March

Canada Commerce

1974

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Canada Commerce

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In This Issue

Who sells Canada's wheat? And how do they sell it — wait until some buyer comes knocking at the door of the grainery? Selling, as presumably the readers of this magazine know, is an art, one that requires a great deal of expertise and hard work. Selling grain is no exception, but it may surprise our readers to know how Canada goes about it.

Cereal grains and their products are some of the basics for human life, but the degree of acceptance by international experts of the program offered by the Grains Institute shows that most of them still feel they have a lot to learn about how to market, handle, store, transport and even use this commodity. Our lead story this month gives some idea of what this country is doing to promote one of its main export items.

Another way to promote exports, of course, is by showing products abroad at international trade fairs. Last November we published a list of the trade fairs that Canada will be participating in this coming fiscal year and among them is the Algiers International Fair. This is of particular importance to those firms that have a French-speaking capacity, as Pierre Gosselin, Commercial Secretary at the Canadian Embassy in Algiers, points out in an interview carried on page 16. This fair could be your doorway into the French-speaking markets of Africa.

As for Algeria itself, the Canadian businessman does not have a whole series of potential customers to deal with — the country buys through state trading companies. The seller, therefore, deals only with the one buying customer, which could mean a considerable saving of time and energy. And Algeria is an upcoming market, one in which Canadians have several distinct advantages over their competitors.

COVER: The Sydney Opera House, moments before it was officially opened by the Queen. The Canadian trade mission to the South Pacific (see page 8) was lucky enough to be there for the event.

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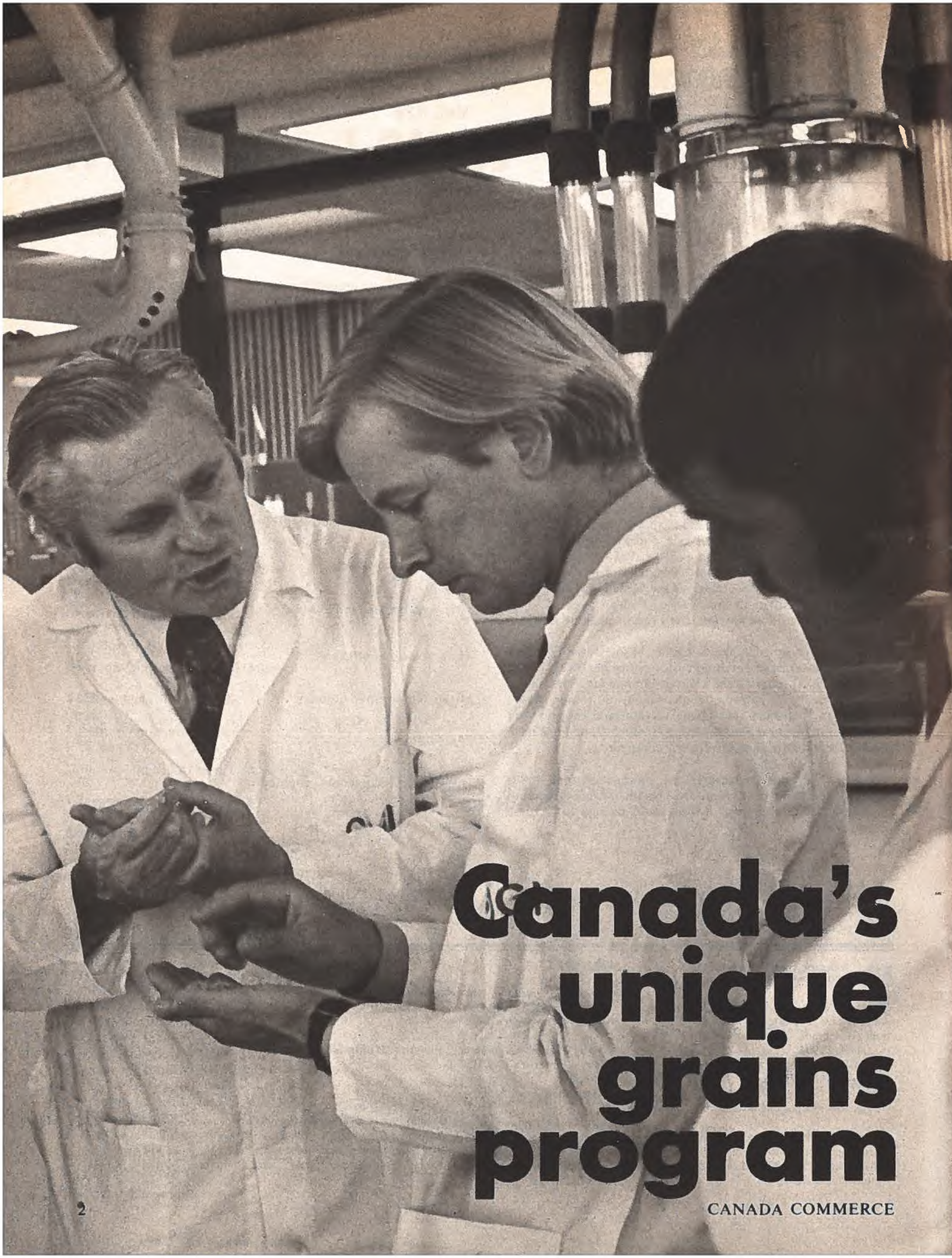


Canada's unique grains program

D.G. STEPHENS, Special Projects, Canadian International Grains Institute

The Canadian International Grains Institute has successfully completed its first international instructional program as part of the Federal Government's strategy to maintain and enlarge markets at home and abroad for Canadian grains, oilseeds and their products.

Thirty two grain industry executives came to Winnipeg to attend the Institute's five-week course from September 17 to October 19 last year. Instruction was given in grain marketing, technology, handling, storage and transportation. Participants were from Britain, Japan, West Germany, Norway, Peru, Brazil, and the European Economic Community Commission, as well as Canada. Each foreign participant was responsible directly or indirectly for grain purchases in his own country.

Canadian participants came from Federal Government departments and agencies, the grain industry and Provincial Governments. In addition to Institute staff, 54 resource lecturers took part in the program, including seven from the United States and one each from Australia, Japan and the Netherlands.

As well as participating in 67 different lecture presentations, participants also were involved in an extensive tour program. They visited a grain farm, country elevator, terminal elevator, harbour, railway yards, feed mill, oilseed processing plant, the Winnipeg Commodity Exchange, the Canadian Wheat Board, Canadian Grain Commission, Agriculture Canada's Winnipeg Research Station, and the University of Manitoba. There was also a leisurely day in the Rocky Mountains.

The Institute's concept evolved from a need recognized by the Wheat Board, the Grain Commission, the Department of Industry, Trade and Commerce and Agriculture Canada to have in this country an international instructional facility capable of offering programs in grain technology, marketing, handling and transportation. As no such facility existed anywhere else in the world, it was believed that, if it could be created in Canada, long-term advantages would be obtained.

For several years both the Wheat Board and the Grain Commission had had special programs to help potential and existing buyers of Canadian grain to become more knowledgeable about Canada's grain industry. Missions were organized and potential buyers brought to Canada by the Wheat Board. In addition, the Grain Commission brought foreign scientists here for extensive training in the Commission's laboratories. Although limited in scope, these programs were exceptionally well received. Because of this success the Wheat Board and the Grain Commission recommended that the concept be enlarged and broadened through the creation of a Canadian International Grains Institute.

The Department of Industry, Trade and Commerce agreed to pay all capital costs in financing 60 per cent of the Institute's operating costs. The Canadian Wheat Board assumed responsibility for the remaining 40 per cent of operating costs. On September 15, 1972, the Institute was incorporated under the Canada Corporations Act with a five-member Board of Directors composed of a commissioner and a senior officer from the Wheat Board and the Grain Commission and a senior officer from the Department of Industry, Trade and Commerce.

In April 1973 the Institute moved into two floors of the new Canadian Grain Commission Building in Winnipeg. Its facilities include two classrooms, conference rooms, library, laboratories, analogue feed formulation computer, pilot bakery and pilot flour mill.

The classrooms have a complete range of teaching aids, including closed circuit television. A three-language simultaneous interpretation system (SIS) enables program material to be translated simultaneously into three languages in addition to the source language. The four seminar rooms allow wide flexibility in program presentation ranging from formal lectures to round-table discussions.

The four laboratories are designed to simulate well-equipped industrial quality-control laboratories in the areas of experimental milling, flour and dough testing, analytical cereal chemistry and oilseed analysis.

The commercial flour mill, with a capacity of nine tons a day, and the pilot bakery which uses commercial mixers, moulders, proofers and oven are used to demonstrate principles in modern milling and baking techniques.

The Institute has a staff of 14 including an executive director, director of marketing, director of technology, special projects officer, assistant communications officer, and technologists in milling, analysis, cereals, baking and oilseeds, in addition to support staff.

