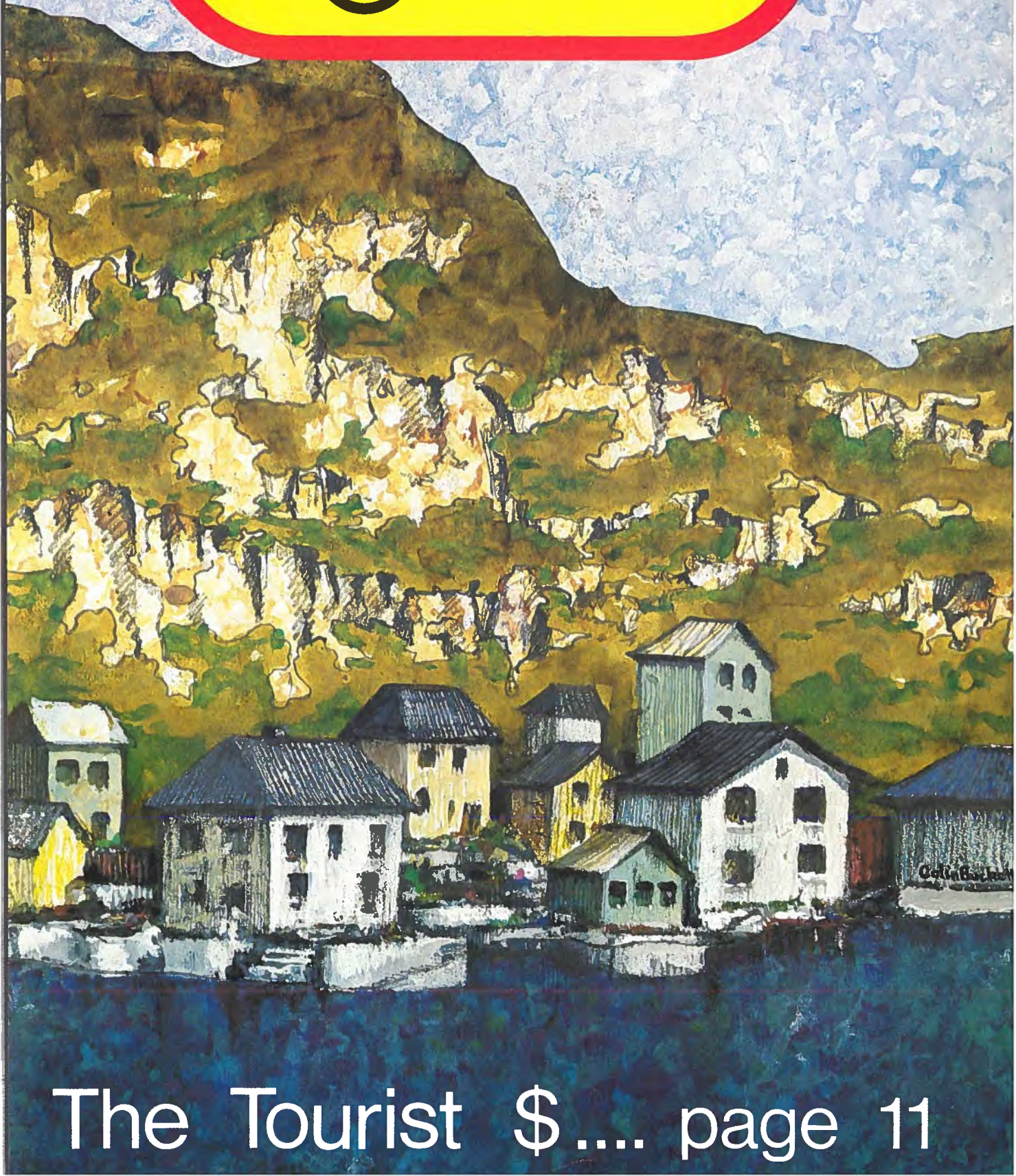


May

Canada Commerce

1973



The Tourist \$... page 11

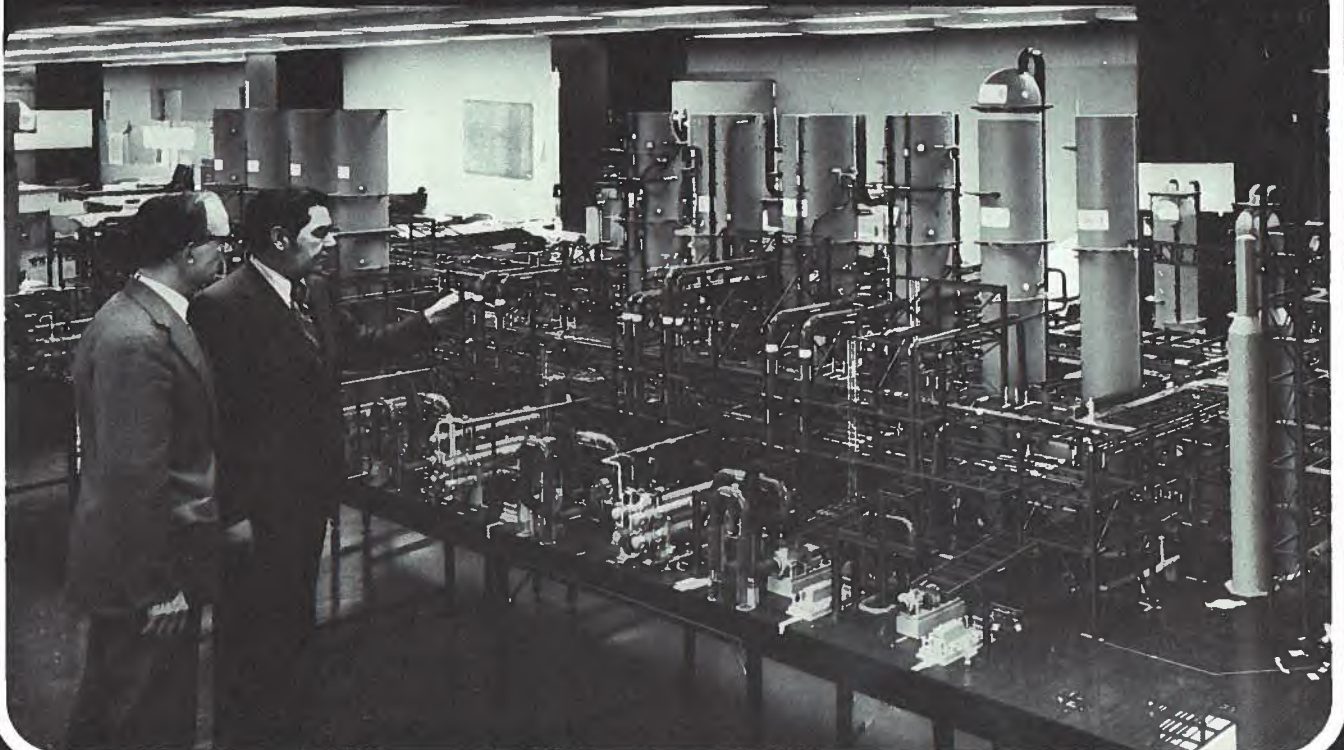
Glace Bay in miniature

Shown here is a scale model, measuring 25 feet long, which is being used in connection with the reconstruction of the Glace Bay Heavy Water Plant in Nova Scotia. It required 37,000 man-hours of work to build, and at the design peak 34 draftsmen and technicians were working on the model at the same time.

Cantom Mon-Max who is responsible for the Glace Bay rehabilitation project, built the model at its offices in Montreal at a scale of 3/8 of an inch to a foot. It is being used instead of conventional drafting techniques for designing the layout of piping and auxiliary equipment. Made from plastic components and one of the largest of its type undertaken in Canada, the model helps designers check for ease of construction and access for main-

tenance. It also assists in explaining the project to contractors who are bidding on various phases of the work. The pipe runs are marked with their centreline elevations and coordinates where changes of direction are made. All components such as valves, instruments and drains are tagged for identification. Electric cabling and lighting is also shown. The model is colour-coded to distinguish both materials and process functions. Sketches of individual pipe runs are made directly from the model and sent to fabricating shops.

The model will be used on the construction site by field forces as a guide in scheduling the erection. When the plant is completed, the model will also be used for training operators.



In This Issue

Our lead article this month brings you news about a country we have not featured before — the German Democratic Republic, better known perhaps as East Germany. As Brian Schumacher of our Hamburg office points out, it is a comparatively small country but has the fastest economic growth rate of any country within the Council for Mutual Economic Assistance (COMECON). Like many Eastern European countries, it is interested in buying Western expertise in the form of turnkey projects ranging from clothing factories to luxury hotels. The electronics and high technological areas also offer good prospects. As the article points out, Canadians have not paid too much attention to this country, and are missing out on an important and growing market.

There is a growing awareness these days that trade, international trade, is getting altogether too complicated. There is a proliferation of documents needed for even the simplest of transactions, the carrying of samples from country to country can be fraught with difficulties, even classifying goods for customs purposes can be like trying to pin the tail on the donkey. The articles on pages 14 and 15, therefore, should be both interesting and encouraging to every reader of this magazine. They show that something is being done about the situation, that more and more countries, Canada included, are trying to simplify trade practices.

How many people, when they go off on their holidays, particularly to a foreign country, spare a thought for the contribution they make to the economy of that country? Or thank the foreign visitor to Canada? Last year Canada played host to 40 million visitors. The article on page 11 explains how their holiday dollars help our prosperity. And it may make you act more kindly towards that car with the strange licence plate that dithers at the intersection.

COVER: Impression of a Newfoundland outpost by staff artist Colin Buckett.

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

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

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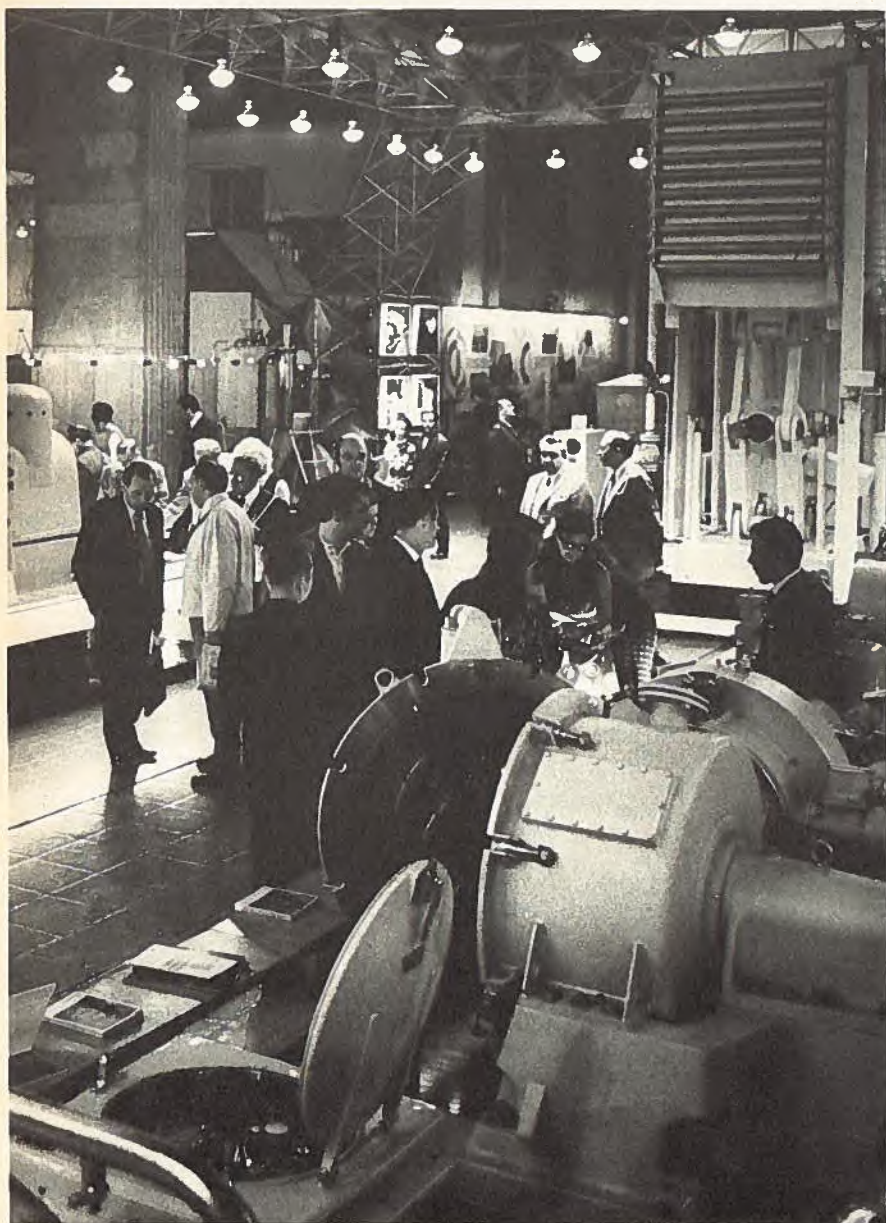
Address correspondence to:

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

Subscription

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

Trade Prospects with the German Democratic Republic



Part of the U.S.S.R. chemical exhibit at the 1972 fall Leipzig fair.

W BRIAN SCHUMACHER, Consul and Assistant Trade Commissioner, Hamburg

The German Democratic Republic represents an attractive export market for Canadian firms although the difficulties in doing business in this market are similar to the problems faced by Canadian exporters throughout Eastern Europe. The potential rewards, however, would seem worth the effort. The GDR is the world's tenth largest industrialized nation — second only to the Soviet Union in Eastern Europe — and enjoys the highest living standard of any communist country. Imports from Western industrialized countries are running at over \$1 billion annually (1971: \$1.4 billion). Tariffs are not a consideration in selling to the GDR and all imports are handled by the State Trading Organizations (see accompanying list).

While it is comparatively easy to cross from West Berlin to East Berlin on a 24-hour visa, it is more difficult to obtain in advance a visa in East Berlin to visit other parts of the GDR, except for the March and September Leipzig Fair, without prolonged correspondence to obtain the necessary formal invitation from the GDR commercial organization. However, as the state Trading Organizations are located in East Berlin there is little need, at least initially, to visit other locations in the country, and as trade contacts grow between Canada and the GDR, perhaps the problems of advance visa issuance will be progressively eased.

A comparatively small market with a population slightly over 17 million, the GDR has experienced during the past decade the fastest economic growth, both in industrialization and increased living standards, of all other members*

* U.S.S.R., Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Mongolia, and Cuba.

of the Council for Mutual Economic Assistance (COMECON). Based on 1969 net material production, a World Bank estimate placed East German GNP at \$1,600 per head.

Because the GDR Mark is a non-convertible currency, the GDR must use the hard currency earned from sales to Western countries to finance imports. Its aggressive export program of the past few years has resulted in the accumulation of sufficient foreign exchange to finance a growing volume of imports from Western countries. The increasing emphasis on the consumer sector and the relatively high and rising standard of living indicates that a wider variety of products from the West are now of interest to the GDR. These new areas of opportunity and renewed efforts in some traditional trade areas could bring substantial sales to aggressive Canadian exporters.

Like other centrally planned economies, the basic goals of the economy are described in terms of a Five Year Plan. During the previous Plan (1966-1970), the GDR struggled to achieve some very ambitious production targets and, partly because of unfavourable weather, was forced to revise some of these goals downward during the last two years of the Plan. None the less, real growth in manufacturing averaged a respectable 6.5 per cent a year and national income increased 5.2 per cent a year.

This accelerated rate of economic growth placed considerable strain on the economy and the 1971-75 Plan emphasizes consolidation and regrouping rather than a high growth rate. The agricultural sector of the economy has suffered three consecutive years of bad harvests due to severe weather conditions which also affected output in the construction sector. The most serious deficiencies, however, rest in the areas of electrical power generation and transportation. Large investments in power production are required to ensure a continued orderly economic advance and, in the transportation sector, more emphasis is to be placed on the provision of spares.

The GDR has a well balanced manufacturing base emphasizing machine building, electrical and electronics, and wood processing. Apparel and textiles, chemicals, and leather processing industries also make important contributions to gross industrial output. During the current Five Year Plan, the chemical and the electrical/electronic sectors are earmarked for above average investment and hence continued rapid growth. Additional investment in electrical power production, raw material production and transportation should ensure that the planned average increase in manufacturing output of 6 per cent a year is realized. Foreign trade turnover is expected to increase approximately

10 per cent a year and should result in new export opportunities, particularly in the areas of accelerated growth.

A review of the GDR's trading patterns underscores the strong interdependency in trade with COMECON countries and the substantial trade with the Federal Republic of Germany. For instance, in 1971 goods worth 13.618 billion marks came from the COMECON partners. West Germany supplied goods worth 2.153 billion marks and other countries 5.060 billion marks. In the same year exports to the COMECON countries were worth 14.776 billion marks, to West Germany 2.142 billion marks and to other countries 4.403 billion marks.

The GDR also purchases a wide variety of goods from other Western nations (excluding FRG), as indicated in Table 1. Canadian exports, however, are almost negligible (see Table 2) in spite of the fact that many GDR imports are commodities which traditionally have been exported competitively from Canada. But Canadian shipments are made to the GDR via the Federal Republic of Germany (e.g. asbestos), and perhaps via other Western European countries, which do not show in our statistics as shipments from Canada to the GDR. Based on the statistics and discussions with East-West traders, there are strong indications that Canada's present poor performance could change quite dramatically with the normalizing of trade relations with the GDR and a correspondingly greater effort on the part of potential Canadian suppliers to exploit opportunities there.

For example, in the agricultural sphere, interest in Canadian livestock could certainly be developed to produce follow-on sales to those in 1968. Furthermore, a good potential export possibility is tobacco. Although Turkey and Yugoslavia supplied more than half of the \$10 million import requirement in 1969, there appears to be some scope for Canadian flue-cured tobacco. Canadian flaxseed should find a continuing market in the GDR because domestic production cannot meet local demand. Rapeseed and mustard seed are also possibilities as total European demand continues to grow.

The GDR is a substantial importer of barley, particularly when domestic yields are insufficient to supply local requirements. The prospects for Canada continuing to be a regular barley supplier are excellent. There is an increasing market for feed supplements as evidenced by rising imports of powdered milk and fish meal. As Norway and Denmark, traditional suppliers of fish meal, restrict output due to reduced catches, Canadian suppliers of protein concentrates may find attractive openings in this field.

As for fisheries and other food products, the GDR imports significant volumes of fish products from Scandinavia — competitors whom Canadian suppliers meet head on in the FRG market with considerable success. The short-term outlook for canned products is not bright because other COMECON partners can look after the demand.

Continuing good prospects can be expected for metallic ores and non-ferrous scrap although the U.S.S.R. will always be given preference over Western suppliers. The demand for industrial raw materials, particularly for the chemical and pharmaceutical industry, will continue to rise. The GDR chemical industry is not large but its output is of such excellent quality that, usually, export demands exceed supplies. However, like all planned economies, shortages develop unexpectedly and can result in rather unpredictable import patterns. On-the-spot representation is essential for participating in this business and a number of agents operating from West Berlin and Hamburg would be interested in taking on new principals.

