's leading producers of tin. By mid-1971 most of the small-scale operations ceased production, leaving about four or five major operations in Rondonia close to the Bolivian border. Production of cassiterite in 1970 only reached some 5,000 tons but this figure should increase substantially in the next few years. Some experts are estimating a production of 25,000 tons by 1975, from a reserve they say is approximately six million tons, almost equal to the known world reserves. The tin content of the ore is reputedly 65-75 per cent, equal to or higher than the contents of Malaysian or Thailand ore.

Again, transportation could be a problem, as the area is located far from deep water. River transport is a possibility but the best opportunity will be the Transamazonian Highway which is being built through the Amazon jungle almost to the Bolivian border. This is scheduled for completion by 1974 and it is hoped that it might uncover other suspected mineral deposits.

Potash — With the increasing use of fertilizers in Brazil, potash is of great importance and in recent years has been a substantial import item. In the early 1960's large potassium-rich deposits of sylvinitite, carnallite and tachydrate were discovered in Sergipe. These deposits were offered to potential developers in mid-1971 and various proposals were received but none accepted. As the deposits are a potential source of magnesium as well as potash, it is expected that they will be developed in the next few years.

According to the published reports on the deposit, there are 450 million tons of sylvinitite, six billion tons of carnallite, 4 billion tons of tachydrate, 525 million tons of halite and 10 million tons of bromine. Although the deposit is not as deep as the Saskatchewan deposits, development will still require underground mining methods and will present an opportunity for a great deal of equipment and possibly mineral services. As the deposit was discovered by Petrobras, the Brazilian oil company, 26 per cent of the ownership belongs to Petroquisa, the chemical subsidiary

of Petrobras.

Coal — Reserves of coal are estimated to be more than a billion tons but the quality is not good enough for total use in the rapidly developing Brazilian steel industry (See *Canada Commerce* February 1972). A great deal of exploration therefore is taking place and barter agreements of coal for coffee or iron ore are also being pursued. At the present time about 70 per cent of the country's requirements are being met with imports, chiefly from the U.S. Unless new deposits are found, the projection is for this percentage to reach 90 per cent by 1980. Demand is expected to reach seven million tons annually by then, but only about 750,000 tons would be supplied locally from known deposits. New contracts for the supply of four million tons from Poland over a 10-year period were signed in March 1972, and Japanese firms are reported to be exploring for coal in the Maranhao area of the northeast.

Nickel — Only ferro-nickel is produced now and deposits of nickel sulphides are still being sought. Morro do Niquel S.A. is the largest producer and the company is presently studying the possibility of further exploiting its undeveloped reserves in the State of Goias. Most of the large international mining companies are actively seeking deposits here — the geology of the Goias area appears to be similar in many respects to the Sudbury basin.

Nuclear materials — All nuclear materials in Brazil are under the control of the Government and little information is available. The direct Government organization is the Comissao Nacional de Energia Nuclear (CNEN). Various announcements indicate that deposits of monazite (thorium) are occurring in the beach sands of Brazil and some pilot process plants are in operation. The CNEN, in conjunction with a new organization called Companhia Brasileira de Tecnologia Nuclear (also under the Ministry of Mines and Energy) will be in charge of all activities concerning fissionable materials in Brazil. The initial requirements for Brazil's first nuclear reactor now under construction will in all probability be imported.

Tungsten (Scheelite) — Production of tungsten concentrates averaging better than 70 per cent WO_3 is increasing, with all activity taking place in the State of Rio Grande do Norte and Paraiba. The largest mine is owned by Mineracao Tomaz Salustion S.A. but there are hundreds of

small operations as well as two or three other mines of considerable size. In 1970 exports of scheelite amounted to 1,639 metric tons.

Titanium — On March 22, 1972, a new plant for the production of titanium dioxide was opened near Salvador, Bahia. Initial production was to be 22,000 metric tons a year, increasing to 30,000 tons, and possibly 45,000 tons if export markets appear interesting. Local consumption, approximately 25,000 tons a year, will take up all the first production.

Other minerals — Brazil has known deposits of asbestos, beryllium, chromium, diamonds, emeralds, fluorides, gold, hematite, ilmenite, jade, kuntzite, lead, molybdenum, niobium, opal, platinum, quartz, ruby, salt, tourmaline, uranium, vanadium,

wolfram, and zinc. Many semi-precious stones such as amethyst, aquamarine, serpentines, turquoise and topaz are also found in abundance. Deposits of antimony, titanium, bismuth, cobalt, mercury, tantalite, columbite, phosphorus, arsenic, gypsum, graphite, marble, mica and talc are also known and in some cases are well developed. Petroleum is also found but enough only for 30 per cent of domestic requirements, and crude oil is the country's largest single import.

Brazil is short only of antimony, coal, cobalt, copper, sulphur, natural gas, molybdenum, gold, petroleum, pyrites, platinum, silver, uranium and vanadium. Of these, Canada is a major supplier only of gold, although our sulphur exports are climbing and some copper and copper alloys are

also being supplied. There are substantial reserves of short-fibre asbestos in the state of Goias and Alagoas, but no large quantities of long-fibre asbestos have yet been developed and Canada is a large supplier of this material to Brazil.

Canada, except as an exporter of certain minerals, has not been closely associated with Brazil in the mining field but there will be many opportunities to increase Canadian/Brazilian contacts. Although the two countries have not been close, it was a Canadian geologist, Charles Frederic Hartt, who in 1875 organized the original Brazilian Geological Survey which eventually evolved into the present DNPM. Perhaps now is the time for Canadian expertise and equipment to return to the market and play a role in possibly uncovering another Sudbury basin.

CEA A Voice for the Canadian Exporter



The desk James McAvity doesn't spend much time behind.

DAVID MAGEE, Assistant Editor,
Canada Commerce,

In the 18th century Philip Dormer Stanhope, fourth Earl of Chesterfield, wrote: "The knowledge of the world is only to be acquired in the world and not in a closet."

Chances are you never heard of the man, but Encyclopaedia Britannica devotes nearly three pages to his rather unusual life. In one paragraph the Encyclopaedia calls him "selfish, calculating and contemptuous," but in another it lauds him for his "brilliant" administration of Ireland. Stanhope must have known what he was doing.

The Earl's advice about acquir-

ing knowledge is the sort of thing James M. McAvity might have adopted as the motto of the Canadian Export Association when he was charged with its organization 10 years ago.

As president of the Association, Mr. McAvity attacks his work with the same fierce enthusiasm he seems to apply to everything — even his pipe smoking. A retired army colonel, entitled to put the letters D.S.O., O.B.E. after his name, Mr. McAvity was chairman of the House of Seagram Limited before taking over the CEA. But the military man is still much in evidence.

Under Mr. McAvity's direction, the CEA has become an organization

with considerable clout in business and government circles. The late Earl of Chesterfield no doubt would have approved of the way the Association has cultivated its impressive array of contacts and put them to use in providing a considerable number of services for Canadian exporters.

CEA staff meet regularly with federal and provincial governments, the transportation industry, port authorities and others. The Association co-operates with other organizations, for example working with the Canadian Bankers' Association on export financing, foreign collections and documentation.

The CEA keeps in touch with the World Bank Group, GATT, ICC and many other international organizations such as the United Nations Development Fund and Economic Commissions. Because the United States market is so important to Canadians, the Association monitors events in official Washington and communicates with bodies such as the U.S. Customs Bureau, Tariff Commission, Department of Commerce, Border Brokers' Association and northern U.S. port authorities.

Another sort of initiative was taken in 1966 when the Association was instrumental in founding the Canadian Shippers' Council. This has a membership of 20 trade associations representing firms involved in both importing and exporting. The Council's main function is to give cargo interests a collective voice when dealing with government and the shipping conferences.

CEA secretary Jim Moore, a lively individual who seems always to be straining at the bit, has developed a plan for a standard trade document alignment system. He is guiding the project to completion with the help of the Shippers' Council and almost two dozen other business and industry associations.

The system is called the Canadian Trade Document Alignment System and is due to be formally introduced by a new body known as the Canadian Organization for Simplification of Trade Procedures (COST-PRO). This is the kind of tough job the CEA is prepared to tackle. Mr. Moore says: "We don't have many people but we usually know exactly where to get information and this, I think, is the reason for our success."

The CEA encourages non-exporters to get into the game and helps with foreign marketing options, pricing and location of financing. It provides advice on the everyday mechanics such as documentation, routing, and consular formalities. It maintains a library with texts on most aspects of international business, including licensing arrangements, agency contracts, arbitration clauses and advice on the laws and regulations of most countries. It also holds seminars on subjects dear to exporters, such as customs procedures, transportation and marketing.

The broad objectives of the CEA are to foster and develop Canadian exports, and to maintain a climate that will sustain growth of Canada's export trade. The Association has a relatively small staff who couldn't hope to meet these objectives by

themselves, but there are nine committees, involving nearly 200 CEA members, working year-round in areas of prime interest.

There are committees on taxation, export financing, development aid, education, trade policy and traffic. A newly-created Multilateral Aid Committee, made up of engineers and equipment manufacturers, is seeking ways to increase Canadian procurement for projects financed by the World Bank Group and other international agencies.

The Communications/USA Committee was also formed this year to develop ways to improve the flow of factual information about Canada to the United States.

All these committees of experts, who meet periodically with the appropriate officials in Ottawa, report to the Policy Recommendation Committee — which does exactly what its name implies. It recommends action to the Board of Directors which may take the form of briefs, representations, publicity or advice to members.

The Association is proud of the accomplishments of its committee. In April 1970, its Tax Committee was the first group in the country to recognize the implications of the American DISC plan and to make recommendations to the Federal Government.

The Association says that representations by the Export Financing Committee were largely responsible for the creation of the Export Development Corporation, which was set up nearly five years ago to replace the Export Credits Insurance Corporation.

This year's CEA chairman, E. Cayley Hill, of Dominion Road Machinery Co. Limited of Goderich, Ontario, says: "While our members place an increasingly high value on the information services the Association provides, I should point out that the organization has come to be regarded as one of the most effective in getting consideration, respect and action in Ottawa."

Mr. Hill is pleased with the results of a recent Financial Times survey of business executives. He says that in response to a question asking which organizations have the most influence on government, 43 per cent named the Canadian Export Association along with the Chamber of Commerce, 32 per cent mentioned industry associations and 14 per cent, individual companies.

While the Association periodically fires off briefs to Ottawa and, more often, sends delegations to meet with

senior government people, this is not to say that the CEA views itself as an adversary of government. To the contrary, says Mr. Hill: Canadian exporters must work more closely with the Federal Government, particularly the Department of Industry, Trade and Commerce.

He believes it is up to individual companies to work out marketing strategies on their own, but says there is a place for the Canadian Export Association to act as an interface between exporters and public servants. The CEA, he says, can make recommendations to government regarding exporters' difficulties because its members are in the best position to pinpoint these difficulties. He points out that new exporters can benefit greatly from the services of the Department of Industry, Trade and Commerce and its Trade Commissioner Service, which Mr. Hill regards as about the best in the world.

In his report to the annual meeting of the CEA in October, president James McAvity stated that the export community had overcome many of its difficulties of 1970-71 and said the outlook for 1972-73 is good. But he said many challenges remain.

Mr. McAvity said Canada-United States trade will deserve special attention in the next year or two because of the new U.S. trade policy involving changes such as the revised anti-dumping regulations and other developments.

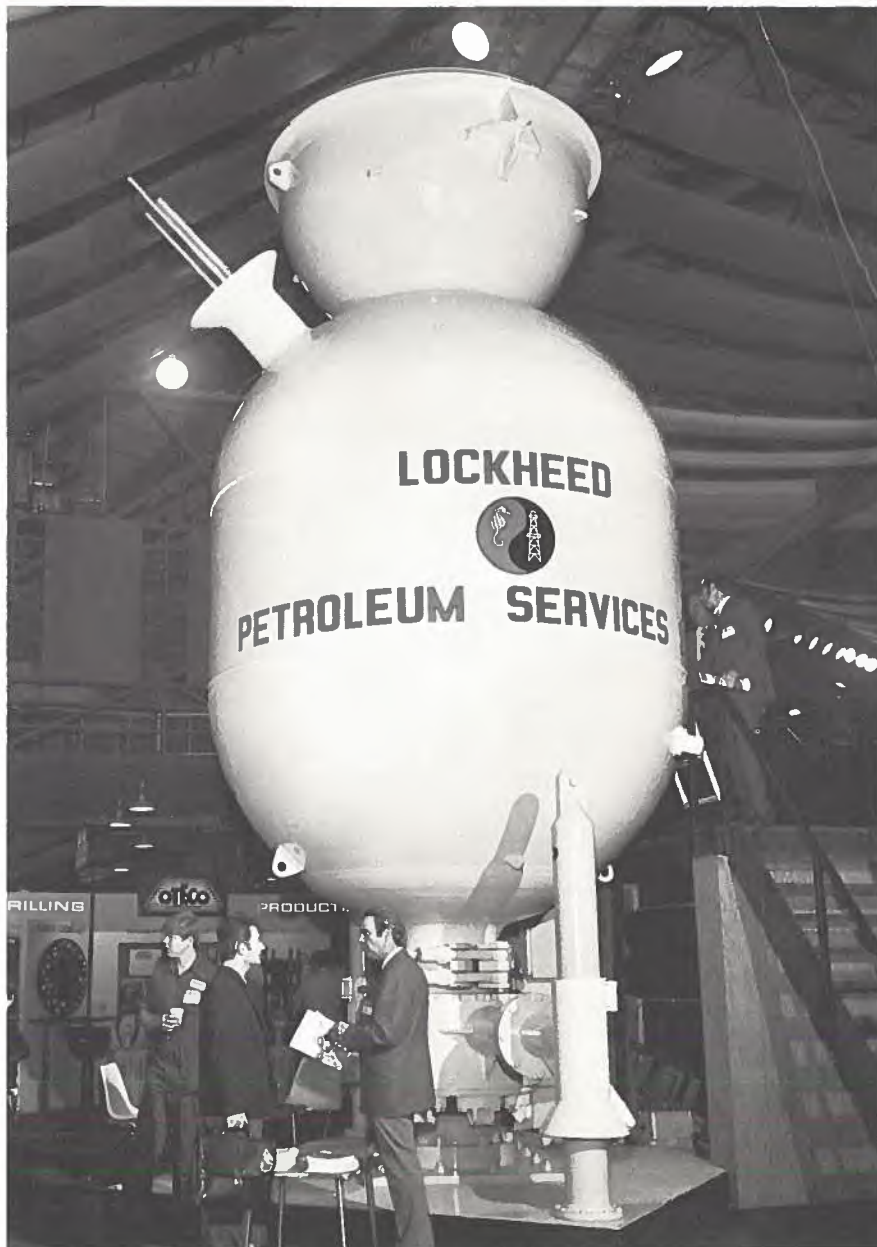
The Association, with head office in Montreal's Commerce House, has several priority projects under way, such as the one already mentioned which is aimed at improving Canada's image in the U.S. Other projects include a proposal calling for a new specific insurance policy covering exchange fluctuation risks and another of the CEA's papers on taxation of international income.

Mr. McAvity stresses that the Association is "a very broad, horizontal organization; we represent all industries." It is also the only association devoting itself exclusively to the export interests of its members. Membership consists of nearly 400 companies in resource, manufacturing and service industries.

The Association has a strong voice now, but it has recently embarked on a membership drive to strengthen its influence and also to be able to expand its services. In his annual report, Mr. McAvity noted that 31 new members were added in 1971-72 and direct contacts with members were increased during the year.

Oil and Gas Market in Texas

Southwestern U.S. is where majority of purchasing decisions are made, and not only for U.S. consumption. But a visit is essential if you want to sell.



Visitors to the Lockheed Petroleum Services exhibit at the Houston Offshore Technology Conference were dwarfed by the model of Lockheed's well-head cellar. B.N. Mason (right), company representative, clarifies a point with a visitor from Italy.

PETER W. BELANGER, Vice Consul and Assistant Trade Commissioner, Dallas

Consider these facts: the major control centre for the world's petroleum industry is Houston, Texas; many of the largest oil- and gas-related companies have headquarters in the southwestern United States; more buying decisions about oil- and gas-related equipment services are made in Texas and Oklahoma than anywhere else.

Now think about these points: the southwestern United States is seldom visited by Canadian oil- and gas-related equipment manufacturers and service companies; nearly all oil- and gas-related firms in the area would welcome calls from these Canadian companies and would buy if price, delivery and quality were competitive. But most of them have never been approached by Canadian companies.

Apparently, most Canadians feel the southwestern market is too tough to crack. Some of them argue: "You can't sell coals to Newcastle." They complain about problems such as high freight costs, barriers, buy-American policies and the difficulty of competing against traditional U.S. suppliers, many of which have their manufacturing plants in the area.

Even if parent-company restrictions and licensing arrangements exclude many Canadian companies from exporting to the United States, it would be a great mistake to write off the U.S. market because much of the oil- and gas-related equipment and services purchased in the Southwest are destined for markets outside the United States. What is there to stop a Canadian company selling to a company in the Southwest which then sells abroad? The equipment is not being exported to the United States, therefore the licensing arrangements do not necessarily apply.

Brown and Root, Inc., the M. W. Kellogg Company, Sun Oil, Continental Oil Company, Atlantic Richfield, Dresser Industries, Sedco, Williams Brothers, Texaco, Shell Oil Company, Alyeska Pipeline Service Company, Armco Steel Corporation, Delta Engineering Corporation, the Offshore Company and Humble Oil Company are some of the organizations with headquarters or large purchasing offices in the Southwest. These companies spend millions each year on equipment and services for their overseas operations. The far-reaching buying influence of these companies cannot be over-emphasized.

Canadian subsidiaries of U.S.



Frank Silc (left) of Tenneco Oil Co. checks into Nordic Offshore Services Ltd. of Vancouver, British Columbia, at Houston Offshore Technology Conference. He's talking to Nordic representatives Sandra Pelley and R. Peter Brown.

companies have a high degree of autonomy in purchasing most items and they generally buy Canadian whenever possible. However, there tends to be little purchasing feedback between the Canadian companies and their U.S. parents. The result is that the parent companies are often ignorant of Canadian capabilities. This can be changed only by aggressive marketing tactics. Rather than avoiding the southwestern United States, Canadian companies should be vigorously pursuing the business opportunities in the area.

There are several possible approaches to the market. Direct sales are usually the best way to move high-value, non-expendable products but direct sales can be accomplished only if the Canadian supplier is prepared to establish a local sales office or to visit the area frequently.

Technical items or services requiring constant contact and promotion are best handled through a sales office or a well-connected manufacturers' representative. However, good reps are a prize commodity; there aren't many of them because most technical products are sold direct or through distributors. In selling items requiring servicing, a distributor prepared to carry parts inventories is

essential.

Expendable items for production are usually distributed by oil field supply houses that offer services such as financing and emergency delivery to work sites. They also accept return of unused material. Some of the supply houses are owned by steel companies; others by equipment manufacturers and others still are tied to operators.

Whatever approach is adopted, suppliers should be known to operating personnel at work sites and also to personnel in the headquarters purchasing and engineering departments. Prequalification is often required, especially for technical items and engineering services. Even when local purchasing authority has been delegated, it usually encompasses only those suppliers previously approved by central purchasing.