The Institute draws heavily on senior members of the international grain trade for program material for major courses: the last international course had 54 guest lecturers. This practice minimizes Institute staff requirements and emphasizes the practical commercial orientation. In fact, the Institute's directors and principal technologists come from essentially commercial and industrial environments, and field trips to relevant commercial installations are an important part of the course programs.

Instructional programs vary in length from one to five weeks. The 1974 calendar includes a two-week farm leaders' course, a two-week agricultural journalist program in April, a four-week international course in May/June, a special three-week foreign course in August and a four-week international course in September/October.

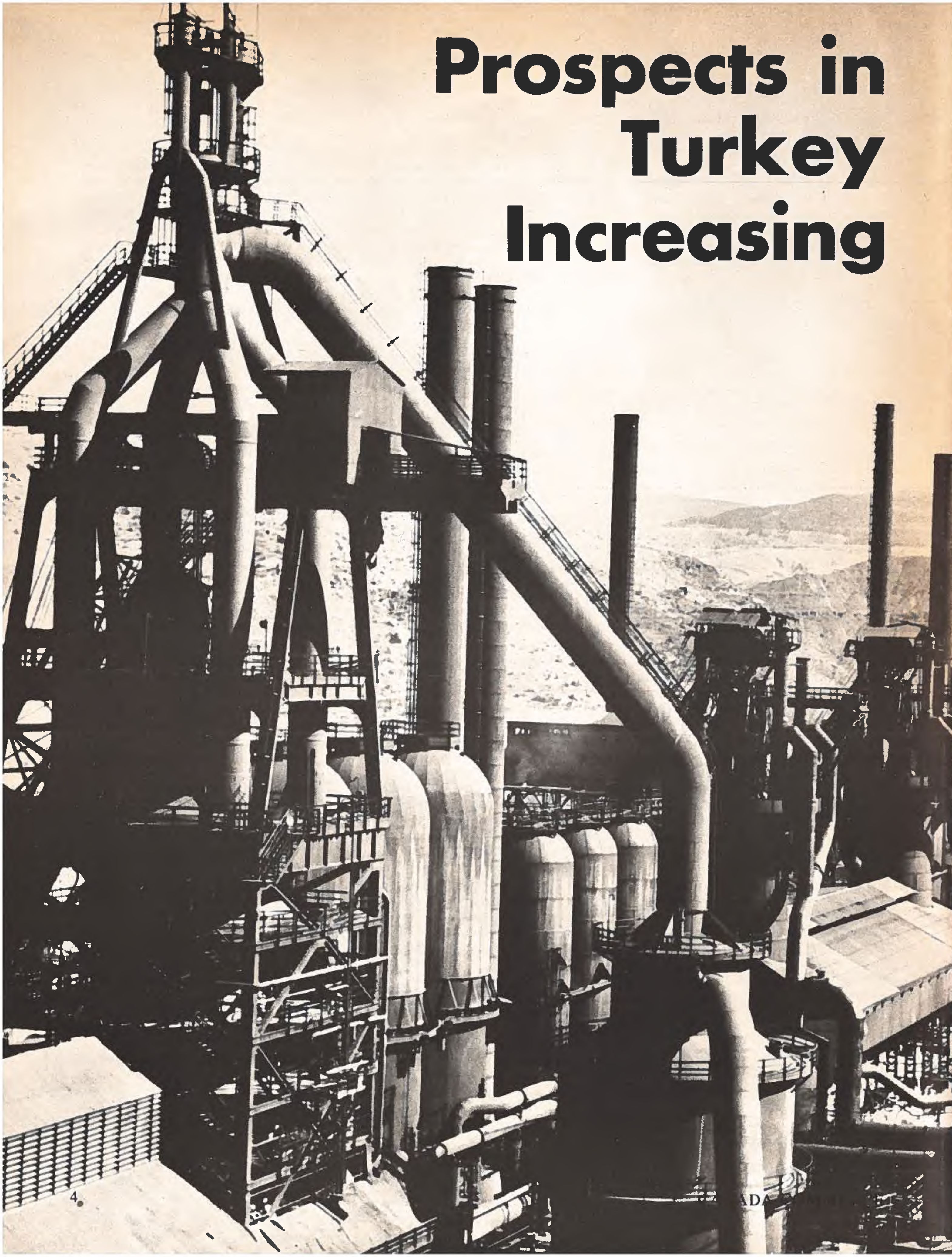
As the maximum number of participants in any course is 32, demand for vacancies exceeds supply. Foreign participants are selected on the basis of the individual's position of influence on grain purchases. The actual selection is made by the Department of Industry, Trade and Commerce and the Wheat Board, in conjunction with the Institute.

There is a waiting list of about 20 potential overseas participants and an extended list of countries wishing to send representatives. It is obvious that it will take some time to get around to everyone and, generally, priority will be given to Canada's traditional customers.

In addition to conducting instructional programs, the Institute is involved in a technical support role to the Wheat Board, the Department of Industry, Trade and Commerce and the Grain Commission. The commercial processing facilities are used to test Canadian grain and oilseeds intended for world markets. Also, Institute personnel accompany Wheat Board and Grain Commission missions abroad to help buyers in properly using Canadian grains and oilseeds.

The Canadian International Grains Institute is a unique concept in market development — the success of its early programs augurs well for continued success. □

Prospects in Turkey Increasing



The Karabuk Iron and Steel factory on the Black Sea was Turkey's only steel mill until 1965.

D.I. CAMPBELL, Counsellor (Commercial), Canadian Embassy, Ankara

Late in 1973, Turkey celebrated 50 years of independence. This symbolic occasion was marked by the opening of a suspension bridge at Istanbul linking Asia and Europe for the first time. Significantly, those 50 years have seen the development of a democratic society and the beginnings of an industrial base. While the October 1973 elections did not see any party achieve a majority, this election was carried out democratically, and peacefully witnessed the end of the military intervention which had begun in 1971.

Turkey plans to spend the next 20 years developing towards full integration with the European Economic Community. Fuelling this drive is the country's unprecedented reserve of $2 billion in foreign currency, a sum that hardly could have been envisaged even a few years ago.

Although the Turkish economy is not without its weaknesses — there is relatively high unemployment and the inflation rate is equal to that of many Western countries — the foundations of significant future growth are here, including a skilled business community and an experienced public service. There are intensive efforts to stimulate investment, which in 1972 improved by 18 per cent over the previous year. It is estimated that the growth of the gross national product in real terms amounted to about 8.4 per cent.

The balance of payments is expected to continue in a strong position, partly because of increased exports that include cotton, tobacco, hazel nuts, raisins and other agricultural products, as well as continued growth of remittances from the estimated 1.5 million Turkish workers in Europe. In 1973 the Turkish lira was fixed against the U.S. dollar at 14 to 1. With the revaluation of European currencies, both U.S. and Canadian exports have become more competitive in this country and remittances sent back by workers abroad to their families have increased in Turkish lira value.

Traditionally, European countries have been counted as the strongest business competitors in Turkey, partly because of long-standing political and other interests in the area, and because of the proximity of these suppliers. More than 60 per cent of Turkey's imports are divided among European sources, whereas Canada and the United States have supplied only 12 per cent. Normally, Canadian suppliers with good products are able to compete on terms equal to those of their U.S. counterparts. Competition with the Europeans may be more intensive as Turkish trade barriers are gradually dismantled over the next 20 years preparatory to full association with the European Economic Community.

It is estimated that Turkey's 1973 imports will amount to between $1.65 billion and $1.85 billion. Most of these imports have been earmarked for investment goods and raw materials and only a small amount — $100 million — is available for consumer goods. It is anticipated that Turkey will have a trade imbalance of more than $800 million but that this will be offset by remittances from Turkish workers abroad.

Substantial sums have been offered for investment projects from such organizations as the World Bank (IBRD) and the European Investment Bank, and foreign credits are available from many nations, including Canada. Foreign investment in Turkey is not expected to be a significant factor in increasing foreign exchange holdings because many potential investors are discouraged by the complexities of setting up operations here.

Turkish-Canadian trade — Traditionally there has been a significant imbalance in trade between Canada and Turkey because of the nature of manufacturing industries in each country. For example, Canada's exports to Turkey in 1972 were worth $12.6 million, but Turkey's exports to Canada that year were worth only $2.8 million. For the first eight months of last year, the figures were $10.8 million and $2.2 million. Turkish products coming into Canada include wines, finished leather and suede, colemanite (used in steel mills) and raisins.

Canadian exports to Turkey have varied from year to year. In 1971 wheat shipments were valued at almost $7 million and road graders at almost $4 million, bringing the total up to about $27 million. The wheat represented a grant from the Canadian International Development Agency and the sale of the road graders (312 units) was on a long-term credit basis with funds supplied by the Export Development Corporation.

Telephone apparatus and equipment continue to be important items in the export total with this equipment being sent from Northern Electric in Montreal for assembly at a subsidiary in Istanbul which is owned jointly with the Turkish PTT. Many of our exports to Turkey are raw materials such as wood pulp, asbestos and aluminum.