The U.S.S.R. is the major supplier of forest products requirements but imports of pulp, paper and paperboard products from Scandinavian countries totalled almost \$20 million during 1969. Sale of Canadian pulp to the GDR is possible only for special grades, as Scandinavian exporters enjoy an estimated 5-6 per cent price advantage over Canadians because of lower freight costs. Lumber, veneers and plywood, although not a large Western purchase at present, could become significant for Canada if promotional efforts were placed on long length, clear grade lumber and Douglas fir plywood. In view of the current Five Year Plan objective of "improving the quality of life", new housing methods such as timber frame construction of prefabricated housing techniques could well be introduced at this time.

Machinery imports will continue to receive a high priority in the allocation of GDR foreign exchange. However, the German Democratic Republic is one of the major machinery producers in COMECON, and only technologically advanced equipment would be of interest. Agricultural equipment is imported in significant quantities, although these imports are dwarfed by the broader category of metalworking machinery. Probably the best means to enter this \$100 million machinery market is by displaying at the Leipzig Fair, a move that could benefit your sales program not only in the GDR but throughout Eastern Europe.

The GDR electrical and electronics industry anticipates a continued accelerated growth rate despite reduced goals for other industry sectors. The electrical sector, partly because of under-

estimated domestic power requirements and ambitious exports goals, is attempting to provide the necessary power generation and distribution equipment to maintain the economic advance. As a result, Western manufacturers can expect continued interest in a variety of specialized equipment.

Electronics, particularly communications equipment, is quite advanced, but there are some weaknesses in the component sector which could be exploited. There are good prospects particularly for integrated circuits and other high technology items. On the equipment side, specialized manufacturing, measuring and testing equipment will continue to be of interest.

Like Canada, the GDR apparel industry has done well domestically and in the export market. Although prospects

for Canadian apparel exports are, therefore, limited, the size and export orientation of this industry means that Canadian textile fibres and fabrics could sell. Canadian manufacturers visiting INTERSTOFF may find that extending their European visit for some calls in the GDR could pay dividends.

The Republic has indicated a strong interest in acquiring Western knowhow through participation in turnkey projects, ranging from clothing factories to luxury hotels. West German and Scandinavian firms have been quick to react to this need but aggressive Canadian consortia could still find prospects of considerable interest, particularly if financing is available.

The potential outlined above is a far cry from the less than \$1 million in direct exports from Canada during 1971

and indicates that there is considerable scope for additional promotional effort in this market. The next question is how to go about picking up a share of the German Democratic Republic's purchases?

Imports are channelled through state trading organizations (see accompanying box). It is best to start by sending to the appropriate organization a letter of introduction, including prices, brochures or samples, and stating your willingness to add East Berlin to your European itinerary. This approach is particularly appropriate for machinery and high technology items that would qualify as productivity improvement and hence likely to rate high when competing for GDR's hard currency.

Alternatively, consideration may be given to employing the services of an East-West trader. Although Vienna is the undisputed centre for trade with the East European countries, West Berlin and Hamburg are the headquarters for many firms specializing in dealing with GDR state trading companies. West Berlin falls naturally into this role because most of the state trading companies have their headquarters in East Berlin. Hamburg has gained prominence in this activity because it is a major port of entry for overseas goods destined for the Eastern European countries. Although these traders are most often used for the sale of raw or semi-finished materials, they can also be good middlemen for more sophisticated items.

In addition to the obvious advantages of having well-developed contacts and being in regular contact with the state trading agencies, the East-West trader is often able to give your products an extra push because he also buys from the state trading company. These traders often take care of all documentation and shipping arrangements and therefore are well worth the commission involved.

If you think your product can sell in the GDR, send half a dozen brochures and export price lists (preferably c.i.f.



Two of the multi-lingual hostesses who take care of the foreign visitors at the Leipzig fair.

European port) to the Canadian Consulate General in Hamburg. This information will be passed on to appropriate traders in Hamburg and West Berlin for appraisal.

Like any other market, penetration will require promotion. The state trading companies are becoming increasingly responsive to demands for individual factories which are the ultimate users of many imported products. Trade promotional options are not as varied as in a Western country, but two possibilities are trade fair participation or a direct mail campaign to GDR plants. For direct mail campaigns, a state-owned advertising company has been set up. It may never rival Madison Avenue but does give promotional literature wide distribution.

Leipzig is to Eastern Europe what Hanover is to Western Europe, and each March and September this city of 600,000 is turned into one of the world's largest trade fairs. Leipzig is attended by a high percentage of state trading company buyers and decision makers from all the East European countries, and participation can give further exposure to the entire COMECON market. The spring fair covers heavy machinery, electrical and electronics, and various types of processing equipment. During the fall exhibition, chemistry and chemical processing is the main emphasis, with textile and woodworking machinery, transportation and medical equipment, also on display. During the past few years, educational equipment, leisure and sports articles, and a wide variety of consumer goods have appeared

at the fall fair. Leipzig would seem, therefore, to have earned the catch phrase "showcase of Eastern Europe" and is certainly worth your consideration as a trade promotional tool.

In summary, the German Democratic Republic holds good prospects for a diverse variety of Canadian exports such as agricultural and forest products, textile and capital equipment. Recently the East European nations have been purchasing Western technology by entering into turnkey contracts and the increasing attention being paid to consumer demand should result in openings for a broader range of consumer products, including electronics and leisure goods. And so, despite the obstacles, the potential rewards seem to warrant a strong effort by the Canadian export community to exploit sales opportunities in the German Democratic Republic.

TABLE 1
WHAT THE GDR BUYS (1969 figures)

Description	(U.S. \$'000)	Description	(U.S.\$'000)
Live animals	1,124	Perfume, cleaning products, etc.	1,420
Meat and preparations	3,347	Manufactured fertilizers	1,547
Dairy products and eggs	885	Explosives, pyrotechnic products	82
Fish and preparations	3,428	Plastic materials	7,323
Cereals and preparations	27,986	Chemicals n.e.s.	2,290
Fruit and vegetables	32,632	Leather, dressed fur, etc.	740
Sugar and honey	51	Rubber manufacturers n.e.s.	1,310
Coffee, tea, cocoa, spices	1,602	Wood, cork manufactures n.e.s.	2,904
Animal feed stuff	5,584	Paper, paperboard and manufactures	12,176
Beverages	5,893	Textile yarn, fabric, etc.	20,330
Tobacco and manufactures	9,730	Non-metallic mineral manufactures n.e.s.	2,634
Hides, skins, furs undressed	7,328	Iron and steel	29,540
Oil seeds, nuts, kernels	2,707	Non-ferrous metals	4,835
Synthetic crude rubber	1,683	Metal manufactures n.e.s.	9,653
Wood lumber and cork	4,235	Non-electric machinery	78,546
Pulp and waste paper	7,572	Electrical machinery	16,200
Textile fibres	10,205	Transportation equipment	18,808
Crude fertilizer, minerals n.e.s.	3,717	Plumbing, heating, lighting equipment	546
Metallic ores and scrap	7,525	Furniture	680
Crude animal, vegetable material n.e.s.	3,651	Travel goods, handbags	54
Coal, coke, briquettes	1,269	Clothing	2,519
Petroleum and products	699	Footwear	2,664
Animal oils and fats	172	Instruments, watches, clocks	4,139
Fixed vegetable oil, etc.	865	Miscellaneous manufactured goods n.e.s.	3,835
Processed animal vegetable oil, etc.	589	Total	389,903
Chemical elements and compounds	12,328		
Petroleum, coal chemicals	139		
Tanning dyes	6,805		
Medicinal products	673		

Source: U.N. "Supplement to the World Trade Annual" as compiled from the trade statistics of 23 countries. Excludes interzonal imports.

TABLE 2
WHAT CANADA SELLS TO THE GDR

Description	S'000						
	1965	1966	1967	1968	1969	1970	1971
Cattle, dairy, purebred	-	-	-	98	-	-	-
Live animals n.e.s.	-	-	-	-	-	10	-
Eggs, hatching	39	14	-	-	-	-	-
Durum wheat, except seed	764	-	-	-	-	-	-
Wheat, except seed n.e.s.	14,412	11,443	5,449	-	-	-	-
Cattle hides, raw	-	169	65	-	-	-	16
Calf and kip skins, raw	-	103	-	-	79	17	5
Fur skins, muskrat	-	-	-	-	21	74	172
Animal semen	-	-	-	-	-	-	40
Clover seed, alsike	-	43	-	-	53	-	-
Flaxseed	-	483	-	-	1,256	-	400
Logs, hardwood n.e.s.	-	-	-	5	-	-	-
Copper in ores, concentrates and matte	-	-	-	728	-	-	-
Copper scrap	-	-	-	289	340	155	81
Brass and bronze scrap	-	-	-	-	29	24	-
Copper alloy scrap n.e.s.	-	-	-	-	42	6	-
Silver in ores and concentrates	-	-	-	63	-	-	-
Metal bearing ores and concentrates n.e.s.	-	-	-	-	-	53	-
Fish offal and waste n.e.s.	-	-	-	-	7	-	-
Radioactive elements and isotopes	-	3	-	-	-	-	-
Aluminum pigs ingots shot slabs, etc.	-	52	-	-	-	-	-
Aluminum bars, rods, plates, sheet, etc.	-	-	-	1	-	-	-
Metal boring, drilling machinery and parts	-	-	-	-	-	-	1
Machine tools, metalwork and parts n.e.s.	-	-	-	-	-	4	-
Welding apparatus, equipment and parts	-	-	-	-	8	-	11
Printing and bookbinding machinery and parts n.e.s.	-	-	-	-	-	7	-
Food and beverage machinery and parts n.e.s.	-	-	2	-	-	-	-
Electricity — measuring instruments and parts	-	-	-	7	-	11	-
Lab. optical instr. equipment and parts n.e.s.	-	-	-	8	-	-	-
Measuring and testing equipment and parts n.e.s.	-	-	-	5	9	-	5
Skates, ice	-	-	-	-	-	13	-
Total	15,216	12,311	5,516	1,206	1,846	375	731

Source: Statistics Canada



More than 9,000 exhibitors displayed their wares at Leipzig this spring. Shown here is part of the textile and shoemaking area.

German Democratic Republic at a glance

Area: 42,000 square miles.

Population: 17,100,000

Principal cities (population in thousands): East Berlin (Capital) (1,084), Leipzig (586), Dresden (501).

Language: German

Weights and measures: metric.

Electrical supply: 50 cycle, a.c., 380/220 volts.

Official holidays: January 1, Good Friday, Whitsun Monday, May 1, October 7, December 25, 26.

Business hours: appointments can be arranged from 8 a.m. to 4 p.m., Monday through Friday.

Currency: GDR Mark, 1 mark = 100 pfennig. The GDR mark is officially pegged at parity with the FGR mark (approximately \$1 = 3.2 marks) and is non-convertible. Visitors can exchange foreign currency on arrival, and on

departure GDR marks in excess of a minimum will be reconverted to Western currency on presentation of the exchange receipt. No GDR marks may be taken into or out of the country.

Business contacts: foreign trade is a state monopoly and is handled almost exclusively by 56 specialized state trading companies. General inquiries can be directed to: Kammer für Aussenhandel der DDR, DDR - 108 Berlin, Unter den Linden 40.

Advertising: direct inquiries to Interwerbung GmbH., DDR - 104 Berlin, Postfach 230.

Fairs and exhibitions: Leipzig International Spring Fair (March), Leipzig International Fall Fair (September), direct inquiries to Leipziger Messeamt, Postfach 720, DDR - 701 Leipzig.

Prices: quote in U.S. or Canadian dollars, f.o.b. Canadian port and c.i.f. Hamburg.

Customs and documentation: no duties levied on commercial traffic. Normal export documentation acceptable. Freight documents must specify a contract number and reason for importation (this information will be supplied by the state trading company).

Samples: special import licences are not required and are not subject to duty if clearly marked as such on accompanying documents. Samples may only be sent in limited quantities and only to foreign trade agencies.

Items with export potential: livestock, seeds, grains and feeds, pulp and paper products, plywood, fish and fish products, textile yarns and fabrics, machinery and electronic products, engineering and technical services.

Marketing assistance: for advice regarding a suitable trader to represent your firm, write to the Consul General, Canadian Consulate General, Esplanade 41-47, 200 Hamburg 36, West Germany.

Selected List of GDR State Trading Companies

Their principal commodities

coal, ores, industrial raw materials, fire proof materials
Bergbau - Handel
DDR - 108 Berlin
Otto-Nuschke-Strasse 55

data processing and office machinery
Büromaschinen - Export GmbH. Berlin
DDR - 108 Berlin
Friedrichstr. 61

chemicals, cosmetics and pharmaceuticals
Chemie - Export - Import
DDR - 1055 Berlin
Storkower Strasse 133

electrical plants and equipment, measuring and regulation devices, motors, generators, cable, etc., electronic equipment and components
Elektrotechnik Export-Import
DDR - 102 Berlin
Alexanderplatz

spirits, tobacco, meat, fish and fish products
Deutsche Genussmittel GmbH.
Import - Export
DDR - 108 Berlin
Postfach 1259

lumber, plywood, veneers, woodpulp, paper and paperboard products

Holz- und Papier Export-Import
DDR - 108 Berlin
Krausenstr. 35/36

complete plants and processes for the chemical industry, metallurgy, energy generating, glass, ceramics, construction materials industries
Industrieanlagen - Import
DDR - 108 Berlin
Mauerstr. 83-84

medical and scientific equipment, drugs
Intermed - Export-Import
DDR - 102 Berlin
Schicklerstr. 5/7
Postfach 17

hides, skins, furs
Interpelz GmbH.
DDR - 701 Leipzig
Brühl 41-50

construction and engineering services, technological services
Limex GmbH.
DDR - 102 Berlin
Breite Strasse 12-17

seeds, grains, legumes, cattle
Nahrung Export-Import
DDR - 102 Berlin
Schicklerstr. 5-7
Postfach 1503

raw metals, semi-finished alloys, non-ferrous metals, precious metals
Deutsche Stahl-Metall-Handelsgesellschaft
DDR - 1054 Berlin
Brunnenstr. 188-190

transportation equipment, capital equipment for agriculture and food processing, and parts
Transportmaschinen Export-Import
DDR - 108 Berlin
Johannes-Dieckmann-Strasse 11/13

tools, household wares, sporting and recreational equipment
Union - Aussenhandelsgesellschaft für Metallwaren und Sportartikel
DDR - 108 Berlin
Wilhelm-Külz-Strasse 46

machinery and equipment for the textile industry
Unitechna
DDR - 108 Berlin
Mohrenstr. 53-54

machine tools and accessories
WMW - Export-Import
DDR - 104 Berlin
Chausseestr. 111-112

Straight Talk on Tariffs and Trade

DAVID MAGEE, Assistant Editor,
Canada Commerce

Anybody who has even a nodding acquaintance with a newspaper is aware of big changes, present or pending, in world trade patterns. The experts say those patterns will be completely rearranged in the next few years. As the world's sixth largest trading nation, it is self-evident Canada has a stake in the changes.

Who can say precisely what is going to happen? No one, probably — but it is interesting to hear what some of the experts are saying — even if no conclusions are drawn.

Earlier this year, the Canadian Export Association held a symposium in Toronto to discuss Canada's approach to the 1973 GATT round. Panels talked about changes in the international environment, changes in Canada's relations with the United States and Canada's options in the new world trading environment. U.S. President Nixon's deputy special representative for trade negotiations, Ambassador William Pearce, delivered a luncheon speech on some aspects of his country's view of the situation.

Mr. Pearce was careful to avoid controversy but it was hard to miss a number of points, chief of which was the suggestion that Canada and the United States had much to gain from co-operating closely to establish a North American position on what world trade patterns should eventually look like. Whether or not this is what Canada wants is probably best debated in another

place but it might be valuable to review some of Mr. Pearce's comments.

Much of the Ambassador's speech concerned the scheduled trade negotiations with the enlarged EEC. He suggested that Canada has a major stake in the outcome of the U.S. negotiations with the Community and said that his country will try to preserve the benefits it enjoys in the tariff schedules of the three new EEC members by persuading the Community to make compensating reductions in the schedules of the enlarged EEC for the same items.

Mr. Pearce went on: "Of course, to the extent we succeed in this, the response will be made on a most-favoured-nation basis and Canada will benefit, as we will . . . On the other hand, if these negotiations fail and if it's necessary for us to suspend concessions in our schedule, of interest to the Community, Canada also has a stake because that action, too, would be taken on a most-favoured-nation basis and, of course, Canada benefits from tariff reductions that we have made in negotiations with the Community."

Turning to the GATT negotiations to begin later this year, Mr. Pearce said: "It seems to us that in several areas the United States and Canada share broad areas of mutual interest and concern. We will, of course, seek a reduction of tariffs. Although tariffs have been reduced a great deal in successive GATT rounds, they've taken on added significance with the growth of preferential trade in the world, both in absolute terms and as a proportion of total world trade."

It has been reported that the United

States seeks complete elimination of tariffs. Mr. Pearce denied this, saying that his country has only suggested a GATT discussion on the possibility of eliminating tariffs totally in trade among industrialized countries. He said: "It seems to us that this approach forces us to reconsider the rational basis for tariff protection for various products and sectors."

But, Mr. Pearce said, there will be progress only if non-tariff trade barriers can be brought under control. He said that even from a mechanical point of view this will be difficult because more than 800 NTB's have been identi-

"It seems to us that in several areas the United States and Canada share broad areas of mutual interest and concern."

fied so far — no two exactly alike. Mr. Pearce said, however, that unjustifiable trade effects must be eliminated or scaled down and some sort of common rules worked out.

He said that the most damaging NTB's are those limiting agricultural

trade and that no new negotiations can succeed unless they deal effectively with barriers to agricultural trade. Mr. Pearce further suggested that this is an area where the United States and Canada can expect to have their differences. The two countries have, until now, tried to solve agricultural trade problems in completely different ways, he said.

Mr. Pearce said the U.S. has suggested converting all systems protecting agricultural producers into tariff equivalents and that these be bound at the outset. This would be followed by negotiations for tariff reductions but he said his country is not "wedded" to this approach.

"We understand," he said, "that fundamental changes in farm programs can't be made overnight and that some sort of transitional arrangement will be necessary in order to change them. It makes sense that an agreement of some sort will be necessary while this transition period proceeds."

Mr. Pearce went on to talk about safeguards. He said the United States does not regard these as protection and will support consideration of a new multilateral safeguard system in the talks ahead. He said the major trading nations have fashioned "solutions" of their own, often outside the rules of GATT, which have tended to undermine confidence in commitments made at GATT sessions. He admitted the U.S. has done this as much as any other nation but said a new system is needed which can be adhered to by all countries in practice as well as in theory.

He said one system, which has caused concern among some Canadians, would temporarily restrain rapidly-rising imports which threatened serious injury to domestic producers. This would provide time for improved systems of adjustment to move workers affected into new lines of employment.

Mr. Pearce said the U.S. shares the concern about the implications of this for new industries growing in response to previous tariff concessions but is more deeply concerned about the viability of the whole GATT system. He said the gap between rapidly-changing trade patterns and the more limited capacities of countries to adjust workers to the patterns must be bridged.