Selling or servicing in the Southwest is virtually impossible without personal visits and direct market promotion. Mailing technical data and promotional material to prospects is a waste of time unless there is a follow-up personal visit.

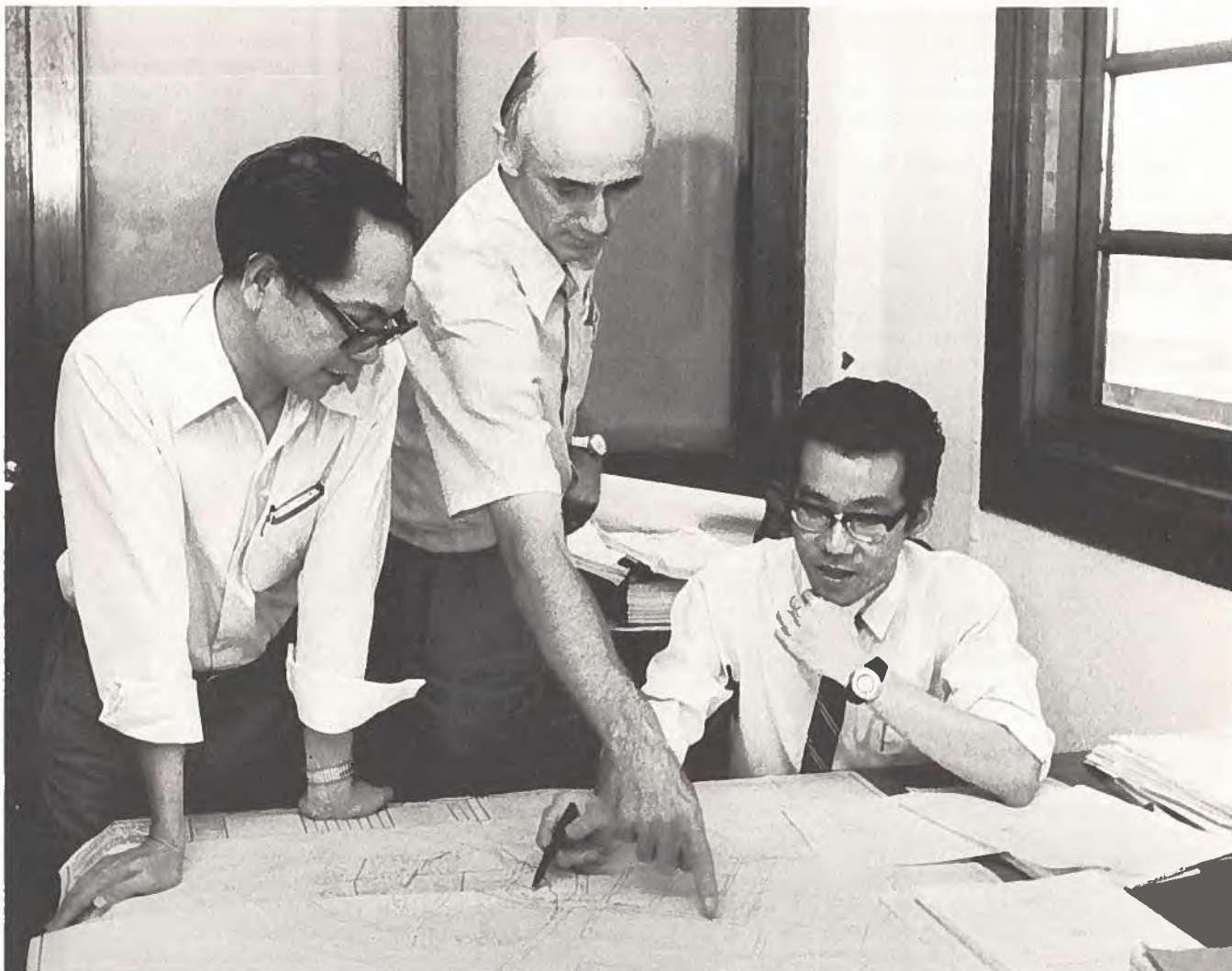
Canadian companies should take advantage of trade shows to introduce products or services. Some of the most effective shows include: the In-

ternational Petroleum Exposition in Tulsa, Oklahoma, every five years (the next is scheduled for 1976); the annual offshore Technology Conference in Houston; the biennial Permian Basin Oil Show in Odessa, Texas, and the annual Fall Meeting of the Society of Petroleum Engineers. Nineteen Canadian companies, assisted by the Canadian Government, placed exhibits in the 1972 Offshore Technology Conference and sales attributed to this participation are predicted to top \$10 million.

Remember when introducing a new product or service that potential customers are knowledgeable and conservative. They are reluctant to experiment with unproven suppliers, but once a supplier is established his rewards are rich.

Take a first-hand look at the market potential in the Southwest. You may discover that by talking to buyers or engineers in Tulsa or Houston, new markets are opened in Asia, Africa or other parts of the world. The Canadian Consulate in Dallas is anxious to assist Canadian companies. It has recently surveyed several hundred oil- and gas-related companies and has up-to-date information on buying policies.

Consultants in Singapore



J.R. Clarke, manager of the Senoko power station project, points out a detail on the blueprints to Chia Kee Ching, left, and Liow Keng Teck, both mechanical engineers with the project. Montreal Engineering Ltd. of Montreal recently won the contract to build the thermal power station.

WILLIAM CHIA, Commercial Officer, Singapore.

Canadian consultants can be successful in Singapore!

Against stiff international competition, Montreal Engineering Ltd. recently won the contract to build the new "Senoko" two million-kilowatt thermal power station. The first stage, providing an estimated 400,000 kilowatts, is scheduled for completion in 1975. Montreal Engineering's work includes site investigation, plant layout, detailed design, field supervision and project management. Senior Montreal Engineering officials consider this a breakthrough in a key export field. Canadian equipment suppliers

are now competing for international tenders arising from this project.

There will be more opportunities for consultants and equipment suppliers as Singapore's industrialization program continues to transform the structure of its economy. A number of large public and private projects are scheduled and several of them will require foreign consultants and sophisticated capital equipment.

The Singapore Ministry of Environment is planning the construction of a 1,600-ton per day refuse incinerator. Six Canadian firms have registered with the agency for selection in the shortlist. The appointment of a consultant from this shortlist is expected shortly. Kennedy and Dol-

kins, a British firm, handled the feasibility study. About 10 per cent of the projects \$13 million cost is expected to be used as consultant fees. The project is of high priority in land-hungry Singapore (total area 225 square miles), where present disposal systems will soon be inadequate. The Singapore Government has applied to the World Bank for financing for part of the cost.

With a burgeoning public housing system and a growing industrialization program, Singapore plans to provide sewers in the major rural parts of the island to meet the needs of a population projected to be four million by the end of the century. A master plan recently completed by

Camp, Dresser & McKee, a U.S. firm, recommended sewers for the eastern part of the island. A World Health Organization engineering expert is helping the Singapore Public Works Department in long-term sewerage schemes. Canadian firms with special expertise in this field should register with the Director, Singapore Public Works Department, Ministry of National Development, Maxwell Road, Singapore 2.

The World Bank recently provided a loan of \$855,400 to assist the Singapore Government to plan a mass rapid transit system, including the establishment of long-term policies regarding metropolitan transportation. The consultant chosen was a consortium of U.S. firms, Bechtel/Wilbur Smith/Parsons-Brinckerhoff. There appear to be two choices, either an overhead monorail or an underground tube, to link together a comprehensive transit system for the island. The study should be ready sometime this year, and is expected to show good opportunities for Canadian suppliers of rolling stock and other related equipment.

Another project under consideration, but separate from the rapid transit proposal, is an expressway in the centre of the city. The Public Works Department of the Ministry of National Development is responsible for the master-planning of this system. A shortlist of foreign consultants is being prepared for a feasibility study and for a design for portions of a ring road round the city centre. The Asian Development Bank (ADB) will be financing the services of the engineering consultant and the Singapore authorities hope to choose the consultant early this year.

Seventy-five per cent of Singapore's annual consumption of 36,000 million gallons of water is purchased from the neighboring state of Johore in West Malaysia. Singapore has three reservoirs now and a fourth, Kranji reservoir, is being constructed costing an estimated \$17 million. The Asian Development Bank has extended a loan of \$8.3 million to the Singapore Public Utilities Board for the project. The Board has awarded the engineering consultancy contract to Renardet Engineering of France. Singapore is considering all avenues to increase its water supply, including desalination, in a long-term program to make the republic self-sufficient in its supply of water. Canadian firms interested in

supplying equipment or construction services for the Kranji reservoir should register with the consultants and the Board.

An international group of consultants, Dillingham Corporation of Hawaii, is developing tourist facilities here. Among the priority projects are the development of an offshore island, Sentosa, into a resort complex with an 18-hole golf course and a swimming-boating lagoon; a Space Needle and cable car system from Sentosa to Mount Faber, a hill opposite Sentosa; an aquarama; a planetarium; and a zoo. All these projects are being executed by the newly established Sentosa Development Corporation, which comes under the Ministry of Finance.

Other public projects for the future include coastal reclamation, urban renewal (townships), pollution and environmental health control. The Canadian trade office here is in constant contact with the Singapore Government regarding future engineering requirements and alerts appropriate Canadian consultants at an early stage.

In the private sector, lucrative consulting engineering opportunities exist in three main fields — civil, mechanical and electrical engineering. The building boom continues and Canadian consultants should attempt to obtain a share of this market. In one main street in the city, fronting the harbor, eight office-shopping complexes of 40-storeys or more are being built. Most of them are designed and engineered by international civil, mechanical and electrical engineers. A number of international engineering firms have established branch offices in Singapore to design and supervise building services such as electrical and air-conditioning, sanitary and plumbing, and fire protection. Foreign engineers are brought in by the Singapore real estate and housing developers for projects requiring specialized knowledge or new technology.

The majority of large projects in the Singapore public sector are funded by the Asian Development Bank, the International Bank for Reconstruction and Development (World Bank), and the United Nations Development Program (UNDP). Consultants must register with these organizations before they can be shortlisted for any project. An outline of the basic procedures to be followed in bidding for IBRD & ADB projects was carried in the January 1970 and

October 1971 issues of *Foreign Trade* (Renamed *CANADA COMMERCE* in November 1971).

Financing by these banks throughout Southeast Asia is expected to increase considerably in the future. The ADB, for example, has recently decided to increase its capital by 150 per cent. Singapore has borrowed more than \$70 million from the ADB, and benefited greatly from its membership.

The Commercial Division of the Canadian Consulate-General in Manila recently ascertained the criteria used by ADB selection teams in choosing consultants: 50 per cent to experience of personnel proposed for the project; 25 per cent to the firm and its experience relevant to the project in question; and 25 per cent to proposed methodology and work plan.

As far as Singapore projects are concerned, four other factors are important.

(1) Canadian consultants should not register as "generalists". Specific projects usually call for one area of engineering expertise. It is the specialist, regularly visiting the area, who is better able to compete successfully against keen international competition.

(2) Consultants should present their proposals demonstrating a first-hand knowledge of the conditions of the borrowing country.

(3) Personnel proposed for a particular project must be supported with biodata on the engineers, with special emphasis on their previous experience in similar projects.

(4) If the requirement of "local content" is important to the borrowing country, Canadian consultants should visit that country to seek a suitable local partner prior to the finalizing of a "shortlist". Trade Commissioners are always ready to recommend reputable and influential local firms.

We recommend regular visits to this market for a first-hand look at potential projects and liaison with the responsible authorities. Our office is always pleased to assist visiting Canadians in arranging appointments with the appropriate authorities. To keep abreast of upcoming projects that may require consultants, Canadian firms should drop us a line at the following address: Commercial Division, Canadian High Commission, P.O. Box 845, Singapore 1.

Geographical Listing for Exporters

Need information on foreign markets? You can get it from the Trade Commissioner posts around the world, or from the Office of Area Relations in Ottawa. This breakdown tells you which TC post and which OAR Division is responsible for the country in which you are interested.

Country	TC Post	OAR Division	Country	TC Post	OAR Division
Afar and Issas, Territory of the (Fr. Somaliland)	Nairobi	Africa	Brunei	Kuala Lumpur	Asia
Afghanistan	Islamabad	Asia	Bulgaria	Vienna	Eastern Europe
Albania	Vienna	Eastern Europe	Burma	Kuala Lumpur	Asia
Algeria	Algiers	Africa	Burundi	Kinshasa	Africa
Andorra	Paris	Western Europe	Cameroon	Kinshasa	Africa
Angola	Johannesburg	Africa	Canal Zone	San José	Latin America
Arab Republic of Egypt	Cairo	Africa	Canary Islands	Madrid	Western Europe
Argentina	Buenos Aires	Latin America	Cape Verde Islands	Lisbon	Western Europe
Aruba (see Netherlands Antilles)			Cayman Islands	Kingston	Caribbean
Australia	Sydney Melbourne Conberra	Pacific	Central African Republic	Kinshasa	Africa
Austria	Vienna	Western Europe	Chad	Kinshasa	Africa
Azores	Lisbon	Western Europe	Chile	Santiago	Latin America
Bahamas	Kingston	Caribbean	China, People's Republic of	Peking	China Task Force
Bahrein	Beirut	Asia	Christmas Island	Sydney	Pacific
Balearic Islands	Madrid	Western Europe	Cocos-Keeling Islands	Sydney	Pacific
Bangladesh	Bangkok	Asia	Colombia	Bogota	Latin America
Barbados	Port-of-Spain	Caribbean	Comoro Islands	Johannesburg	Africa
Belgium	Brussels	Western Europe	Congo (Brazzaville)	Kinshasa	Africa
Bermuda	New York	Caribbean	Cook Islands	Wellington	Pacific
Bhutan	New Delhi	Asia	Costa Rica	San José	Latin America
Bolivia	Lima	Latin America	Cuba	Havana	Caribbean
Bonaire (see Netherlands Antilles)			Curacao	(see Netherlands Antilles)	
Botswana	Johannesburg	Africa	Cyprus	Tel Aviv	Western Europe
Brazil	Brasilia Rio de Janeiro Sao Paulo	Latin America	Czechoslovakia	Prague	Eastern Europe
Britain	London Glasgow	Britain			
British Honduras	Kingston	Caribbean			
British Solomon Islands	Sydney	Pacific			

Country	TC Post	OAR Division
Dahomey	Lagos	Africa
Denmark	Copenhagen	Western Europe
Dominican Republic	San Juan	Caribbean
Ecuador	Bogota	Latin America
Egypt (see Arab Republic of Egypt)		
El Salvador	Guatemala City	Latin America
Equatorial Guinea	Madrid	Africa
Ethiopia	Nairobi	Africa
Falkland Islands	Buenos Aires	Caribbean
Fiji	Sydney	Pacific
Finland	Stockholm	Western Europe
France	Paris	Western Europe
French Guiana	Port-of-Spain	Western Europe
French Oceania	Wellington	Pacific
French Somaliland (see Afar and Issas)		
Gabon	Kinshasa	Africa
Gambia	Abidjan	Africa
Germany	Bonn Duesseldorf Hamburg	Western Europe
Ghana	Lagos	Africa
Gibraltar	London	Britain
Gilbert and Ellice Islands	Wellington	Pacific
Greece	Athens	Western Europe
Greenland	Copenhagen	Western Europe
Guadeloupe	Port-of-Spain	Western Europe
Guatemala	Guatemala City	Latin America
Guinea, Republic of	Abidjan	Africa
Guyana	Port-of-Spain	Caribbean
Haiti	San Juan	Caribbean
Honduras	Guatemala City	Latin America
Hong Kong	Hong Kong	Asia
Hungary	Vienna	Eastern Europe
Iceland	Oslo	Western Europe
India	New Delhi	Asia
Indonesia	Djakarta	Pacific
Iran	Tehran	Asia
Iraq	Beirut	Asia
Ireland, Republic of	Dublin	Britain
Israel	Tel Aviv	Western Europe
Italy	Rome Milan	Western Europe

Country	TC Post	OAR Division
Ivory Coast, Republic of	Abidjan	Africa
Jamaica	Kingston	Caribbean
Japan	Tokyo	Pacific
Jordan	Beirut	Asia
Kenya	Nairobi	Africa
Khmer Republic	Bangkok	Asia
Korea	Tokyo	Asia
Kuwait	Beirut	Asia
Laos	Bangkok	Asia
Lebanon	Beirut	Asia
Leeward Islands	Port-of-Spain	Caribbean
Lesotho	Johannesburg	Africa
Liberia	Abidjan	Africa
Libya	Cairo	Africa
Liechtenstein	Berne	Western Europe
Luxembourg	Brussels	Western Europe
Macao	Hong Kong	Asia
Madeira	Lisbon	Western Europe
Malagasy Republic	Johannesburg	Africa
Malawi	Nairobi	Africa
Malaysia	Kuala Lumpur	Asia
Mali, Republic of	Abidjan	Africa
Malta	Rome	Western Europe
Martinique	Port-of-Spain	Western Europe
Mauritania, Republic of	Abidjan	Africa
Mauritius	Johannesburg	Africa
Mexico	Mexico City	Latin America
Monaco	Paris	Western Europe
Morocco	Madrid	Africa
Mozambique	Johannesburg	Africa
Muscat and Oman	Beirut	Asia
Nepal	New Delhi	Asia
Netherlands	The Hague	Western Europe
Netherlands Antilles	Caracas	Caribbean
New Caledonia	Sydney	Pacific
New Hebrides (British-French Condominium)	Sydney	Pacific
New Zealand	Wellington	Pacific
Nicaragua	San José	Latin America
Niger, Republic of	Abidjan	Africa
Nigeria	Lagos	Africa

Country	TC Post	OAR Division
Northern Ireland	Glasgow	Britain
Norway	Oslo	Western Europe
Okinawa (see Ryukyu Islands)		
Pakistan	Islamabad	Asia
Panama	San José	Latin America
Papua and New Guinea	Sydney	Pacific
Paraguay	Buenos Aires	Latin America
Persian Gulf Area	Beirut	Asia
Peru	Lima	Latin America
Philippines	Manila	Pacific
Poland	Warsaw	Eastern Europe
Portugal	Lisbon	Western Europe
Portuguese Guinea	Lisbon	Africa
Puerto Rico	San Juan	United States
Qatar	Beirut	Asia
Reunion	Johannesburg	Africa
Rhodesia	—	Africa
Romania	Vienna	Eastern Europe
Rwanda	Kinshasa	Africa
Ryukyu Islands	Tokyo	Pacific
St. Helena	Cape Town	Africa
St. Pierre and Miquelon	Boston	Western Europe
São Tomé and Príncipe	Lisbon	Africa
Saudi Arabia	Beirut	Asia
Scotland	Glasgow	Britain
Senegal, Republic of	Abidjan	Africa
Seychelles Islands	Nairobi	Africa
Sierra Leone	Lagos	Africa
Sikkim	New Delhi	Asia
Singapore	Singapore	Asia
Somali Republic	Nairobi	Africa
South Africa, Republic of	Johannesburg Cape Town	Africa
Spain	Madrid	Western Europe
Spanish Sahara	Madrid	Africa
Sri Lanka	Colombo	Asia
Sudan	Cairo	Africa
Surinam	Port-of-Spain	Caribbean
Swaziland (Ngwane)	Johannesburg	Africa
Sweden	Stockholm	Western Europe
Switzerland	Berne	Western Europe
Syria	Beirut	Asia