Canada has participated since 1971 in the month-long, annual international fair at Izmir and this has enabled a number of Canadian suppliers of smaller manufactured goods to make their initial penetration of the Turkish market.

There were only five Canadian firms in the 1971 fair but last year 21 took part — all of them able to take advantage of the special foreign currency allocation set aside for the fair. The country quota established for Canada last year was $625,000 but it is hoped the amount will be increased for this year's fair. It is estimated that Canadian firms made sales worth a total of $1.4 million as the result of their involvement in the Izmir fair.

Canadian firms may participate in the fair if the product they manufacture is placed on the quota list by the Turkish Government, and if Canadian Embassy officials are able to negotiate Canada's import allocation. There is no cost to the Canadian exhibitors except, of course, the charges for shipping display items to Izmir. It is expected that Canada will participate in 1974 and that shipping problems will be substantially reduced by the use of a freight consolidator in Canada. Contact either the Commercial Division of the Canadian Embassy in Ankara or the Fairs and Missions Branch of the Department of Industry, Trade and Commerce in Ottawa for more information.

Export statistics do not indicate the scope of Canadian activity and the following are examples of what some Canadian organizations are doing in Turkey.

- A Canadian consultant has been selected by the state-owned pulp and paper industry to do detailed engineering and consulting for the $60 million Antalya pulp and paper complex. The value of this engineering assistance should amount to about $11 million. The project is financed by the World Bank and the European Investment Bank.

• Surveyer, Nenniger & Chenevert has been selected by a Turkish firm to prepare feasibility studies and to supervise engineering and construction, on a turn-key basis, of a $42 million lead/zinc refinery. The foreign content of this project is valued at about $21 million and funds have been provided by the Export Development Corporation to cover the major part of the requirements which have been ordered from many Canadian suppliers.

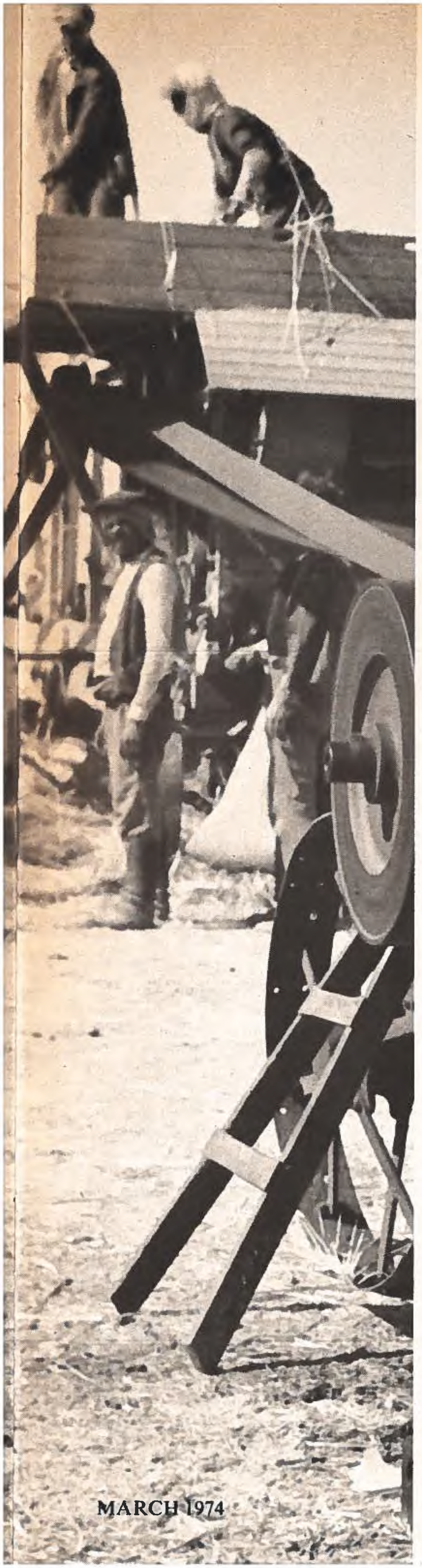
• In early 1973 a contract was concluded whereby the second phase of the Northern Electric/PTT telecommunications factory in Turkey would receive financing. Funds totalling $36 million have been provided through a joint Export Development Corporation/Canadian International Development Agency credit. Plans are being made for a substantial expansion in this operation to meet the heavy demand for telecommunications equipment.

• A Canadian firm has been selected by the Ministry of Forestry to prepare feasibility studies on woodlands management and woodlands supplies for a number of new pulp and paper complexes that are under consideration.

• A Canadian consultant has just completed a study for the Director General of Civil Aviation on the feasibility and desirability of establishing a feeder airline system in Turkey.

• Canadian Pacific Consulting Services have been selected by the state-owned Railways Department to study a number of aspects of railway operations to determine the best way to modernize the Turkish railways under a $42 million World Bank credit.

These are just a few of the projects that are taking place in Turkey but they do indicate the potential for Canadians. Other prospects include the construction of a 600 MW nuclear reactor for which a supervisory consultant will be needed; scientific control and measurement equipment, sophisticated electronic medical equipment and other medical equipment; airport expansion projects calling for electronic aircraft control equipment; small commercial aircraft;



Threshing scene on a Turkish farm.

various types of power generating equipment; construction, mining, processing and drilling equipment, and forestry equipment.

With $2 billion in foreign exchange reserves, the relaxation of foreign exchange control procedures and a growing demand for manufactured products, Turkey offers an attractive market for many Canadian suppliers. The Commercial Division of the Canadian Embassy here in Ankara would be happy to give you preliminary market studies for your products if you let us have information about them.

The rapid turnaround in economic prospects in the past three years has not been fully explained to the Canadian export community and Canadian exporters should probably review the level of support they are receiving from their representatives in Turkey. Is it active or passive? Perhaps changes are necessary to secure better access to a market that is, in many ways, complementary to Canadian capabilities. Visits by Canadian representatives should certainly be more frequent and we would be glad to help make arrangements. Contact the Commercial Division of the Canadian Embassy, 75 Nenehatun Caddesi, Gazi Osman Pasa, Ankara, Turkey. ◻

MAIN CANADIAN EXPORTS TO TURKEY

	1971	1972
	$'000	
Wheat	6,995	–
Aluminum	6,428	3,905
Telephone apparatus, etc.	3,863	2,711
Metals	1,204	1,383
Hides and Skins	954	1,032
Asbestos	1,039	847
Electronic equipment	236	692
Machinery	144	480
Wood pulp	1,371	292
Motor vehicles and parts	202	469
Road graders	3,829	–
Others	717	557

	Jan-Aug 1972	Jan-Aug 1973
	$'000	
Aluminum	2,556	3,190
Telephone apparatus	1,503	2,782
Wood pulp	292	925
Pulpwood	–	856
Hides and skins	849	779
Asbestos	503	952
Milk powder — skim	–	326
Others	2,346	1,008

(Source: Statistics Canada)

Mission Identifies Markets

K.E. ROESKE, Pacific Division, Pacific, Asia and Africa Bureau

A temporary return to summer weather was a welcome experience for a group of Canadian industry and government representatives who journeyed "down under" last October and November. The Canadian Trade Development Mission to the South Pacific, sponsored by the Department of Industry, Trade and Commerce, visited Australia, New Zealand and Fiji, travelling about 22,000 miles and visiting six cities.

Led by James F. Grandy, Deputy Minister of the Department, mission members included 13 senior Canadian businessmen representing various industry sectors including forest products, textiles, chemicals, machinery, medical equipment and engineering services. The timing of the mission was particularly appropriate because of recent actions taken by all three countries visited to overcome uncertainties and problems caused partly by Britain's accession to the EEC, and because of recent increased interest shown by these countries in trading with Canada.

Over the past few decades, Canada's bilateral trade relations with countries in the South Pacific have become increasingly significant. The volume and quality of the trade place Australia and New Zealand among the most important customers of Canadian goods and services: more than 80 per cent of our exports to these markets have been of processed or fully manufactured products. The combined size of the import market of these three countries is about $7 billion.

A large proportion of Canada's two-way trade with Australia and New Zealand receives preferential tariff treatment. Canada has traditionally exchanged such treatment with both countries, as it did with Fiji until the beginning of this year, when Fiji introduced a new single column tariff. The basis for this exchange had been Canada's bilateral trade agreements with these countries, as well as each country's respective trade agreements with Britain. British accession to the EEC left the future of some of these tariff preferences uncertain.

Because of this, Canada had a series of trade discussions with both Australia and New Zealand which culminated in new arrangements to preserve, to the maximum extent possible, those preferences which were exchanged through our agreements with Britain. An agreement to this effect was signed with New Zealand in July last year and a similar agreement with Australia in October.

Moreover, the Government of New Zealand has initiated a complete tariff restructuring which will provide, in general, a gradual merging of the British preferential and Most Favoured Nation (MFN) tariff rates over a period of three years ending in July 1977. This tariff restructuring will take into account New Zealand's preferential obligations to both Australia and Canada. No definite decision has been made yet by the Australian Government, but some steps have been taken to phase out preferences to British goods entering Australia and it is anticipated that all preferences for British goods will gradually disappear. The continuation of preferences for Canada and removal of preferences from British goods is expected to enhance Canada's competitive position in both these markets.