Mr. Pearce observed that both Canada and the United States are near the high end of the world's cost-and-wage scale and that "this isn't the best posture with which to approach the kind of negotiations we're likely to have." But he

said there are some strong points in Canada's favour: its position as number six in world trade and number seven in foreign exchange reserve holdings; the excellent prospects that many of Canada's products enjoy in world markets, including the U.S. — prospects that can be expected to grow.

There will be progress only if non-tariff trade barriers can be brought under control.

In his closing remarks, Mr. Pearce said Canada should be able to approach the negotiations with real confidence "based on the solid performance it's achieved in recent years." He said the United States expects Canada to take a strong role in the negotiations and added: "I fully subscribe to the view that the U.S. and Canada have a great deal to gain from making common cause in these negotiations."

Incidentally, the night before William Pearce spoke to the Canadian Export Association, Harold Passer, former chief economic adviser to the U.S. Secretary of Commerce, told the Board of Trade Club in another part of the same town there is little chance the United States will settle trade policy differences with Canada prior to achieving a multilateral agreement.

Mr. Passer also suggested that the international economic system needs reform. He said the United States is seeking maximum reliance on market forces and minimum reliance on controls; equal freedom from controls for goods, services and capital; deficit and surplus countries to be equally responsible for restoring balance of payments equilibrium; and reduction of the role of the U.S. dollar and gold, as well as other changes.

Mr. Passer is now assistant to the treasurer of Eastman Kodak Co. after resigning his government post at the start of the year. He has been closely involved in Canada-U.S. trade negotiations.

During the panel discussion on Canada's options and objectives that followed Mr. Pearce's speech to the CEA, A.H.

Zimmerman, vice-president, Noranda Mines, presented a paper which echoed Mr. Pearce's contention that non-tariff barriers will be the focal point of the forthcoming GATT discussions. Mr. Zimmerman put the situation this way: "We thus enter the ring concerned about the widening gap between rich and poor, aided by the growth of non-tariff barriers and with no political consensus as to what level of trade is achievable that will serve the greatest good for the greatest number."

Mr. Zimmerman suggested three different goals Canada might aim for in GATT negotiations: more protection, maintenance of the status quo, and less protection.

He indicated several ways these goals could be achieved: multilateral negotiations that would also contemplate sectoral free trade; bilateral negotiations, the object of which would be status for Canada similar to that given Sweden and Finland by the EEC — these would involve action by Canada and other countries because of third party implications; and unilateral negotiation by Canada alone with another country and no third party considerations. The third option would be tantamount to staying away from GATT and Mr. Zimmerman thought this might be worth considering.

He claimed that the chemical, textile and fine paper industries were virtually thrown over the side during the last negotiations for "concessions whose value is to be doubted."

Mr. Zimmerman said if Canada were to become involved in bilateral talks it might be worth consulting the Swedes and Finns to find out how they cope. He said the Scandinavians have had a presence in Brussels for three years which has been responsible for preserving their position in forest products after Britain's entry into the EEC.

About this, he said: "Our Scandinavian friends have already maintained their freedom of access to these markets in which we were previously at par with them. Now Canada faces a rising scale of duties which has obvious implications for Canadian investment in the paper industry."

Mr. Zimmerman said that as far as the Noranda group is concerned, regarding international trade and NTB's, four main activities have had the greatest impact: export subsidies; foreign government procurement practices; standards and quantitative restrictions. These, he said, affect mostly the group's manufacturing operations, although primary

product exports suffer as well.

In his remarks to the same panel the president of Westinghouse Canada Limited, W.J. Cheesman, agreed with Mr. Pearce and Mr. Zimmerman: "There is little doubt but that the real in-fighting will be over NTB's and I would hope that Canadian negotiators will be right in the middle of that fight, slugging it out, because it is in this area that Canadian producers have been at a disadvantage vis-a-vis their foreign counterparts."

Mr. Cheesman went on: "We in this country have been told ad nauseum by the proponents of free trade that our tariffs on manufactured goods are among the highest of the major industrialized countries and, therefore, we should lead the way in lowering them. Well, we've been doing that and we've also been leading the way in not erecting NTB's."

He noted that Canadian manufacturers have been accused of hiding behind high tariff walls but said figures show the Canadian average is only fractionally higher than the average for the top 11 trading nations of the world. But, Mr. Cheesman said, increased NTB's in other countries which have accompanied reduced tariffs have put Canadian manufacturers at a disadvantage.

"Speaking as a Canadian manufacturer," he said, "I would be more than delighted to have the opportunity of competing on equal tariff terms with my foreign competitors rather than being at a competitive disadvantage, as I am now, by virtue of their very effective NTB's."

Mr. Cheesman asked: "Now that NTB's are so much more effective as barriers to trade than the level of tariffs,

just how significant would a further round of tariff cuts really be unless some means can be found of preventing a further proliferation of these other trade barriers?" He said a way must be found to dismantle existing NTB's — that this will have to be the first priority in the coming talks. He said he recognizes that this will be a long, difficult process.

During the morning sessions of the CEA symposium there was a panel discussion of changes in the international trading environment and one of the papers was presented by T.J. Bata, Chief Executive, Bata Shoe Organization, which operates in about 90 countries. He defended the role of the multinational corporations, saying they have made significant contributions in terms of employment, rising incomes, technological advances, management and marketing.

"There is little doubt but that the real in-fighting will be over NTB's . . ."

Mr. Bata offered the opinion that the contributions of the multinational corporations have been of substantial benefit to the world economy and, in spite of moves to control their activities, will play "a dynamic role in the development of economies in the third world."

He suggested that the "appropriate international institutions" should, in

collaboration with national governments and the international business community, devise a world monetary system which will enable the private sector to operate "more freely and efficiently" in world trade and development aid. Mr. Bata claimed the present monetary system forces multinationals to take protective and, often, speculative steps which accelerate monetary crises.

He further suggested harmonization of tax systems, and the rules governing private property and anti-trust laws to help the multinationals to grow in "orderly, respectable and beneficial" fashion. He said there should be efforts by the GATT to remove what he called the more prohibitive tariffs and non-tariff obstacles to trade, export subsidies, trade-distorting policies and excessive use of safeguard provisions.

Mr. Bata said the trends in the United States, the expanded EEC and the serious implications for Canada need to be even more thoroughly discussed. He said also: "The further problems for Canadian industries, both manufacturing and exporting, of including African and Asiatic development countries as associated members of the European Common Market have hardly been publicly assessed in Canada."

Multinational corporations have not been included on the agenda of the opening round of GATT negotiations but Mr. Bata said their role in international trade should be discussed. He predicted that multinationals will continue to expand and proliferate.

The ministerial round of GATT discussions begins in Geneva, Switzerland this September. Details on the makeup of the Canadian delegation have not been released.

**Have you
got the
right country?**

If mail you send to Korea or Vietnam is being returned to you by the Post Office, perhaps you addressed it wrong. Mail for delivery in North Korea should be addressed to the Democratic Republic of Korea; if for

South Korea, then it should be addressed to the Republic of Korea.

Similarly, North Vietnam should be the Democratic Republic of Vietnam and South Vietnam should be the Republic of Vietnam.

What Tourism Means to Canada

STEPHEN McNAMEE, Canadian Government Travel Bureau.

Canada welcomed more than 40 million visitors in 1972. Of these, 14 million were overnight visitors from the United States, and more than half a million visitors came from overseas. Altogether, they spent almost \$1.3 billion, representing 6 per cent of current receipts of foreign exchange. Canada, in fact, has become one of the world's leading travel destinations. A recent survey estimates that foreign and domestic travellers now spend \$4.2 billion annually.

As a result of the tourist bonanza, virtually every major hotel chain in the world is participating in the construction of ultra-modern facilities designed to cater to the ever increasing number of sophisticated voyagers.

Today's traveller is a tourist who is visiting a town at his leisure; he is a businessman who is there for commercial purposes; he is a businessman-tourist in town to attend a convention or meeting. The requirements of each type of traveller are unique, and competition is keen among hotel owners to satisfy the demand of every individual guest.

An indication of what to expect in future hotel developments may be found in the recently-unveiled plans of Concordia Estates Limited. The firm has begun construction of a 48-storey, 952-room hotel in Montreal. The \$75 million project will be the largest hotel in Canada, and will feature two outside glass-bubble elevators leading up to a revolving restaurant.

A new luxury hotel is to form part of the Campeau Corporation's \$200 million Harbor Square waterfront development in Toronto. One of the largest shopping, residential and business developments in Canada is now taking place in Halifax, and an integral part of this is the 271-room Chateau Halifax.

Western International is building the Edmonton Plaza, a \$16 million project with 350 rooms. Four Seasons Hotels Limited is also expanding, with construction in both Calgary and Vancouver.

Cité Concordia is a \$250 million complex being developed in Montreal and the Atlicic Corporation is to administer the 22-storey hotel in the Place Dupuis proj-



The 48-storey hotel to be built in Montreal by Concordia Estates Ltd. will have two panoramic elevators running on the outside of the central tower.

ect which will include extensive shopping, residential and business facilities.

Meridien Hotels, a subsidiary of Air France, is building its first hotel in North America at Place Desjardins in Montreal, and construction is expected to be completed by 1975, in time for the '76 Olympic Games. The 600-room structure, to be known as Meridien-Montreal, will feature a 72,000-square-foot public area that is to be shielded by an all-weather transparent dome. The completed development, according to Leopold Jeorger, president of Meridien Hotels, will represent a new fully enclosed, air-conditioned city within a city.

Every part of the country is sharing in the bonanza, and reports of new facilities planning to soar skyward are released almost every week as the major hotel chains throughout the world are recognizing the vast potential of Canada.

Responsible for encouraging the record-breaking number of travellers to come to Canada is the Department of Industry, Trade and Commerce's Office of Tourism. Comprised of the Travel Industry Branch and the Canadian Government Travel Bureau, its principle function is to promote the country as a

tourist and business destination. To assist in achieving that aim, the CGTB has 26 offices in eight countries of the world — the United States, Mexico, Japan, Australia, Germany, France, Britain, and the Netherlands.

Recently, the CGTB appointed one of its senior officers, George Powell, to the post of General Manager for International Meetings and Conventions, based in Washington, D.C. He is working in close co-operation with Ben Carbonetto, the Travel Bureau's Chief of Convention Promotion in Ottawa, in an effort to win a greater share of the international convention and meeting market for Canada.

One of the results is that Vancouver has been chosen as the site for the United Nations Conference on Human Settlement to be held in 1975. More than 6,000 delegates from 127 countries are expected to attend. The conference will last for two weeks and will be the largest meeting of its kind in Vancouver's history. It is estimated that the Canadian economy will be bolstered by more than \$3 million as a direct result, with an additional \$1 million spent by delegates who remain to vacation in Canada.

The World Dental Congress is to take

place in Toronto. More than 20,000 delegates from around the world are expected to participate, and contribute approximately \$6 million to the Canadian economy.

The most influential group in the travel industry has chosen Montreal as the site of its 1974 convention. Over 4,000 delegates will attend the American Society of Travel Agents (ASTA) convention, from October 27 to November 1, with an expected economic boost to Canada of \$2 million.

Numerous publications are issued by the Office of Tourism to assist those involved in the travel trade. *Convention Country* is a guide book to every sort of facility available for meetings and conventions, and gives a description of all cities and towns in the country, listing the name and address of suitable contacts at each location.

The Canadian Tourism Facts Book 1972 has information pertaining directly to the travel industry, and draws patterns and trends which can guide policy decisions. Much of the material consists of raw data gathered from several Statistics Canada reports, and presented in the form of tables and graphs.

Another publication, *The Canadian*

The Wilfrid Pelletier building in the Place des Arts in Montreal. This complex ranks among the best in North America for the performing arts. (CGTB photo)



Travel Survey — 1971, Highlights, provides data about travel in Canada by Canadians and reflects the travel pattern in terms of flow of expenditures and travellers, how the different types of travellers spend their travel dollar and what the present traveller preference is for accommodation. It shows that the \$4.2 billion spent by both foreign and domestic travellers equals 4 per cent of Canada's gross national product.

Why do so many people come to Canada, and what do they do when they get here?

The mere mention of Canada conjures up visions of wide-open spaces and unlimited recreational facilities. There are 50,000 square miles waiting to be discovered by visitors to Canada's national parks. Camping continues to be a favourite family recreation, and complete facilities are available from coast to coast. There are also 650 provincial parks, and thousands of municipal playgrounds open to the public.

There are five special reasons why visitors should come to Canada this year. The Royal Canadian Mounted Police Centennial is being celebrated, and the R.C.M.P. Musical Ride and Band will perform in all provinces.

Prince Edward Island is celebrating its 100th year in Canadian Confederation, and is highlighting a mid-summer visit by Queen Elizabeth and Prince Philip.

Pictou, Nova Scotia, is honouring the arrival of the "Hector", a ship which brought the first Scottish settlers to the area 200 years ago.

The city of Kingston, Ontario, is celebrating the tercentenary of its founding in 1673, and a year-long calendar of events is being crowned with a royal visit.

The Yukon Territory has two reasons to celebrate: 75 years as a Territory, and 75 years since the Gold Rush.

All indications point towards another record-breaking year for Canada in the field of tourism, and what that means to the country is reflected most effectively in the expansion programs being undertaken by all the related industries. The Office of Tourism, the provincial and municipal tourist bureaus across the country, and all those people directly involved in the travel industry may feel a certain satisfaction for the part they have played in the development of Canada's prosperity.

Malign Lake camp grounds in Jasper National Park, with Monkhead Mountain in the background (CGTB photo).



Towards International Customs Co-operation

LAWRENCE D. LEDERMAN, Assistant Commercial Secretary, Brussels

The aim of the Customs Co-operation Council is accurately described by its name. The Council was set up in the early fifties to secure the highest degree of harmony and uniformity in customs systems and to study the problems inherent in the development and improvement of customs techniques and legislation in the interests of simplifying international trade. It first met in 1953, when membership was small and consisted mainly of European countries. Today it has 67 member states.

The Council is made up of three committees — Valuation, Nomenclature, and Permanent Technical — composed of delegates from member countries. These committees meet twice a year. Not all members of the Council, however, are also members of the committees; they do not, therefore all subscribe to committee conventions.

The Valuation Committee, for instance, has 26 member countries who adhere to the c.i.f. convention on international transactions. This convention specifies the contract of sale to be a contract concluded at a price appropriate to the time when duty becomes payable and to delivery of goods to the buyer at the port or place of their introduction into the country of importation. The Valuation Committee's aims are to achieve the maximum international uniformity in the valuation of goods for customs purposes and to simplify international tariff negotiations and comparison of foreign trade statistics by

providing a uniform basis for the valuation of goods.

The Nomenclature Committee has 33 members and is responsible for maintaining the Brussels Tariff Nomenclature (BTN) convention. More than 100 countries use this classification system in one way or another as a basis for their own national classifications. Canada, for example, has adopted the chemical portions.

In general, goods are grouped according to the material they are made of, the industries they belong to and the processes used. In most cases it is the inherent characteristics of the product which defines the product, and it is classified accordingly.

Although contracting countries must abide by the classification, they may make such provisions as they consider necessary to safeguard their own special national interests. In particular, countries may set up their own subheadings, within the main headings, that cover those products or categories of products to which they propose to apply special treatment. They can also fix their rates of duty at levels they consider appropriate, subject to due regard for any bilateral or multilateral commitments they may have entered into with other countries.

Any contracting country may raise a question before the Nomenclature Committee for consideration. A special chemist's committee, which sits once a year, considers those problems that are of a particularly technical nature and which require expert examination for classification.

The United Nations Statistical Office established in 1950 the Standard International Tariff Classification (SITC) and collaborated in 1960 to create a correlation of the BTN with the SITC. This correlation permits statistical data established on the basis of either one of these nomenclature systems to be transposed rapidly and accurately into the other. Thus these two classifications meet the requirements both of Customs and other authorities dealing in statistical and economic studies.

The Permanent Technical Committee concentrates on the study of all aspects of customs techniques in order to attain the highest possible degree of harmony and uniformity. This committee comprises all 67 members of the Council and has originated at least nine conventions.

In the field of temporary duty free imports, the convention of October 6, 1960, laid on contracting members the obligation to grant temporary admission to packings, subject to certain specified conditions, and to re-export the packings in lieu of security whenever Customs authorities deem this possible. Another, passed on June 8, 1961, concerns the temporary import of professional equipment (mainly for the press, TV and cinema), and of goods for display or use at exhibitions, fairs, meetings or similar events. The convention of December 1, 1964, concerns welfare materials for seafarers. It was drawn up by the committee on the initiative of and in consultation with the International Labour Organization to promote the welfare of seafarers on ships engaged in international maritime traffic.

**. . . the highest
degree of harmony
and uniformity in
customs systems . . .**

Contracting members to the convention of June 11, 1968, undertake to grant temporary admission, free of duties and taxes, to instruments, apparatus, machines or accessories which are to be used for scientific research or education by "approved institutions" and to reduce the attendant customs formalities. Another, of June 8, 1970, concerns the temporary admission, free of duties and taxes, of pedagogic material.

The convention on the international transit of goods (ITI Convention) of June 7, 1971, facilitates the transport of goods in or through the territories of two or more contracting parties in containers, road vehicles, railway cars or vessels. If the conditions of the con-

vention are fulfilled, the goods will not be subject to payment or deposit of import duties and taxes at departure or en route. Neither will they be examined en route nor be subject to customs transit formalities other than those laid down in the convention.

Two conventions have given rise to international documents (carnet) on the temporary imports, duty free of commercial samples. One of these, the A.T.A. carnet, which is progressively replacing the older E.C.S. carnet, is of the greatest importance to businessmen carrying samples abroad (see below). It is an international customs document issued and guaranteed by associations approved by the Customs administrations of the signatory members, usually the Chamber of Commerce in each country without the usual payment of duty, provided, of course, it is on a temporary basis. Canada adhered to this convention

on July 10 last year.

This document, which can be obtained in Canada from regional offices of the Canadian Chamber of Commerce, can also be used for goods temporarily imported under international conventions concerning temporary admission.

At its 37th/38th sessions in 1971, the Council considered the possibility of creating a universal harmonized commodity description and coding system to serve as comprehensively as possible the needs of international trade. It agreed to sponsor the first phase of the development work, which is still being carried out.

The importance of this project cannot be overemphasised. A harmonized commodity description and coding system is needed to simplify and harmonize trade procedures and to facilitate the development and use of electronic data processing systems in international trade.

Research in a number of countries has highlighted the cost to international trade of describing and redescribing the same commodity, as it passes from one stage to another, according to the requirements of different classification systems.

Because of the absence of a common internationally accepted system, codes are necessarily being developed independently (see article in last month's *Canada Commerce* on the Canadian Trade Document Alignment System) and unless a common system is made available, international trade interests will be forced to maintain, at considerable expense, records of these separate codes.

When this project is implemented, it could permit goods to be cleared for customs purposes at the point of origin, cutting export costs by at least 10 per cent.