Country	TC Post	OAR Division
Tahiti	Wellington	Pacific
Tanzania	Nairobi	Africa
Thailand	Bangkok	Asia
Togo	Lagos	Africa
Tonga	Wellington	Pacific
Trinidad and Tobago	Port-of-Spain	Caribbean
Tunisia	Algiers	Africa
Turkey	Ankara	Asia
Turks and Caicos Islands	Kingston	Caribbean
Uganda	Nairobi	Africa
Union of Arab Emirates	Beirut	Asia
United Kingdom	(see Britain)	
United States	Washington Atlanta Boston Buffalo Chicago Cleveland Dallas Detroit Los Angeles Minneapolis New York Philadelphia San Francisco Seattle United Nations (New York)	United States
Upper Volta, Republic of	Abidjan	Africa
U.S.S.R.	Moscow	Eastern Europe
Uruguay	Buenos Aires	Latin America
Venezuela	Caracas	Latin America
Vietnam	Bangkok	Asia
Virgin Islands (Br.)	San Juan	Caribbean
Virgin Islands (U.S.)	San Juan	United States
Western Samoa	Wellington	Pacific
Windwards Islands	Port-of-Spain	Caribbean
Yemen Arab Republic	Beirut	Asia
Southern Yemen, People's Republic of	Beirut	Asia
Yugoslavia	Belgrade	Eastern Europe
Zambia	Nairobi	Africa
Zaire, Republic of	Kinshasa	Africa

Foreign Reps in Canada

ARGENTINA

Economic Counsellor's Office
Embassy of Argentina
56 Sparks St., Room 307
Ottawa K1P 5A9
Phone: 236-9431

AUSTRALIA

Commercial Counsellor and Australian
Trade Commissioner
Australian High Commission
90 Sparks St.
Ottawa K1P 5B4
Phone: 236-2684
Telex: 013-3391

Australian Trade Commissioner
King & Bay Sts., Room 2324
Box 69, Commerce Court West
Toronto M5L 1B9
Phone: 367-0783
Telex: 06-219762

Australian Trade Commissioner
Canadian Imperial Bank of
Commerce Bldg.
1155 Dorchester Blvd. W., Suite 811
Montreal 102
Phone: 875-2000
Telex: 01-26583

Australian Trade Commissioner
Guinness Tower, Suite 500
1055 West Hastings St.
Vancouver
Phone: 684-1177
Telex: 04-507580

AUSTRIA

Austrian Embassy
445 Wilbrod St.
Ottawa K1N 6M7
Phone: 235-5521
Telex: 013-3290

Austrian Consulate
1132 Kensington Rd. N.W.
Calgary
Phone: 283-6526

Austrian Consulate
526 Young Ave.
Halifax
Phone: 423-7593

Austrian Trade Delegate
630 Dorchester Blvd. W.,
Montreal 101
Phone: 866-1103

Austrian Trade Delegate
401 Bay St., Suite 2008
Toronto 103
Phone: 363-3677

Austrian Trade Delegate
Vancouver Block, Suite 1220-1223
736 Granville St.
Vancouver 2
Phone: 683-5808

Austrian Consulate
54 Harrow St.
Winnipeg 9
Phone: 452-9750

BARBADOS

Counsellor
Barbados High Commission
151 Slater St., Suite 200
Ottawa K1P 5H3
Phone: 236-9517
Telex: 053-3375

Barbados Industrial Development Corp.
11 King St. W., Suite 1108
Toronto M5H 1A3
Phone: 869-0603

BELGIUM

Belgian Embassy
85 Range Rd.
Ottawa K1N 8J6
Phone: 236-7267
Telex: 013-3568

Consul General of Belgium
2222 Royal Bank of Canada Bldg.,
Place Ville Marie
Montreal 113
Phone: 866-8678

Consul General of Belgium
8 King St. E., Suite 1901
Toronto
Phone: 364-5283

Consul General of Belgium
Baxter Bldg., Rm. 916
1111 West Hastings St.
Vancouver
Phone: 682-1878

BOLIVIA

Consul General
Consulate General of Bolivia
4874 Cote des Neiges, Apt. 809
Montreal 247
Phone: 735-6723

BRAZIL

Trade Division
Embassy of Brazil
450 Wilbrod St.
Ottawa K1N 6M8
Phone: 237-1090
Telex: 0534222

Brazilian Consulate General
1 Place Ville Marie, Suite 1505
Montreal 113
Phone: 866-3313
Telex: 012-0985

BRITAIN

Minister (Commercial)
British High Commission
80 Elgin St.
Ottawa K1P 5K7
Phone: 237-1530
Telex: 013-266

The British Trade Commissioner
Three McCauley Plaza, Suite 1404
10025 Jasper Ave.
Edmonton T5J 1S6
Phone: 424-0481
Telex: 037-2421

The British Trade Commissioner for
the Atlantic Provinces
Centennial Bldg., 10th Floor
1645 Granville St.
Halifax
Phone: 422-7488
Telex: 014-422634

The Senior British Trade Commissioner
635 Dorchester Blvd. W.
Montreal 101
Phone: 866-5863
Telex: 012-6437

The British Trade Commissioner
815 Avord Tower
2002 Victoria Ave.
Regina S4P 2Y8
Phone: 527-6459
Telex: 031-2360

The Senior British Trade Commissioner
200 University Ave., 8th Floor
Toronto M5H 3E3
Phone: 362-4401
Telex: 022-9531

The Principal British Trade
Commissioner
Bank of Nova Scotia Bldg., 4th Floor
602 West Hastings St.
Vancouver 2
Phone: 683-4421
Telex: 045-1287

The British Trade Commissioner
Monarch Life Bldg., 4th Floor
333 Broadway Ave.
Winnipeg R3C 0S9
Phone: 942-3151
Telex: 035-465

BULGARIA

Bulgarian Trade Commission
1550 Maisonneuve Blvd. W., Suite 210
Montreal 107
Phone: 935-7494
Telex: 05-24235

BURMA

Embassy of the Union of Burma
Royal Trust Bldg., 2nd Floor
116 Albert St.
Ottawa K1P 5G3
Phone: 236-9613

CAMEROON

Commercial Attaché
Cameroon Embassy
85 Range Rd.
Ottawa K1N 8J6
Phone: 236-1522

CHILE

Commercial Counsellor
Embassy of Chile
56 Sparks St., Suite 204
Ottawa K1P 5A9
Phone: 235-4402

Consulate of Chile
3355 Queen Mary Rd., Apt. 719
Montreal 247
Phone 735-5921

Consulate of Chile
1139 Lonsdale Ave.
North Vancouver
Phone: 985-6211

International Projects

INDONESIA — AGRICULTURE

Indonesia will increase smallholder agricultural production both for export and for domestic use. The project, estimated to cost \$10 million, is expected to increase the output of rubber, palm oil and rice and earn an estimated \$57 million in foreign exchange. It should benefit 18,000 farmers in North Sumatra and serve as the experimental phase of a more extensive investment program to assist smallholders. It will be partially financed by a \$5 million loan from the International Development Association.

Smallholders form three-quarters of Indonesia's population and produce 70 per cent of all agricultural exports. Agricultural expansion depends on increasing and diversifying the smallholders' output — especially on the outer islands.

The project to be assisted by IDA includes the distribution of 22,500 acres to landless estate laborers and to smallholders with uneconomic-sized farms and the provision of credits and grants. Extension service and training will be expanded and improved. About 150 miles of feeder roads and crop extraction tracks, buildings, and 800 group coagulating centers will be rehabilitated or constructed. Aerial surveys and studies to prepare similar future projects will also be undertaken.

At full development, project plantings are expected to produce some 9,500 tons of rubber, 10,600 tons of palm oil and 2,000 tons of palm kernels annually. During the early years of the project the plantings will be intercropped with rice with about 29,400 tons being produced.

Implementing Organization: Project Management Unit (to be established); Ministry of Agriculture (Prof. Dr. Ir. Thojib Hadiwidjaja, Minister of Agriculture, Government of Indonesia, Djakarta, Indonesia).

Procurement: Vehicles, tractors and implements, fertilizers and pesticides to be procured through international competitive bidding with 15 per cent preference margin for local supplies, goods and services for coagulating centres, other buildings to be procured locally because of diversity and small size of contracts involved.

Consultants: Project prepared by the Commonwealth Development Corporation. Three specialists in financial control, extension and training, and land use and planning — to be selected.

IRAQ — LAND RECLAMATION

The World Bank will assist Iraq's land reclamation and agricultural development program with a \$40 million loan for an irrigation project in the Lower Khalis region between the Diyala and Tigris rivers.

The \$78 million project is part of the government's long-term planned development of 865,000 acres in the Diyala basin and will replace haphazard and inadequate irrigation in about 140,000 acres in the Lower Khalis area, northeast of Baghdad. It consists of the construction of a new distribution system, including a 30-mile extension of the Khalis main canal bringing the waters of the Diyala River through the Upper Khalis region to the project area, and construction of an extensive land drainage system.

It will also include the construction of feeder roads, offices and staff housing, provision of maintenance equipment, vehicles and spare parts; and technical assistance for certain essential studies and their implementation, and initial operations of the project.

Agriculture accounts for one-fifth of Iraq's gross domestic product and employs about half of the labor force. However, the productivity of the sector is low and increasing only slowly. The major constraints include the reliance of agriculture on the vagaries of rainfall, shortage of irrigation water distribution and control facilities, besides excessive salinity and poor drainage. The Iraqi Government is aware of these problems and has accorded high priority for the improvement of the agricultural sector in the current National Development Plan (1970-74).

Implementing Organization: Khalis Agricultural Administration, c/o The Planning Ministry, Baghdad, Iraq.

Procurement: Contracts for civil works, supply of equipment to be awarded on the basis of international competitive bidding. It is anticipated there will be four large civil works

contracts for three development areas within the project area, and the administration buildings and facilities.

Consultants: Proposals now being evaluated.

NICARAGUA — PORT EXPANSION

Facilities at the port of Corinto, on the Pacific coast of Nicaragua, are going to be expanded and improved in a \$14.2 million project.

The destructive December 23 earthquake caused great human suffering and loss of life. It seriously affected a large part of Managua's infrastructure and most of its service industry, and destroyed some 10 per cent of the country's industrial installations. It has been estimated, however, that agriculture and transport facilities were left virtually intact.

The World Bank Group has joined other international and bilateral organizations and the Nicaraguan government to determine the best means to co-ordinate assistance for reconstruction and alleviation of the earthquake impact on the country's economy. Shortly after the disaster, Bank Group missions identified areas where immediate assistance was required. The Bank Group further expects to be in a position to consider, at an early date, a reconstruction credit.

The \$11 million loan approved for the port project, although not directly linked to reconstruction efforts, will assist in helping Nicaragua to maintain and expand its levels of agricultural exports and provide additional employment. Seaborne trade, especially with the United States, Europe and Japan, is of great importance to the country's economic growth. The port of Corinto is the only Nicaraguan port with deepwater berthing facilities in its naturally protected anchorage.

Implementing Organization: Corinto Port Authority (CPA), Apartado Postal 2727, Managua, Nicaragua.

Procurement: Construction of a marginal wharf, about 790 feet, with alongside water depth of 40 feet at mean low water, spring tide, for container and general cargo traffic to replace an existing timber-deck pier; construction of a new administration

building with about 13,100 square feet of usable floor area, and a stevedore building, and relocation of an existing workshop, warehouse and gasoline filling station; construction of supporting utilities and service areas, including about 1,210,000 square feet of open storage area, parking, drainage, fencing, lighting, water and electric services and pipelines for connection to vessels, paving behind the existing wharfs Nos. 1 and 2 of about 320,000 square feet; acquisition and use of a crane and a straddle carrier for handling containers up to 40 feet long; dredging of the approach channel to provide a depth of 35 feet at mean low water, spring tide, acquisition of navigational aids for the approach channel, construction of about 1,850 yards of coastal defence works along the seashore of the island of Corinto near Paso Caballos to protect road and rail access to the port, and training for port personnel. Construction and equipment contracts to be awarded on basis of international competitive bidding. Award of \$250,000 for consultants' services and for coastal protection work has already been made.

Consultants: Frederic R. Harris (USA and Netherlands); Cisnero y Conrado (Nicaragua) and Santos and Heileman (Nicaragua).

SINGAPORE — POWER EXPANSION

Singapore is expanding its power transmission and distribution system

and is borrowing \$19.6 million from the Asian Development Bank for the project. This is the second such loan to Singapore's Public Utilities Board (PUB).

Singapore's economy grew at the rapid rate of 14 per cent per year between 1966 and 1971 and this trend is expected to continue. The growth of the manufacturing sector, which accounted for 23 per cent of the gross domestic product in 1971, has been particularly marked. This has brought about extensive increases in the power demands of the Republic and the project is designed to assist the PUB to meet those commitments. The proposed transmission and distribution systems would reduce transmission cost and contribute to the increased efficiency of the whole system.

Through implementation of the project, the economic growth of Singapore as well as rising living standards will be sustained and enhanced, thus contributing to the general welfare of all Singaporeans. Total cost of the overall scheme for 1974-75 to expand transmission and distribution facilities is estimated at \$89.7 million. PUB will finance the remaining foreign exchange component of \$40.33 million as well as local costs of \$19.77 million.

Implementing Organization: Public Utilities Board, City Hall, Singapore.

Call Address: P1YUB1, Singapore.

Procurement: Contracts for procurement of materials and equipment involving foreign currency expenditures

exceeding \$50,000 will be awarded on the basis of international competitive bidding in accordance with the Bank's Guidelines. Contracts for material and equipment involving foreign currency expenditure of \$50,000 or less will be awarded on the basis of competition among suppliers from more than one member country of the Bank.

TURKEY — INDUSTRIAL INVESTMENT

The World Bank is lending \$40 million to assist financing of investment projects by Turkiye Sinai Kalkinma Bankasi A.S. (TSKB), the major institutional source of long-term finance for private industry in Turkey.

TSKB was established in 1950 with the assistance of the World Bank and has grown with — and made substantial contributions to — Turkey's economic development. Since its inception, it has raised about \$260 million for industry and assisted more than 700 individual companies. In 1971, 68 per cent of its loans were to new companies or to existing clients for making new products, and 29 per cent were for financing export-oriented projects.

Amortization of the Bank loan to TSKB will conform substantially to the amortization schedules of projects financed with the proceeds of the loan. Interest will be 7¼ per cent per annum.

Trade Commissioners on Tour

In Territory

Businessmen who would like Trade Commissioners to undertake assignments for them should write to the post as soon as possible.

Brazil

J. E. Graham, Assistant Trade Commissioner, Sao Paulo, will visit Porto Alegre in the State of Rio Grande,

Brazil, from March 12 to 16. H. Kock, Commercial Officer, Sao Paulo, will visit Joinville, Jaraguax do Sul, Blumenau in the State of Santa Catarina, March 19 to 25.

Canada

J. M. Mabbett, Commercial Officer, Wellington, is making an orientation tour of Canada until March 16. His

schedule can be obtained from the Trade Commissioner Service, Department of Industry, Trade and Commerce, Ottawa K1A 0H5.

Iceland

R. D. Merner, Commercial Secretary in Oslo, will make Commercial calls in Iceland this June.

Wanted: Manufacturers

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

Fire retardant paint

Belgian firm offers under licence the manufacturing rights for its fire retardant paint. This flat, indoor paint, because of its special composition, forms an intumescent, insulating layer of foam when exposed to flames or high temperatures. The foam serves to check the advance of fire. The paint is easy to apply, whether by brush, roller or spray-gun, but has to be used as a finishing coat in order to obtain maximum benefit of its intumescence. Literature available. **Item 2753.**

Plastic film

Swiss firm is offering the rights for manufacturing under licence its composite film used in the packaging of foods and pharmaceuticals. It is composed of a sheet of methyl methacrylate-butadiene-styrene with a coating of polyvinylidene chloride on one surface. This product is claimed to exhibit a limited pollution hazard when burned, to be completely resistant to gases and water vapour, and to have good transparency. Literature available. **Item 2754.**

Lamp dimmer adaptor

Canadian inventor is offering the rights to manufacture under licence in Canada his incandescent lamp dimmer adaptor which screws into an ordinary lamp socket. The device consists of a lamp screw base at one end, a lamp socket at the other, and semiconductor control components assembled as a single unit. Unlike conventional lamp dimmers, which are of the wall-mounting type and may require an electrician for their installation, this adaptor is claimed to provide an inexpensive means to convert most lamps to continuous light level adjustment without the need for tools or modifications to the lamp fixture. It is convenient when used in nursery rooms, bedrooms, living rooms, etc., as it permits the light of table or floor lamps to be adjusted to individual requirements. Literature available. **Item 2755.**

Fluorescent inspection penetrants

United States Company is seeking a licensing arrangement with a Canadian firm covering the manufacture of its water-washable, fluorescent penetrants for non-destructive testing. Available in four different sensitivity levels, penetrants are claimed to combine flaw entrapment efficiency with excellent washability and to have superior fluorescent qualities. These penetrants are categorized according to uses as (a) tracers for unwanted residues (fluxes, varnishes, adhesives or potting compounds), (b) leak tracers (fuel tanks, pipelines, and various pressurized containers), (c) flaw detection tracers, (d) tracers for marking materials for security, identification, etc., (e) tracers for applied films, and (f) bulk fluorescence tracers for use when thick layers or bulk quantities of tracer-tagged liquid are to be observed. Literature available. **Item 2756.**

Fungicidal binding agent

Czechoslovakian state trading agency is seeking a licensing arrangement with a Canadian firm to produce a fungicidal binding agent for mortar, concrete and coating products. This fungicide binder contains 0.005 per cent to 1 per cent by weight of organic tin compound. The principal field of application is in the inhibition of the action of various micro-organisms such as moulds, bacteria, yeast cells, on cement, lime, mortar, and plaster. This binding agent has particular application in construction for the food industry where moisture and temperature conditions facilitate the growth of fungi. Literature available. **Item 2757.**

Dessert powder

Dutch inventor is offering for manufacture under licence in Canada his multi-purpose dessert powder. This product may be used to make several different types of dessert and drinks from one basic formulation of

finely ground sugar, powdered skim milk and approved food chemicals. When mixed with water or milk, or with a mixture of milk with brandy, rum or vodka, it serves as dessert topping, ice cream base, instant pudding, cocktail, etc. According to the inventor, manufacture involves a simple blending operation with no special techniques required. Literature available. **Item 2758.**

Brass valve fittings for tire tubes

Indian company offers under licence or joint venture the Canadian manufacturing rights to its new process for manufacturing brass tire tube valves, both with and without a rubber base. These valves are designed to fit all sizes of rubber tubes used on trucks and cars. Tubeless tire valves are also available. The Canadian licensee or joint venture partner will be provided with technical knowhow, capital if required, drawings, etc. Literature available. **Item 2759.**

Plate anchoring method and device

Dutch company offers under licence the Canadian manufacturing rights for a method of connecting an anchoring device to the rear of a plate, e.g. a wall frontal plate, and a device suitable for this purpose. It is claimed to be an inexpensive and easy mechanical method of connecting a frontal plate to a wall without stress on the plate and to permit the use of thin plates, thus reducing weight and cost. Literature available. **Item 2760.**

Conveyor roller device

Canadian inventor offers under licence the Canadian manufacturing rights for this conveyor roller device for use with all types of conveyor belts. The device has no roller bearings and requires only infrequent lubrication. It is claimed to be particularly suitable for use in abrasive situations. Literature available. **Item 2761.**

Respirator mask

Swedish inventor is seeking a licensing arrangement with a Canadian firm to produce his respirator mask, which features low production cost and simplicity of design. It has a large surface suitable for inserting different types of filters, can be individually adjusted to the face and, due to its low cost, can be thrown away after use. Its applications include military, civil defence, hospital, mining, and protection against air pollution in industrial centres. Literature available. **Item 2762.**

Protective alarm

Canadian inventor offers for manufacture under licence in Canada his patented alarm apparatus which is designed to protect merchandise, residences, commercial and industrial establishments, etc. The device is

housed in a burglar-proof spot-welded steel cabinet, 8½" x 4" x 3½" in size. A lock/key operates the alarm and locks the chassis. The apparatus is electromechanical in principle and works through a shielded cable, or is permanently wired in a closed-loop system. Literature available. **Item 2763.**

Pick-up load-holder

Canadian inventor offers under licence the Canadian manufacturing rights for his load-holder for pick-up trucks. The device is designed to keep a load from shifting and may be used with vehicles such as ½ or ¾ ton pick-up trucks which have stake pockets spaced along opposite sides of the load-carrying area. The equipment consists of verticle stakes which are inserted into the pockets, a cross-beam over the load-carrying area, and

a retainer such as a chain and cinch mechanism for securing the load against movement. The main advantage is to safely and easily secure part loads. Literature available. **Item 2764.**

Home/office decoration

Canadian inventor offers under licence the Canadian manufacturing rights for his home or office decoration. It consists of nine different-sized electrically-operated candles arranged in a semicircle, an acorn light, three different sized adjustable bells set at a 45 degree angle, and a honey-bee wax foundation background. Literature available. **Item 2765.**

Export Opportunities

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

Chemicals

SWEDEN — Liquid non-poisonous, non-mercuric seed protective chemicals: AB Askania, Fack, S-104 60 Stockholm, Attn: Mr. C. W. Rundquist, Managing Director.