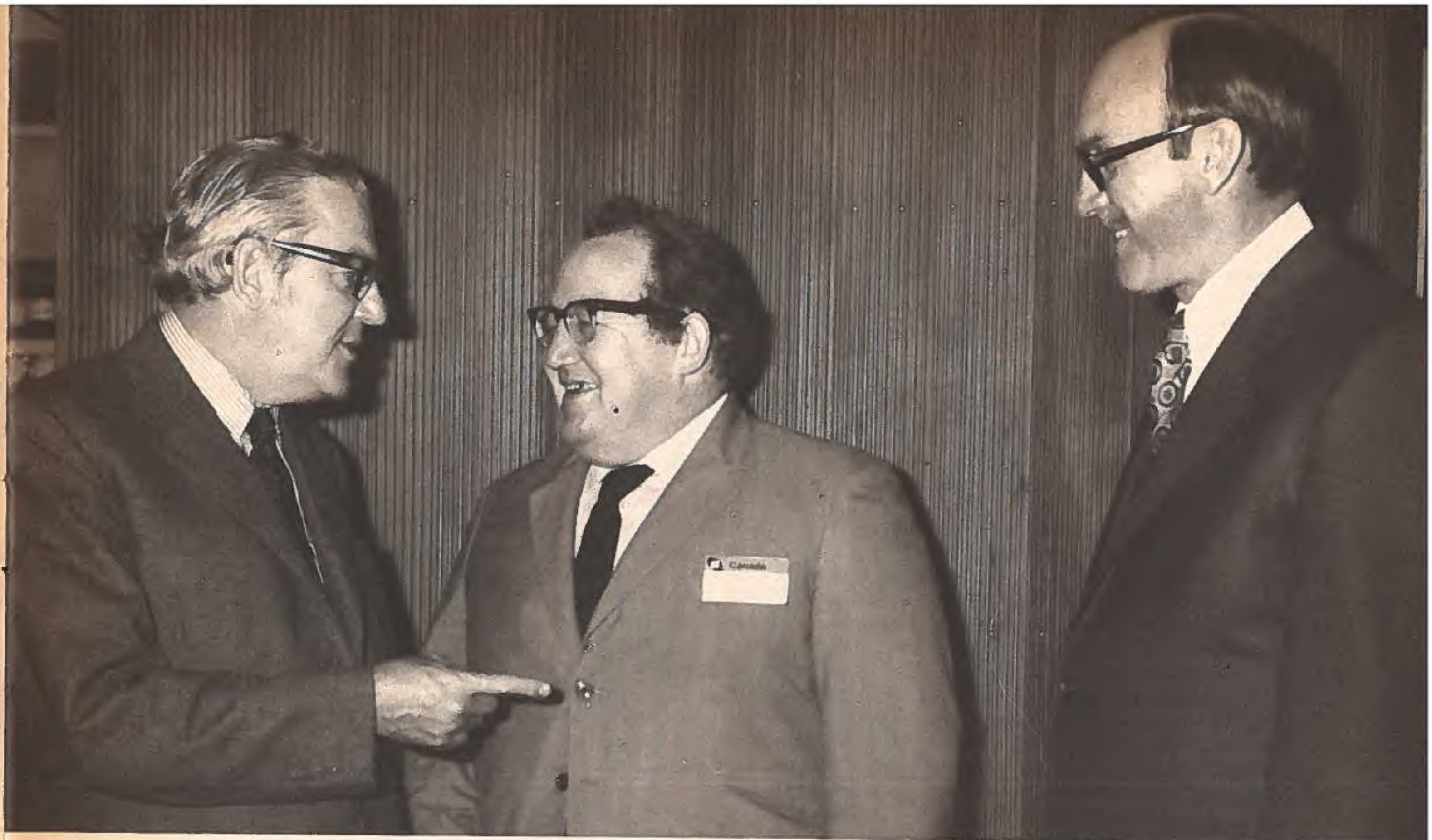
In addition to the tariff advantages, Canadian exports have received an increasingly important competitive edge in these countries as a result of world currency realignments. Between 1971 and 1973, both the Australian and New Zealand dollars appreciated, relative to Canadian currency, by approximately 30 per cent, and the Fijian dollar by about 5 per cent. And with the realignment of the currencies of some of the leading suppliers (notably Japan) to these markets, Canadian exports have a greatly improved competitive position.

But despite all this, Canadian exports have been subject to significant impediments to access to the Australian and New Zealand markets in the form of relatively high tariff levels (in both countries) and import licensing restrictions (in New Zealand).

However, last July, Australia reduced its tariffs across the board by 25 per cent. This action was intended to stimulate import competition and was expected to result in increased demand for goods from all of Australia's suppliers (including Canada). And in September, the New Zealand Government announced, as part of its anti-inflation program, an additional NZ$70 million of quota allocations under its import licensing system. This action signified an easing of New Zealand's restrictive import policy which has, in the past, effectively impeded access to the New Zealand market for a variety of Canadian products. The timing of the mission was most opportune in view of these improvements in market access to both countries.

Although the Fijian market is relatively small, there is significant scope for increasing Canada's commercial presence there. Because of the currency factor, Canadian prices are more attractive than in the past, and Fiji regards Canada as a possible alternative source for many of its requirements.

Fiji's new interest had already been emphasized by a visit to Canada, last May, by Fiji's Permanent Secretary



J.F. Grandy, leader of the mission, makes his point with the Hon. J.A. Walding, New Zealand's Minister of Overseas Trade. J.A. Dougan, Canada's High Commissioner to New Zealand, on the right, obviously agrees that the point is well made.

(Deputy Minister) for Commerce, Industry and Co-operatives to seek out new sources of supply and discuss investment opportunities in Fiji. During that visit, interest was shown in a wide range of Canadian products, primarily consumer products such as kitchen utensils and appliances, electronic pocket calculators and men's clothing, as well as a number of food items.

The mission itinerary covered the major market centres in the area, with a tight program arranged for each member in Sydney, Melbourne and Perth, and in Wellington and Auckland. In Fiji, members met jointly with businessmen and government officials in Suva. Contacts were also achieved through official receptions in each city to which numerous business and government officials were invited. These receptions proved valuable in exposing all the mission members to a wide spectrum of business contacts.

One finding of the mission which was repeatedly confirmed was the definite advantage which Canadian suppliers enjoy in these markets as a result of the preferential tariffs and currency factors. It was apparent from discussions with importers that the impending phasing out of preferences to Britain, together with the currency movements, have influenced South Pacific businessmen to turn their attention towards Canadian sources of supply as an alternative to other traditional sources.

In some product areas such as forest products (e.g. lumber, newsprint, fine papers) and carpets, tremendous demand was identified. However, in the face of world-wide shortages, Canada's ability to supply was obviously inadequate to satisfy this demand. In the field of consulting and engineering services, prospects were identified for association with local firms, particularly in Australia. Canadian firms which could offer new or unique technology and expertise to complement that of a local company appeared to have excellent opportunities in such fields as pipeline development, urban planning, and hotel and tourism development.

The overwhelming conclusion of the mission members at the end of the mission was that the South Pacific businessmen with whom they had come into contact welcome and appreciate a visit to their markets by such a mission, and that these businessmen would warmly welcome other visits from their Canadian counterparts. The opinion was voiced many times that an increased Canadian presence in these markets was highly desired.

The consensus of the group was that the mission had been successful in generating interest in Canadian sources of supply. Many valuable contacts had been established through the mission which should be followed up jointly by government and industry to further develop the market. A number of proposals for follow-up activity have since been discussed, one of which concerned Canadian participation in Australia's International Engineering Exhibition (AIEE), which this year will be held in Sydney in September. The mission members thought this Exhibition would provide an excellent vehicle for display of Canada's manufacturing capability in a variety of product areas (exclusive of consumer-type goods). Canadian firms interested in learning more about this fair should contact the Fairs and Missions Branch of the Department, although it may be too late for participation this year.