The A.T.A. Carnet — Your Samples Passport

DAVID MAGEE, Assistant Editor, *Canada Commerce*

No doubt about it — after six months use in Canada, the A.T.A. Carnet system is a success and Bill Browne has the letters to prove it. The carnet system was introduced in this country November 1, 1972, and is being administered in Canada by the Canadian Chamber of Commerce through a special office run by Mr. Browne in Montreal.

Many readers will know something about the carnet and indeed may have used it. But it won't hurt to take another look at the beast. First of all the definition — A.T.A. stands for Admission Temporaire — Temporary Admission and a carnet is a book of tickets or documents.

What the A.T.A. Carnet does is simplify the business of getting sample goods through the customs of those countries using the system, and so it is really an international passport — for trade items. It has been around for quite a while, having been introduced in Europe in 1961 by the Customs Co-operation Council. Use of the system spread from Europe to the Middle East, Australia and then, in 1969, to the

United States. When the U.S. became involved Canadian interest picked up.

The carnet allows businessmen to move sample goods from country to country within the system without the usual red tape hassles. With one document, samples and related goods can be moved with minimum formalities because the carnet guarantees that all customs duties and excise taxes will be paid if the goods covered by it fail to leave a given country at the specified time — usually one year from date of issue.

It is true that exemption from customs duty and excise tax for sample goods is available in most countries, but much filling of forms is involved. The carnet makes the procedure much easier.

When the Customs Co-operation Council started the carnet system it decided the best way to issue and administer the carnets was through the Chamber of Commerce or similar organization in each member country. When Canada joined the system, the Canadian Chamber of Commerce was designated as the agency to administer



W.G. Browne

the system, issue the carnets and guarantee them.

Mr. Browne says documents have been prepared for a wide variety of goods in the first six months of operation. There have been carnets for jewellery samples, electronics gear, computer equipment, radio and television equipment, as well as clothing.

Mr. Browne says perhaps the most exotic merchandise covered so far was a shipment of resource inventory equipment for Surinam from the Department of the Environment. A carnet was also issued to a well-known Canadian racing driver for auto racing equipment. Goods covered by carnet have ranged in value from \$60 to \$165,000 and just about everybody who has used the system endorses it enthusiastically.

W.E. Risk, head of the Traffic and Distribution Branch, Atomic Energy of Canada Limited, wrote to Mr. Browne: "As regards our experience with the system in the field our people report that there have been no problems of any sort encountered to date. The customs authorities in the various countries visited thus far all seemed quite familiar with the procedures and expedited the clearance formalities in every case. On the strength of this experience we can without hesitation recommend the carnet system."

D. Ralph Snyder, manager of manufacturing at A.C. Simmonds and Sons Limited, commented: "I personally used the carnet which you supplied to us last November with excellent results.

I took three items into the United States with only one minor problem. Moreover, I did not bring all three items back at the same time. I did not experience any difficulty with either U.S. Customs or Canadian Customs when doing this.

"The minor problem which I had concerned identification marks on the items I was taking to the United States. One of these items was a printed circuit board assembly; several components on the board had identifying marks but there was no over-all mark which identified the assembly. Both U.S. and Canadian Customs were a little sticky on this item coming and going. Perhaps your literature should stress the importance of tying in identifying marks on the merchandise to part numbers quoted on

the carnet. I realize that you already touch on this point in your present advertising but I am suggesting that you emphasize it more.

"There is no question in my mind that the service is a very worthwhile one which should be continued."

W. Steinke, Customs and Traffic Manager, Collins Radio Company of Canada Ltd. wrote, in part: "May I add that our people were well pleased and did not encounter any difficulties while travelling with this carnet."

For more information about the mechanics of the system write to W.G. Browne, Carnet Canada, 1080 Beaver Hall Hill, Room 712, Montreal 128, Quebec.

Frankly Speaking . . .

E.C. HILL, Vice-President and General Manager, Dominion Road Machinery Co., Ltd., and Chairman, Canadian Export Association.

For a long time, Canadians were known as a people living in a land where much of it was covered with ice and snow and where timber and mineral wealth abounded. One of our main exports was our wheat, along with raw materials.

In those days, prior to and immediately after World War II, Canada's population was about half of to-day's figure. Our working force was also half of to-day's total, and our industries, particularly in the secondary manufacturing sector, were to a large extent under-developed. Because of this, many firms were not able to compete in the World Market place for a share of the demand for manufactured products.

In the last 20 odd years Canada's industry has undergone a transformation. Expansion has taken place with most manufacturing companies, and new firms have found homes in Canada and have started producing a wide variety of manufactured goods.

While our national population has expanded, and with that an additional need for manufactured goods, our domestic market alone is insufficient to support Canada's manufacturing industry. The export market offers tremen-

dous opportunities, and many Canadian firms have increased their sales and expanded their operations as a result of their penetration into new territories abroad.

Our traditional export markets have been, in the past, the United States and Britain. Our number one market is still the U.S.A., and in the past year we have seen higher sales there than ever before. The British market, while still important, is not for many exporters as attractive as it once was. Other countries, particularly those in Africa and Asia, are now showing up as important customers. This diffusion of sales effort to non-traditional sales areas is having a marked effect on Canadian business. With a fast growing labour force, and the tremendous need for greater annual job creation, Canadian manufacturers have, and are, searching hard for new markets.

Canada depends more on exports than many of the highly industrialized nations of the world. Currently about 22 per cent of the Canadian GNP is exported and this is a much higher percentage than experienced in Japan, U.S.A. or Britain.

The last quarter century has seen Canada come of age, industrially and in marketing strategy. While we are still dependent on our big neighbour to the south, we have shown what is possible in "third country" markets and we must continue with this trend.

Only through further expansion of our secondary manufacturing industry can we provide the jobs which are so necessary to Canadians, now and in the future. We have demonstrated our abilities to the world, we have developed a good rapport and reputation with our customers, and we must now take a further step in the coming of age process. We must consolidate our gains and sharpen our expertise. We must not bargain away our marketing rights in future trade negotiations. We must establish a workable industrial policy which is current for Canada's present and future needs, and then roll up our sleeves and get on with the job.

Opinions expressed in "Frankly Speaking . . ." are not necessarily those of the Department of Industry, Trade and Commerce. Comments on this article, or on any other in the magazine, are welcome.

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 April 25	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at April 25	Canadian dollar in foreign currency units
Algeria Dinar	.2380	4.20	Ecuador Sucre (official)	.0401	24.94
Arab Republic of Egypt Pound (official)	2.5628	.39	El Salvador Colon	.4011	2.49
Argentina Peso (free)	.2006	4.99	Fiji Dollar	1.2601	.79
Australia Dollar	1.4215	.70	Finland Markka	.2571	3.89
Austria Schilling	.0483	20.70	France, Monaco, etc.¹ Franc	.2198	4.55
Bahamas Dollar	1.0028	1.00	French Pacific² Franc	.0121	82.64
Belgium and Luxembourg Franc	.0249	40.16	Franco-African Republics³ Franc	.0044	227.27
Bermuda Dollar	1.0397	.96	Germany D Mark	.3538	2.83
Bolivia Peso	.0501	19.96	Ghana New Cedi	.8690	1.15
Brazil Cruzeiro (official free)	.1649	6.06	Greece Drachma	.0334	29.94
Britain Pound	2.4950	.40	Guatemala Quetzal	1.0028	1.00
British Honduras Dollar	.6078	1.64	Guyana Dollar	.4444	2.25
Burma Kyat	.2083	4.80	Haiti Gourde	.2006	4.99
Ceylon (see Sri Lanka)			Honduras Lempira	.5014	1.99
Chile Escudo (bank rate) (free)		N.A. ¹⁰	Hong Kong Dollar	.1972	5.07
China, People's Republic of Yuan	.4188	2.39	Hungary Forint (official)	.0869	11.51
Colombia Peso (fixed)	.0430	23.26	Iceland Krona (official)	.0101	99.01
Costa Rica Colon	.1511	6.62	India Rupee	.1319	7.58
Cuba Peso	1.080	.93	Indonesia Rupiah	.0024	410.00
Czechoslovakia Koruna (fixed basic rate)		N.A. ¹⁰	Iran Rial	.0134	74.63
Denmark Krone	.1611	6.21	Iraq Dinar	3.3873	.30
Dominican Republic Peso	1.0028	1.00	Ireland Pound	2.4950	.40

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at April 25	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at April 25	Canadian dollar in foreign currency units
Israel Pound	.2388	4.19	Philippines ⁵ Peso (free)	.1474	6.78
Italy Lira	.0017	588.24	Poland Zloty (fixed basic rate)	.2577	3.88
Jamaica Dollar	1.1031	.91	Portugal & Overseas Provinces ⁶ Escudo	.0393	25.45
Japan Yen	.0038	263.16	Saudi Arabia Riyal	.2273	4.40
Kenya ⁴ Shilling	.1379	7.25	Sierra Leone Leone	1.2371	.81
Korea, Republic of Won	.0027	370.37	Singapore Dollar	.3358	2.98
Lebanon Pound (free)		N.A. ¹⁰	South Africa Rand	1.4233	.70
Libya Dinar	2.777	.36	Spain & Dependencies Peseta	.0172	58.14
Malawi Kwacha	1.2280	.81	Sri Lanka ⁷ Rupee	.1599	6.25
Malaysia Dollar	.3952	2.53	Sweden Krona	.2217	4.51
Mexico Peso	.0802	12.47	Switzerland Franc	.3092	3.23
Morocco Dirham	.2391	4.18	Syria Pound (free)	.2711	3.69
Netherlands Florin	.3388	2.95	Thailand Baht (free)	.0482	20.75
Netherlands Antilles Florin	.5602	1.79	Trinidad & Tobago ⁸ Dollar	.5198	1.92
New Zealand Dollar	1.3312	.75	Tunisia Dinar	2.3042	.43
Nicaragua Cordoba	.1433	6.98	Turkey Lira	.0716	13.97
Nigeria Naira	1.4700	.68	United States Dollar	1.0028	1.00
Norway Krone	.1692	5.91	Uruguay Peso (free)	.0012	833.33
Pakistan Rupee	.1013	9.87	Venezuela Bolivar (official free)	.2334	4.28
Panama Balboa	1.0028	1.00	Yugoslavia Dinar (official)	.0590	16.95
Paraguay Guarani (free)	.0080	125.00	Zaire, Republie of ⁹ Zaire	1.961	.51
Peru Sol (free)		N.A. ¹⁰	Zambia Kwacha	1.3893	.72

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

2. New Caledonia, New Hebrides, French Polynesia.

3. Chad, Central African Republic, Congo (Brazzaville), Dahomey, Gabon, Ivory Coast, Islamic Republic of Mauretania, Niger, Senegal, Upper Volta,

Cameroon, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.

4. Rate also applies to Tanzania and Uganda.

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

6. Approximately same for Portuguese territories in Africa.

7. Formerly Ceylon.

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

9. Formerly Congo (Kinshasa).

10. Rates not available at press time.

International Projects

AFGHANISTAN — ROAD BUILDING

The Asian Development Bank is lending \$14.9 million to Afghanistan for the Helmand Valley Development Road Project. The loan follows technical assistance provided by the Bank in May last year for a feasibility study of the Project and will cover the foreign exchange cost of a 266-km road including provision of consultant services for detailed engineering, construction supervision and preparation of a plan for maintenance.

The road will traverse the entire length of the Upper Valley in southern Afghanistan which is considered potentially one of the most productive agricultural regions in the country. It will replace the earth roads and tracks currently used and will connect the Valley to the existing national highway system.

Implementing Organization: Ministry of Public Works, Kabul Afghanistan. **Consultants:** The consultants will be selected by the Government of Afghanistan in accordance with the Bank's guidelines on uses of consultants from member countries of the Bank. They will assist in detailed engineering, preparation of tender documents and supervision of construction.

Procurement: The engagement of contractors for civil works will be in accordance with the Bank's guidelines for procurement. Contracts for civil works will be awarded on the basis of international competitive bidding among pre-qualified contractors from eligible member countries of the Bank. Civil works will be divided into an appropriate number of sections for the purposes of pre-qualification and bidding.

IRAN — CARBON BLACK PLANT

The International Finance Corporation is joining Iranian and United States investors to establish a \$10.5 million carbon black plant in Iran, the first in the country. It will be built and operated by a new company, Sherkate Sahami Carbon Iran, Sahami Khass (Iran Carbon Company Ltd.).

The plant is scheduled to start production in late 1974. It is designed to produce 15,000 tons of carbon product mix in the first stage and 30,000 tons after an expansion in the fourth year of production. Carbon black is mainly sold as a reinforcing agent for rubber, with smaller amounts used as pigments for inks, paints and plastics.

It is used principally in rubber processing, particularly tire manufacturing, as an additive to improve strength and abrasion resistance.

The major part of the plant's production will be sold in Iran — mainly to tire companies, and to shoe and rubber product manufacturers. A proportion of the production will also be exported.

LEBANON — EXPRESSWAY

A \$33 million World Bank loan will help finance a \$64.2 million expressway project. The 36-mile expressway will ease congestion on the heavily travelled Beirut — Tripoli route. The project will also involve preparation for future highway projects.

MALI — ROADS & RAILWAYS

The International Development Association is providing a \$9.5 million credit for improvement of the 142-mile Bamako-Segou road and the 96-mile Bamako-Bougouni road.

The IDA has also provided a credit of \$6.7 million for rehabilitation of the Bamako-Diboli railway line, including purchase of locomotive and rolling stock and hiring of technical assistance.

SPAIN — PORT EXPANSION

The World Bank has approved a \$50 million loan to Spain to assist a second port expansion and modernization project. The loan will help implement Spain's 1972-75 Port Development Plan which will require investments estimated at about \$310 million.

The project will cost nearly \$97 million, of which \$53 million will be in foreign exchange and will support further development of two of the ports expanded under the first loan, Huelva and La Luz y Las Palmas, the latter on Gran Canaria island. It will also help modernize equipment in other main ports to meet traffic demands up to 1980.

Implementing Organization: Directorate General, Ports and Marine Signals (DGPMs), Ministry of Public Works, Madrid, Spain.

Procurement: At Huelva Port: material equipment and civil works for construction of a dike about eight miles long; construction of a 2,700-foot long wharf of five berths; acquisition of quay cranes for general cargo and minerals; installation of conveyor belt facilities for phosphates;

acquisition of a suction-hopper dredger of about 3,000 m³ capacity; improvement of an access road to the new port facilities; construction of connecting roads and railways to serve the new industrial zone in the port area; deepening of the access channel; and completion of a mineral berth and its mechanical handling equipment.

At La Luz y Las Palmas: extension of the eastern main breakwater by about 2,235 feet; construction of two secondary breakwaters each about 2,300 feet long; construction of two new petroleum piers for supertankers; procurement of a container crane; completion of a container berth about 1,500 feet long; completion of a general cargo wharf about 900 feet long; complementary work including a bunker-oil pipeline duct; water and electricity supply; two transit sheds and two 6-ton quay cranes for new general cargo wharf.

At nine other main ports: procurement of 58 new quay cranes.

Construction, material and equipment contracts to be awarded on the basis of international competitive bidding.

Consultants: Naval architect consultants to prepare tender documents for the Huelva dredger and supervision of its construction to be selected.

SRI LANKA — ELECTRIC POWER

Sri Lanka will expand its electric power transmission and distribution network with the help of a credit of \$6 million from the International Development Association.

The project is part of Sri Lanka's program of investments in the development of power generation and transmission under the country's second Five-Year Plan (1972-76). These investments will help to improve the quality of service to consumers and permit the effective utilization of increased generating capacity.

Implementing Organization: The Ceylon Electricity Board, Colombo, Sri Lanka.

Procurement: Imported equipment will be procured on the basis of international competitive bidding.

Consultants: None.

TANZANIA — EDUCATION AND RURAL DEVELOPMENT

Tanzania's continuing program for social and economic development, self-reliance and improvement of rural living standards will be assisted by a

\$10.3 million credit from the International Development Association. The credit will help implement Tanzania's educational development plans, including the major national objective of universal primary education, and will further support Tanzania's rural development program.

Implementing Organization: The project unit already established in the Ministry of Education, Dar es Salaam, Tanzania under the second IDA Education Project.

Procurement: International competitive bidding for civil works (other than the construction of community education centres (CECs) and vocational training centres); and for furniture, and vocational training centres, and for furniture, equipment and construction materials for CECs. Local suppliers will receive a 15 per cent preference margin.

Consultants: Consultant service for preparation of the management training plan; for design of Medical Faculty teaching faculty extensions; and for quantity surveyors employed to assist the project unit — to be selected.

THAILAND — EDUCATION

The International Development Association has provided a credit of \$19.5 million to help finance a project designed to increase educational opportunity in the rural areas of Thailand, and to make the educational system more relevant to conditions in the country.

The project will aid 10 primary teacher training colleges that will teach agriculture, animal husbandry

and rural sociology in addition to the standard subjects. It includes construction or site improvement and furnishing and equipping of seven colleges as well as provision of equipment for three colleges which are already under construction.

Equipment and furniture will be provided for 32 existing secondary schools and building extensions will be made in 21 of these schools. The project also includes establishment of a National Curriculum Development Centre which is intended to play a leading role in curriculum reform, as well as to provide in-service training for school administrators, school inspectors, education planners and teacher trainers. In addition, the Faculty of Science at the Prince of Songkhla University in southern Thailand will be expanded under the project and accelerated training programs will be organized in order to provide sufficient primary teacher trainers and teachers of science and practical subjects at secondary level to institutions included in the project. IDA funds will finance the services of specialists who will help organize these programs.

Implementing Organizations: Project Unit at the Ministry of Education, Bangkok, Thailand, and another Project Unit at the Prince of Songkhla University, Haddyai, Thailand.

Procurement: Contracts will be awarded on the basis of international competitive bidding with 15 per cent preference margin for domestic manufacturers of furniture and equipment.

Consultants: Specialists to participate in the work of a National Curriculum

Development Center and to help organize training programs for primary teacher trainers and teachers of science and practical subjects at secondary level will be selected. Experts in the field of high education science courses will also be hired.

THAILAND — IRRIGATION

The International Development Association is making a \$5.5 million credit to Thailand to help finance an irrigation improvement project designed mainly to increase rice production in the northern Chao Phya plain. Through better water control, the project will make double cropping possible in an area of about 42,000 acres, with a total farm population of approximately 40,000.

Implementing Organization: Office of Irrigated Agriculture, Ministry of Agriculture, Bangkok, Thailand.

Procurement: International competitive bidding for equipment and vehicles, with a 15 per cent preference margin for local equipment manufacturers. At least 25 per cent of on-farm works, staff houses and office buildings will be tendered locally using normal Government procedures. Rehabilitation of irrigation system and up to 75 per cent of on-farm works will be carried out by the project implementing organization on force account.

Consultants: Consultants to assist project staff in planning, design and construction of the project and in carrying out the feasibility study of a second stage project to be selected.

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.