SWITZERLAND — Raw chemicals for paper, paint and varnish, metal, feedstuffs, fertilizers and pharmaceuticals: Born and Stucki Ltd., Grellingerstrasse 74, 4000 Basel.

Equipment and Machinery

ARGENTINA — Metallic linings for penstocks and auxiliary equipment; intake gates: Hidronor S.A., Leandro N. Alem 1074 - 3° piso, Buenos Aires.

HONG KONG — Gas water heaters, preferably vertical storage type (5-100 gal. capacity): Dah Chong Hong Ltd., P.O. Box 1197, Attn: Mr. Y. K. Wong, Manager.

Colour television receivers employing 625-line system: Dah Chong Hong Ltd. (see above)

SWEDEN — All types equipment and machinery for engineering, iron and steel production, pulp and paper and shipyards: Specialmaskiner i Goteborg AB, Box 336, S-401 25 Goteborg. Electrical and electronic components and instruments, computer equipment,

level controllers, dosage meters and filters/dryers for pneumatic systems: Harald Bjorkgren AB, Box 3073, S-171 03 Solna, Attn: Mr. Mats Bjorkgren.

Dentists' drills: AB Malmo Dental Depot, Box 17037, S-200 10 Malmo 17.

SWITZERLAND — Plastic pallets: EBUS, 1631 Morlon, Berne, Attn: Mr. F. Horn.

Materials

HONG KONG — 50,000 pcs. prime ramin wood dowels, 50,000 pcs. above with addition of white plastic sleeving, 50,000 pcs. with long rounded ends supplied plain: Sun Fung Company, P.O. Box 261, Attn: Mr. Ted Chan, Managing Director.

PARAGUAY — Cement for dam project requiring total of 1,850,000 tons, part of which to be supplied locally: Dr. Julio Plate, Vallemi S.A. Ind. Com. y Fin.x, Estrella 640, 4 piso, Asuncion.

SWEDEN — 10,000 molybdenum rounds, diameter 28mm ± 0, 05mm, thickness 1mm: AB Askania, Fack, S-104 60 Stockholm, Attn: Mr. C. W. Rundquist, Managing Director. Zinc, 99 per cent pure for galvaniz-

ing in bars and jumbo bars: see above address.

Scrap metal with nickel, molybdenum, manganese, aluminum, zinc or tin content: Olof Manner AB, Box 178, S-431 22, Molndal.

Pharmaceuticals

SWEDEN — Flue vaccine type A/England 442/72: The State Bacteriological Laboratory, Huvudsta, S-105 21 Stockholm. Attn: Mr. S. Tornblom, Purchasing Manager.

SWITZERLAND — Raw chemicals for all types pharmaceuticals: Born and Stucki Ltd., Grellingerstrasse 74, 4000 Basel.

Recreation

SWEDEN — Squash equipment: Mr. Jan Olsson, Purchasing Manager, Hansa Nordic AB Box 156, S-421 22 V Frolunda.

Miscellaneous

SURINAM — Department store wants imitation jewellery, textile fabrics, readymade clothing, tableware, glassware, electric lamps and shades, toys, cosmetics, radios, television receivers, refrigerators, gas ranges and washing machines: Kirpalani's Limited, 17-27, Magdenstreet, Paramaribo.

Foreign Tariffs and Trade Regulations

Brazil

Resolution 1533 extends until December 31, 1973 the exemption from duty on fresh, chilled or frozen beef and veal meats (tariff items 02.01.01.00 and 02.01.02.00).

Resolution 1534 in force until January 5, 1974, exempts from duty sulphuric acid and Oleum (tariff items 28.08.01.00 and 28.08.02.00).

Brazil

The Brazilian Customs Policy Council has introduced the following amendments to the Customs Tariff:

Resolution 1469 reduces the import duty from 55% to 15% on a quota of 620 tons of special polyvinyl chloride resin (PVC) for use exclusively by the battery separator industry (tariff item 39.02.02.05). The duty reduction will remain in force until October 30, 1973.

Resolution 1470 exempts from duty for a period of one year from November 23, 1972, cellulose acetate stratified laminates of a thickness exceeding 0.75 mm (tariff item 39.03.05.02), plates or sheets of cellulose acetate exceeding 0.75 mm in thickness (tariff item 39.03.05.03) and sheets or plates of cellulose nitrate, stratified or not (tariff item 39.03.05.05).

Resolution 1474 reduces the import duties from 30% to 10% on acrylic resin of the polymeric ester type (solid) (tariff item 39.02.02.09) and from 55% to 30% on methyl methacrylate butadiene styrene (MBS) (tariff item 39.02.02.99), for a period of one year from December 7, 1972. The duty concession may be suspended at any time to ensure sales of Brazilian production. A certificate guaranteeing the type and specification is required.

Resolution 1475 in force until March 15, 1973 exempts from duty a quota of 50,000 tons of vinyl chloride monomer for use in the production of polyvinyl chloride (tariff item 29.02.12.00).

Resolution 1476 of November 23, 1972 in force for a period of 180 days reduces the import duty from 55% to 30% on ethylene glycol polyterephthalate (tariff item 39.01.02.05).

Resolution 1477 of November 23, 1972 exempts from duty an additional quota of 350,000 tons of wheat in the grain (tariff item 10.01.01.00).

Resolution 1479 of November 23, 1972 extends for a period of one year the application of Resolution 1146 of November 18, 1971, which exempted from duty octyl alcohol (1 - octanol) and iso-octyl alcohol (tariff items 29.04.16.00 and 29.04.25.00). The importer must prove that he has purchased national product in a ratio of 1 to 4.5 tons of imported material.

Resolution 1481 of November 23, 1972 reduces the duty from 70% to 17% on developing enamel for sensitizing the surface of aluminum plates for use in high speed printing of newspapers. (Goss-Urbante of 50,000 revolutions per hour (tariff item 37.08.03.00).)

Resolution 1482 reduces the import duty from 85% to 45% on flexible containers for solid materials of a capacity of up to 3 cubic meters and on stationary or portable flexible containers for liquids of a capacity of up to 3000 litres. It also reduces the duty from 85% to 15% on portable flexible containers for liquids of a capacity exceeding 208 litres with hermetic seals and other flexible containers (tariff item 40.14.99.00).

Resolutions 1483 and 1484 exempt from duty chemical products classified in the following tariff headings when imported exclusively for use in the agricultural and livestock sectors: 23.07.04.00; 28.34.99.00; 29.21.99.00; 29.26.12.00; 29.31.99.00; 29.35.99.00; 29.44.99.00; 30.02.01.99; 30.02.99.00; 38.11.01.00; 38.11.02.00; 38.11.03.00.

Further information regarding the specific products covered by Resolutions 1483 and 1484 may be obtained from the Latin America Division, Office of Area Relations.

Britain

Further to the note appearing in this section of the November 1972 issue of Canada Commerce on the British Trade Descriptions Act, which became effective December 29, 1972, the British Government has announced permanent and temporary relaxation orders for certain categories of products. These orders have the effect of waiving the origin marking requirements for the goods indicated below, either permanently or for the period of time specified.

Exclusion orders have been made for books, periodicals and catalogues, seeds for sowing, petroleum products and certain articles of gold and silver.

Permanent relaxations are given in four cases, one of which covers blends and mixtures of foods from more than one country provided in this case that the goods bear a conspicuous indication that the foods were manufactured or produced in more than one country.

A number of temporary relaxations are granted for prepacked foods and other commodities for which strict compliance with the Act at its date of introduction would have involved extra costs out of proportion to the value of the goods, or might have caused serious interruption of supplies. The list of goods subject to the orders is as follows:

Permanent Exclusion

Books, periodicals, printed music and catalogues; gold and silver articles if the only United Kingdom name or mark is the hallmark; petroleum and petroleum products; seeds for sowing.

Permanent Relaxation

Bends and mixtures of foods;
Sets of articles intended to be used for the same general purpose and prepacked for supply together.

} subject to an indication that the goods were manufactured or produced in more than one country.

Prepacked buttons and buckles
Radio valves

} subject to an indication that they are imported.

Temporary Relaxation

Canned and bottle foods	18 months
Other prepacked foods	6 "
Bicycle bells and hooters	6 "
Cosmetics and toilet preparations	6 "
Cutlery and flatware	6 "
Door and lock furniture	6 "
Dressmakers' pins and needles	6 "
Dry batteries	6 "
Flashlight bulbs	6 "
Footwear	6 "
Gift wrapping paper	12 "
Greeting cards, post-cards, calendars, diaries and notelets	12 "
Hair ornaments and combs	12 "
Hand tools (non-electric)	6 "
Manufactured tobacco products	6 "
Matches	12 "
Medicinal products	12 "
Padlocks	6 "
Parts and accessories for motor vehicles	12 "
Photographic film	6 "
Plastic bags made of polyethylene film	6 "
Pocket knives	6 "
Sanitary towels	12 "
Sponges (natural), face clothes and toilet bags	12 "
Stationers' sundries	6 "
Torches	6 "

Dominican Republic

In order to facilitate the acquisition of certain basic items at reasonable prices, the Monetary Board of the Central Bank has decided to exclude herring and other smoked fish as well as cod and other salted, dried fish, sardines and mackerel in glass,

tin or earthenware containers, in sauce, in oil or not, from the system of quotas and import prohibition now in force for certain goods.

According to the notice from the Monetary Board, the importation of those items is now free from non-tariff restrictions. The only requirement is the establishment of letters of credit, the value of which must be paid in local currency at the time of opening.

Jamaica

A new Customs Tariff based on the Brussels Nomenclature has been introduced effective January 1, 1973.

Information regarding access conditions for specific products may be obtained from the Caribbean Division, Office of Area Relations.

Venezuela

The Venezuelan Government has introduced a new Customs Tariff based on the Brussels Nomenclature. Most imports are now subject to ad valorem duties which are assessed on the c.i.f. value at port of entry. Some commodities are subject to both specific and ad valorem duties. The specific duty is calculated on the gross weight in kilograms. Import licences have been abolished except on forty-one products principally foodstuffs and wheat as well as live animals, military equipment, narcotics etc.

The effective dates for the new tariffs are April 1, 1973 for all items

previously subject to import licence requirement and February 1, for all other items.

Information regarding the rates of duty on specific products may be obtained from the Latin America Division, Office of Area Relations.

Spain

The Ministry of Commerce has published a lengthy list of commodities previously subject to import control but which have now been "liberalized". Among the list of items which may be of interest to Canadian exporters are the following:

Tariff Item	Commodity
25.02	Unroasted Iron Pyrites
71.12	Articles of Jewellery of precious metals
76.15	Household Articles of Aluminum
81.04.F.1	Uranium (unwrought)
84.15.A	Domestic Type Refrigerators
93.04	Sporting Rifles
93.07	Ammunition
97.01	} Wheeled Toys, Dolls, Toys and Games
97.02.A	
97.03	
97.04	

Information on specific items may be obtained from the Western Europe Division, European Affairs Branch, Department of Industry, Trade and Commerce.

Foreign Exchange Rates

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

Relations, Department of Industry, Trade and Commerce, Ottawa.

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

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

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at February 15	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at February 15	Canadian dollar in foreign currency units
Algeria Dinar	.2380	4.20	Ecuador Sucre (official)	N.A.	
Arab Republic of Egypt Pound (official)	2.2986	.44	El Salvador Colon	N.A.	
Argentina Peso (free)	N.A.		Fiji Dollar	N.A.	
Australia Dollar	1.4030	.71	Finland Markka	N.A.	
Austria Schilling	.0463	21.60	France, Monaco, etc.¹ Franc	.2130	4.69
Bahamas Dollar	N.A.		French Pacific² Franc	.0117	85.47
Belgium and Luxembourg Franc	.0242	41.32	Franco-African Republics³ Franc	.0043	232.56
Bermuda Dollar	1.0397	.96	Germany D Mark	.3354	2.98
Bolivia Peso	N.A.		Ghana New Cedi	N.A.	
Brazil Cruzeiro (official free)	.1647	6.07	Greece Drachma	.0330	30.30
Britain Pound	2.4352	.41	Guatemala Quetzal	N.A.	
British Honduras Dollar	.6078	1.64	Guyana Dollar	.4444	2.25
Burma Kyat	N.A.		Haiti Gourde	N.A.	
Ceylon (see Sri Lanka)			Honduras Lempira	N.A.	
Chile Escudo (bank rate) (free)	N.A.		Hong Kong Dollar	N.A.	
China, People's Republic of Yuan	.4188	2.39	Hungary Forint (official)	.0869	11.51
Colombia Peso (fixed)	N.A.		Iceland Krona (official)	N.A.	
Costa Rica Colon	N.A.		India Rupee	N.A.	
Cuba Peso	.9150	1.09	Indonesia Rupiah	.0024	410.00
Czechoslovakia Koruna (fixed basic rate)	N.A.		Iran Rial	.0134	74.63
Denmark Krone	.1574	6.35	Iraq Dinar	N.A.	
Dominican Republic Peso	N.A.		Ireland Pound	2.4352	.41

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at February 15	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at February 15	Canadian dollar in foreign currency units
Israel Pound		N.A.	Philippines ⁵ Peso (free)		N.A.
Italy Lira	.0017	588.24	Poland Zloty (fixed basic rate)	.2577	3.88
Jamaica Dollar		N.A.	Portugal & Colonies ⁶ Escudo		N.A.
Japan Yen	.0038	263.16	Saudi Arabia Riyal	.2273	4.40
Kenya ⁴ Shilling	.1379	7.25	Sierra Leone Leone	1.2371	.81
Korea, Republic of Won	.0027	370.37	Singapore Dollar	.3358	2.98
Lebanon Pound (free)		N.A.	South Africa Rand	1.4056	.71
Libya Pound	2.777	.36	Spain & Dependencies Peseta		N.A.
Malawi Kwacha	1.2280	.81	Sri Lanka ⁷ Rupee		N.A.
Malaysia Dollar		N.A.	Sweden Krona	.2196	4.55
Mexico Peso	.0792	12.63	Switzerland Franc	.2951	3.39
Morocco Dirham		N.A.	Syria Pound (free)	.2711	3.69
Netherlands Florin	.3337	2.99	Thailand Baht (free)		N.A.
Netherlands Antilles Florin		N.A.	Trinidad & Tobago ⁸ Dollar		N.A.
New Zealand Dollar		N.A.	Tunisia Dinar		N.A.
Nicaragua Cordoba		N.A.	Turkey Lira		N.A.
Nigeria Naira	1.4700	.68	United States Dollar	.9903	1.01
Norway Krone	.1643	6.09	Uruguay Peso (free)		N.A.
Pakistan Rupee		N.A.	Venezuela Bolivar (official free)		N.A.
Panama Balboa		N.A.	Yugoslavia Dinar (official)		N.A.
Paraguay Guarani (free)		N.A.	Zaire, Republic of ⁹ Zaire	1.961	.51
Peru Sol (free)		N.A.	Zambia Kwacha	1.3893	.72

Due to the unsettled conditions of the market at time of going to press, rates for certain countries were not available and are indicated NA.

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).