All in all, the Trade Development Mission clearly demonstrated that Canadian exporters enjoy a unique position in the growing markets of the South Pacific. There is a definite receptiveness in these markets to things Canadian and exporters are encouraged to take advantage of their Canadian identity. □

TABLE I
CANADIAN TRADE WITH SOUTH PACIFIC COUNTRIES

Main Items by Country		
AUSTRALIA	Jan-Sept '72	Jan-Sept '73
	$'000	
Exports		
Lumber	13,082	21,803
Newsprint	15,290	20,758
Motor vehicle parts and accessories	8,735	9,895
Wood pulp	6,542	9,077
Asbestos milled fibres and shorts	7,265	5,758
Total, incl. others	115,254	142,681
Imports		
Raw sugar	31,409	32,994
Beef, fresh or frozen	22,624	30,502
Alumina	10,984	14,874
Mutton, fresh or frozen, boneless	9,828	10,430
Canned fruit	5,195	7,755
Total, incl. others	136,240	142,322
NEW ZEALAND		
Exports		
Steel, sheet and strip	1,257	2,369
Sulphur, crude or refined	1,757	2,210
Pork, fresh or frozen	75	2,013
Plastic film and sheet	1,296	1,454
Potassium chloride, muriate	1,151	1,220
Total, incl. others	28,330	29,997
Imports		
Beef, frozen, boneless	22,655	28,687
Lamb, fresh or frozen	3,403	6,985
Butter	–	6,863
Sausage casings, natural	3,765	3,847
Wool	1,970	2,794
Total, incl. others	36,445	55,089
FIJI		
Exports		
Lumber	82	114
Newsprint paper	30	98
Shingles and shakes, western red cedar	16	97
Canned salmon	58	91
Sanitary paper	79	55
Total, incl. others	577	646
Imports		
Raw sugar	6,735	3,503
Molasses	–	498
Ginger	20	56
Total, incl. others	6,820	4,094

Mission Members

D.H. Hushion, President, Algas Engineering Services Ltd., Calgary, Alta.

Jean Yves Cote, President, ASEA Industries Limitee, Varennes, Que.

J.M. Douglas, President and Chief Executive Officer, Babcock & Wilcox Ltd., Galt, Ont.

Pierre Villa, Vice-President, International Division, Bio-Millet Laboratories Incorporated, Laval, Que.

D.A. Saunders, Executive Vice-President, Strategic Planning, British Columbia Forest Products Ltd. Vancouver, B.C.

R.J. Bruck, Executive Vice-President, Bruck Mills Ltd., Montreal, Que.

J.H. Robertson, Vice-President and General Manager, Domtar Fine Papers Ltd., Montreal.

R.C. Finlay, Director, Chemicals Group, Dupont of Canada Ltd., Montreal.

B. Charlebois, President, Escan Metal Inc. Montreal.

A. Davidson, President, Harding Carpets Ltd., Toronto, Ont.

M.L. Hancock, Chairman, Project Planning Associates (International) Ltd., Toronto.

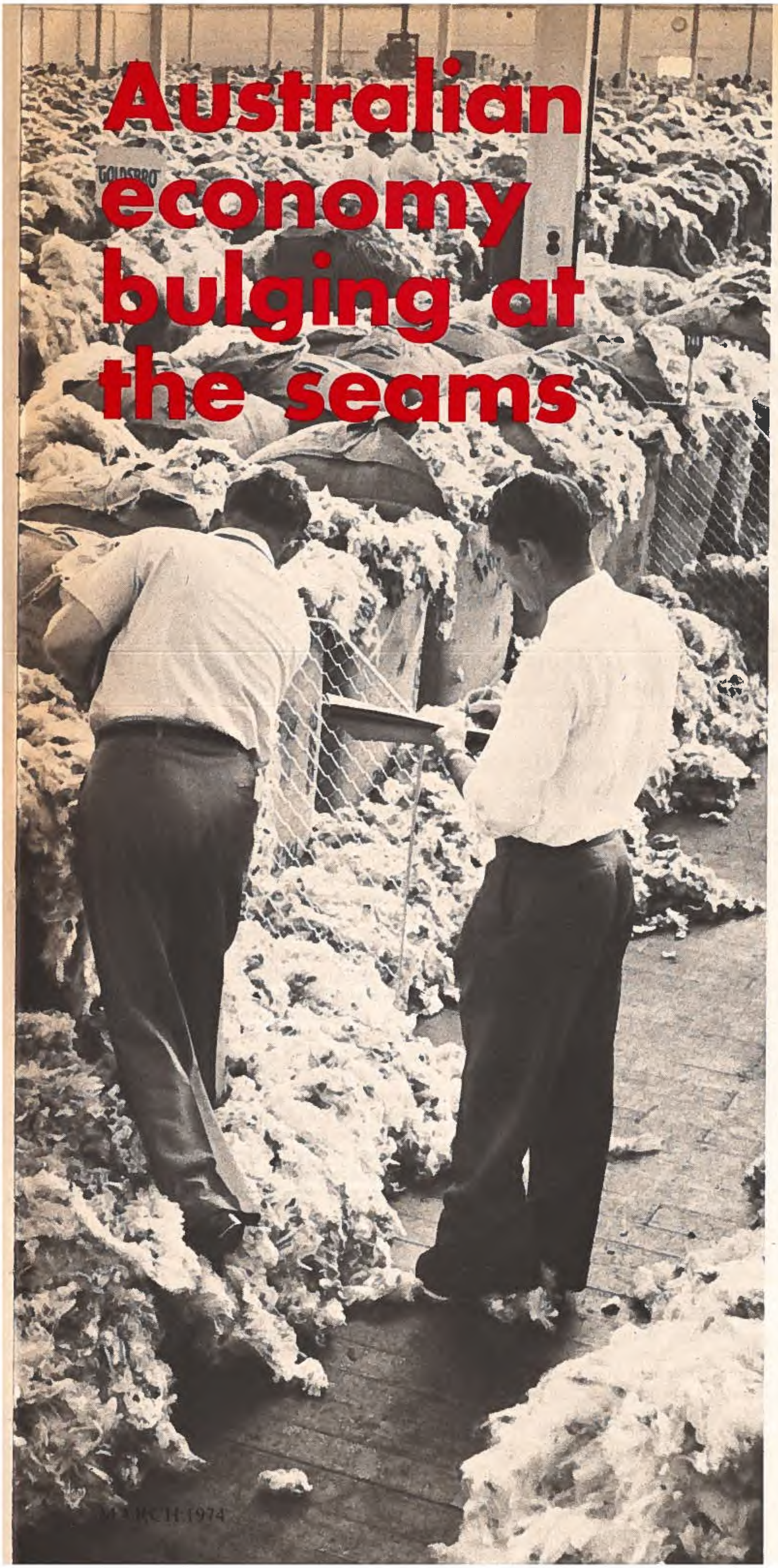
H. Saaltink, Director of Marketing for South East Asia, Surveyer, Nenniger & Chenevert, Montreal.

R.C. Hall, Manager, International Sales, Westinghouse Canada, Hamilton, Ont.

TABLE 2
Canadian Trade by Commodity Sector and Percentage, 1972

	Australia		New Zealand		Fiji	
	Exports	Imports	Exports	Imports	Exports	Imports
Live animals	–	0.1	–	–	–	–
Food, feed, beverages and tobacco	2.8	68.9	5.6	87.6	16.5	97.7
Crude materials, inedible	13.8	21.6	9.2	8.2	–	–
Fabricated materials, inedible	54.1	3.7	38.2	0.8	32.7	1.0
End products	29.1	5.3	47.0	3.2	49.0	–
Special transactions	0.2	0.4	–	0.2	1.8	1.3

Australian economy bulging at the seams



Wool, seen here in a warehouse before it goes on sale, is still one of Australia's main exports.

B.S. SHAPIRO, Commercial Counsellor, Canberra

As of November, the Australian economy was operating at full capacity and was under some stress in a number of areas. Output and employment were increasing strongly, although production bottlenecks and industry disputes were affecting output in some industries. Demand appeared to be growing fairly strongly and signs were appearing of a recovery in private investment expenditure. It was expected that gross domestic product would rise by the end of 1973 to an annual level of A$43 billion (A$1 = Cdn.$1.50).

Much of this prosperity was derived from the high overseas demand for Australia's main export products: wool, meat, wheat, sugar, iron ore and coal. It was estimated that the gross value of rural exports alone would increase by 18 per cent in 1973-74 over the previous year. The production and export of metals and minerals seemed to be levelling off, probably because of such limiting factors as manpower, transportation and equipment. These are being strained to the limit by the enormous quantities involved.

The non-farm sector was showing a real growth of close to 6 per cent over the previous fiscal year. Steel production was pushing its limits of capacity and automobile production was falling steadily behind demand and seemed to be fighting a losing battle with labour troubles and shortages of key parts. Serious inflationary pressures in the economy were commanding the greatest attention within the Government and steps were being taken to slow down price increases by fiscal and monetary means.

Interest rates were raised to record heights in an effort to stimulate savings and government spending was being carefully controlled. In July 1973, customs tariffs (including preferential rates) were cut unilaterally by 25 per cent with a view to encouraging a greater volume of imports to compete with domestic production. In addition, the Australian currency was revalued repeatedly during 1973 and the Australian dollar reached a value around 25-30 per cent higher in

This bauxite mine on Cape York Peninsula has to remove only a few feet of soil to find the ore body that varies in thickness from a few feet to 30 feet.

terms of the U.S. dollar. Moreover, the Government announced that immediate attention would be given to requests by importers for total exemption from duties in cases where suitably equivalent goods are not manufactured in Australia — this is done under the bylaw system.