Motor launch

British firm is offering the rights for manufacturing in Canada its low priced motor launch. This marine product is an 11'6" open, general duty motor launch of good hull design, and possessing spacious accommodation. It is powered by a 4hp, 4 stroke in-board engine. The boat is propelled by a patented retractable stern gear — the tiller can be raised to lift the propeller and rudder into the hull for

manoeuvring in shallow water. The beam is a massive 5'4". Literature available. **Item 2812.**

Reinforced belting

Australian company offers under licence the Canadian manufacturing rights to its method of making conveyor belting reinforced with steel cords. In such belting, high tensile steel cords, or cables, run lengthways through a tough vulcanised rubber or

neoprene body. The cords reduce elongation under load to negligible proportions, enabling the belting to be installed in long units lengths between drive pulleys. As a result, this type of belting is particularly suited for long-haul conveyor systems such as those used in mineral extraction. Literature available. **Item 2813.**

Sewage treatment equipment

American inventor is offering the

rights to manufacture under licence in Canada his portable sewage treatment plant. The device has two chambers fitted with a pipe that bubbles air through the effluent. Solids are settled out and attacked by bacteria in the first chamber, which receives the sewage from the toilet. The cleared effluent then goes to the second chamber where it may be used to flush the toilet or is discharged through a filter after automatic chlorination. This sewage treatment plant is particularly designed for trailers, buses, trains, job sites, mobile vehicles, and boats. Literature available. **Item 2814.**

Materials handling equipment

British firm is offering the rights to manufacture under licence in Canada its materials handling equipment of advanced design. This equipment consists of front forklift trucks with lifting capacities up to 10,000 lbs. Lift trucks are either internal combustion or battery electric powered. Tires are cushion or pneumatic. Literature available. **Item 2815.**

Corrosion resistant rolls

American company offers for manufacture under licence in Canada its abrasion and corrosion resistant rolls for use in industrial processing lines such as steel pickling or textile dyeing. The steel shaft is covered with a tough, inert thermosetting plastic with fibreglass reinforcement. It is claimed that these rolls can be used in strong chemical environments and will last five to ten times as long as conventional metal rolls. Literature available. **Item 2816**

Cold storage construction system

Australian company offers under licence the Canadian manufacturing rights to its cold storage construction system. This system consists of laminated metal skin foam core panels of thicknesses up to 12" and lengths to 60'. The panels are assembled on site to form the walls and roof of cold storage and other low temperature buildings, abattoirs, food processing areas, breweries, industrial buildings, etc. Such buildings can be quickly erected with semiskilled labour. Literature available. **Item 2817**

Road pavement

Czechoslovakian state trading agency offers for manufacture under licence in Canada its system of building road pavement with increased protection against damage by frost and thawing. According to this method the subbase and the lower unbounded base courses are omitted and replaced by a porous bituminous thermal in-

sulation course laid within the structure of the road pavement. This separates the lower base course from the subsoil by a practically impermeable membrane. The membrane can consist of either an asphalt and sanded layer or a carpet of fine aggregates with a high content of filler and aggregates. This new structure is claimed to offer 40 per cent savings on building materials; a shorter construction period and lower labour costs. Literature available. **Item 2818**

Door closer for sliding doors

Canadian inventor offers for manufacture under licence in Canada his door closing device made of aluminum, steel and rubber. It is claimed to close sliding doors quietly and safely and is adjustable for tension. It mounts simply and inconspicuously on top of the door frame. Its telescopic action pulls the door closed automatically. Inventor claims that it is inexpensive to produce since it has few moving parts. Literature available. **Item 2819**

Glass fibre packing ropes

Czechoslovakian state trading agency offers for manufacture under licence in Canada its method and apparatus for making glass fibre insulating packing ropes. The method begins with the melting in a furnace of the glass batch and the producing of fibre. Fibres are then sprayed with a binder. This bonded web is dried, cured and shaped in an oven. The resulting mat is about 1 inch thick and 40 inches wide. This mat is cut into strips 1½ to 3½ inches wide depending on the size of rope desired. The strips are formed into ropes by feeding them into forming machines where rolling followed by sealing of the resulting ropes in polyethylene is effected. Literature available. **Item 2820**

Turning system for tractor trailers

Belgian firm is offering the rights for manufacturing under licence in Canada its automatic turning system for tractor trailers. This system is designed to be installed with air suspension on two or three ton axles. Claimed advantages include increased tire mileage and easier turning, even in reverse. The firm also has a hydraulic system designed for extendable and underslung trailers. Literature available. **Item 2821**

Additives for plaster and cement

French company is offering the rights for manufacturing under licence in Canada its chemical additives for plaster and cement. The plaster additives are adaptable to all types of interior coatings; the cement additives,

to both exterior and interior coatings. One of the advantages of these additives is that they are made to measure according to the customer's specifications. They can therefore be adapted to suit any country, any plaster, any cement and any conditions of use. The company is also offering under licence a process for the handcrafting or machine production of prefabricated plaster elements. Literature available. **Item 2822.**

Top-front pot, yogurt

German firm offers under licence the Canadian manufacturing rights for its system for packaging products such as yogurt. The plastic container has a unique shape in that it is flat on one side. A one-piece label covers both the flat side of the container and the top, thus sealing in the contents in one operation. This container occupies 20 per cent less shelf area than the conventional pot and is easy to stack. The design helps the consumer to select more quickly since each product can be recognized immediately both from above and from the front. The firm also offers a licence for the production of yogurt cultures. Literature available. **Item 2823.**

Tiltmeters

American company is offering the rights to manufacture under licence in Canada its patented tiltmeters. The tiltmeter is designed to operate under a frictionless environment, with the magnetic body suspended in a magnetic field. The instruments operate over the range of 10 to 2500 microradians, with corresponding sensitivities from 10 to .05 mv/u radian. Electro-optical readout is provided. Single and dual instruments are available for remote levelling, with two or three range readouts with provision for recording. Typical applications are for geophysics measurements such as earth tide and earthquake studies and volcanology. In geotechnics, these units are used for monitoring slope stability, for studies of uplifting and subsidence, and for movements of high rise buildings and foundation testing. Literature available. **Item 2824.**

Bicycle lights

American company offers under licence the Canadian manufacturing rights for its bicycle lighting device. This device consists of a lightweight generator system equipped with its own rechargeable battery and charging circuit. The unit is biased against the wheel at all times, thus keeping a constant charge in the battery. It has virtually no drag and has constant

light output regardless of whether the bicycle is stopped or moving. Literature available. **Item 2825.**

Concrete components production plant

Canadian inventor is offering the rights for manufacturing under licence in Canada his plants for producing reinforced or light weight prefabricated concrete components. These plants are demountable and thus designed for production of concrete components on site. The most significant feature of these plants is the transposition of a large part of the operation from the horizontal to the vertical plane, thus greatly reducing the area needed for such a plant. Claimed advantages include versatility in application, simplicity, and economical operation. It is claimed that this system could also be adapted for road and runway surfacing in extreme climatic conditions, where the pouring, finishing and curing of concrete with conventional methods is not feasible or is uneconomical. Literature available. **Item 2826**

Acoustic signalling device

Czechoslovakian state trading agency is seeking a licensing arrangement with a Canadian firm to produce its acoustic signalling device. It consists of a simple transistorized instrument for detecting and signalling the presence of bleeding, bed wetting or any other external secretions. Each device can monitor up to ten patients or ten monitoring points at a time. A second instrument is available for one monitored point only and is intended for domestic use. Literature available. **Item 2827**

Water closet flushing device

Canadian inventor is offering under licence or outright sale the Canadian manufacturing rights for his patented water closet flushing device. This device consists of two cams attached to a flush rod. When pushed, the cams open a mulching valve thus allowing water under pressure to flow

through a mulching jet creating a circular motion of water in the toilet bowl. The water passing through its own stream creates a jet action for mulching. After 30 seconds the mulching valve closes and a pumping jet opens, controlled by the automatic return of the cams. The water passes through a pumping venturi which creates the lift necessary to empty the bowl. Depending on water pressure, this device will pump to an overhead sewer as high as 10 feet. It permits flushing up or down, and with the addition of casters and a unique quick coupling device is completely portable. Literature available. **Item 2828**

Control device for timed alarms

Canadian inventor is seeking a licensing arrangement with a Canadian firm for the production of his control device for use with alarm clocks and clock radios. This device consists of a weight activated control in which a spring loaded weight sensor is connected with a switch activating and deactivating mechanism. It serves as a reminder of activities required at regular timed intervals, such as the consumption of medicine. When the weight on the sensor, such as a pillbox or bottle of medicine, is not removed the alarm is activated at a predetermined time. Removal and replacement re-sets the alarm for the next time interval. Possible applications could also be developed in instrument control systems. Literature available. **Item 2829**

Shower curtain guard

Canadian inventor seeks a licensing or joint venture arrangement with a Canadian firm to produce his shower curtain guard. This device fits on the outside rim of a bath tub at the foot and head of the tub butting walls. It prevents water from splashing onto the floor when shower is in use. Inventor also offers a device to remove steam and condensation from mirrors in the bathroom. Literature available. **Item 2830**

Mirror device

Canadian inventor offers the Canadian manufacturing rights for his patented mirror device. This device consists of a rearward/sideward sight reflecting apparatus which can be incorporated into the back covering of a glove or mitt or attached to the back of the hand by means of an elastic band. It permits the wearer to look behind without losing the continuity of looking ahead. It provides greater flexibility than fixed position mirrors. Potential areas of application include snowmobiling, boating, skiing, bicycling, etc. Literature available. **Item 2831**

Decorative log centrepiece

American company is seeking a licensing or joint venture arrangement with a Canadian firm for the production of its decorative log centerpieces for display in the home. Two basic designs are involved: a cut and drilled log with one candle and a split log with three taper candles. The main advantage of this centerpiece is that it becomes a year-round item simply by changing the colour of the candles and decorative accessories. Licensee should have working ability in either the woodworking or candle manufacturing field. Literature available. **Item 2832.**

International patents exhibitions in Denmark

The International Patents Exhibition in Denmark is to be held in Herning September 4-9, 1973 to present to Danish industry protected and unprotected ideas for new products and new production methods. Owners of technology that are interested in affiliating with Danish companies for the exploitation of their technology in that country should contact: International Idemesse, Kobmagergade 22, 1150 Kobenhavn K, Denmark.

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.

Automotive

BRITISH HONDURAS — Auto parts and accessories: J. MacMillan, 27 Regent Street, Belize City.

Clothing

JAMAICA — All types of clothing: Delta Supply Co. Ltd., 110 Hagley Park Road, Kingston 11.

WEST GERMANY — Hockey sweaters, hockey socks, ski socks: Horst Renner, 8 Munchen 12, Ridlerstrasse 44.

Children's wear, casual clothes: G. Kopperman & Co., 8023 Pullach b. Munchen, Jaiserstrasse 35.

Equipment and Machinery

BANGLADESH — Construction machinery, road rollers, bulldozers, cranes, forklift trucks, insulated trucks, railway engines, power generating equipment, hospital equipment, etc.: M/S Bangladesh Commercial Agency, 358-Elephant Road, 2nd Floor, Dacca.

BRITISH HONDURAS — Electric stoves and washing machines: Egn Gegg, The Vogue Ltd., P.O. Box 216, Belize City.

Kerosene stoves: Mr. Crump, Hofius Hardware Ltd., P.O. Box 226, Belize City.

Pipe fittings and plumbing supplies: B. Quan, Augusto Quan and Co., 13 Albert Street, Belize City.

Hardware and housewares: E. A. Black, Ernest A. Black Ltd., P.O. Box 672, Belize City.

HONG KONG — Boat propellers, 24" and 26" diameter with 16° to 22° pitch; more information from Canadian Government Trade Commissioner, Commission for Canada, 14/15 Floors, Asian House, 1 Hennessy Road, P.O. Box 20264.

JAMAICA — Safety equipment: Delta Supply Co. Ltd., 110 Hagley Park Road, Kingston 11.

JAPAN — Kitchen ware: Mr. T. Shimada, Consumer Section, Nippon Shoji Kaisha Ltd., 30, Kokumachi 2-Chome, Higashi-Ku, Osaka.

SWEDEN — Woodworking machinery; particularly finger jointing machinery: Hans Westermark AB, Norrmalmstorg 1, S-114 46 Stockholm.

SWITZERLAND — Switches, reed relays, reed contacts, connectors, electronic components, small motors, transducers: Tallyron-Technik, P.O. Box 175, 8620 Wetzikon.

Calculating machines and dry photocopiers: Buro Meier AG, Loewenstrasse 19, 8001 Zurich.

Foodstuffs

SINGAPORE — Candy and chocolates: Joanne Young Corporation Pte. Ltd., Room 5805-5806, 7th Floor, Woh Hup Complex, Golden Mile, Singapore 7.

SWITZERLAND — Freeze-dried food products, mainly fruits; Stutzer and Co., P.O. Box 151, 8042 Zurich.

Recreation

WEST GERMANY — Hockey equipment: Horst Renner, 8 Munchen 12, Ridlerstrasse 44.

Shoes

BRITISH HONDURAS — Men's, women's, children's: J. Showman, Odette's Fancy Stores, P.O. Box 130, Belize City.

SINGAPORE — Industrial safety shoes: Shroff's (Malaya) Sdn Berhad, Katong, P.O. Box 95.

Textiles

SINGAPORE — Suitings, denims, shirting, etc.: Essem Traders, 80 C High Street, Singapore 6.

WEST GERMANY — Grey goods, dyed goods: G. Kopperman & Co., 8023 Pullach b. Munchen, Jaiserstrasse 35.

Wood Products

SWEDEN — All types of hardwood, particularly Oregon pine and Redwood clears: Hans Westermark AB, Norrmalmstorg 1, S-111 46 Stockholm.

Miscellaneous

SINGAPORE — Lace, buttons and other sewing accessories: Way Come Enterprises Singapore (Pte.) Ltd., 3-15 A, Peninsula Shopping Complex, 3 Coleman Street, Singapore 6.

SWEDEN — Four-colour etched films for overhead projectors, also coloured pens for use with same: Eric Rahmqvist AB, Box 3030, 171 03, Solna.

Export Program Pays off

It is estimated that the export market development program sponsored by the Department of Industry, Trade and Commerce has helped generate more than \$70 million in sales so far.

Many of the businessmen taking advantage of the program have never before been involved in foreign markets. The program pays half of a businessman's expenses while he ex-

plores trade potential in other countries. If his mission pans out, he reimburses the Department's money; if not, the loan is forgiven.

To date, the Department has paid out \$500,000 to support the program and it is estimated that every dollar spent by the Government has generated at least \$140 in export sales. This figure may go as high as \$200 in some cases. Officials of the Department had estimated a return

of about \$20 for every dollar spent, so, to say the least, the program has been successful.

Based on results so far, the program has been expanded to include assistance to agents or trading companies seeking new world markets. Since the program got underway in 1971, almost 700 companies have filed about 1,600 applicants for assistance.

Foreign Tariffs and Trade Regulations

Colombia

Resolution No. 005 of February 20, 1973 issued by the Colombian Foreign Trade Board transfers approximately 254 items from the Prior Licence List to the Free List of Imports.

Resolution No. 9 of February 28, 1973 reduces to 10 per cent the prior deposit on imports corresponding to tariff positions which, prior to the date of this resolution, had prior deposit levels higher than this percentage. Information on specific items may be obtained from the Latin American Division, Western Hemisphere Bureau.

Ecuador

Resolution No. 655 of February 26, 1973 eliminated all prior deposits on imports. Under **Decree 185** of February 25, 1973 all goods on List I are now subject to a surcharge of 1 per cent of the c.i.f. value; for List II items the importer must pay a surcharge of 6 per cent of the c.i.f. value.

South Africa

The South African Government has announced, effective March 16, 1973, a further relaxation in import controls.

The Free List (Paragraph 1) for which no import licences are required has been increased by approximately 120 items. Some of the items added to the list are: sardines in oil; soya bean and linseed oil; lead ores and concentrates; bitumen and asphalt; sulphur; potassium hydroxide; photographic papers, (but excluding diazo-coated or ammonia developed papers); floor tiles; sheets and plates of stainless steel; a number of hand tools such as nail-pullers, torque wrenches, ratchet screwdrivers, wood-boring augers and bits; chain saws; and motor vehicle wiring harnesses.

Paragraph 2 of the Import Controls, which covers items for which import licences will be granted to merchants and manufacturers to meet their full reasonable requirements, has been expanded to include pharmaceutical products and requisites in the

finished form; fungicides, pesticides and insecticides in the finished form; textile piece goods; and paper and board. These goods were previously listed under Paragraph 3.

A number of goods have been also removed from Paragraph 4, for which specific licences are required. Items removed include anhydrous ammonia, suture materials, pliers, metal levels, hammers, vices, engineering and machinists' files and a number of chemical compounds and derivatives.

Wines and potable spirits exceeding 3 per cent proof spirits and all classes and kinds of goods not specified in other paragraphs remain under quotas in Paragraph 3. In this respect quotas are now increased to amounts larger than given in 1972.

Further information may be obtained from either the Trade Commissioners in Johannesburg or Cape Town, or from the Africa Division, Pacific, Asia and Africa Bureau, Department of Industry, Trade and Commerce, Ottawa, K1A 0H5.

TRADE LINES

ITC Change

Responsibility for commercial and economic interests in the State of Brunei has been transferred from the Kuala Lumpur offices of the Department of Industry, Trade and Commerce to Singapore.

Argentina Vehicle Production Up

According to the Argentine Motor Vehicle Manufacturers Association, during the month of January, 1973, 23,020 units were produced, representing an increase of 5.7 per cent over the same month of last year.

The number of motor cars was 17,422 and commercial vehicles 5,598, representing a decrease of 0.3 per cent in the former, but an increase in the latter, compared to January, 1972.

New Newsprint Plant for Argentina

A \$20.5 million contract has been signed between the Argentine firm Papel Prensa S.A. and the Metex Company of Finland for supply of machinery which will be installed at Papel Prensa's San Pedro plant.

The plant will be fully operative by April 1976 and will produce 105,600 tons of newsprint annually.

Hong Kong Subway

The Hong Kong Government will build a \$2 billion subway, the Colony's costliest-ever project.

The first four of nine stages will take seven years to build. The initial line will run 12 miles linking Hong Kong Island with Kowloon and will have 20 stations. Ultimately, there will be four lines in Kowloon and one on the Island, with a total of 48 stations covering 32 miles. Trains running at two-minute intervals will carry 3,300 passengers (384 seated and the rest standing), with a line capacity to transport 45,000 people per hour.

A New York Showroom Yours for the asking



Part of the Canada Room at the New York Consulate, showing some of the paintings exhibited recently by Toronto artist Aba Bayefsky under the auspices of the Ontario Government.



D.S. ARMSTRONG, Deputy Consul General (Commercial), New York City.

Wanted:— a showroom for consumer goods in a prestigious location in the heart of New York — free.

Wanted:— a room for receptions in Rockefeller Centre to accommodate up to 200 guests, with ice, glasses, invitations, air conditioning, etc. — free.

Wanted:— a theatrette in midtown Manhattan seating 40 with multi-media projection equipment adjacent to reception and showroom — free.

Wanted:— a staff of experts in marketing Canadian products in the world's most concentrated buying community — free.

The new premises of the Canadian Consulate General at 1251 Avenue of the Americas, New York, has such facilities and they are available — without charge — to any responsible Canadian firm that has a product to show or a message to get across to the hard-to-convince New York community. They are the "Canada Room" and theatre, and the Trade Commissioners, Commercial Officers and staff of the Consulate.