CHINA, People's Republic of

Commercial Counsellor
Embassy of the People's Republic of
China
P.O. Box 8520
415 St. Andrew St.
Ottawa
Phone: 234-2718

COLOMBIA

First Secretary and Consul
Embassy of Colombia
140 Wellington St., Suite 112
Ottawa K1P 5A2
Phone: 235-8803

Consul General of Colombia
1500 Stanley St., Suite 320
Montreal 110
Phone: 849-4852

Consul of Colombia
67 Yonge St., Suite 726
Toronto
Phone: 366-5092

Vice-Consul of Colombia
2705 West 22nd Ave.
Vancouver
Phone: 738-6710

COSTA RICA

Honorary Consul General of Costa Rica
355 Maple Ave.,
St. Lambert, Que.
Phone: 671-3276

CUBA

Cuban Trade Commissioner
615 Dorchester Blvd. W., Suite 1160
Montreal
Phone: 861-9481

CZECHOSLOVAKIA

Trade Commission of the Czechoslovak
Socialist Republic
1280 St. Mark St.
Montreal 108
Phone: 937-6331
Telex: 01-26590

DENMARK

Royal Danish Embassy
85 Range Rd., Suite 702
Ottawa K1N 8J6
Phone 234-0704, 234-0116
Telex: 053-3114

Royal Danish Consulate General
1245 Sherbrooke St. W., Suite 1525
Montreal 109
Phone: 849-5391
Telex: 01-20315

Royal Danish Consulate
151 Bloor St. W.
Toronto M5S 1S4
Phone: 962-5661
Telex: 06-22032

Royal Danish Consulate
1201 West Pender St.
Vancouver 1
Phone: 681-3831
Telex: 04-352588

DOMINICAN REPUBLIC

Consul General of the Dominican
Republic
5464 Victoria Ave.
Montreal 252
Phone: 738-1068

EASTERN CARIBBEAN COMMISSION (Leeward and Windward Islands)

Commissioner, Eastern Caribbean
Commission
14 Frontenac St., Place Bonaventure
P.O. Box 286
Montreal 114
Phone: 866-7761

ECUADOR

Consul General of Ecuador
2603 Cote St. Catherine Rd.
Montreal 250
Phone: 733-9422

Honorary Consul of Ecuador
82 Heathcote Ave.
Willowdale 430 (Toronto)
Phone: 489-0910

Honorary Consul of Ecuador
2125 West 2nd Ave., Suite 311
Vancouver 9
Phone: 733-0891

EL SALVADOR

Consulate General of El Salvador
52 Frontenac, Place Bonaventure
Montreal 114
Phone: 866-5239

FINLAND

Embassy of Finland
85 Range Rd.
Ottawa K1N 8J6
Phone: 236-2389

Trade Commissioner for Finland
1010 St. Catherine St. W., Suite 1101
Montreal 110
Phone: 866-2202

FRANCE

Commercial Counsellor to
the French Embassy
10 John St.
Ottawa K1M 1P5
Phone: 233-5681
Telex: 01-33564

Commercial Counsellor of France
Place Bonaventure
P.O. Box 117
Montreal 114
Phone: 878-9851
Telex: 01-26428

Commercial Counsellor of France
185 Bay St.
Toronto
Phone: 362-1257

French Trade Commissioner
736 Granville St., Suite 1216
Vancouver
Phone: 684-1271

GERMANY

Commercial Counsellor, Embassy of
the Federal Republic of Germany
1 Waverley St.
Ottawa K2P 0T8
Phone: 232-1101
Telex: 013-226

Consulate of
the French Republic of Germany
11618 100th Ave.
P.O. Box 363
Edmonton T5J 2J6
Phone: 488-0144

Cdn. German Chamber of
Industry & Commerce Inc.
2015 Peel St., Suite 1110
Montreal 110
Phone: 844-3051

Trade Commissioner
Consulate General of
the Federal Republic of Germany
3455 Mountain St.
Montreal 109
Phone: 849-1134
Telex: 05-24483

Cdn. German Chamber of
Industry & Commerce Inc.
480 University Ave., Ste. 1510
Toronto 2
Phone: 366-7743

Consulate General of
the Federal Republic of Germany
77 Admiral Road
Box 523, Stn. F
Toronto 180
Phone: 925-2813

Consulate General of
the Federal Republic of Germany
National Trust Bldg.
325 Howe St.
Vancouver 1
Phone: 684-8377

Consulate of
the Federal Republic of Germany
424 Wellington Cres.
P.O. Box 876
Winnipeg
Phone: 453-1001

GHANA

Counsellor, Office of
the High Commissioner for Ghana
85 Range Rd., Suite 810
Ottawa K1N 8J6
Phone: 236-0871

GREECE

Commercial Attaché
Royal Greek Embassy
Chateau Laurier, Suite 110
Ottawa K1N 8S7
Phone: 235-2255
Telex: 013-3940

GUATEMALA

Consul General of Guatemala
5165 Sherbrooke St. W., Suite 407
Montreal 260
Phone: 488-2003

HAITI

Commercial Attaché, Embassy of Haiti
150 Driveway, Apt. 111
Ottawa K2P 1E7
Phone: 232-2855

Consul General
Consulate General of Haiti
1500 St. Catherine St. W.
Montreal 107
Phone: 937-3708

Consul General
Consulate General of Haiti
1005 St. Louis Rd.
Quebec
Phone: 681-2655

HONDURAS

Consul General
Consulate General of Honduras
1225 St. Mark St., Suite 101
Montreal 108
Phone: 935-9708

Honorary Consul
Consulate of Honduras
25 Adelaide St. E., 19th Floor
Toronto
Phone: 364-7231

Honorary Consul
Consulate of Honduras
535 Georgia W., Ste. 104
Vancouver
Phone: 685-7711

HUNGARY

Hungarian Trade Commission
1350 Sherbrooke St. W., Suite 1510
Montreal 109
Phone: 849-9261
Telex: 0525162

Toronto Branch Office of the
Hungarian Trade Commission
102 Bloor St. W., 8th Floor
Toronto 181
Phone: 923-3596
Telex: 0622551

INDIA

Second Secretary (Commercial)
High Commission of India
200 MacLaren St.
Ottawa K2P 0L6
Phone: 232-2557
Telex: 013-472

Trade Commissioner for India
325 Howe St.
Vancouver 2
Phone: 681-0644

INDONESIA

Counsellor, Economic Affairs
Indonesian Embassy
Box 430, Terminal A
85 Range Road
Ottawa K1N 8J6
Phone: 236-7403
Telex: 0133119

Honorary Consul & Trade
Commissioner of Indonesia
Board of Trade Bldg.
300 St. Sacrement St.
Montreal 125
Phone: 288-8111
Telex: 01-20258

IRAN

Imperial Embassy of Iran
85 Range Rd., Suites 307/308
Ottawa K1N 8J6
Phone: 236-9108
Telex: 013-229

IRAQ

Embassy of the Republic of Iraq
377 Stewart St.
Ottawa K1N 6K9
Phone: 236-9177

IRELAND

Irish Trade Representative
(Irish Export Board)
10 King St. E.
Toronto M5C 1C3
Phone: 363-7394

ISRAEL

Consul & Trade Commissioner of Israel
Israel Trade Commission
102 Bloor St. W., Ste. 790
Toronto 181
Phone: 961-1242
Telex: 06-217520

Israel Trade Commission
1118 St. Catherine St. W.
Montreal 110
Phone: 866-7437
Telex: 01-20730

ITALY

Commercial Counsellor and
Senior Trade Commissioner
Embassy of Italy
170 Laurier Ave. W.
Ottawa K1P 5V5
Phone: 232-2153
Telex: 013-3278

Italian Trade Commissioner
800 Place Victoria, Suite 4527
Montreal 115
Phone: 871-2064

Italian Trade Commissioner
100 University Ave., Suite 510
Toronto 116
Phone: 362-1036

Italian Trade Commissioner
736 Granville St., Suite 407
Vancouver
Phone: 685-8451

JAMAICA

Counsellor, Office of
the High Commissioner for Jamaica
85 Range Rd., Suite 203
Ottawa K1N 8J6
Phone: 233-9312
Telex: 013-3287

JAPAN

Embassy of Japan
75 Albert St., Room 1005
Ottawa K1P 5E7
Phone: 233-6214
Telex: 053-4220

Consulate General of Japan
10020-100th St., Ste. 2600
Edmonton
Phone: 422-3752
Telex: 037-3404

Consulate General of Japan
1155 Dorchester Boulevard West
Suite 2701
Montreal 102
Phone: 866-3420
Telex: 05-25376

Consulate General of Japan
Toronto-Dominion Centre, Suite 1803
P.O. Box 10
Toronto 111
Phone: 363-7038
Telex: 02-2657

Consulate General of Japan
1177 West Hastings St., Room 1210
Vancouver 9
Phone: 684-5868
Telex: 04-51402

Consulate General of Japan
Tribune Bldg., Rm. 301
257 Smith St.
Winnipeg 1
Phone: 943-5554
Telex: 07-57533

JORDAN

The Royal Jordan Embassy
2319 Wyoming Ave. N.W.
Washington, D.C. 20008
Phone: 265-1606
Telex: 24502

KOREA

Second Secretary and Consul
Embassy of the Republic of Korea
151 Slater St., Suite 608
Ottawa K1P 5H3
Phone: 235-9439
Telex: 013-290

LEBANON

Embassy of Lebanon
640 Lyon St.
Ottawa K1S 3Z5
Phone: 236-5825

LUXEMBOURG

Consul General of
the Grand Duchy of Luxembourg
3877 Draper Ave.
Montreal 261

MALAYSIA

High Commission of Malaysia
130 Albert St., Suite 1001
Ottawa K1P 5G4
Phone: 237-5182

MEXICO

Embassy of Mexico
130 Albert St., Ste. 206
Ottawa K1P 5G4
Phone: 233-8988

Consulate General of Mexico
3450 Drummond St., Ste. 1501
Montreal
Phone: 288-2502

Consulate of Mexico ad honorem
2040 Terrasse Stuart, Sillery
Quebec
Phone: 527-1374

Consulate of Mexico
372 Bay St., Suite 309
Toronto
Phone: 368-5792

Trade Commissioner for Mexico
159 Bay St., Suite 217
Toronto
Phone: 364-4725

Consulate of Mexico
Burrard Bldg., Rm. 607
1030 West Georgia Street
Vancouver
Phone: 684-3547

MONACO

Consul General of Monaco
P.O. Box 127, Station B
Montreal 110
Phone: 861-1017

NETHERLANDS

Commercial Counsellor
Embassy of the Netherlands
Congill Bldg., 3rd Fl.
275 Slater St.
Ottawa K1P 5H9
Phone: 237-5030
Telex: 013-3109

Netherlands Consulate
Time Bldg.
10008 106th St.
Edmonton
Phone: 424-8380

Netherlands Consulate General
Place Ville Marie, Rm. 1736
Montreal 113
Phone: 866-4875

Netherlands Consulate General
10 King St. E.
Toronto 210
Phone: 364-5443

Netherlands Consulate General
475 Howe St.
Vancouver
Phone: 684-6448

NEW ZEALAND

New Zealand Government Senior
Trade Commissioner
635 Dorchester Blvd. W., Suite 708
Montreal 101
Phone: 866-9393
Telex: 05-268831

New Zealand Government
Trade Commissioner
Toronto Dominion Bank Tower
Box 10071, Pacific Centre
Vancouver 1
Phone: 684-7388
Telex: 04-55186

NICARAGUA

Consul General
Consulate General of Nicaragua
3601 Decarie Blvd.
Montreal 260
Phone: 486-5085

NIGERIA

First Secretary
Office of the High Commissioner for
Nigeria
151 Slater St.
Ottawa K1P 5H3
Phone: 236-0521
Telex: 013-3285

NORWAY

Secretary, Royal Norwegian Embassy
140 Wellington St., Suite 700
Ottawa K1P 5A2
Phone: 235-4569
Telex: 053-4239

Consul General of Norway
Royal Norwegian Consulate General
800 Place Victoria, Suite 2112
Montreal 115
Phone: 861-5542

Consul General of Norway
Royal Norwegian Consulate General
837 West Hastings St.
Vancouver
Phone: 682-2281

PAKISTAN

Trade Commissioner for Pakistan
1230 McGregor St., Suite 606
Montreal 109
Phone: 845-2297

PANAMA

Consul General
Consulate General of Panama
5531 Dupuis Ave.
Montreal 252
Phone: 739-8728

PERU

Counsellor in charge of Consular Affairs
Embassy of Peru
539 Island Park Dr.
Ottawa K1Y 0B6
Phone: 722-7186

Consul General of Peru
3355 Queen Mary Rd., Apt. 521
Montreal 247
Phone: 733-1067

Honorary Consul of Peru
436 Main St.
Winnipeg 2
Phone: 947-0131

PHILIPPINES

Office of the Commercial Attaché
Embassy of the Philippines
130 Albert St., Suite 608
Ottawa K1P 5G4
Phone: 235-0450

Philippine Trade Office
6 Lansing Square, Ste. 115
Willowdale (Toronto)
Phone: 491-3627

Philippine Consulate General
525 Seymour St., Suite 909
Vancouver
Phone: 685-7645

POLAND

Trade Commissioner's Office of the
Polish People's Republic in Canada
1500 Stanley St., Suite 315
Montreal 110
Phone: 849-8667
Telex: 01-20689

PORTUGAL

Embassy of Portugal
645 Island Park Dr.
Ottawa K1Y 0B8
Phone: 729-0883

Consulate General of Portugal
4920 de Maisonneuve Blvd. W.
Montreal 215
Phone: 487-4322

Consulate of Portugal
159 Bay St., Suite 520
Toronto 1
Phone: 366-3816

Consulate of Portugal
P.O. Box 2068
139 Granville St.
Vancouver 3
Phone: 681-2425

Honorary Consulate of Portugal
King's Bridge Court, Apt. 2D
St. John's Nfld.
Phone: 726-6958

Honorary Consulate of Portugal
c/o Faculté des Lettres
Université Laval
Quebec
Phone: 849-8406

Honorary Consulate of Portugal
P.O. Box 355
Halifax
Phone: 423-7211

Honorary Consulate of Portugal
233 Portage Ave., Suite 238
Winnipeg
Phone: 943-8941

Portuguese Information Trade and
Tourism Office
Place Bonaventure
49 Frontenac St.
P.O. Box 954
Montreal 114
Phone: 861-4767

ROMANIA

Romanian Economic Representation
485 McGill St., Suite 207
Montreal 125
Phone: 866-5881
Telex: 05-268571

SAN MARINO

Consul General of San Marino
27 McNider Ave.
Montreal 153
Phone: 871-3838

SOUTH AFRICA

South African Trade Commission
P.O. Box 103
Commerce Court Postal Stn.
Toronto M5L 1E2
Phone: 364-0314

SPAIN

Commercial Counsellor to the
Spanish Embassy
80 Rideau Terrace, Ste. 121
Ottawa K1M 2C6
Phone: 749-4112

Commercial Office of Spain
Place Bonaventure
P.O. Box 1137
Montreal 114
Phone: 866-4914

SRI LANKA

Commercial Secretary
High Commission for Sri Lanka
85 Range Rd., Suites 103-104
Ottawa K1N 8J6
Phone: 233-1305
Telex: 013-3668

SWEDEN

Royal Swedish Embassy
140 Wellington St., Suite 604
Ottawa K1P 5A2
Phone: 232-4835
Telex: 053-3331

Royal Swedish Consulate General
1155 Dorchester Blvd. W., Suite 800
Montreal 102
Phone: 866-4019
Telex: 01-20255

Trade Commissioner for Sweden
The Simpson Tower
401 Bay St., Suite 520
Toronto 1
Phone: 864-1470
Telex: 02-29040

Trade Commissioner for Sweden
Board of Trade Tower, Suite 1004
1177 West Hastings St.
Vancouver 1
Phone: 685-1288
Telex: 04-51451

SWITZERLAND

Embassy of Switzerland
5 Marlborough Ave.
Ottawa K1N 8E6
Phone: 235-1837
Telex: 053-3648

Consul General of Switzerland
1572 McGregor Ave.,
Montreal 109
Phone: 932-7181

Consul General of Switzerland
100 University Ave., Suite 911
Toronto M5Y 1V6
Phone: 364-3371

Consul of Switzerland
1130 One Bantall Centre
505 Burrard St.
Vancouver 111
Phone: 684-2231

Consul of Switzerland
Tribune Building
257 Smith St.
P.O. Box 783
Winnipeg RC3-2N4
Phone: 942-7013

TANZANIA

Tanzania High Commission
124 O'Connor St., 6th Fl.
Ottawa K1P 5M9
Phone: 232-1509

THAILAND

Second Secretary (Economic)
Royal Thai Embassy
85 Range Rd., Suite 704
Ottawa K1N 8J6
Phone: 237-1517

Office of the Thai Commercial
Counsellor
20 East 82nd St.
New York, N.Y. 10028
Phone: 628-7900

TRINIDAD AND TOBAGO

Trinidad and Tobago Government Office
1140 de Maisonneuve Blvd. W.,
Suite 1101
Montreal 110
Phone: 842-8521

Trinidad and Tobago Government Office
643 Yonge St.
Toronto M4Y 2A2
Phone: 922-3175

TUNISIA

Embassy of Tunisia
515 O'Connor St.
Ottawa K1S 3P8
Phone: 237-0330
Telex: 013461

TURKEY

Commercial Counsellor, Turkish
Embassy
197 Wurtemberg St.
Ottawa K1N 8L9
Phone: 235-1733

UNION OF SOVIET SOCIALIST REPUBLICS

Trade Representation of the U.S.S.R.
in Canada
24 Blackburn Ave.
Ottawa K1N 8A3
Phone: 236-1222

Branch of the U.S.S.R.
Trade Representation in Canada
4370 Pie IX Blvd.
Montreal 406
Phone: 255-6422

UNITED STATES

Commercial Counselor
Embassy of the United States
100 Wellington St.
Ottawa K1P 5T1
Phone: 236-2341

Consul General of the United States
805 8th Ave. S.W.
Calgary T2P 1H7
Phone: 266-8962

Consul General of the United States
Bank of Nova Scotia Bldg.,
183-189 Hollis St.
Halifax
Phone: 429-2480

Consul General of the United States
1564 McGregor Ave.
Montreal 109
Phone: 937-6301

Consul General of the United States
1 Ste. Genevieve Ave.
Quebec 4
Phone: 522-7089

Consul General of the United States
King's Bridge Rd.
St. John's Nfld.
Phone: 726-4524

Consul General of the United States
360 University Ave.
Toronto M5G 1S4
Phone: 362-7513

Consul General of the United States
Burrard Bldg.
1030 West Georgia St.
Vancouver 5
Phone: 685-4311

Consul General of the United States
6 Donald St.
Winnipeg R3L 0K7
Phone: 474-2394

VENEZUELA

Consul General of Venezuela
1980 Sherbrooke St. W., Rm. 850
Montreal 109
Phone: 932-1872

Consul of Venezuela
P.O. Box 424
525 Seymour St., Suite 101-102
Vancouver
Phone: 685-0561

YUGOSLAVIA

Embassy of the Socialist Federal
Republic of Yugoslavia
17 Blackburn Ave.
Ottawa K1N 8A2
Phone: 233-6289
Telex: 013-203

Consul General of the SFR of
Yugoslavia
377 Spadina Rd.
Toronto 133
Phone: 481-7279

Yugoslav Federal Chamber of Economy
Representation for Canada
Toronto-Dominion Centre
Royal Trust Tower
P.O. Box 290
Toronto 111
Phone: 363-5641

ZAIRE

Economic Counsellor
Embassy of the Republic of Zaire
18 Range Road
Ottawa K1N 8J3
Phone: 236-7103

MAX MEISTER, Commercial Officer,
Berne

Sell aluminum products to Switzerland?

Some Canadian manufacturers might think it easier to sell fridges to Eskimos.

A look at Switzerland's aluminum imports, however, shows there is a growing market (\$24 million in 1971) for finished aluminum goods such as construction materials, lighting fixtures, instruments, valves and household goods. The Swiss are always looking for new or improved articles and Canadian manufacturers who can offer aluminum products in these areas should be able to develop a good market.

There are practically no prospects, however, for selling Canadian primary aluminum or semi-manufactured goods because these requirements can readily be met by Switzerland's own well-entrenched industry and by some of its neighbors who have duty-free access and lower freight rates.

The process of obtaining aluminum by electrolysis from aluminum oxide (alumina) was first used in Europe by the Swiss Metallurgical Society founded in 1887. Later, the company became Swiss Aluminum Ltd. (ALUSUISSE), which is now one of the world's leading aluminum producers. The Zurich-based firm embraces all sectors of the aluminum industry and has, throughout the world, more than 100 factories, subsidiaries and affiliates.

Three aluminum smelters (two belonging to ALUSUISSE and one to Usine d'Aluminium Martigny S.A.) now operate but the country has no bauxite ore and no plants for the production of alumina. These needs are met mainly through imports from France, Guinea and Surinam. In 1971, they totalled 181,148 metric tons.

Swiss production of primary aluminum, the same year, amounted to 94,000 metric tons, of which 90 per cent came from the two ALUSUISSE smelters. (Canadian production was about 1,016,900 metric tons in 1971.)