Under these ideal circumstances the volume of Australian imports rose steadily and quite sharply in the last few months of 1973, reaching an annual rate of about A$5 billion. The United States, Britain and Japan each supplied about 20 per cent of Australian import needs. Germany, Canada and New Zealand supplied from 4 per cent to 7 per cent each. Among the leaders, Japan noticeably improved its position as a major supplier to Australia.

At the end of October 1973, official gold and foreign exchange holdings exceeded A$3.9 billion. While the Reserve Bank exercises control over all foreign exchange dealings, there is no interference with settlements arising out of trade transactions. The control, however, can be used to check foreign investment. It is also aimed at policing the restrictive policy on borrowing from abroad under which a deposit of 33⅓ per cent of the borrowed amount must be lodged in a special account with the Reserve Bank with no interest being paid. The deposit is frozen until the time of repayment of the borrowing, at which time it is released to the borrower.

The labour market was very tight in the last quarter of 1973. The number of persons drawing unemployment benefits declined to 32,000 out of a civilian workforce of 5.7 million. Job vacancies registered with the authorities exceeded the number of persons registered for employment.

Against such a background, business conditions were, of course, generally fairly good. But there were some flaws in the picture.

Business operators faced a complex situation involving strikes and repeated negotiations over wages and hours of work with many unions. The Federal Minister of Labour said that half the industrial strife revolved around union membership, managerial policy and demarcation disputes. He laid the blame on the huge number — "more than any other industrialized nation" — of unions in Australia. While deploring this situation, he also insisted that Australian employers would soon have to accept worker participation in industrial decision-making.

Inflation and industrial relations were among the top issues of concern to business executives. Increasing pessimism prevailed about both demand and supply prospects. The tightening liquidity and shrinking availability of finance was becoming an important factor adversely affecting demand. Other government actions such as tariff reductions, revaluations of the currency, decisions handed out by the Prices Justification Tribunal holding down price increases and uncertainties about the Labour Government's policies towards private business participation in the important fields of mining and petroleum were all being played up in the press as contributing to an uncertain business climate.

But toward the end of the year growth prospects were good — there was no doubt that Australia was continuing its resource development. The West Australian Government was ready to announce a new A$400 million iron ore mining project involving a 230-mile railway, a new port and a townsite; other major projects involving Japanese steel mills were under discussion. Dow Chemical (Australia) had announced plans to proceed with a A$300 million petro-chemical plant in South America, with several Japanese companies as shareholders. Natural gas pipelines were being planned — and great new industrial mining complexes were just over the horizon. ◻

CANAC
Consultants in Transportation

CANAC CONSULTANTS LIMITED is the transportation consulting arm of Canadian National Railways and Air Canada. CANAC is just entering its third year of operations but its roots go back about 40 years.

It was around that time that Canadian National began receiving the first of many requests for assistance with transportation problems. Most of these requests came from what are now referred to as developing nations that wanted to improve existing transportation facilities. The end of World War II saw a pronounced increase in activities related to helping such countries more fully realize their potential.

This increase was fuelled by establishment of a number of channels of assistance to these developing countries, including the United Nations organizations, the World Bank group and various bilateral agencies such as the Canadian International Development Agency. Because establishment of a viable transportation infrastructure is a primary need of developing countries, this increased activity following World War II resulted in a rapid rise in the number of transportation-related problems with which Canadian National was asked to become involved.

The growing importance of this involvement was recognized in 1968 with the establishment of a separate division within Canadian National to co-ordinate and handle all such requests for assistance. The International Consulting Division, as it was called, was also given responsibility for seeking out projects anywhere in the world where transportation skills, experience and resources of the type available within Canadian National were required.

As a result of the International Consulting Division's success, and in order to provide a complete range of transportation consulting services for both surface and air applications, Canadian National concluded an agreement with Air Canada in 1971 for the incorporation of a total transportation consulting services organization, CANAC CONSULTANTS LIMITED.

Now, at the beginning of its third year of operations, CANAC has completed, or is involved in, about 30 projects in Africa, Asia, the Caribbean and North and South America. These projects have ranged in scope from those requiring single advisers on short-term assignments focussing on one aspect of a particular transportation problem, to those where multi-discipline teams are engaged in long-term, total involvement projects to establish management, operations and training functions for complete transportation systems.

As examples, last May the former general manager of Air Canada's Maritime Region was asked to go to Zambia to establish cargo air-lift procedures as a means of providing that country with an alternative channel of supply following closure of its border with Rhodesia.

A few months later, a Canadian National engineer left for Rio de Janeiro where, together with a Brazilian engineer, he is directing a 600-mile railway design project in the Amazon. This project, which CANAC is carrying out in a consortium with a firm of Brazilian consultants, will involve a 10-man CANAC team for about 18 months in providing a railway corridor. With completion of this corridor, a rail line will be built to move iron ore from a newly-discovered deposit to port facilities.

There are three steps in CANAC's project identification and evaluation stage: first, surveillance of documentary information relating to potential project areas; second, follow-up communication of interest; finally, on-site investigation as a prelude to bidding.

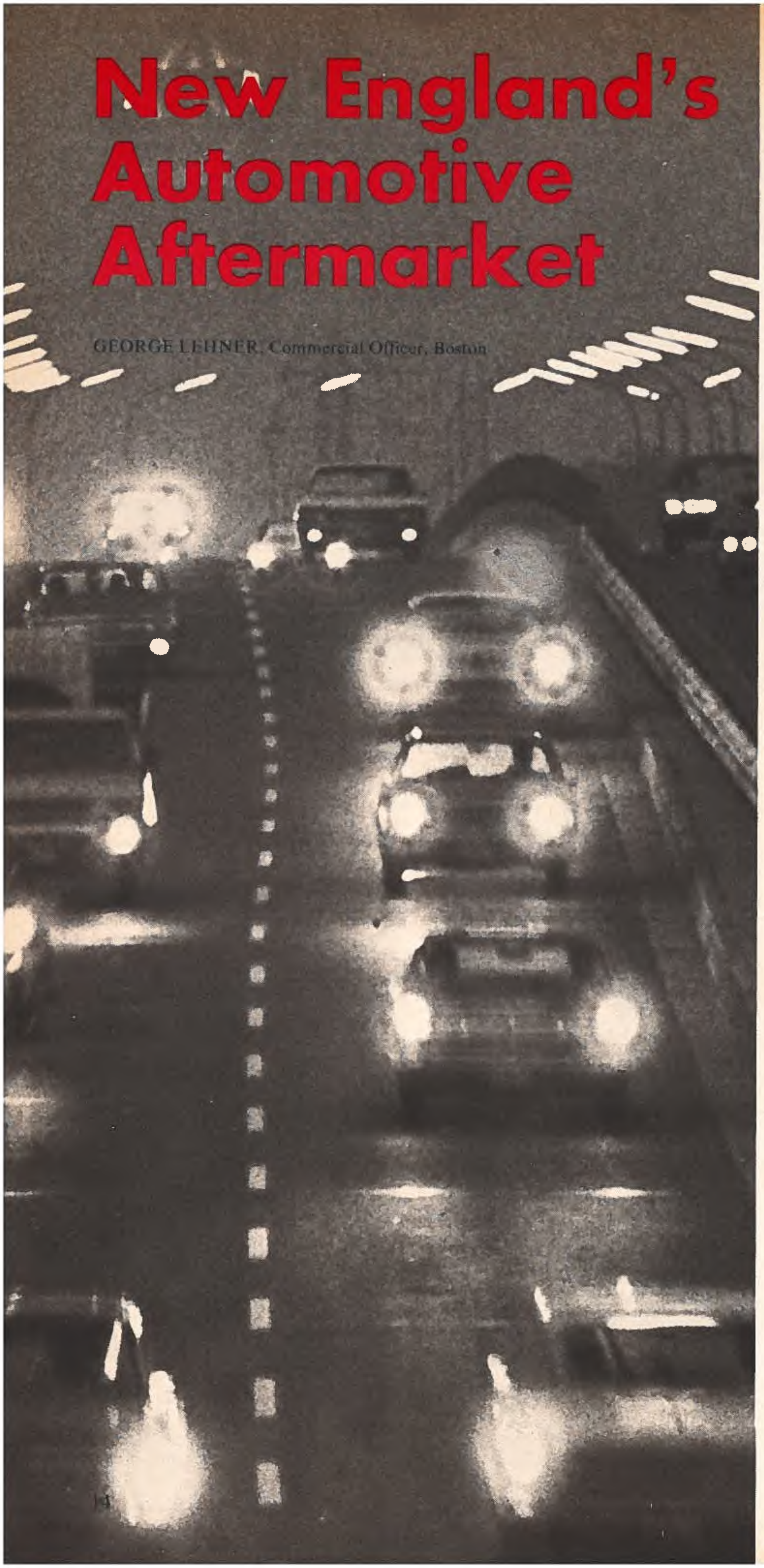
CANAC maintains a watching brief on periodicals and other publications providing specific or general information on project areas of interest. These publications include *Canada Commerce*. Other information and first-hand situation analyses of potential project areas are secured from the Ottawa-based industry sector branches of the Department of Industry, Trade and Commerce and the Trade Commissioners at Canadian missions abroad, and used in focusing on a specific project within the potential project area.