The Canada Room can be as small and intimate as 326 square feet, or, combined with the adjacent corridor and reception area, as large as 1,628 square feet. There is a pantry equipped with range, dishwasher, refrigerator, ice-maker, dishes, glasses, trays, utensils, cutlery, linen, etc. There are tables and chairs to seat 24, plus a dozen modern easy chairs. On the walls — metal partitions with vinyl covering — pictures (for example) can be hung from magnetic fixtures, or adjustable shelving, hooks and brackets can be installed. The lighting can be changed to suit the occasion or the display. With wall-to-wall carpeting, curtains and venetian blinds on the

11 windows facing south, the Canada Room is tasteful, modern and not ostentatious. And there are excellent facilities in this new building for handling heavy or bulky freight such as furniture — but specify "inside delivery" to the transport company.

A modern, air-conditioned small theatre seating 40 people comfortably (10 to 20 more if necessary) is a National Film Board facility adjacent to the Canada Room. Equipped with slide, 16mm and 35mm projection equipment, special sound and lighting, it is impressive. Showings can be held at little or no cost depending on the duration, time of day and equipment required.

Here is a list of the things we can provide at no charge: Canada Room, includes lighting, elevators, heating and air-conditioning, use of pantry and equipment; use of office, local telephone and staff assistance; standard invitations and mailing (printed invitations, minimum \$45); use of theatre, slides and 16mm projection equipment; staff for guest registration; name tags and maple leaf pins.

We can also provide the following, at a price; catering from \$3 a person; a bartender and maid at \$30 each, and manual labour for packing and unpacking at \$10 an hour.

Trade Commissioners and Commercial Officers in New York have had a good deal of experience planning and executing shows and receptions. Basically, a successful event for a Canadian exporter depends on more than physical facilities. It needs a team effort — the exhibitor working closely with the staff of the Commercial Section of the Consulate. The prestige of a gold-crested invitation helps, but getting the right people to come to the Canada Room requires a carefully prepared invitation list and personal contact by telephone. For this the exhibitor can count on the help of the staff and the use of an office.

Prospective exhibitors and others interested in taking advantage of the Canada Room, theatre and expertise available here should contact the Deputy Consul General (Commercial), Canadian Consulate General, 1251 Avenue of the Americas, New York, N.Y. 10020, (area code 212 - 586-2400).



Desks are available during any exhibition where businessmen can get together with customers or trade officials. Here Jim Hughes, Commercial Officer at the Consulate, talks with Jean-Claude Kraemar (right), president of the Quebec Office and Contract Furniture Group, Ltd., and Leon Paul (left) president of Leon Paul Associates, Inc., New York representatives for the Quebec firm. Cora Landiver, Mr. Hughes' secretary, takes notes on the discussions. (Photos: Bill Rothschild)

NIGERIA

Three years after the war

JOHN D. TENNANT, Commercial Secretary, Lagos.

Nigeria — Africa's most populous country by far — has achieved a dramatic post-civil war recovery. There are still plenty of encores to come — and potential for Canadian business.

For many Canadians, the most significant thing about Nigeria during the past three years has been the lack of daily newspaper headlines. In fact, a significant economic recovery has been taking place.

Statistics of Nigerian economic performance for 1970, 1971 and 1972 have outpaced even the most optimistic forecasts. Take, for example, the following:

- imports (and exports) grew at annual rates of 50 per cent each in 1970 and 1971 and total imports now exceed \$1.5 billion dollars per year;
- gross domestic product grew by 11 per cent in 1970/72 and will likely increase a further 8 to 10 per cent in 1972/73;
- crude oil output has risen from 630,000 barrels per day in December 1969 to 1.8 million barrels per day in late 1972, making Nigeria the world's ninth largest crude oil producer;
- government revenue, which was \$570 million in 1969, is expected to reach nearly \$2 billion in 1972/73, over half being contributed by the petroleum sector.

In 1972 there was a levelling off in the outstanding post-war growth reflected by these figures. Nigeria obviously faces a period for consolidating and maturing its gains and providing a basis for sustained, broadly based long-term growth.

The Canadian share of the Nigerian market has been satisfying, though it is clearly still well below potential. Canadian exports, which peaked at \$10 million in 1966 and then fell to an average of \$4 million a year during the civil war, recovered to \$8.2 million in 1970 and

\$10.2 million in 1971. Exports in 1972 should reach \$25 million, a 250 per cent increase over 1971. The 1973 forecast is for Canadian exports in the region of \$20 million.

In the immediate post-war period, the Nigerian Government, after searching re-examination, passed a number of substantive policy changes, including several affecting business:

The Nigerian Enterprises Promotion Decree issued early in 1972 makes it mandatory that certain specified businesses be partially or wholly Nigerian-owned by March 31, 1974 (see page 21);

Government policy towards the petroleum sector has been substantially altered. Nigeria has become a member of the Organization of the Petroleum Exporting Countries (OPEC). The Government has formed the Nigerian National Oil Corporation (NNOC) and has vested it with all previously unlet concessions. The Government has already obtained a minority position in two established oil companies and is negotiating with others. As well, it holds a 51 per cent option in concessions let in late 1971 and early 1972 to five different companies, two of which have already made strikes. Substantial adjustments in royalty and taxation arrangements have brought tremendous increases in government revenue. Policy changes are also reflected in petroleum-related industries. The Government has increased its majority shareholding in the country's one refinery and is making final plans for a second. It has a major share in a new LPG plant and is understood to be negotiating for at least one LNG installation.

A National Mining Company officially came into existence late last year. Where commercial deposits are found, the company will be looking for joint ventures with overseas partners for their exploitation.

The Nigeria National Supply Com-

pany has been formed and will ultimately undertake consolidated purchasing of many government requirements. It has already imported a number of basic items such as cement and flour to relieve shortages, thereby contributing to price stability.

Concrete steps have been taken to reorganize several public corporations. The two power utilities — Electricity Corporation of Nigeria and Nigeria Dams Authority — have been merged into the National Electric Power Authority (NEPA) and a contract has been concluded with Ontario Hydro for some management assistance. A phased program of assistance for Nigeria Airways has been negotiated with Trans-World Airlines. The Government is now considering a Canadian report on the Railway Corporation.

On January 1, 1973, the Government formally acquired a 40 per cent shareholding in foreign-owned banks.

Most of these policies, intimated in the Four-Year Development Plan released in 1970, clearly reflect the country's mood and ambitions.

Substantial progress in the implementation of the \$3 billion Four-Year Development Plan (1970-74) is evident. The first progress report on the Plan covering the period April 1970 to October 1971 suggested that actual expenditures were running at about 63 per cent of estimates. This was due in large part to nearly a year's lag in getting the Plan started — it was supposed to start April 1, 1970, less than three months after the end of the civil war. The Government has now decided to extend the period covered by the Plan to March 31, 1975.

While the pace of activity in the last three years has eliminated a number of the immediate post-war opportunities, there are still a large number — many of them increasingly better defined — awaiting the aggressive Canadian ex-

NIGERIA

Three years after the war

porter. Some of the more outstanding ones include:

Railway Equipment — A major report on the Nigerian Railway Corporation prepared by Canadian consultants, was submitted to the Nigerian Government in 1972. This report should provide the basis for substantial re-organization and re-equipping by the railways. Already 54 main-line diesel locomotives have been purchased from Canada.

Iron and Steel Complex — The Government has formed the Nigerian Steel Development Authority to implement plans for a major iron and steel complex on which substantial feasibility work has been done in the last 10 years. The Authority has taken on a good portion of the initial staff required and is developing on-going training programs. Several foreign advisers will join the Authority in 1973. Several proposals are under consideration.

Airports — Feasibility studies were completed in 1971 for 18 airports. The contract for the design of a new international airport terminal and other facilities in Lagos has been given to the Netherlands Airport Consultants. Tenders for construction and equipment should be ready early in 1974. Pre-qualification of contractors for the regional airports was called in late 1972.

Power Generation and Transmission Equipment — Design work for an extensive program of 330 Kv and 132 Kv transmission lines has been substantially completed and tenders for most projects have been called. Contracts have been let to Japanese and Austrian firms for two additional turbines and generators for Kainji, although it is probable that tenders will be called shortly for two more. Design work is to proceed soon on a 300 megawatt thermal plant for Lagos. Several state governments are proceeding with rural electrification schemes. Consultants for the implemen-

tation of the Federal Rural Electrification Program will be appointed this year. Tenders have already been called for improvement to the Lagos metropolitan distribution scheme and to extensions in major towns.

Pulp and Paper — The Federal Government has signed a contract with a Finnish firm to undertake a major forestry sector study focusing particularly on a pulp and paper plant. Several of the state governments with substantial forest reserves have had serious discussions with overseas firms interested in participating in such a venture.

Petroleum — The considerable change that has taken place in the Nigerian Government's petroleum policies is opening opportunities for new firms associated with the petroleum sector, particularly where substantial Nigerian participation is evident. The Nigerian National Oil Corporation is understood to be about to enter serious discussions with a few selected international petroleum companies for new partnership arrangements.

Hotels — Lagos, Kano and other major Nigerian cities are still seriously short of good first-class hotel rooms. Holiday Inns will build a 500-room hotel in Lagos, and expansions to three major Lagos hotels will provide a further 500 rooms over the next three years. Several major new projects have been announced for Kano, Jos and Port Harcourt. New hotels have been built or are under construction in Maiduguri, Sokoto, Ilorin and Calabar. There is still, however, undoubted potential for additional first-class hotels, particularly in Lagos.

Educational Equipment — The further expansion of educational facilities is high in Nigerian priorities as primary school enrollment ratios are still about 35 per cent. Additional World Bank financing is under discussion.

River Transport — Three major inland water transport firms have been formed by state governments in Nigeria. Some initial purchases of barges, tugs and drives have been made but there remains substantial potential for Canadian firms to participate in the ambitious capital requirement needs.

Other areas of particular potential include sawmilling equipment, poultry and poultry processing equipment, animal feeds, construction equipment, defence equipment and communications equipment.

Nigeria still offers substantial potential for new investment by foreign firms. Suppliers of industrial equipment will often stand a better chance of success if their offers include management expertise and between 20 and 60 per cent of the financial equity. Sectors of interest include forestry, cement, animal feeds, poultry, electrical hardware, building materials, glass bottle manufacturing, record pressing, fishing, vegetable oil processing and petrochemicals.

The outstanding potential of the Nigerian market has, of course, not been missed by other countries. It is quickly evident to anyone seriously examining the market that a substantial effort will be required to gain a foothold. It takes time to establish one's credentials and to develop definitive information on prospects. With interest by other suppliers obviously at a high level and with the present pace of activity, most key businessmen and government officials don't have to look too far for new ideas or products. The potential rewards from such an investment in a solid marketing drive are, however, enormous.

Officers in the Department of Industry, Trade and Commerce in Ottawa have a good deal of basic information on many Nigerian opportunities and discussions with them could provide the basis for an approach to us at the Consulate in Lagos.

Businesses Affected by Ownership Decree

The Nigerian Enterprises Promotion Decree lists 22 types of businesses which must, by March 31, 1974, be wholly Nigerian-owned. It also names 33 others which must by the same date be wholly or 40 per cent Nigerian-owned, depending on the paid-up capital or turnover. If the paid-up capital is less than \$600,000 or the annual turnover is less than \$1.5 million (whichever the Nigerian Government deems to be most appropriate), the businesses must be 100 per cent Nigerian-owned. However, if, for these same 33 types, the paid-up capital or turnover is above the appropriate minimum, then only 40 per cent Nigerian ownership is required, again before March 31, 1974.

The paid-up capital and turnover will be based on figures reported in 1968/69, 1969/70, and 1970/71 tax returns. For businesses established after April 1, 1971, the year of tax assessment following the year of establishment will apply.

Exemptions from the Decree may be granted by the Board that will administer the Decree. So far no decisions have been published.

Types of businesses which must be wholly Nigerian owned are: advertising agencies and public relations; all aspects of pool betting and lotteries; assembly of radios, radiograms, record changers, television sets, tape recorders and other electric domestic appliances not combined with manufacture of components; blending and bottling of alcoholic drinks; blocks, bricks and ordinary tiles manufactured for building and construction works; bread and cake making; candle manufacture; casinos and gaming centres; cinemas and other places of entertainment; clearing and forwarding agencies; hairdressing; haulage of goods by road; laundry and drycleaning; manufacture of jewellery and related articles; newspaper publishing and printing; ordinary garment manufacture not combined with production of textile materials; municipal bus services and taxis; radio and television broadcasting; retail trade (except by or within department stores and supermarkets); rice milling; singlet manufacture, and tire retreading.

Businesses in the second category are: beer brewing; boat building; bicycle and motorcycle tire manufacture; bottling

of soft drinks; coastal and inland waterways shipping; construction industries; cosmetics and perfumery manufacture; departmental stores and supermarkets; distribution agencies for machines and technical equipment; distribution and servicing of motor vehicles, tractors and spare parts thereof or other similar objects; estate agency; fish and shrimp trawling and processing; furniture making; insecticides, pesticides and fungicides; internal air transport (scheduled and charter services); manufacture of bicycles, cement, matches, metal containers, paints, varnishes or other similar articles, soaps and detergents, suitcases, briefcases, handbags, purses, wallets, portfolios and shopping bags, wire, nails, washers, bolts, nuts, rivets and other similar articles; paper conversion industries; passenger bus services (interstate); poultry farming; printing of books; production of sawn timber, plywood, veneers and other wood conversion industries; screen printing on cloth; dyeing; slaughtering, storage, distribution and processing of meat; shipping; travel agencies and wholesale distribution.



Like that famous old soldier, an equally famous old aircraft isn't dying — it's just fading away. The Vickers Viscounts of Air Canada are being phased out of service.

The turbo-prop Viscount was introduced by Air Canada in April 1955 and proved itself to be one of the most likeable of passenger aircraft. Just try to find someone who will say something bad about it. Travellers loved it for its roomy seats and big, big windows — and after those North Stars it sure was quiet!

Air Canada originally planned its last Viscount flight for May 1, but the airline has been so busy that the dead-

line has been extended until some time in September, when the passenger load should ease somewhat. There are 13 Viscounts left in the fleet but by summer there will be only three and they will fly mainly in Ontario, Quebec and the Maritimes. One route on which the Viscount will continue until autumn services Montreal, Quebec City, Fredericton, Saint John, Moncton, Halifax and Sydney. The other connects Montreal, Ottawa, Val D'or, Rouyn, Earleton, North Bay and Toronto.

The 47-passenger Viscount was the first turbo-prop airliner to enter commercial service when it was acquired by

Viscount Retires

British European Airways in 1953. It became such a favourite in this country that Air Canada gave it full credit for sparking the rapid growth of civil aviation here. At one time Air Canada had 49 Viscounts and they are being replaced by an equal number of DC-9's. The twin-jet Douglas aircraft is rapidly becoming as big a favourite as the Viscount with passengers and crews.

Some of the Viscounts will go to other airlines; some will become company aircraft in private industry and one will be used by United Aircraft of Canada as a flying test bed for a new type of engine.

Cleveland Tackles the Pollution Problem



The Flats, Cleveland's industrial valley

BRUCE W. HEDDERSON, Commercial Officer, Cleveland

Cleveland is a city divided into an east side and a west side by the Cuyahoga River. The Cuyahoga (from the Indian word meaning crooked) snakes its way through the industrial heartland of the Cuyahoga Valley loaded with industrial waste discharged into its waters by the giants of U.S. industry along its banks. So polluted is the river that, in the summer of 1969, it went down in history as the river that caught fire.

Belching smoke stacks permeate the air with the bitter-sweet aftermath of a healthy economy. Wages, growing with booming industries, have allowed workers to escape to the fresher air of the suburbs and now daily they clog the freeways to and from work, adding to the pollution through automobile emissions.

In September 1972, about 87 firms were found to be discharging waste into the various waterways in the Cleveland area. Most were discovered through intensive field surveys conducted by the city of Cleveland. To date, half of these firms are actively trying to clean up their discharges onto surface waters.

Cleveland's municipal sewage treatment facilities were so inadequate that for two years the State of Ohio had imposed a ban on sewer tie-in for new construction. Consequently, between 1969 and 1971 construction activity was virtually at a standstill. Only within the last year or so has this ban been lifted,

with the understanding that Cleveland would embark on a comprehensive sewage treatment plan development program.

This has promoted similar efforts by other municipalities. It is reported that some \$150 million in sewage treatment plant construction, and expansion and improvements to existing plants, for various municipalities in the State of Ohio are being planned or are under consideration, and there has been a corresponding increase in the amount of new construction of apartment houses, hotels, hospitals, office complexes, industrial plants and schools.

It has been recognized that if the development continues unchecked the suburbs and surrounding areas could have a problem similar to the city's. A privately sponsored evaluation of the future of the 33 northeastern Ohio counties up to the year 2000 is, therefore, being undertaken by C.A. Doxiadis, an internationally-known urban planner.

This report should be a valuable aid to Canadians who can provide goods and services in mass transportation, housing, pollution control and recreation. Two fifths of the nation's steel-making capacity is within a 15-mile radius of Cleveland, and it is reasonable to expect that a large proportion of the estimated \$287 billion to be spent nationally on the environment within the next decade will be spent in the Cleveland area.

As evidence of ongoing pollution control activity here, the Cleveland Electric Illuminating Company has programmed

\$62.5 million for pollution control over the next five years. This will include improving electrostatic precipitators, oil conversion equipment for coal-fired generating units, installation of water quality monitoring equipment and sulphur dioxide removal equipment, both within new and existing facilities. Federal, state and municipal pollution control agencies will undoubtedly continue to exert pressure against the other utilities to develop pollution control systems to eliminate thermal discharges into the atmosphere.

Stringent requirements to incorporate air and water pollution control equipment in new construction within industrial park development programs may present opportunities for Canadians. This equipment would include scrubbing units, fabric filters and general purpose equipment such as pumps, compressors, chlorinators and presses.

We would be glad to hear from interested Canadian firms. Literature on specific items of pollution control equipment and details on prices should be sent to the Consul and Senior Trade Commissioner, Canadian Consulate, 55 Public Square, Cleveland, Ohio 44113, U.S.A.

This office continues to monitor activity in the area of pollution control projects and on possible local affiliations. We can give you introductions to potential customers and follow up on contacts you have made personally.

And we look forward to your inquiries.

Australia's Automotive Industry

LEON B. STRYKER, Commercial Officer, Melbourne

Thirteen million Australians share about five million motor vehicles, ranking this country second, with Canada, to the United States, at 2.8 persons per vehicle.

The vehicle manufacturing industry started in Australia in 1925 when Ford Motor Company of Canada Ltd., opened its branch operation in Melbourne. Today more than 50,000 people are employed by vehicle builders such as Ford, General Motor-Holden's Pty. Ltd. (GMH), Leyland Motor Corp., Chrysler, Toyota, Volkswagen, Datsun and Renault whose combined annual output of locally made or assembled vehicles is more than 500,000. Other brands of cars readily available in Australia include Fiat, Mazda, Mercedes-Benz, Jaguar, BMW and Volvo. Total new vehicle registrations in Australia in 1971 was 504,511.