Semi-fabricated aluminum products in Switzerland are made by the following companies: ALUSUISSE, Zurich; Aluminium AG, Menziken; Aluminium Press — und Walzwerk AG, Munchenstein; Nyffeler, Corti AG, Kirchberg/BE; Robert V. Neher AG, Kreuzlingen; George Robert, Le Locle, and Aluminiumwerke AG,

The Swiss Market for Aluminum

Rorschach. Their combined output in 1971 was about 114,000 metric tons.

Aluminiumwerke AG is the only foreign operation in the Swiss aluminum industry. It is wholly owned by ALCAN, and produces sheets, foil and blanks from primary metal imported from ALCAN's works in Norway. The Aluminum Company of Canada also maintains a sales office in Zurich, which covers most of Europe, the U.S.S.R., the Middle East and North Africa.

From the semi-fabricated aluminum products, the Swiss make everything from the tiniest watch movement to railway cars and aircraft. Domestic consumption of aluminum is about 107,000 metric tons per year, or 17 kilos per capita. Only the U.S. surpasses Switzerland in per capita consumption. A breakdown of consumption shows construction using 26.3 per cent; machinery and apparatus, 20.8 per cent; packaging, 19.5 per cent; electrical materials, 8.6 per cent; transportation equipment, 7.2 per cent; household, 4.6 per cent, and other users 13 per cent.

From its inception, the Swiss aluminum industry has been geared for export and today its aluminum products are shipped to all parts of the world. But Switzerland also imports and in 1971 purchases abroad amounted to \$24 million for semi-manufactured and finished aluminum products. The main suppliers were West Germany, Norway, Sweden, Holland and Austria. Canada shipped only 2.2 tons of aluminum structures to Switzerland, valued at about \$13,500, and 3.6 tons of items listed under "other goods made of aluminum", for a total value of \$20,800.

The long-term outlook for Switzerland is that it will remain a good market for aluminum products, manufactured within the country or imported from abroad.

The Commercial Division of the Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, will be pleased to assist Canadian manufacturers in establishing contacts with Swiss importers.

Canadian manufacturers might also consider participating in INTERFEREX (tools, household goods, gifts, garden furniture, hotel ware) held in Basel every two years, and PRO AQUA — PRO VITA (environmental sanitation) held in Basel every four years. The yearly Swiss Industries Fair in Basel has now been opened to foreign products, but they must be exhibited by a Swiss Company acting as an agent for the foreign manufacturer.



Even kids can roll out the barrel — when the barrels are aluminum.

Why you can Sell to the Swedish Government

WILLIAM MANSTON, Commercial Officer, Stockholm.

Governments are usually the biggest buyers in any country and when, like the Swedish Government, they have few discriminatory regulations about buying from abroad, they present large and worthwhile markets. The Swedish Government is composed of eight ministries, subordinate to which are central government agencies or boards, which are responsible for carrying out most of the government's daily activities. The boards require substantial amounts of equipment and services to perform their duties and it is to them, rather than the ministries, that Canadian companies should direct their selling efforts.

Purchases by the boards are made after bids have been invited either by public announcement (public tender), formal letter of invitation (selective tender), or informal (written or oral) invitations (private contract). For public works contracts, the public tender is used most frequently; for purchases of goods, the selective tender or private contract.

The major Swedish government agencies have considerable freedom in their procurement activities and the largest boards have highly developed purchasing departments with personnel skilled in the commercial and technical fields.

When public tenders are called, which is not often, the boards advertise in the official Gazette, *Tidning for leveranser till staten*, and in the daily press.

Swedish regulations state that bidders should be given enough time to prepare their submissions. The time allotted depends on experience and the type of request, whether standard goods or goods to order are sought. The usual interval is one to three weeks for standard goods and up to three months for other cate-

gories. More time is permitted for complex submissions.

The regulations do not compel agencies to draw up lists of suppliers; they stipulate that as many suppliers should be invited to tender as considered necessary to meet the competitive requirements. The agencies, however, often take the initiative and prepare lists of suppliers. Bids from non-invited tenderers are always examined and evaluated in accordance with regulations.

A Canadian exporter interested in selling to the Swedish Government should ensure that the state boards are acquainted with his products by sending detailed brochures and company information. A personal visit by the exporter or his agent should follow.

Evaluation of bids and awarding of contracts are made on a purely commercial basis (price, quality, delivery terms, after-sales services, cost of maintenance, etc.) Price alone is not decisive. The regulations prescribe that the tender specifications shall not exceed what is reasonable for the purpose for which the product is intended.

The boards, of course, are free to choose overseas suppliers. There is no legislation in Sweden prescribing preference for national goods in government procurement. Foreign and domestic bids are treated and evaluated on an equal basis: the criteria used is "the most advantageous bid".

Foreign tenders should include customs duties and other similar charges in the bid price of the merchandise.

The following information on major procurement boards will help Canadian exporters thinking of selling to the public sector of the Swedish market and those who are already selling to this market but want to increase their sales. (See accompanying box for list of addresses).

Civil aviation — This board is responsible for the operation, construction and maintenance of most

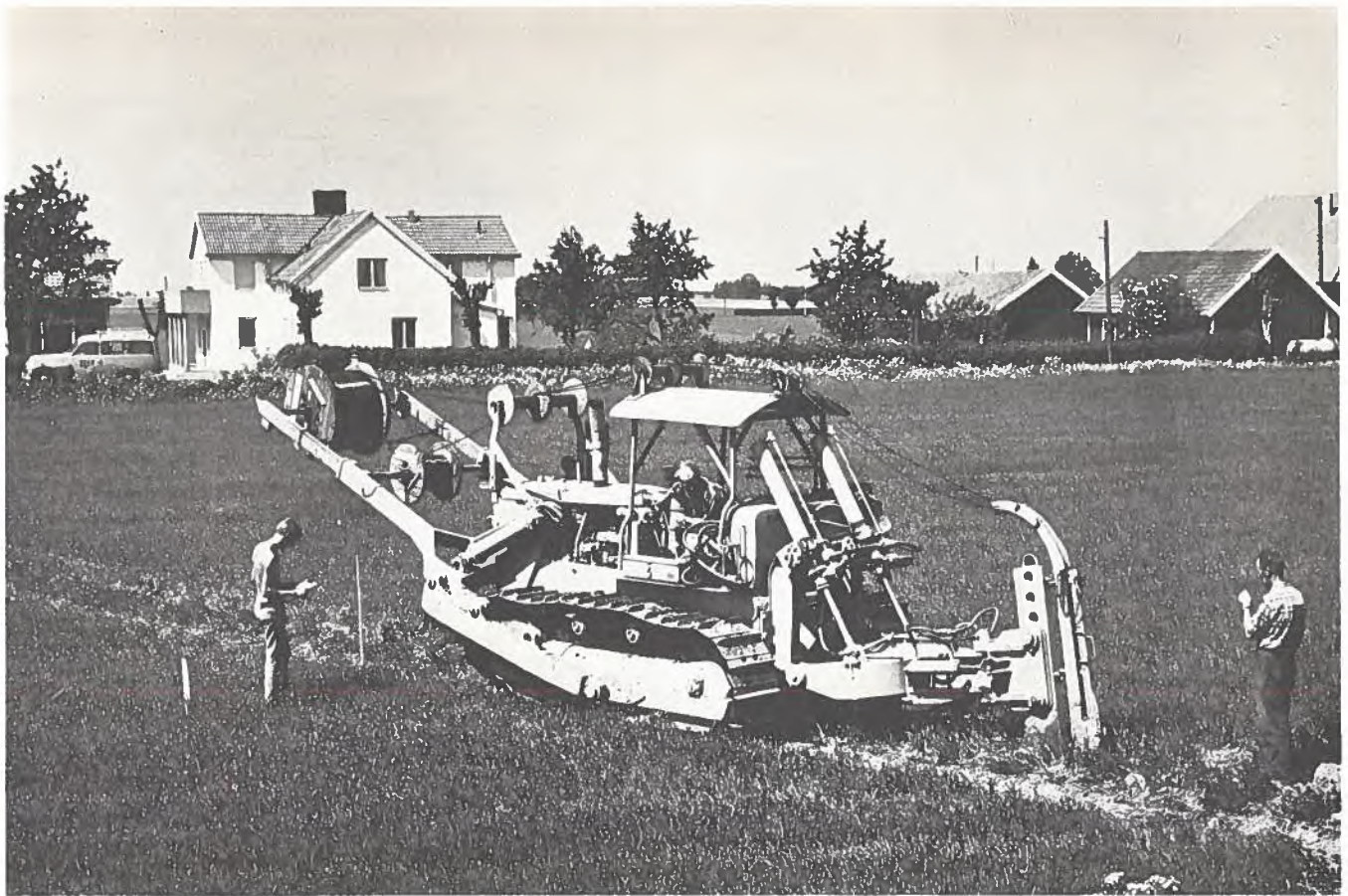
airports serving regular air traffic. It administers 13 major airports and is responsible for air traffic control and inspection of aircraft. It decides what equipment is to be bought and appoints contractors. It also decides on consultants, particularly for the building of airports.

Total purchases of equipment by the board in 1970-71 amounted to more than \$6.2 million, about half of it imported, mostly from Britain, West Germany, the Netherlands, France and the United States.

Telecommunications — The activities of this board are commercial and it enjoys greater freedom than those agencies that have a purely administrative character. It has three main areas of responsibility: plant installation: line plant construction, installation of lines, exchanges and offices for telephone, telegraphy, telex, radio and data transmission equipment, installation of telephones, and radio equipment for ships; the operation and maintenance of all plants and handling of manual and automatic traffic; and the sales of subscriptions and services, billing, collection of charges, and financial administration.

Sweden is divided into four telecommunication regions which are subdivided into 20 administrative units (telecommunication areas) and six radio and long-distance network areas. Independent of these regional organizations are the construction plant installation division, which deals with the installation of new trunk cables, radio link towers, etc.; two data processing centres; three factories and a telecommunications centre.

The board's annual consumption includes: cables, transmission and others, \$31 million; telex equipment, \$6.2 million; radio equipment and spare parts, \$12.4 million; and telephone answering systems, \$620,000 to \$825,000. The board buys direct from foreign suppliers and through



A cable-laying machine bought by the Swedish Board of Telecommunications.

well-established agents. Total purchases for 1971/72 amounted to \$120 million. More than \$20.6 million of the purchases came from abroad, mainly from Britain, Germany, Italy, France, the United States and Denmark.

Power Board — Power production in Sweden is a responsibility of the state as well as of municipalities and private enterprises. The Swedish State Power Board is the largest power producer and is responsible for up to 45 per cent of the total power generated in the country. Sweden is short of fossil fuels but has the resources from which to develop hydro-electric power. The board therefore, has concentrated on developing hydro-electric projects. The number of waterfalls still available for relatively cheap conversion to electricity is limited, however, and there is a constant increase in the use of thermal power.

The Electrical and Thermal Engineering Division is mainly responsible for the construction of nuclear power stations.

Two such stations are now under construction at Ringhals, 60 km south of Gothenburg. The first will have a capacity of 750 Mw, the second 800 Mw. Two additional nuclear

units, one ordered and one under option, will be built at Forsmark, 120 km north of Stockholm. Commercial operation of the first unit will start by 1977; the second unit in 1978.

By 1975 the total output of nuclear power installations in operation in Sweden should be about 3,000 Mw and by 1980 about 7,000 Mw.

The Power Board has two purchasing departments of interest to Canadians: the Materials Department, the Divisional Service Department. The Materials Department buys annually about \$20.7 million of electrical equipment for transmission lines and sub-stations, from 380 volts to 400 Kv; \$6.2 million of steel aluminum conductors; \$8.3 million of tools and up to \$6.2 million of steel constructions for heavy transmission lines.

The Electrical Department's annual purchases include generators (\$7.6 million), condensers (\$3.1 million), transformers (\$8.8 million) and circuit breakers and special insulators (\$6.6 million).

In 1971, the Electrical and Thermal Division purchased \$50.6 million worth of equipment and services. Of this, \$15.5 million was imported. The previous year, when re-

actors and turbines were included, purchases abroad amounted to \$48 million out of total purchases of \$81.8 million. The annual import figures for this department fluctuate considerably.

Armed Forces (FMV) — The Materiel Administration of the Armed Forces (FMV) employs some 4,000 people, mostly in Stockholm, and is responsible for procurement, maintenance and supply. Annual purchases and maintenance costs total, on the average, \$413 million out of an overall defence budget of about \$1,384 million.

The administration has five main departments: Army Materiel (FMV-A), Naval Materiel (FMV-M), Air Materiel (FMV-F), Quartermaster Materiel (FMV-I) and the Administrative Department (FMV-B).

The total responsibility for procurement of certain classes of equipment handled by several departments is, as a rule, the responsibility of the main user. Procurement covers not only purchasing but also research, development and design. Associated problems such as manufacturing rights, use of designs, and license agreement are also handled as part of the procurement function.



The Nordic Satellite Earth Station at Tanum in West Sweden, where telephone traffic is exchanged between the Nordic countries and Canada and the U.S.

The FMV owns no factories; equipment is bought directly or is developed in co-operation with contracted industries. Competitive tendering is the rule for standard materiel. Under government regulations, the offer considered most favorable to the state — all things considered — must be accepted. Normally, no preference is given to Swedish products over foreign ones, nor do state-owned industries have any special advantages. The Government does make exceptions for political, military or security reasons or because of the employment situation in some industry or in some parts of the country.

An average of 25 per cent of the material ordered by the FMV is supplied by foreign sources, directly or indirectly through subcontractors. This percentage is expected to rise in the future.

Canada does not have a formal defence production sharing agreement with Sweden but the Swedish and Canadian governments do work closely together on a number of projects which present opportunities for Canadian manufacturers. The Canadian firms are advised of such opportunities when they arise.

Road Administration — The National Swedish Road Administration

is responsible for the construction and maintenance of public roads, and from 1970 to 1985 expects to construct 8,194 kms of road and improve 2,755 kms.

Equipment used by the Road Administration includes trucks, tractors, jeeps, graders, rollers, crushers, shovel leaders, compressors, generator assemblies, screening plants, dredgers, rotary dryers and cleaning machines. The Road Administration generally purchases equipment through well-established Swedish agents who have a proven service record. A Canadian company should employ such an agent to approach the board, which welcomes approaches from Canadian companies.

Post Office — In addition to purchasing its own requirements, the Post Office Administration Board buys all stationery for the Government. In 1970/71, the Post Office purchased data-processing equipment, sorting installations and other equipment to the value of \$1.8 million, mainly from Switzerland. Rationalization in the Post Office will necessitate further acquisitions of this type of equipment.

Railways — The Swedish State Railways (Statens Jarnvagar) had total investments in 1970/71 of \$78

million, of which \$35 million was in fixed installations and \$30 million in rolling stock. There was a deficit of \$37 million. Almost all equipment, such as rail and rail products, sleepers, oil and fuel products, spare parts, plastics and chemicals, are Swedish-produced or imported from Eastern Europe.

The Road Administration, Post Office and Railways are used to dealing with foreign companies through Swedish representatives, and Canadian firms should write direct to their purchasing departments.

To date, sales of Canadian products to the Swedish Government have been limited but lately there has been encouraging progress. A number of companies have shown interest in bidding on equipment for the Swedish airport program, sales of certain materiel have been made to the FMV and there has been an introductory sale of electrical condensers to the Power Board.

Canadian companies wishing to sell to the Swedish Government are welcome to write for further information to the Commercial Secretary, Canadian Embassy, P. O. Box 16129, S-103 23 Stockholm 16, Sweden.

New Zealand Builds Up Forest Industries

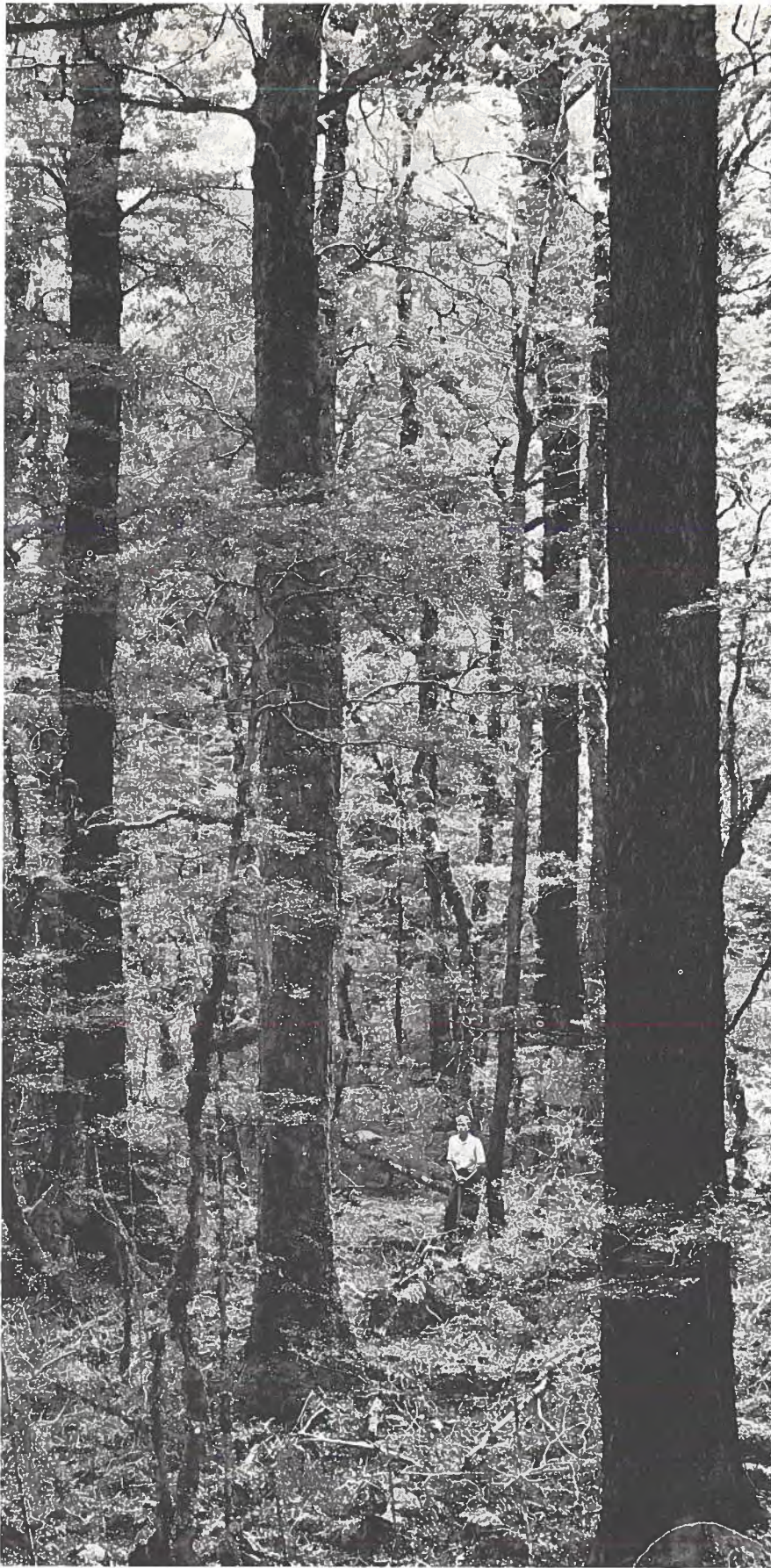
MAURICE J. HLADIK, Assistant Commercial Secretary, Wellington.