Once the project has been identified, a communication of interest is made by CANAC. Here, the Department's assistance has been most useful in providing names and helping to arrange meetings with client personnel associated with the project under consideration. Time is a factor of critical importance in most lines of business endeavour, but perhaps nowhere more than in consulting: the Department's helping hand in identifying key contacts is a prerequisite for this step to be successfully carried out. Finally, when the on-site investigation step is reached, CANAC has found on many occasions that the Department's help was a key factor in making a contract submission.

Export markets for Canada's 'hard' resources — its primary and manufactured products — are well established; export markets for Canada's 'soft' resources — the skills, ideas and methods of approach found in Canadian service industries — are not. However, an increasing number of Canadian 'soft' resource suppliers, with help from the Department of Industry, Trade and Commerce, are achieving increased penetration of this market, largely unexploited by Canadians. CANAC CONSULTANTS LIMITED has participated in more than two-score projects related to the establishment or improvement of transportation infrastructure and has enabled nearly a dozen countries to realize the economic and social benefits of these improvements. □

New England's Automotive Aftermarket

GEORGE LEHNER, Commercial Officer, Boston



The Boston Consulate's territory covers five of the six New England states; Maine, New Hampshire, Vermont, Massachusetts and Rhode Island. Connecticut is covered by the New York Consulate. We have found that most manufacturers' representatives based in Boston and surrounding area deploy their sales personnel over the entire six-state market area, which has a population of about 12 million.

New England wholesale distributors, jobbers, car and truck dealers, service stations and mass merchandisers are somewhat conservative people and do not readily accept change, but they are willing to look at new products. Canadian exporters, therefore, should examine sales possibilities in this market. But acceptance of your line can only be achieved through missionary work and persistence by you or by your representative.

There are about 112 million trucks, buses and cars registered in the United States, and of these, approximately 5.4 per cent are registered in New England. This works out to about 5,600 vehicles to each New England jobber outlet, which is more than the national average. New England also has about 5 per cent of the nation's jobbers, dealers, service stations and auto repair shops, mainly in Massachusetts and connecticut. Thus, it is clear that a substantial market already exists and can be expanded.

Canadian exports of automotive parts to the U.S. have increased continually since 1960, when dollar volume was \$3.7 million. In 1972, this figure was in the vicinity of \$1.4 billion, of which about 1 per cent goes to New England. Manufacturers' representatives and local contacts in the trade to whom we have spoken have recorded approximately 20 per cent increases in sales for 1972 over 1971 and expected to do slightly better last year. We suggest, therefore, that Canadian manufacturers should take advantage of this expansion.

But if you, the manufacturer, plan to pursue opportunities in this market, you must have sufficient production capacity to supply on a continuous basis. Entrance to this, or to any new market, should not be a stop-gap measure that seeks to fill production capacity for a temporary period. This question of continuity of supply is, we believe, of fundamental importance to success, particularly in New England.

Also, you must have descriptive literature available for distribution. It is essential that prices be quoted in U.S. funds, c.i.f. Boston, including U.S. customs duty. You are, after all, quoting against the U.S. manufacturer in a competitive market situation, and it is important to remember this.

There are two ways to approach this market. First, via your company salesman. He should visit the market at least once every three or four weeks, both to introduce the line and to follow up with prospective accounts. However, a company salesman cannot adequately cover New England and his own domestic market, and his travelling expenses could soon become heavy. Also, he probably has no other product lines about which to talk to his prospective customer. The question then becomes: how often can he call on the wholesale distributor without wearing out his welcome?

We suggest, therefore, that the Canadian manufacturer appoint a manufacturers' representative, who usually has a sales force, established lines, a tradition of calling on prospective accounts, knows the territory and works on a commission basis. Major advantages are minimal time lost by the Canadian manufacturer and the absence of expenses until the merchandise is paid for by the customer. Commission rates range from 7½ per cent to 10 per cent, and are usually negotiable on specialty items, depending on product, volume, etc.

The choice of a representative is most important. We can be of help here by giving you a list of reliable ones suitable to your product. It is then, of course, up to you to find out if he can handle your line. He will almost certainly want to study your descriptive literature and c.i.f. prices. And he will also want to know about your operations and your marketing plans. You will want to know about his business — sales volume, number of years in business, size of accounts, number of accounts, etc.

Once you have chosen the agent (it is a good idea to speak to at least two or three), you should travel with the representative during the initial stages of introducing the product to prospective accounts so that you can answer technical questions.

Distribution channels for the automotive aftermarket in New England usually follow traditional patterns. Most products are sold by the manufacturers' representative to the warehouse distributor who buys at 30-50 per cent plus 20-25 per cent off the suggested list price. The warehouse distributor stocks the merchandise and sells to individual jobbers at again 30-50 per cent off list. Dealers, service stations and the do-it-yourself consumer buy from the individual jobber at 10-20 per cent off list. These discounts are the normal ones but they frequently vary according to circumstances.

Terms to the wholesale distributor are usually "2/10 prox. net 30." For example, the wholesale distributor can buy any time after the first of the month up to the 25th or 26th of that month. The distributor has until the 10th of the next month to make payment and take his 2 per cent discount. Volume discounts and premiums may also be used to encourage sales.

The discount structure for the mass merchandiser appears to have the same end result as it does for the wholesale distributor. The mass merchandiser may sell some products as a loss leader, (e.g. private label motor oil). The manufacturers' representative provides the manufacturer with the best coverage of the mass merchandise market.

The do-it-yourself market is also of importance to Canadian exporters. It is interesting to note that the Car Care Council surveyed 370 mechanics who were members of the Independent Garage Owners of America. Their response showed that much of the essential maintenance can be handled by the average do-it-yourselfer.

The consumer is increasingly taking on these jobs and buying his merchandise from the individual jobber or mass merchandiser. The do-it-yourselfer is rapidly becoming a semi-professional and good customer of the individual jobber and mass merchandiser. He appears to be becoming a larger, direct segment of the automotive aftermarket, one that should not be overlooked.

The key word in selling to this market is service. Most wholesaler distributors use some form of inventory control system. Usually, the manufacturers' representative calls on the wholesale distributor once every four to six weeks. Generally, re-orders are established from inventory. On his visit, merchandise is either physically counted or inventory control cards are checked to ascertain what is needed to round out the line. In addition, your representative must be prepared to do missionary work among individual jobbers.

In conclusion, then, we believe that the New England market offers substantial opportunities. Competition is always keen, but by no means insurmountable. The products or product categories shown in the accompanying list have proved, in the past, to be the best sellers for jobbers. The 35 lines are listed in order of their relative sales volume.

It is important to note that frequently the local trade does not consider the Canadian manufacturer a foreign source of supply, and Canadian exporters would be advised to trade upon this reservoir of good will and understanding. There is, quite clearly, a market here for you, the Canadian manufacturer, and we are ready to help you to become established in it. □

Best-Selling Automotive Products

- Mufflers, pipes, etc
- Ignition parts (including generators and armatures
- Spark plugs
- Filters and cartridges (all types)
- Batteries
- Motor and chassis parts
- Paint and body supplies
- Shock absorbers
- Fan belts, radiator and heater hose
- Brake lining and lined shoes
- Remanufactured units
- Equipment (all types)
- Gaskets and oil seals
- Chemicals
- Brake parts and fluid
- Tools (small hand)
- Engines (small) and parts
- Clutch assemblies, parts etc.
- Fuel pumps and parts
- Carburetors and parts
- Front end parts
- Grease and oil
- Bearings (anti-friction)
- Lamp bulbs, flashers and sealed beams
- Piston rings
- Wire and cable products
- Wipers and blades
- Bearings (motor)
- Tires and tubes
- Anti-freeze
- Tools (power)
- Thermostats
- Automatic transmissions and parts
- Automotive air conditioning
- Brass fittings and fuel lines

Source: *Automotive Wholesale Financial Operation & Performance Analysis*, 1972 edition.

The Algerian market

Col. Houari Boumedienne, President of Algeria, with Pierre Gosselin at the 10th Algiers International Fair

The following interview took place between Mme J.A. Sorel, Chief of the French Language Services within the Department of Industry, Trade and Commerce, on behalf of Canada Commerce, *and Pierre Gosselin, Canadian Commercial Secretary in Algiers. The interview took place during the final days of the 10th Algiers International Fair.*

● *What are the objectives of the Algiers International Fair?*

This trade fair brings together not only Algerian government ministers and national companies, but also about 40 foreign countries. Its size is impressive for a country in the process of development, and Algerians can well be proud of it. It is a very professional fair similar to those held in Canada, the United States and Europe.

● *Your office attempts to establish trade relations with Algeria. Do you believe that by participating in a fair of this type, relations will be made easier for Canadian companies?*

Indeed it seems to me that participation in the fair is in fact the key to this market. Algerians are very keen on it. It is their fair and for them it is important for many reasons — information, economic development, as well as political considerations. If a company really intends to establish serious contacts with national companies or with an Algerian government ministry, the first step is to participate in the fair and to make itself known. Algerians, you see, will not buy from enterprises that are not known to them, and they repeatedly tell us that they are very interested in coming to know well those who sell them products.