The recognized leaders in the field are GMH, with 23.7 per cent of the market share last year, Ford with 26.1 per cent and Chrysler with 9.5 per cent. The success of the three leaders is in the medium or compact size vehicle such as Holden, Falcon and Valiant. The Holden, claimed to be Australia's "own" car in that it was designed, engineered and proven in this country, has been the major seller in Australia since its introduction in 1948. However, GMH, which accounted for over 45 per cent of all new car registrations in the early 1960's, has been losing ground each year, particularly to the Japanese vehicle which includes as standard equipment items such as radio, heater/demister, whitewall tires and carpeting that were optional extras on GMH, Ford and Chrysler cars.

Australia imported 42,000 assembled cars valued at A\$63.5 million during 1971-72. Of this number Japan accounted for 34,000, valued at A\$36 million. Germany 2,300 (A\$11 million), Italy 2,280 (A\$3.9 million) and Britain 1,700 (A\$7.5 million). Canada does not rate a mention in this section of Australian statistics, although auto parts, engines and accessories has traditionally been a major export dollar earner for Canada.

The Australian auto industry has long been governed by a series of local content plans, designed to ensure the maximum of Australian labour, parts and other input in the production of high-volume vehicles. For example, the Holden, Falcon and Valiant models contain at least 95 per cent Australian content. Depending on volume of production, imported cars that were brought into this country in a knocked-down or partially assembled condition were required to contain 60, 50 and 45 per cent local content. During 1972 the federal government announced plans for a gradual phasing out, by 1979, of the lower content groups, to be replaced by an 85 per cent plan for vehicles with an annual production rate of 25,000 or higher. This change has prompted two Japanese firms to plan for expansion in Australia. Toyota, which owns 50 per cent of its assembler in this country (Australian Motor Industries Ltd.) will spend A\$30 million on an engine manufacturing plant outside Melbourne. To justify this expenditure Toyota must be confident of gaining about 10 per cent of the market. Nissan Motor Company hopes to take over the number three slot in Australia and has announced a A\$100 million program for an engine and assembly plant, again in Melbourne, to concentrate on the production of its successful Datsun 180B sedan.

The foregoing highlights of the automobile industry in Australia emphasises the fact that an accompanying industry for the manufacture of parts and accessories has been developed over the years in this country.

In the fiscal year to June 1970, turnover of locally produced motor vehicle parts, including instruments and electrical equipment, reached A\$332.4 million. There were 540 factories in operation during that year employing 29,000 people. These figures, of course, relate to both OEM and replacement parts.

Automotive parts are made in Australia by two groups of manufacturers, the vehicle builders themselves and independent firms. It has been estimated

that about 50 per cent of original equipment components are produced by the independents. This situation is similar to Japan but differs from that in North America where vehicle manufacturers tend to produce a larger proportion of their component requirements. In Australia, independent parts manufacturers produce 90 per cent of replacement parts.

Although foreign ownership of firms manufacturing components is not as extensive as in the vehicle building sector, it is nevertheless considerable. Many of the more important component suppliers are subsidiaries of overseas companies. The major exception is Repco Ltd., the biggest company in its field and 100 per cent Australian-owned.

Other "big" names in the auto parts industry in Australia include Borg Warner, Australian National Industries, Robert Bosch, Joseph Lucas, "Smiths" Industries, Australian Timken Pty. Ltd., Hardie-Ferrodody Pty. Ltd., and British Automotive Industries Pty. Ltd.

Auto parts and accessories are sold either through the car builders' own dealer organizations and spare parts centres or through wholesale outlets. Years ago the major wholesalers formed the Federation of Wholesale Automotive Supplies and Parts Association of Australia, (WASPA), with branches in each of the six States.

In addition to the WASPA group and vehicle manufacturers' own outlets where "genuine" replacement parts and accessories are available there are other importers, wholesalers and retailers of parts and accessories who offer products of Japanese, European or Asian origin. In the replacement part field these concentrate in selling general items for the popular brands — Holden, Falcon, Valiant and Toyota.

Tremendous interest has been aroused in Australia over the development of an orbital engine by a West Australian, Ralph Sarich. This engine will be developed by B.H.P. Company Ltd. (Australia's largest company, with interests in steel, iron ore, oil and gas fields, etc.), and Renault Aust. Pty.

Ltd. has tentatively agreed to use the engine in its cars. Cheap to produce (less than \$50 per engine has been freely quoted): fewer moving parts (12 compared with up to 400 for an ordinary V8 engine) and an output of 2 hp for each pound weight (against 1 hp for each 4 pounds of a V8 engine) all add up to very attractive features. The Sarich engine apparently can run on gasoline, diesel or as a steam turbine unit and, apart from the auto industry, has applications in marine, aerospace, industrial and domestic appliance fields. However, the BHP-Sarich partnership has indicated that it will initially concentrate its efforts on developing a feasible engine for the auto industry.

Statistically, Australia looks like a wide-open market for Canadian-made auto parts and accessories. In 1970 and 1971 exports of these items to Australia totalled \$25 million and \$23 million

respectively. However, in 1972 these exports dropped to around \$12 million.

But it must be realised that most of these figures are inter-company transfers of the three North American car producers, GM, Ford and Chrysler. The figures also include items sold by independent Canadian manufacturers to the Big Three as OEM equipment for use in the production of cars in Australia.

Where a supplier feels that his product could usefully be included in the Big Three range, he should make the initial approach to the appropriate buying office of GM, Ford or Chrysler in Canada rather than Australia. Decisions to incorporate overseas items in locally-produced cars are made in North America. But because of the government's policy of increasing local content, the opportunities for including "foreign" OEM parts in Australian cars are diminishing quickly.

Where prospects for Canadian parts and accessories look good are in the area of safety and pollution control. In keeping with other countries, Australia is becoming increasingly aware of the need to produce safer and cleaner automobiles. Products which fit into either of these categories could find ready acceptance in Australia, either as direct sales or on a manufacturing under licence basis.

For general-use replacement parts and accessories it should be emphasised that Australia has developed a strong industry behind a tariff barrier of around 27½ per cent preferential and between 45 and 55 per cent general. Price is the all important factor.

If you have an auto product that could sell in this market, write to the Trade Commissioner's office in Sydney or Melbourne. A quick on-the-spot assessment will be made for you.

India Where the aid action is

A.T. EYTON, Counsellor (Development and Commercial), New Delhi

The British left India in 1947. Twenty-five years later, India remains the world's largest democracy, still beset with almost insurmountable social and economic problems. Its gross national product is half that of Canada's, and the annual rate of increase is slow. Its population is more than 25 times our 22 million. But progress has been made. The country, given good monsoons, is agriculturally self-sufficient and farmers have adapted easily to "green revolution" farming techniques. Industry, although relatively inefficient by Western standards, produces a wide range of heavy and light machinery and equipment. In fact, it could be argued that

the Indian industrial base is broader than Canada's.

The Third Asian International Trade Fair, which took place in New Delhi during November and December 1972, highlighted India's achievements over 25 years. It was typically Indian in many ways, a most impressive showcase. Approximately 6.5 million persons visited the fair, and of these we estimate 2.7 million toured the Canadian pavilion. Canada was only one of 44 foreign exhibitors, most of whom mounted small informational exhibits in the Hall of Nations. The Canadian pavilion covered 700 square meters; 39 Canadian companies had exhibits inside or in front of

it. Most of the exhibits took the form of graphics and photographs, but 16 companies sent machinery and equipment, or models, to be incorporated, and the principle objective of promoting an industrial image for Canada in India was met.

The theme of the Canadian pavilion was: "India and Canada share common beliefs and ideals. The links are many and strong. They ensure a continuing close relationship in all areas of human endeavour." These words are truer than most people realize. There are, of course, political and social links, but the economic links will be emphasized in the following paragraphs.

The close relationship which India and Canada enjoy at present has to some extent been cemented by the large Canadian development assistance program. In 1971/72, Canada ranked third behind only the U.S. and Britain in terms of gross bilateral aid flows to India. The statistics show that \$393 million was received from the U.S., \$140 million from Britain, \$110 million from Canada, \$100 million from West Germany, \$52 million from Japan, \$47 million from France, and \$22 million from the U.S.S.R. But Canadian aid is extended on the softest terms available to India from any source and hence debt service on Canadian loans does not take a large bite out of gross aid flows as it does on loans from all other major donors. In the 20 years since Canadian assistance was launched, Canada has provided roughly \$1.1 billion of development aid to India.

Where does the money go? First, it should be pointed out that India must use CIDA grants and loans to purchase goods and services from Canada, incorporating in respect of each contract or purchase order at least 66⅔ per cent Canadian content. Second, because there are so many competing aid donors active in India, Canadian companies must quote just as competitively as they do for commercial markets even though CIDA financing may be assured. On one recent project, a Canadian company was quot-

ing against stiff Japanese and Italian competition; each of the three companies had the support of their respective aid agencies. The contract had to be won strictly on the basis of price and fortunately the Canadian company submitted a final bid which was judged to be the lowest.

Although India is as far from Canada as you can go and still remain in the world, the Canadian High Commission in New Delhi receives an average of 20 Canadian business visitors each month. Probably an equal number visit India without touching base with the Canadian High Commission. The Indian Government tells us that over 9,000 Canadians visited India in 1972. A fair proportion of these business visitors and others classified as tourists are here to look for a "piece of the aid action". And India is without question the best place to look.

The active Canadian aid projects and programs involving substantial equipment and material procurement from Canada are:-

- (1) \$50 million (1972/73/74) two-year commodity program for supply of non-ferrous metals, sulphur, asbestos, newsprint and woodpulp, and fertilizers;
- (2) \$13 million (1972/73) food aid program for supply of rapeseed and milkpowder;

(3) \$40 million communications project for supply of telephone cable and microwave;

(4) \$7 million civil aviation package for supply of aerobridges, crash fire tenders, AS radar, non-directional beacons, HF radios, etc.;

(5) \$15 million (over five years) ONGC/Oil India line of credit for purchase of machinery, materials and services required in oil and gas exploration and development;

(6) \$3 million general line of credit for purchase, from Canadian supplier of choice, of machinery, equipment or services by end users in private or public sectors;

(7) \$7.5 million synthetic rubber plants with collaboration from Polymer;

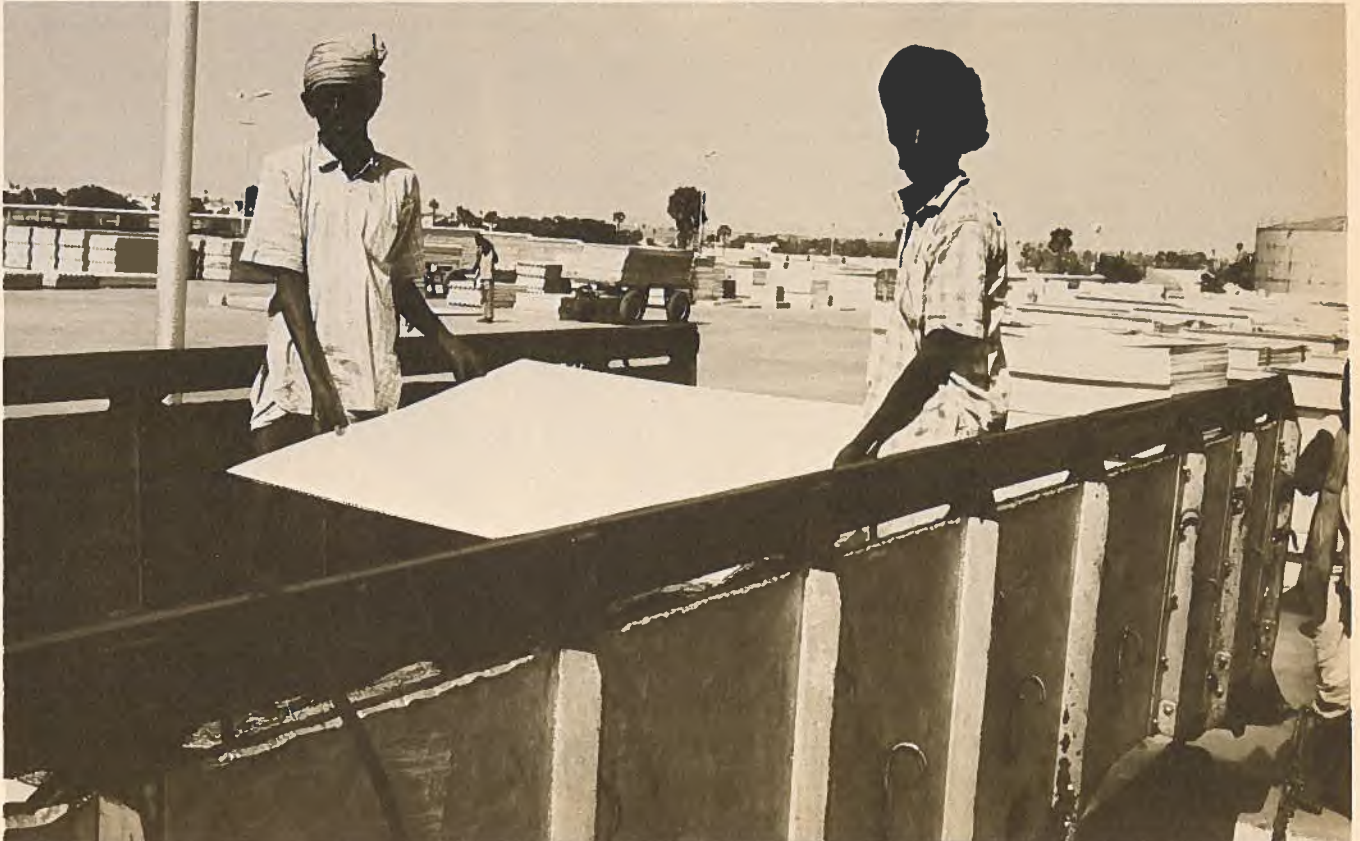
(8) \$2 million satellite earth station with contract awarded to RCA Canada Limited;

(9) \$3.5 million for equipping two fertilizer bulk handling facilities at ports of Kandla and Haldia;

(10) \$10-\$20 million required for hydro generating and distribution equipment at Idikki and Kundah.

Canadian businessmen also come to India to look at World Bank projects. IDA credits to India in 1971/72 amounted to \$412 million. Canadian companies apparently do not obtain much business under IDA/IBRD loans to India, only \$8.6 million in 1971. It seems that most direct imports financed

Asbestos sheets manufactured in Hyderabad with Canadian asbestos.



under an IDA project or program loan are available more cheaply from other sources — ships from Japan, fertilizer plants from Europe and Japan, components and maintenance imports for railways from the U.S., fertilizers from Japan and Europe. Many IDA tenders are won by local suppliers. Increasingly the World Bank is funding local cost programs such as family planning and irrigation projects which provide little or no opportunity for Canadian company participation.

The future of the Canadian bilateral aid program is perhaps more difficult to forecast. Over the short term, annual disbursements will probably be in the \$70 million plus range. Commodity loans and food aid will continue, as will the general and sectoral lines of credit. New projects in the forestry and mining sectors could conceivably be approved for CIDA financing over the next two to four years. A great deal depends on the Indian Government, its industrial and import policies, and its fifth Five Year Plan, now being drafted.

A general goal of this plan (ending in 1979) is to achieve relative self-

sufficiency, which is interpreted to mean zero net concessional aid by 1979. This is indicative of India's attitude towards aid. In fact we appear to be on the verge of a new economic relationship with India, one that will be based on trade as much as aid, and possibly in the longer term aid will disappear altogether.

Even now, our commercially (non-aid) financed trade with India is significant. In 1971 our total exports to India were valued at \$142.4 million. Breaking this down according to financing source, CIDA-financed exports were \$82 million, EDC-financed \$11 million, those financed by IDA/IBRD \$8.6 million, and straight cash sales \$41 million. On a straight cash basis, Canada has a slight imbalance of trade, with India's \$44.6 million of exports to us in 1971.

Canadian cash sales to India consist mainly of newsprint, industrial raw materials, fertilizers and some food commodities. India's exports to Canada include jute fabrics, raw sugar, cashew nuts, tea, rayon fabrics and spices. There will be a substantial increase in Canadian cash sales to India this year as a

result of India's recent purchase of 400,000 metric tons of wheat for immediate delivery, valued at approximately \$40 million. There are good prospects for additional sales for fertilizers, industrial raw materials and rapeseed. Machinery and equipment will be sold, too, but mainly under CIDA or EDC credits. To explain the reasoning behind those statements, it is necessary to note a few peculiarities of the Indian market.

First, 75 per cent of all imports into India are canalized through India Government purchasing organizations, chiefly the state Trading Corporation (newsprint, wood pulp, synthetic rubber, industrial and fine chemicals), Minerals and Metals Trading Corporation (all non-ferrous metals and minerals), and Department of Supply (fertilizers). Second the Indian Government limits imports through a very restrictive import policy revised annually. Basically, machinery, equipment, materials and services can only be imported if acceptable substitutes are not available locally or, if available, not in sufficient quantity to meet priority demands. Third, no consumer goods can be imported. Fourth,



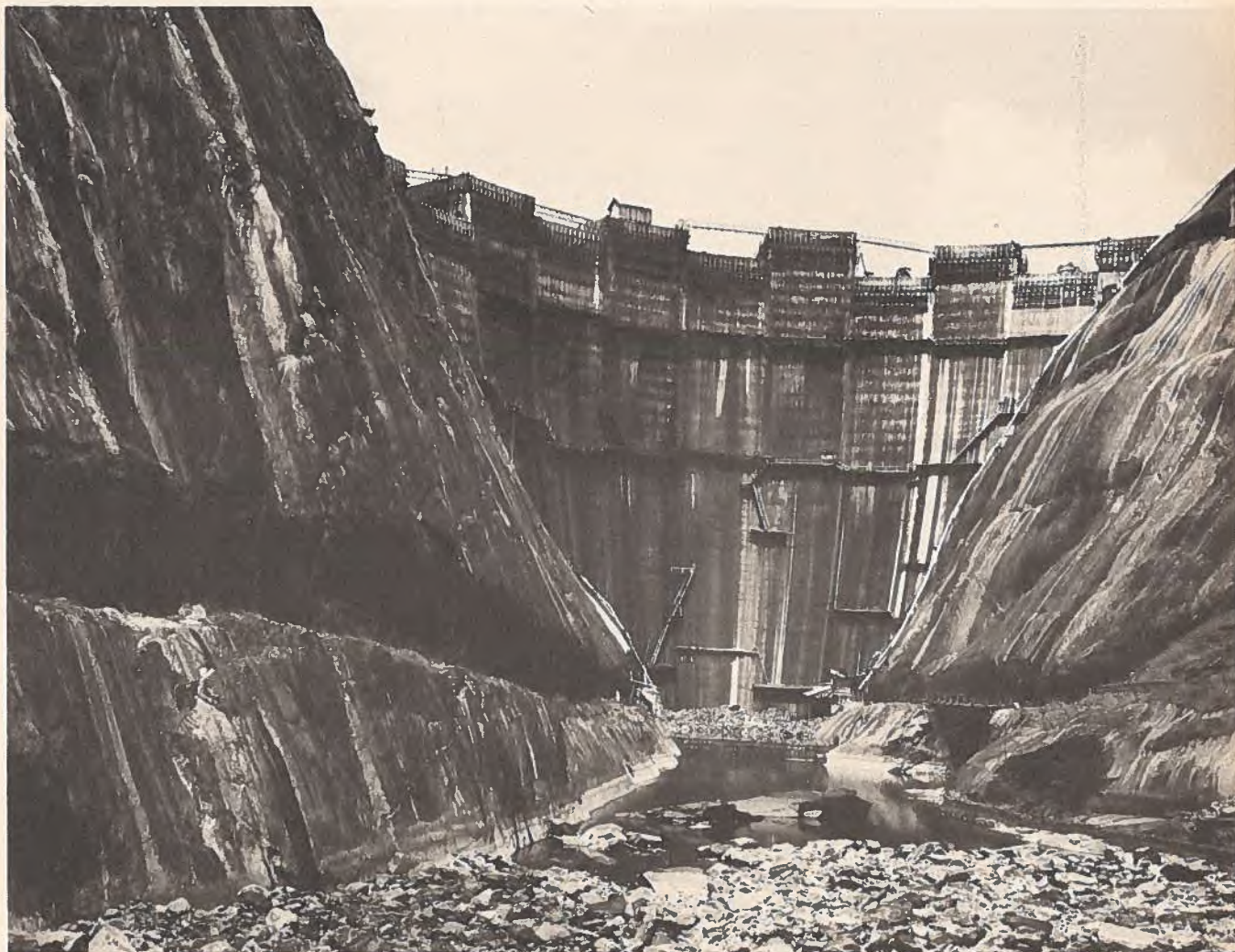
Telephone cable being spliced in New Delhi under a Canadian commodity aid program.

imports of machinery and equipment are largely financed under bilateral or multi-lateral aid loans or grants, or under bilateral rupee trading agreements with socialist countries. Fifth, India expends free foreign exchange mainly for imports of industrial raw materials, fertilizers, food products, and crude oil.