Forestry, New Zealand's fastest growing and largest non-agricultural export industry, was once considered a hindrance to the country's development. When the Maori arrived, about 1350 A.C., most of the country was heavily forested. These pre-European settlers saw the agricultural potential and, in clearing the land, destroyed large stands of timber. However, about two-thirds of the country was still heavily forested when European colonization began about 1850.

New Zealand's agriculture developed initially as a food source for Britain. Forest areas were increasingly required for the production of wool, meat and dairy products and millions of acres fell to the axe or were burned to meet this need. During this era, a forestry industry did develop but about 80 per cent of all clearing resulted in total loss of timber. Even the remaining 20 per cent was harmed by wasteful logging.

Although such practices were understandable because of the requirements of the time, it became apparent that the "inexhaustible" forests were diminishing rapidly. Most of New Zealand's native trees are semi-tropical and require several centuries to regenerate. As the temperate climate does not promote rapid growth of these species, the native forests for practical purposes are not renewable.

This situation was recognized around the turn of the century and by 1918 conservation measures had been taken to protect the existing forests from wholesale destruction. Research projects were enlarged and planting of non-indigenous species, mostly conifers, were undertaken. These and other developments were the genesis of New Zealand's growing forestry industry of today.



A stand of mixed native red and silver beech. The Forest Service has proposed that up to 800,000 acres of beech forest be made available for development.

From 1925 to 1935, major planting programs were launched as New Zealand combated high unemployment with large make-work projects. Non-native species were planted on a large scale covering hundreds of thousands of acres under both government and private programs. Ironically, the native forests were destroyed in quest of one resource (land for agriculture) and were, to some extent, replenished by another resource, a surplus of labor.

Non-native plantings have long since replaced indigenous forest as the most important economic source of timber. The 1971 harvest comprised about 35 million cubic feet of indigenous timber compared with 274 million cubic feet of non-native species. By the end of the century, the annual harvest of native trees is expected to be only 24 million cubic feet, compared with 564 million cubic feet for non-indigenous species.

Of the introduced species, *Radiata* pine dominates. About 890,000 acres, or 75 per cent of the total forest, is planted to this species. The balance consists of a range of other conifers, of which Douglas fir is predominant. Tree farming occurs in most regions, but more than 80 per cent is in the North Island, particularly in the east central region.

In 1971, tree plantings totalled 71,800 acres. This resulted in a net increase in the total forested area of some 60,800 acres after accounting for areas harvested. Economists of the New Zealand Forest Service predict that plantings will have to be maintained at this level or higher to provide adequate forest resources for the country's long-term development plans.

Besides an expansion of planted acreages, there is a marked effort to increase the productivity of non-indigenous forests. Subjected to modern silviculture techniques, the regeneration cycle of *Radiata* pine is as low as 25 years for lumber purposes, and less for pulpwood production. This rapid growth rate puts New Zealand's forest industry in an advantageous position.

Although planted forests are the backbone of the forest industry, the South Island beech forests, once considered of minor economic significance, are now being looked at as

a potential development. The New Zealand Forest Service estimates that there are nearly 800,000 acres that could be used economically without unduly upsetting the ecology of the region. New Zealand beech would be used mainly for hardwood pulp but lumber could also be produced.

The Forest Service has recently recommended that invitations be extended internationally for long-term cutting rights and for the development of facilities. If government approval is granted for development to proceed, it is expected that proposals will be made early this year. A final decision will likely be reached in 1974.

Along with the expanding plantings, there has been equal investment in mill and processing facilities. Capital expansions in processing capacity are valued now at about \$170 million. This is considered to be the largest expansion in any industry in New Zealand's history. The developments include additional pulp capacity at Kinleith by New Zealand Forest Products, pulp and newsprint expansion at Kawerau by Tasman Pulp and Paper Limited, and a refining groundwood mill near Napier as a joint venture by the New Zealand-Japanese consortium, Carter Oji Kokusaku Pan Pacific Limited. These expansions will amount to an annual output of 305,000 tons of pulp and 230,000 tons of paper, including 130,000 tons of newsprint. The developments will contribute substantially to an anticipated increase in New Zealand exports of forest products, estimated to expand by \$51 million annually within the next five years over the 1971 export level of \$66.8 million.

Canadian participation — Canadian consulting firms and equipment suppliers have been notably successful in current and past developments. Perhaps the highlight of recent Canadian participation was a package of equipment and services to Tasman Pulp and Paper with \$10.3 million, financed by the Export Development Corporation and sponsored by A. J. Simons International (1967) Limited. A. J. Simons was the main technical consultant for the project which, in total, was valued at \$85 million. Canadian expertise and equipment are well known and highly regarded throughout the New Zealand forestry

industry. Canadian chainsaws, logging trucks, tree harvesters and skidders, plus a wide range of milling and pulp and paper equipment, are currently in use. Numerous Canadian firms are already well established in this expanding market, but opportunities always exist for newcomers.

Certain Canadian consultants have been successful in providing their services in New Zealand but this field may be somewhat more difficult to penetrate. The established consultants appear to be well accepted by industry and consequently firms are not easily persuaded to switch unless new consultants have a convincing argument that their firm can offer a unique or superior service. In this competitive market it is only through on-the-spot consultations that potential users of engineering services will be convinced of the technical merits of a consulting firm.

Output from New Zealand's expanded facilities is destined mainly for the export markets. Exports are expected to increase to approximately \$119 million within the next five years, to \$185 million when present developments are in full operation. Current and projected dominant markets will be Australia and Japan, each of which now accounts for more than 40 per cent of New Zealand's forestry exports. The Pacific Islands is the third most important market. The long-term export of forest products is expected to increase from 159 million cubic feet now to about 340 million cubic feet by the year 2000. The value of this increase in dollar terms will be proportionately larger, as the proportion of wood exported in more highly manufactured forms expands. For example, exports of logs is expected to decrease and exports of newsprint and other products, with a higher labor content, to increase.

The Australian market is of particular importance to New Zealand, primarily for pulp and paper. Under the New Zealand/Australia Free Trade Agreement, New Zealand has a preferred position as a supplier of pulp with a tariff advantage of 20 per cent over other sources for 75 per cent of Australia's import requirements. Negotiations are under way now for a similar arrangement for newsprint. Although the Japanese market is equivalent in dollar terms,



The Tasman Pulp and Paper Company mill at Kawerau, Eastern Bay of Plenty. In the background is 2,692-foot Mount Edgumbe.

exports now are mainly logs. As there is a general trend in the New Zealand forestry towards increased manufacturing, it is possible that trade in this form will decrease. However, exports to Japan of other forest products, particularly wood chips, will increase when the Carter Oji Kokusaku Pan Pacific Limited development is completed.

In 1971, pulp and paper exports, mainly to Australia, were 145,000 metric tons and 99,600 metric tons respectively. The value of these exports was \$16.7 million for paper, mainly newsprint, and \$8.3 million for wood pulp. Exports of sawn lumber in 1971 set a record at 129 million board feet, valued at \$10.5 million.

with Radiata pine (\$6.9 million) and Douglas fir (\$2.6 million) accounting for more than 90 per cent of this total. Japan and Australia were the dominant markets. In 1971, New Zealand exported 64.3 million cubic feet of logs with an f.o.b value of \$24.2 million. As in the past, Japan was the dominant market, taking 97 per cent of the total. There is a growing export of fibre board, particle board and plywood, which in 1971 totalled 35.7 million square feet, valued at \$5.4 million. The only other product of consequence was wood chips, for a relatively modest \$1.5 million.

In the total context of New Zealand's trade, export of forestry products represents a relatively modest 6.5

per cent of the total. What is more important, however, is that of the non-agricultural exports about 40 per cent originate in the forestry sector. Thus, in New Zealand's efforts to diversify its economy, the forestry industry is a promising area in which expansion will be given every opportunity to continue.

Canadian firms interested in the New Zealand market for forestry equipment and services, or that want to participate in the development of the South Island beech forests, are invited to contact the Commercial Counsellor, Canadian High Commission, P.O. Box 12-049, Wellington North, New Zealand.



This Athens shop window is all dressed up for the Christmas season.

Greece...The market is growing

CLIFFORD SWIFT, Commercial Officer, Athens

A visit to Greece can be fun — and profitable. This mountainous country of 51,000 square miles, with a population of 8.8 million, offers a growing market both in the public and private sector. The annual per capita income is increasing and reached \$1,221 in 1971. This means that goods such as delicatessen items, household and kitchen equipment, record and cassette players are in growing demand.

In the public sector there are the government ministries, the semi-autonomous utilities and organizations such as the Public Power Corporation, the Hellenic Telecommunications, the Railways and the Post Office, and the privately owned Greek Water Company that together account for between 40 per cent and 45 per cent of the total annual imports.

In 1971 imports were valued at \$1.9 billion and exports at \$625 million. This apparent imbalance was greatly eased by foreign exchange earnings from shipping and tourism and by receipts from expatriates and workers abroad, and the Government sees no need to impose harsh restrictions on imports. Some items of machinery and parts (boilers, pumps, radiators, certain agricultural implements) and certain agricultural, dairy and other food products, chemical fertilizers, some textile products, TV receivers, and a few other items need ministerial import permits. Cash deposits with commercial banks are required from the importers of most products, except essential food-stuffs and raw materials, before an import permit and the right to foreign exchange transfer is granted. Permits

other than the ones mentioned above are freely granted.

The deposits, expressed as a percentage of the c.i.f. value of the merchandise to be imported, vary from 28 per cent to 140 per cent, depending on what import list the product is classified under (all imports are divided into lists according to product).

When is the best time to visit Greece? Most businessmen and government officials take their holidays during July and August, the hottest months of the year, and the Easter weekend can stretch from the Wednesday before to the Wednesday after Easter Sunday. Between April and October hotel reservations must be arranged well in advance. Accommodation can usually be found on short notice during the rest of the year.



The first shipment of Canadian Holstein Friesian feeder calves to Greece arrives at an airport in Crete.

There is a wide selection of good hotels of all classes to choose from in Athens, Salonika and on the islands of Rhodes, Crete and Corfu, and satisfactory accommodation is available in other main provincial centres. Prices range from \$12 to \$20, according to season, for a single with bath in the luxury or "A" category. "B" category hotels (modern and comfortable) and "C" category hotels (acceptable) are available throughout the country with a price range of \$5-\$10 single with bath or shower facilities. Your travel agent can provide further details but make sure you receive confirmation as over-booking has been known to occur, particularly during the tourist season.

Meals, including wine, can cost as little as \$1 at a typical taverna, or up to about \$5 at the better class

establishments. A continental-style breakfast costs from 65 cents to \$1.

The pace of business in Greece is slower than in North America with a longer business day broken by a leisurely lunch period. Government offices start early, 7.30 a.m., and close for the day at 2.30. Senior government officials generally are busy individuals and appointments usually have to be obtained (ask the Commercial Division) a few days in advance and often confirmed on the actual date. Invariably meetings start with a few minutes of polite conversation and the offer of refreshments (the ubiquitous Turkish-style sweet or bitter thick grained coffee, a soft or fruit drink), before serious discussions get under way. Sales contract negotiations, particularly with government departments and state

organizations, are usually protracted and might take days or weeks to complete, partly to allow time to translate legal documents. The important Greek firms, both importers and agents, usually have some English speaking staff. Sometimes we can help arrange for an interpreter.

It will be appreciated if you invite your contact or prospective customer out to lunch or, if you want to include his wife, to an evening function. Greeks are hospitable people and often invite visitors to their home or out for a social occasion. If invited to a home, it is customary to offer flowers or chocolates to the hostess. An outside invitation can be repaid by a similar one or by sending flowers with a "thank you" note to the business associate's home.

You will probably have to take



The Bank of Greece building on University Street in the centre of Athens.

a cab at some time. Cars can be hired but cabs are more convenient, particularly if you don't know your way around. There is a basic charge of five drachmas (10 after midnight) plus 3.50 drachmas per kilometer within Athens city limits and six drachmas outside the city (\$1 equals approximately Dr.30.6). Most taxi drivers are trustworthy and some know a bit of English, but we can supply addresses in English and Greek for your business appointments. All Athens cabs, by the way, are equipped with metres.

What about clothing? In the summer it can get hot, sometimes 100° F. or more in July, August or early September. But it is a dry heat tempered by winds that can be strong. In the winter it can be cold and wet with temperatures between November and February down to freezing in Athens and even lower in the north. So bring lightweight suits and a plentiful change of linen if you come in summer; heavier suits for spring and fall and a heavy topcoat for winter.

You will, of course, need a valid passport, but that is about all the

personal documentation. No restrictions are placed on entry, regardless of which countries the businessman has visited before. Smallpox, cholera or yellow fever certificates are not normally required unless the visitor has come from or passed through infected areas before arriving in Greece.

Any samples you bring with you that have commercial value are admitted on payment of a deposit as security for import duty. This deposit is refunded if the samples are taken out of the country within six months of entry. You can, however, use a banker's guarantee instead of making a cash deposit. Catalogues and other printed advertising matter are not dutiable unless they have commercial value or are printed in Greek, or even partly in Greek.

If you bid on a government project you must support your offer, which is usually valid for 90 days, with a bank guarantee (normally 5 per cent). If your offer is accepted, this guarantee must be replaced by a good performance bond of normally 10 per cent, which is returnable. Some agencies can arrange these bonds for

their foreign principals. Government contracts over \$5,000 are put out to international tender, although contracts can sometimes be negotiated with the aid of loans or credit financed by foreign governments.

If you are selling to the private sector, you can, of course, deal direct with the customer or wholesaler/importer, or appoint an agent. Some of these agencies deal only with government contracts, others handle both state and private business. Most work on a commission basis and will arrange import permits for you and handle all the foreign exchange documentation. The Commercial Division of the Embassy here in Athens can give you advice on a suitable agent.

All quotations should be in U.S. dollars, although Canadian dollars are sometimes accepted on a c.i.f. Greek port basis. The English or French language can be used, although English is more readily understood. Payment terms are by letter of credit or payment order, against shipping documents (up to 120 days after arrival of merchandise for some items), or by time draft (nine months for wood pulp, and up to 36 months for agricultural and construction equipment, for instance).

Athens, although the main trading centre and the seat of Government, is not the only place in Greece. Salonika, for instance, the second largest city, has in the last few years become an important base for petrochemical and steel industries. These northern cities offer more difficult markets for Canadians because they are closer to European suppliers, with a consequent advantage on freight cost. As a matter of fact, suppliers from the EEC countries generally are favored because Greece is an associate member of the European Community and tariffs are usually lower on goods from Community members.

But wherever you go it doesn't take long to get there from Athens. Salonika (540 kilometres by road) is 35-75 minutes flying time depending on the type of plane (49 flights a week, fare Drs.458 single), nine hours by motor coach (Drs.135 single) or ten hours by rail (Drs.300 first class, Drs.200 second class, single). The islands of Rhodes, Crete and Corfu can be reached by air within an hour (single fares: Rhodes Drs.624, Crete (Heraclion) Drs.452, Corfu Drs.577).

And what other country in Europe can offer you a guaranteed 300 days of sun in a year — a guarantee backed by the National Tourist Board?

Hurdling Market Obstacles with GAAP



Data entry operators at the Department of Manpower and Immigration in Ottawa use 'Key-Edit' equipment manufactured by Consolidated Computer Inc. of Toronto.

ROBERT McDOUGALL, *Canada Commerce.*

Longer production runs; increased sales; higher profits; sustained growth; streamlined operations; improved competitiveness; more jobs.

In brief, these are the much sought after goals of industry . . . and some of the benefits that can be derived through the Government's General Adjustment Assistance Program (GAAP).

Launched in 1968, GAAP concentrated initially in helping firms affected by Kennedy Round tariff cuts. It had two objectives; first, to assist firms to derive as much benefit as possible from widening markets and an increasing scope for greater specialization and longer production runs; and second, to assist adversely

affected companies to attain a more competitive position.

The program was then expanded to provide assistance to manufacturers in the textile, clothing and footwear industries who are faced with exceptional problems of adjustment due to competition from imports. Later, GAAP was also authorized to help firms adjust to changes in foreign markets brought on by imposition by a foreign country of a temporary surtax or a measure having the same effect.

GAAP is administered by the Central Adjustment Assistance Board (CAAB), a body made up of three members from private industry and four from senior levels of Government. The board was constituted in this manner to attain a balance of views and considerations of govern-

ment and business and to ensure that market-place criteria are objectively applied in the assessment of proposals for assistance.

In 1971 the Board widened its scope by taking over the administration of the Automotive Adjustment Assistance (AAA) program. This program has existed since 1965 to provide direct loans to manufacturers of original equipment automotive parts, tooling, specified commercial vehicles, or suppliers of material, who have been affected by the Canada-United States Automotive Agreement.

Both GAAP and AAA are designed to help firms requiring adjustment assistance and which are unable to obtain financing from conventional lending institutions on reasonable terms. Thus, the programs are limited

to medium and high-risk ventures, particularly from the standpoint of fixed-asset security, since debt financing is normally available where strong security exists.

Types of Assistance — The main form of industry help under GAAP is government insurance of medium and long-term loans made to manufacturers by conventional financial institutions for the purpose of restructuring the company's facilities and operations. The existing ceiling of loan guarantees is \$250 million. Direct loans can also be made to companies seriously hurt by Canadian tariff cuts. GAAP provides grants covering up to 50 per cent of the cost of consultant's fees for companies investigating ways to restructure.

Small and medium-sized firms are more likely to receive GAAP support than larger companies. However, there is no limit on the amount of assistance that can be given to a single company. Insurance for loans ranging from \$75,000 to \$12 million has been arranged under the program. The risk of loss on an insured loan is shared by the lender and GAAP, with the Government usually insuring 90 per cent of the potential loss. The lender pays an annual fee of 1 per cent for the insurance provided, and is therefore encouraged to limit his requirement for insurance.

Eligibility — Canadian manufacturers are eligible for assistance under GAAP if they are unable to arrange financing for restructuring on reasonable terms and:

- (1) Have export opportunities arising from Kennedy Round Agreement;
- (2) Have suffered or are threatened with serious injury as a result of the Kennedy Round;
- (3) Are engaged in manufacturing textile or clothing or footwear products and have a need to restructure to improve their competitive position in export or domestic markets, or
- (4) Require loans to adjust to changes in conditions affecting access to foreign markets attributable to an import surtax or other such actions by foreign governments.

Board decisions are made on the basis of a thorough investigation of a company's financial position, facilities, operations and markets. These investigations are undertaken by officers of the Department of Industry, Trade and Commerce.

Often an examination of a company will reveal requirements for new investment by shareholders, the need for additional management support in

technical, financial or general management areas or the need for other modifications in the firm's structure or method of operation. In such instances, assistance under GAAP will be authorized provided appropriate steps are taken to correct areas of inadequacy. This is particularly so in cases of major expansion where management may not appreciate the need for implementing systems, procedures and controls designed to handle the increased level of activity. The Board has been instrumental in ensuring that both proper management and effective management tools are installed, and has encouraged the use of professional consultants to assist in developing and implementing plans of restructure.