Canadian exporters wishing any additional information on the Indian market or on CIDA/IDA projects or programs should write to the Commercial Section, Canadian High Commission, P.O. Box 5208, Shanki Path, Chanakyapuri, New Delhi 21. Sourcing is no longer confined to Britain as in the days of British rule. Twenty-five years have passed and India has become an important independent world power. European, Japanese and American businessmen are filling New Delhi hotels; they are competing for aid and non-aid financed business; the long-run potential is enormous. To ensure a continuing close economic relationship in the future, Canadian businessmen should be prepared to spend more time and effort on India. CIDA cannot do the selling for you.

WHERE INDIA BUYS

	\$ Million		
	1969-70	1970-71	1971-72
U.S.A.	613	395	542
Britain	134	168	282
Japan	89	111	210
Iran	111	138	164
West Germany	111	142	161
Canada	98	156	147
U.S.S.R.	227	140	106
France	31	28	47
Australia	41	49	38
Italy	53	38	32
Czechoslovakia	30	30	13
Others	552	880	349
TOTAL	2,090	2,275	2,091



Construction work at the Idikki dam in Kerala State. The first power phase at the dam is due in 1975.

Tackling the U.S. Market

In this article, a Trade Officer pulls no punches explaining how some Canadian exporters lose business, or are beaten even before leaving their offices.

JIMMIE GREEN, Commercial Officer, Dallas

Everyone prefers a success story to the other kind. Most businessmen would tell you, however, that they have learned more from their failures than their successes — painful though the process can be. The truly fortunate manufacturer is the one who can profit from the mistakes of his competitor.

Among successful Canadian exporters to the United States (and they are many and notable) can be found certain common denominators, as there are also common denominators among the drop-outs or those enjoying only partial success.

So that our comments would reflect generally the experiences of Canadian trade offices throughout the U.S. rather than one specific area perhaps not typical, we solicited views of all Trade Commissioners concerning shortcomings common to new Canadian exporters. As it happened, geography was seldom a factor.

Specific differences cited between successful exporters and the "also-rans" make up a substantial list, but they can be grouped roughly in three categories — planning, promotion and performance.

The most commonly voiced problems involve lack of planning. Many companies become quickly disenchanted with the United States market, but they might well have succeeded if they had done their homework. Failure to work out landed prices, delivery schedules, volume discounts, agents' commissions, etc., ahead of time places a manufacturer at an immediate disadvantage in a fast, competitive market. The result may convince a small company that the export road is fraught with danger, red tape and disillusionment — when the obstacles are not at all insurmountable. Merely obtaining the necessary informa-

tion from various sources and applying the pencil would enable him to venture forth properly armed. Where assistance is needed in working out special problems, he has only to contact the nearest regional office of the Department of Industry, Trade and Commerce.

Compiling such information for 15 or 20 U.S. points might still seem formidable, but the problem here is not the magnitude of the task, but a flaw in the manufacturer's basic premise — that the U.S. market can be swallowed in one gulp.

All too familiar to the Canadian Trade Commissioner in the U.S. is the "form letter." Even among industry giants, developing new markets is a region-by-region undertaking. Yet it is not uncommon to receive a letter (would you believe a carbon or photocopy?) obviously sent to all U.S. offices from a would-be exporter whose peak production is serving a domestic market of 22 million. The territory of one recipient in the U.S. may exceed the manufacturer's entire domestic market, but his letter indicates that he is eager and ready to take on an extra market of 200 million.

In certain cases, it may be very good judgment to contact a number of trade offices to locate the best potential market. A manufacturer can then zero in with a more effective campaign. Where this is the objective, however, it should be so stated. When five or six offices succeed in generating interest among buyers, distributors or representatives who request samples and additional information which is not forthcoming, the next approach on behalf of a Canadian manufacturer is taken less seriously.

One of the most valuable tools for both planning and promotion open to the Canadian exporter to the U.S. is the national trade show. As a show visitor, the manufacturer has an opportunity to

shop his competition, talk with other manufacturers, distributors, dealers — persons in all segments of the industry. If the show is held in an area in which he wishes to market, he can survey first hand the distribution system there. Should his research reveal necessary production changes, price or design disadvantages, merchandising methods different from those anticipated, he's learned a great deal without showing his hand, and he has no false starts to live down once he enters the market actively.

The successful salesman retracts his antennae only in the privacy of the shower.

Assuming that his product is competitive in price and quality, with a little luck that manufacturer may exhibit for the first time the following year with a couple of reps already lined up who can bring to his booth a following of prospective customers.

Once in the show, let's hope he leaves his native Canadian reserve at home. He's in a competitive league now, peopled with players who miss few sales opportunities. The successful salesman retracts his antennae only in the privacy of the shower. He gleans useful information from the most casual encounter. He gets acquainted with personnel from companies useful to him at trade shows, makes every hospitality suite he can, frequents the bar and restaurant at the hotels "where the action is," and, in general, loses no opportunity (however boring some may be) to widen his business contacts.

Product exposure is only part of trade show participation. Too often, because of too few personnel on hand, the Canadian manufacturer is tied to his booth, and too many Canadian exhibitors leave the show knowing other exhibitors better but having added precious little in knowledge of the market generally or having identified friends and foes in the trade.

Selling has many facets, some difficult to define. But underlying many of the examples and anecdotes furnished by contributors to our survey was a certain naivety or lack of awareness on the part of the Canadian exporter concerning sales opportunities. One Trade Commissioner, in support of a company ostensibly seeking to develop his market area, frequently presented a complimentary portion of the manufacturer's product to persons expressing interest. Each time such a presentation was made, the Canadian company was furnished the name and address of the recipient. No follow-up was ever made by the company and when the point was raised with the sales manager, the reaction was one of surprise that the Trade Commissioner thought there should have been a follow-up.

Another manufacturer of equipment, who would have potential customers in any large concentration of establishments almost anywhere in the U.S., visited this same area. Before keeping specific appointments made for him with prospective agents, it was suggested that it might be useful to get a first-hand reaction by canvassing local establishments near the Consulate. This was acclaimed as a "great idea" but "how then would he get in touch with the owner or manager of the establishment if he turned up a prospect?" It had apparently not occurred to him to ask the employee on duty.

Extreme examples? Unfortunately, not.

The manner in which Canadian com-

panies pursue leads is often disappointing — sometimes incredible. A serious exporter receiving a business lead telephones the prospect whenever possible, and follows the call with a bright, informative letter. The not-likely-to-succeed exporter writes a dull, unconvincing letter weeks after he receives the lead.

If you can't write a sales letter (brilliant inventor and production man though you may be), hire an extrovert who can! It's an opportunity to sell your company, your product or service and provide a prospect with information on prices, delivery, successes in other markets — whatever is necessary to convince him that your company and product can meet his needs better than company "Y" and brand "X."

The manner in which Canadian companies pursue leads is often disappointing — sometimes incredible.

But only after some soul-searching about your intention to perform should such a sales letter be written. Without PERFORMANCE, the most effective planning and promotion is wasted. Unless a manufacturer is serious about exporting, whether business is good or bad in Canada . . . unless he's prepared to service his accounts, either with his own salesman or a representative (with management also putting in an occasional appearance) . . . unless he intends to support his agents with promotional material, product exposure, ethical price and discount practices,

product innovation; . . . unless he intends to DELIVER . . . then his reply to a prospect should begin "We appreciate your interest in our product . . . BUT . . ."

And in just as polite but firm a manner should he resist the arm-twisting of others who would lure him to the export market — whether prospective agent, government department or industry association.

We recognize that in certain industries it is common practice to accept orders which have little prospect of delivery, either because of over-commitment of production or because of assignment of higher priority to late orders received from domestic customers or volume export customers. Our purpose here is not to discuss business ethics, but we do question the long-term profitability of such practices.

Our nationwide survey by no means turned up criticism only. Numerous profiles of winners were forthcoming. Companies were cited where management make frequent visits, meticulously keep appointments, fully exploit business-social opportunities, render an extra measure of service, offer suggestions which increase a customer's profits, and deliver as promised. In other words, plan, promote and perform.

Small company management can't always be, or hire, marketing "pros" but they can be professional in their approach and presentation. Dozens of excellent books have been written on salesmanship and on those who ply the trade with ingenuity, imagination and enthusiasm. It wouldn't hurt to read one.

And 13 Canadian trade offices throughout the United States are staffed with personnel whose daily responsibility is to ferret out prospects, develop promotional ideas and cultivate business contacts useful to Canadian manufacturers. How many of these offices have you contacted?

Assistant Trade Commissioners Posted

The 15 members of the 1972-73 group of Assistant Trade Commissioners, who have completed their training course including tours of Canadian industry, have now received their postings. They will leave Canada to take up their assignments this spring and early summer.



David Brown
Assistant Commercial Secretary, Buenos Aires, Argentina.

Born in Cowansville, Québec; graduated Sir George Williams University, B.A. 1969 (Economic Geography)



Joseph Caron
(Posting Pending)

Born in Windsor, Ontario; graduated University of Ottawa, B.A. 1970 (Political Science)



Anne Charles
Assistant Commercial Secretary, Sydney, Australia.

Born in Victoria, B.C.; graduated University of Toronto, B.A. 1967 (English); M.A. 1969 (Political Science)



Tom Cullen
Assistant Commercial Secretary, Caracas, Venezuela.

Born in St. Paul, Minnesota; graduated College of St. Thomas, B.A. 1961 (Arts); 4 years theological studies in Southern California and Alberta. Ordained 1965, Vancouver, B.C.; graduated Simon Fraser University, M.A. 1971 (Economic History)



Claude Fontaine
Vice Consul and Assistant Trade Commissioner, San Francisco, California.

Born in Saints-Anges, Québec; graduated Laval University, B.A. 1972 (Electrical Engineering)



Rodney Johnson
Assistant Commercial Secretary, Wellington, New Zealand.

Born in Red Deer, Alberta; graduated University of Alberta, B.Sc. 1969 (Agriculture)



Richard Kohler
Assistant Commercial Secretary, Paris, France.

Born in Ottawa, Ontario; graduated Carleton University, B.A. 1970 (English Literature)



Gregory Kostyrsky
Vice Consul and Assistant Trade Commissioner, New York City, N.Y.

Born in Kitchener, Ontario; graduated McGill University, B.Sc. 1967 (Mathematics); University of London, M.Sc. 1970 (Economics)



Kathryn McCallion
Assistant Commercial Secretary, Mexico City, Mexico.

Born in Toronto, Ontario; graduated University of Waterloo, B.A. 1972 (Political Science)



Gordon McGregor
Assistant Trade Commissioner, Johannesburg, South Africa.

Born in Glasgow, Scotland; graduated University of Manitoba, B.Sc. 1969 (Honours Botany); completed course and research work for his Ph.D. in Plant Pathology at the University of Manitoba.



John Pearce
Temporary Duty in Kinshasa until mid-summer
Assistant Commercial Secretary, Djakarta, Indonesia.

Born in Kimberley, B.C.; graduated Queen's University, B.A. 1967 (Political Science)



Gilbert Rock
Vice Consul and Assistant Trade Commissioner, Seattle, Washington.

Born in Montreal, Québec; graduated l'école des Hautes Commerciales, B.A. 1972 (Business Administration)



Gary Scott
Assistant Commercial Secretary, Nairobi, Kenya.

Born in Montreal, Québec; graduated Carleton University, B.Comm. 1967 (Economics); McArthur College of Education, 1968 Teacher's Certificate; graduated University of Alberta, M.B.A. 1972 (Marketing)



Nancy Stiles
Assistant Commercial Secretary, The Hague, Netherlands.

Born in Toronto, Ontario; graduated Queen's University, B.A. 1972 (Honours Economics)



Peter Zalite
Assistant Commercial Secretary, Ankara, Turkey.

Born in Riga, Latvia; attended University of Michigan, diploma in Small Craft Design; graduated McGill University, B.Eng. 1969 (Electrical Engineering and Industrial Marketing in Market Research) graduated University of B.C., M.B.A. 1972 (International Business).

TRADE LINES

Geological engineering congress

Canadian geological and geophysical equipment and service companies have been invited by the Associacao Brasileira de Geologia de Engenharia, Caixa Postal 7141, Sao Paulo, Brazil, to participate in and attend the Second International Congress of Geological Engineering to be held in August 1974, in Sao Paulo. The Congress will include an exhibition of equipment and instrumentation related to geology — Sao Paulo.

Iraq plans ahead

The Iraqi Ministry of Planning is preparing a new Five Year (1975-1979) Plan. The current development plan, initiated in April 1970, anticipated an average annual growth of 6-8 per cent in gross domestic product over the five years 1970-74. A total investment of \$3.2 billion was projected but a cutback in project development may reduce this figure by 10 per cent or more — Beirut.

New cement plant in Dubai

A new cement plant in the Arabian Gulf is expected to go on stream during the second half of 1975. A contract has recently been signed between the National Cement Company of Dubai and Costain Civil Engineering of Britain for the design and construction of a 500,000 ton a year plant — Beirut.

Morocco increases phosphates production

Moroccan phosphates production rose from 12 million tons in 1971 to 16.6 million tons in 1972, of which 14.2 million tons were exported and approximately 600,000 tons sold locally. Production target for 1973 is 18.5 million tons, with exports rising to 16.5 million tons — Madrid.

Beirut grain elevator expansion planned

The Cereals and Sugar Beet Office of the Lebanese Ministry of Economy is plan-

ning to extend the capacity of its Port of Beirut elevator from 105,000 metric tons to 125,000 metric tons. This extension is budgeted at about \$1.2 million. The present facility is a product of Danish design, Czechoslovak oil engineering and Swiss equipment — Beirut.

New pulp mill for Spain

A pulp mill is to be built in Merida, W. Spain, by Compania Papelera de Leiza, of the Sarrio group. Annual production capacity will be 100,000 tons and investments in the new mill will total more than \$30.8 million. Most of the lumber to be used will come from the eucalyptus forests of the region, which cover an area of more than 148,000 acres (60,000 hectares). The new mill will provide employment for about 1,800 people — Madrid.

Singapore gets help to buy 747s

The U.S. Export-Import Bank will lend Singapore U.S.\$68 million to buy two Boeing 747 aircraft, spare parts and related equipment. The bank authorized a direct loan of \$28.9 million to finance 42.5 per cent of the U.S. costs and a financial guarantee of another \$28.9 million. The loans are to be repaid in 20 semi-annual instalments beginning in February 1974 at 6 per cent interest on outstanding balances. The aircraft will be delivered in August and September — Singapore.

Spanish shipyards kept busy

Spanish yards last year delivered a total of 169 ships (1.1 million gross registered tons), a 25 per cent increase over the 1971 figure. Of these, 51 ships, valued at over \$180 million, were exported to a long list of countries including West Germany, Britain, Sweden, Norway, France, Italy, Netherlands and Denmark (all of these large shipbuilding countries) and, for the first time, to India, Iceland and Turkey. As a result of deliveries made in Spain, the Spanish merchant fleet increased its tonnage by 17 per cent

to over four million grt and petrol tanker tonnage rose by 24 per cent to over two million — Madrid.

Hot rolled coils for Argentina

SOMISA (Sociedad Mixta Siderurgia Argentina), the state steel works, is planning to purchase approximately a million tons of hot rolled coils this year. Probably 500,000 tons of this will be purchased from Japan. The company will soon be tendering for international bids to cover the remaining tonnage — Buenos Aires.

Argentina gets Indian expertise

ALCALIS de La Patagonia S.A., an Argentine capital venture, with technical knowhow provided by TATA Chemicals of India, has been awarded a franchise by the Government to construct a plant for the production of sodium carbonate under the "Solvay" system in San Antonio Oeste, Province of Rio Negro. Annual productive capacity will be 200,000 tons, which is expected to cover domestic demand and replace some \$12 million a year in imports — Buenos Aires.

Sierra Grande contracts awarded

HIPASAM, the Argentine State Corporation entrusted with developing the Sierra Grande iron ore mines of southern Argentina, has awarded all contracts for the iron ore processing and shipping facilities. The concentrator plant contract was awarded to a consortium formed by Mitsui of Japan and Sala of Sweden. The contract for the two million tons a year pelletizing plant was awarded to Wright Engineers of Vancouver and Vialco of Argentina, with EDC financing. The Inter-American Development Bank has provided a further loan to finance a 15-mile ferro-pipeline, awarded to Bechtel of the U.S., and the port loading and storage facilities, awarded to Hochtief and Krupp of Germany — Buenos Aires.

Canadian cattle breeders visit

Yes, this is Cuba, and the name of the gentleman on the left is Castro, but it is Ramon, not Fidel. Ramon is the older brother of Fidel and heads a large agricultural project in the Valle de la Picadura. The other gentleman is Marvello Curbrero, who is the project's group director. They are receiving badges from two of the group of 29 Canadian Holstein breeders, government and university officials and their wives who were invited down by the Cuban Government recently to inspect the progress being made in Cuba's cattle breeding industry. Canada has been one of the major suppliers to this industry. In 1970, the peak year, Canadian breeders supplied 7,828 purebred cattle for a value of \$2,548,000. Numbers have dropped since then; last year, for instance, Cuba received 3,062 Canadian cattle, for a value of \$1,848,940.



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