Besides the formal requirements for eligibility, the Board has set up a few guidelines to ensure that the intent of the program is not frustrated. They are:

(a) The Board does not support enterprises or proposals which do not have a reasonable chance of success or survival.

(b) Assistance is not authorized for the purpose of "baling-out" existing owners or creditors.

(c) Assistance is not authorized where financing for proposals is available elsewhere, whether in the form of equity or debt, on reasonable terms and conditions.

(d) Management ability is the critical factor in the Board's assessment of applications. The Board supports proposals provided strong management exists, but does not support proposals when management is weak and not being bolstered, notwithstanding other conventional credit criteria that may be apparent.

(e) The Board's policy is to require a pledge of the maximum available security.

Successes — To the end of October last year, the Board had authorized loan insurance assistance totalling \$67 million to 90 manufacturers across Canada. Grants for consultant services averaged \$10,000 and were made to 31 companies. Under the AAA program, 111 loans totalling \$104 million have been authorized.

The following examples illustrate the potential value of GAAP.

An Ontario-based manufacturer of electronic sensing and process control equipment obtained insurance for a \$2 million loan to finance export sales on terms similar to those offered by foreign competitors. To date, this assistance has enabled the company to double its sales to an annual rate of \$6.5 million and to increase employment by 27 people.

GAAP assistance permitted Canadian exploitation of this high technology area — the firm is the only Canadian company engaged in manufacturing this sophisticated process control system and had been unable to obtain assistance from conventional institutions without GAAP insurance, because of a lack of security. The Board concluded that the risk was reasonable in light of management strength and evidence of market potential.

— A Montreal-based manufacturer of plastic-coated fabrics obtained insurance for a \$2.9 million loan to provide facilities and working capital necessary to service rapidly expanding export sales. The insured loan enabled the company to increase its sales (80 per cent export) from \$12 million to \$25 million in one year, and to expand its labor force by 125. The Board was able to provide loan insurance assistance on the basis of the company's excellent management record and the demonstrated potential of its products.

— A sportswear manufacturer in Montreal obtained insurance for a loan to finance the purchase of equipment and provide the working capital necessary to meet a rapidly expanding United States market sales potential. The insured loan, together with an increased operating line of credit provided by a chartered bank, enabled the company to triple its annual sales to \$5 million within two years and to increase its labor force by 230. Aggressive competent management was the key to the company's success. The ability to raise term capital for expansion from conventional sources was limited by the firm's lack of fixed asset security. The Board was able to provide insurance assistance on the basis of management's good record and obvious potential.

— The Board was instrumental in negotiating and implementing the successful reorganization of Consolidated Computer Inc. of Toronto. The firm designs, manufactures and markets computer systems for data preparation. It is one of the few Canadian-owned companies in this high technology field.

Since reorganization, the company has generated profits of \$1.3 million on sales of \$9 million during the nine months ended September 30, 1972. The company recently signed an export sales contract covering a two-and-a-half year period, valued at about \$20 million and likely to generate substantial ancillary sales.

In addition to the growth in export sales, the Board's effort has re-

sulted in conserving 230 jobs in this critical industry sector.

Many projects financed under GAAP also include financial assistance from the Department of Regional Economic Expansion (DREE) and provincial government assistance such as that available from the Ontario Development Corporation and Nova Scotia's Industrial Estates Limited. In addition, the fact that the program is administered by the Department of

Industry, Trade and Commerce enables applicants to become better informed of the various services of the Department, particularly those providing incentives for design, research and development.

These efforts to bring together services of various government agencies can only benefit manufacturers. In many cases, the basic problem faced by firms involves a lack of understanding of the availability of assist-

ance. An important aim of the Board has been to acquaint companies with the effort being made at all levels of government to foster the development of efficient profitable business.

Further information is available from: General Adjustment Assistance Office, Department of Industry, Trade and Commerce, 112 Kent Street, Ottawa, Ontario K1A 0H5.

Business Visit to Bulgaria

WARREN M. MAYBEE, Assistant Commercial Secretary, Vienna.

All Bulgaria's foreign trade activity is in the hands of a number of foreign trade companies, the majority of which are in Sofia. In most cases your business visit will consist of calls in Sofia only, but you should be prepared to accept invitations to visit other centres, and if you want to speak to the end user, you should not hesitate to ask for a visit to be arranged.

All foreign trade companies and ministries are open from 8.30 to noon and 1 to 4.30 Monday to Friday, and from 8.30 to 1.30 on Saturdays. Official public holidays fall on January 1, May 2, May 24, September 9 and 10 and November 7.

The Bulgarians prefer you to make your appointments directly with the foreign trade company, which can be done by writing to the protocol office of the trading company and outlining in your letter the product you would like to discuss and the date you will be calling. Or you can telex, sending the same information. When you arrive at the trading company, you should always go to the protocol office first. A second method, particularly useful when you are uncertain which trading company is responsible for the product you are selling, is to write or telex the Chamber of Commerce, 11a Stamboliiski Blvd., Sofia, telex 22374, to the attention of the Canada Desk Officer (at the time of writing, Mrs. Pia Yotova) and re-

quest that a program be arranged for you. You have to be very specific about what your product is and when you will be visiting. If this method is used, your first call will be to the Chamber of Commerce. Of course, the Commercial Division of the Canadian Embassy in Vienna is also prepared to help you.

Tourists do not require visas but businessmen do. Visas may be obtained either in advance from the Bulgarian Embassy in Ottawa (325 Stewart Street) or on arrival at the airport. Be certain to have at least two passport photos with you. Visas cannot be obtained on the train but are available at highway border entry points.

Sofia is accessible from most European centres either by direct flight or through connecting airlines. There are daily flights (except Saturday) from Vienna to Sofia. These flights are usually heavily booked so it is best to make your reservations as far in advance as possible. Sofia is also accessible by rail and road.

The basic unit of currency in Bulgaria is the lev, consisting of 100 stotinki. As the lev is not a convertible currency, there are a number of conversion rates in use. In general, during your visit you will receive the special tourist rate, quickly converted at two lev to one dollar. It is forbidden to enter or leave Bulgaria with Bulgarian currency, but there are no restrictions on the amount of foreign currency that can be taken in or out of the country. Travellers' cheques

can be changed at the National Bank of Bulgaria and at the Balkantourist office in most hotels. Visitors can expect to spend during their visit the cost of their hotel bill plus \$10 a day.

There are relatively few hotels in Sofia catering to the foreign businessman, so there is usually a shortage of accommodation. You should therefore make your reservation through your travel agent as far in advance of your trip as possible, and carry with you written confirmation of your reservation. Although there may be others, the two hotels which we have found to approximate most closely Western European standards are the Hotel Sofia, Blvd. Ruski, Sofia, telex 22372, and Hotel Balkan, Lenin Place, Sofia, telex 22454. Other hotels used by foreign visitors are the Hotel Bulgaria, Hotel Pliska, Hotel Rila and Hotel Hemus.

All hotels mentioned have dining rooms where the meals served are reasonably priced and normally good, although perhaps slightly more spiced than most Canadians are accustomed to. Around Sofia there are a number of restaurants that feature, in addition to excellent food, performances of traditional Bulgarian songs and dances. Reservations for these restaurants may be made through your hotel's Balkantourist office. Telex and telephones are available at all hotels.

There are no special health precautions to be taken, and water in the main cities is safe to drink. International certificates of vaccination

against smallpox and cholera are required if you are travelling from an infected area.

Goods and articles which are permitted to be imported usually require the posting of a cash deposit in the amount of the import duties. This deposit is refunded when the goods leave Bulgaria. Samples declared to be of no commercial value may be permitted entry without the posting of a surety or cash deposit. Also, samples may be entered under an ATA carnet. If you are in doubt as to whether printed materials will be permitted entry, you can always submit your brochures, well in advance of your trip, to the Bulgarian Embassy, 325 Stewart Street, Ottawa, or the Bulgarian Trade Commissioner in Montreal, to obtain their opinion.

If you plan on remaining over a weekend, a short holiday trip to the coast is always a good idea, particularly during the period from May to October. During the week, Balkan-tourist offices (located in all hotels) are available to make suggestions and reservations.

You should remember that Bulgaria uses the Cyrillic alphabet and, therefore, problems will be encountered in such things as reading street signs. The best solution is to write out the Cyrillic equivalent for the addresses that you know you must go to and show this to the taxi driver. When dealing with the trading companies, you will find that Bulgarian businessmen are able to speak — in descending order of frequency — Bulgarian, Russian, German, French and English.

Selected list of foreign trade companies

AGROMACHINAIMPEX

5 Aksakov St., Sofia, Bulgaria
Imports and exports tractors, agricultural machines, pumps and spares.

BALCANCARIMPEX

56 Alabin St., Sofia
Imports and exports trucks, electric hoists, hydraulic and pneumatic products, electric motors and electric equipment used in electric trucks and hoists.

ELECTROIMPEX

17 George Washington St., Sofia
Imports electric motors, generators, laboratory equipment, meteorological instruments, medical equipment, electrical and electronic measuring instruments and equipment, cinema equipment, radio and TV sets and equipment, welding equipment, electric furnaces and heaters, transformers, insulating porcelain, cables, conductors, electric household appliances, telephone and telegraphic equipment including transmission and switching equipment, control gauges, testing instruments, measuring instruments, optical instruments.

IZOTIMPEX

51 Chapaev St., Sofia
Imports and exports computers and computer technology, semi-conductors, radio parts, typewriters.

INDUSTRIAL IMPORT

3 Pozitano St., Sofia
Imports cotton, wool, yarn, man-made textile raw materials, raw hides, cattle, lamb, pig, leather shoes.

COOPIMPEX

4 Trapesiza St., Sofia
Imports machine and hand-made carpets, flooring, toys, jewellery, beach rubber articles.

KORABOIMPEX

128 Blagoev St., Varna
Imports and exports ships, ship and port equipment.

LESSOIMPEX

2 Tsar Assen St., Sofia
Imports and exports furniture, cellulose paper, pulp and paper, wooden articles, prefabricated wooden houses, wood construction materials.

MACHINOEXPORT

5 Aksakov St., Sofia
Imports bearings, instruments and abrasives.

RODOPAIMPEX

2 Gavril Genov St., Sofia
Imports meat, breeding animals, artificial casings.

RUDMETAL

1 Dobrudja St., Sofia
Imports rolled ferrous and non-ferrous metals, pipes, sheet iron, tin, structural and tool steel, refractory materials, ferro alloys, steel ingots, pig iron.

TECHNOCOMPLEKT

20 Joliet Curie St., Sofia
Imports complete plants, machinery, equipment for geology and mining, construction, road building, hoisting and hauling machines, printing machines, railway rolling stock, engines, machine tools, metal-working machines and machines for the following industries: in knitwear, tailoring, shoe, food packaging, glassware.

PHARMACHIN

16 Iliensko Chaussee, Sofia
Imports and exports medical and veterinary drugs, cosmetics, perfumes.

BULGARIAN CHAMBER OF COMMERCE

11a Stamboliiski Blvd., Sofia
For assistance in arranging displays, exhibitions, appointments.

Mailing To China? Address It Right

Businessmen are reminded that all mail for delivery in the People's Republic of China must be addressed properly. The Post Office has received information that many articles are being intercepted by postal authorities in that country with the address "Republic of China". These incorrectly addressed articles are either confiscated or returned to the sender.

The name of the country is "People's Republic of China." No shortened form or abbreviation is recognized by authorities there.

U.S. Jewellery Market Sparkles

RICHARD CAMPANALE, Commercial Officer, New York

The jewellery market in the United States has grown phenomenally in the past few years, according to figures from the U.S. Department of Commerce. Almost every index number is up, including the number of stores and the volume of sales.

The number of retail establishments where jewellery is sold has increased from 20,935 in 1963 to 23,689, an increase of 2,754 stores. The Census of Business for 1967, the most current report available, also shows the wholesale value of jewellery and related products at more than \$2 billion for that year.

The report also shows the Middle Atlantic states (New York, New Jersey, Pennsylvania) to be the leading area in the U.S. both for the number of stores (5,060) and the annual retail sales (\$450 million). Other areas are the East North Central states (Ohio, Indiana, Illinois, Michigan, Wisconsin) with 4,090 outlets and \$393 million in sales; the South Atlantic states (Delaware, Maryland, District of Columbia, Virginia, West Virginia, North and South Carolina, Georgia, Florida) with 3,254 outlets and sales of \$340 million; the Pacific area (Washington, Oregon, California, Alaska, Hawaii) with 3,281 outlets and sales of \$315 million; and the West South Central area (Arkansas, Louisiana, Oklahoma, Texas) with 2,149 outlets and sales of \$228 million.

New York State leads in the value of retail sales (\$261 million), followed by California (\$248 million) and Texas (\$150 million).

Are there any opportunities for exporting jewellery to the United States? The answer is yes. A look at U.S. import statistics (EF 135, Imports, Commodity by Country) shows that in 1969, 1970 and 1971 imports were worth approximately \$63 million, \$73 million and \$78 million (see accompanying table).

What does all this mean for the Canadian manufacturer? Well, for one thing, the market is vast, by any standard. And it is largely concentrated in the Middle Atlantic states and in the East North Central states.

For the past two years Canada has participated in the RJA International Jewellery Trade Fair and Convention, held annually in New York. This is perhaps one of the best ways of approaching the market. The show is the largest of its kind in the U.S. and is attended by more than 20,000 buyers.

Another means of getting exposure to the trade is by exhibiting in the New York Consulate's Canada Room. Our offices are located in mid-

town Manhattan, close to some of the world's most famous retail jewellers — Tiffany, Georg Jensen, Cartier, Harry Winston, just to name a few.

What should a jewellery manufacturer do to get his share of this huge market? There is only one way — personal visits and sales calls on the better jewellery outlets. These retailers are always on the lookout for new and interesting sources of supply. Manufacturers in other fields may have several choices in their presentations to customers — advertising, printed forms or slides. Jewellers apparently have none — their customers seem to prefer the salesman's sample case, which is the traditional way. The styling of your product means a lot and it pays to study the local market. Your customer will only buy what he thinks he can sell to his own customers.

If you feel you have quality merchandise and can offer prompt deliveries (an important feature for sales of any commodity), get in touch with the Canadian Consulate General here in New York, at 1251 Avenue of the Americas, New York City, N.Y. 10020. We are always ready to help you.

U. S. Jewellery Imports

	\$ million		
	1969	1970	1971
Jewellery & religious articles of precious metals	26.5	25.5	32.7
Jewellery of precious stones and pearls	1.2	1.2	1.8
Tableware with silver or silver-plated handles	1.7	1.6	1.7
Housewares with precious metals incl. tableware	10.6	11.2	12.2
Articles of precious metal	.9	2.2	1.5
Jewellery n.e.s.	4.8	6.0	5.1
Watch bracelets not over \$5 per dozen	3.1	3.6	3.5
Watch bracelets over \$5 per dozen	.8	1.0	1.5
Jewellery over \$.20 per dozen	12.1	18.2	16.9
Religious articles	.6	.6	.7
Chains for jewellery manufacturers	1.2	2.6	1.2

Trade Lines

Nigerian exports increase

Nigeria's exports for the first half of 1972 amounted to \$1,025.41 million, an increase of 6.8 per cent over the same period in 1971. The value of imports remained unchanged at \$796.05 million. The increase in exports reflected a 26 per cent increase in crude oil shipments which helped to compensate for a decline in traditional exports such as groundnuts and cocoa. Nigeria continues to have only limited licensing requirements for imports, though there are mandatory delays in most foreign exchange remittances — Lagos

New wood pulp mill for Australia

A \$70 million wood pulp plant on the northwest coast of Tasmania is being planned by Associated Pulp and Paper Mills Limited of Australia. The new mill, with a capacity of 200,000 tons a year, will be the largest of its type in Australia. Construction is expected to start in 1976 and production in 1978 — Melbourne

Hong Kong may build more abattoirs

The Government is expected to expand slaughterhouse facilities in Hong Kong by building two new abattoirs by 1980. More than 7,000 pigs are brought daily from the People's Republic of China to feed the Colony's expanding population. The Government originally entered the abattoir field for public health reasons — Hong Kong

Tuna industry in Malaysia prospers

A Japanese-Malaysian joint venture firm, Malayan Marine Industries Ltd., exported more than \$694,000 worth of canned tuna last year, mostly to the United States and Europe. Of this, canned tuna in oil went mainly to Germany and Italy, while most of the brine pack was exported to the U.S. The tuna industry in Malaysia is now reportedly among the largest in South-east Asia and is almost entirely export oriented.

Malayan Marine, which is based in Penang, began operations with a 200,000-ton capacity refrigeration plant, a seven-ton deep-freezing chamber and a small canning operation. A second refrigeration plant was built in 1967 next to the deep sea wharf at Penang. Fishing is by the long-line method — Kuala Lumpur

Sea playground for Hong Kong

An education-oriented "oceanarium" is being built near the former fishing village of Aberdeen, Hong Kong, at a cost of some \$14 million. To be called the Ocean Park Complex, it will be among the largest of its kind in the world when completed in 1975. The Park will be divided into two main areas: facilities for showing trained marine animals, and a landscaped picnic area. Visitors will cruise along a 2,600-foot waterway in 20-seat boats through a series of pools, by waterfalls, caves and observation tanks. Educational facilities will include a marine laboratory and a marine museum — Hong Kong

Stockholm's hotel prices triple

A recent study of the structure of Sweden's hotel industry has shown that prices have gone up three-fold in Stockholm since 1967. The average rate for a single room in Stockholm (with bath, radio and TV) now exceeds \$16.50 a night with an extra 75 per cent charge levied for a double room. This compares with an average of 50 per cent for Sweden as a whole — Stockholm

UN mission recommends world survey for oil palm

A United Nations palm oil mission has recommended that a world market survey for oil palm products be carried out, in view of the anticipated rapid increase in production of palm oil over the next few years. The mission, which included experts in agronomy, oil palm management and processing, recently visited Cambodia,

India, Thailand, Nepal, New Guinea, Sri Lanka and Malaysia. The mission believes that such a survey will indicate, to what extent palm oil could replace other oils, the impact of synthetics, patterns of marketing, and diversification of uses for palm oil through technical innovation — Kuala Lumpur

Iraqi fertilizer plant swings into production

The Iraqi planning board has allocated about \$3 million as operating capital for the Basrah chemical fertilizer plant. The plant, completed in April 1971, has an annual capacity of 56,000 tons of urea, 140,000 tons of ammonium sulphate, 66,000 tons of ammonia and 110,000 tons of sulphuric acid. It uses natural gas pumped from the Rumaila field through a 35-mile pipeline. Export contracts to date include one signed in May with the People's Republic of China for 10,000 tons of urea and 15,000 tons of ammonium sulphate, and another concluded last year with the Arab Republic of Egypt for 50,000 tons of urea to be delivered this year — Beirut

Singapore buys more from China

Singapore imports from the People's Republic of China last year rose 5 per cent to \$145.3 million and exports dropped more than 32 per cent to \$16.4 million. Textiles worth \$33.2 million formed the bulk of the imports. Chinese products much in demand included canned meat, eggs, tea, spices, sweets, coconut and vegetable oil, pharmaceuticals, pottery, electric machines, toys, stationery and antiques. The recession in exports was due largely to China's policy of importing rubber direct from Malaysia instead of through Singapore. Rubber previously formed about 95 per cent of Singapore's exports to China —

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