● *Is there any question of prestige for Canada in participating in this fair?*

In terms of Canada as a country, yes, naturally; and what I have said with reference to companies applies also to our participation as a Government.

● *Are Canada's relations with Algeria well established?*

When your Ambassador presented his credentials to the Algerian Government, Mr. Boumedienne, the President, specified that relations between Canada and Algeria were only beginning.

● *What kind of industries were represented at this fair?*

Nine companies exhibited, representing electronics, equipment for drilling and mining exploration, and engineering consulting services. More than $920,000 in sales were made on the spot, with the possibility of contracts amount-

continued on page 17

Foreign Exchange Rates

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

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

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

Note: The following rates were current at February 22. Because of unsettled market conditions exporters should consult their bankers for up-to-date quotations.

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Algeria Dinar	.2380	4.20
Arab Republic of Egypt Pound (official)	2.4846	.40
Argentina Peso (financial)	.0974	10.27
(commercial)	.1944	5.14
Australia Dollar	1.4461	.69
Austria Schilling	.0500	20.00
Bahamas Dollar	.9722	1.03
Belgium and Luxembourg Franc	.0243	41.15
Bermuda Dollar	1.0397	.96
Bolivia Peso	.0486	20.58
Brazil Cruzeiro (official free)	.1511	6.62
Britain Pound	2.2511	.44
British Honduras Dollar	.6078	1.64
Burma Kyat	.2019	4.95
Chile Escudo (bank rate)	.0024	416.66
(free)	.0013	769.23
China, People's Republic of Yuan	.4188	2.39
Colombia Peso (fixed)	.0394	25.38
Costa Rica Colon	.1465	6.83
Cuba Peso	N.A.[10]	
Czechoslovakia Koruna (fixed basic rate)	N.A.[10]	
Denmark Krone	.1563	6.40
Dominican Republic Peso	.9722	1.03
Ecuador Sucre (official)	.0389	25.71
El Salvador Colon	.3889	2.57
Fiji Dollar	1.1974	.84
Finland Markka	.2460	4.07
France, Monaco, etc.[1] Franc	.2012	4.97
French Pacific[2] Franc	.0110	90.90
Franco-African Republics[3] Franc	.0040	250.00
Germany D Mark	.3659	2.73
Ghana New Cedi	.8425	1.19
Greece Drachma	.0333	30.03
Guatemala Quetzal	.9722	1.03
Guyana Dollar	.4444	2.25
Haiti Gourde	.1944	5.14
Honduras Lempira	.4861	2.06
Hong Kong Dollar	.1912	5.23
Hungary Forint (official)	.0869	11.51
Iceland Krona (official)	.0098	102.04
India Rupee	.1184	8.46
Indonesia Rupiah	.0024	410.00
Iran Rial	.0134	74.63
Iraq Dinar	3.2839	.30
Ireland Pound	2.2511	.44

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Israel Pound	.2315	4.32
Italy Lira	.0015	666.66
Jamaica Dollar	1.0694	.94
Japan Yen	.0035	285.71
Kenya[4] Shilling	.1379	7.25
Korea, Republic of Won	.0024	404.38
Lebanon Pound (free)	N.A.[10]	
Libya Dinar	2.777	.36
Malawi Kwatcha	1.2280	.81
Malaysia Dollar	.3918	2.55
Mexico Peso	.0778	12.85
Morocco Dirham	.2318	4.31
Netherlands Florin	.3515	2.84
Netherlands Antilles Florin	.5431	1.84
New Zealand Dollar	1.3611	.73
Nicaragua Cordoba	.1389	7.20
Nigeria Naira	1.4700	.68
Norway Krone	.1721	5.81
Pakistan Rupee	.0982	10.18
Panama Balboa	.9722	1.03
Paraguay Guarani (free)	.0078	128.21
Peru Sol (free)	.0225	44.44
Philippines[5] Peso (free)	.1453	6.88
Poland Zloty (fixed basic rate)	.2577	3.88
Portugal & Overseas Provinces[6] Escudo	.0373	26.81
Saudi Arabia Riyal	.2850	3.50
Sierra Leone Leone	1.2371	.81
Singapore Dollar	.3358	2.98
South Africa Rand	1.4486	.69
Spain & Dependencies Peseta	.0165	60.60
Sri Lanka[7] Rupee	.1388	7.20
Sweden Krona	.2113	4.73
Switzerland Franc	.3173	3.15
Syria Pound (free)	.2711	3.69
Thailand Baht (free)	.0486	20.58
Trinidad & Tobago[8] Dollar	.4690	2.13
Tunisia Dinar	2.2339	.45
Turkey Lira	.0694	14.41
United States Dollar	.9722	1.03
Uruguay Peso (free)	.0011	909.09
Venezuela Bolivar (official free)	.2268	4.41
Yugoslavia Dinar (official)		N.A.[10]
Zaire, Republic of[9] Zaire	1.961	.51
Zambia Kwacha	1.3893	.72

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

2. New Caledonia, New Hebrides, French Polynesia.

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

4. Rate also applies to Tanzania and Uganda.

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

6. Approximately same for Portuguese territories in Africa.

7. Formerly Ceylon.

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

9. Formerly Congo (Kinshasa).

10. Rates not available at press time.

International Projects

BURMA — WATER SUPPLY

The Asian Development Bank has approved two loans amounting to $13 million for the Rangoon Water Supply Project. Rangoon is the capital city of Burma and the centre of commerce. It is the major port handling the export-import trade of the country. The city has 2,000,000 people or about 7 per cent of the country's population and it is served by a water supply system that was last expanded 33 years ago and was designed to serve only 600,000 people.

The project will raise the water supply to the city from the present 45 m.g.d. to 95 m.g.d. and is designed to help meet the needs of the growing population of Rangoon up to 1989. It calls for the construction of a new reservoir at Pugyi, 32 miles north of Rangoon. It also includes the construction of two pumping stations, transmission mains and other auxiliary and related works.

Implementing organization: Rangoon City Municipal Committee (RCMC)

Consultants: (1) Consultants will be financed under proposed ordinary capital resources loan and are to be selected in accordance with the Bank's Guidelines on Uses of Consultants. (2) Scope of consultant services will consist of review of designs of the water supply scheme with emphasis on soil mechanics; review of specifications and tender documents; bid evaluation; and supervision of construction of the Project. (3) Short list of consultants is yet to be prepared.

Procurement: (1) Procurement will be made in accordance with Bank's Guidelines for Procurement. (2) Under proposed Special Operations the prestressed concrete pipe plant and pumping station equipment will be procured on turn-key basis; the tenders will provide for installation services and training of local personnel in operation and maintenance of these facilities. (3) Tentative timing of procurement is to commence from mid-1974.

INDIA — RAILWAYS

The Indian Railways will continue its program of modernization and improvements with the help of a credit of $80 million from the International Development Association (IDA), an affiliate of the World Bank. The project, part of the Railways' larger investment program, will involve an investment of $654 million during the next 15 months. It will enable the Railways to meet the expected increase in freight and passenger traffic during India's Fifth Five-Year Plan (1974/75-1978/79).

Since the inception of planned economic development in 1951, India has placed considerable emphasis on the development of transport. The Bank and IDA have assisted Indian efforts with loans and credits. Including the present credit, the Bank and IDA have provided a total $1,017 million for the development of various modes of Indian transport — railways, ports, shipping, roads and aviation. The share of the Indian Railways in this total is $786 million — by far the largest participation by the Bank and IDA in any single enterprise.

Implementing organization: Indian Railway Board, New Delhi, India.

Procurement: Through international competitive bidding except for $16 million for purposes of standardization, and orders for $50,000 or less which will be purchased in accordance with Indian Railways normal procedures.

PAKISTAN — POWER

The Asian Development Bank has approved financing amounting to $16.7 million to help meet the growing power demand in Pakistan. ADB financing will help cover the foreign exchange cost for the addition of two 100-Megawatt generating units (Units 7 and 8) to the Mangla hydropower station at the earth-fill dam which harnesses the water of the Jhelum river.

Completed in 1967, the multi-purpose dam is a major project of the Indus Basin Development Scheme and is one of the largest earth-fill dams in the world. The Mangla Hydro-power Project will considerably improve the power supply situation in Pakistan. It will serve new consumers and ensure a reliable and adequate supply of electricity for old consumers. The increased power supply will be used mainly by industrial and agricultural consumers. The project includes installation of turbine generators and inlet valves, transformers and switch-gears, cables and control equipment; and extension power station superstructure.

Implementing organization: West Pakistan Water and Power Development Authority (WAPDA).

Consultants: (1) Consultant services to be financed from the ordinary capital resources loan consisting of the following: (a) reviewing detailed designs and tender documents, including specifications; (b) assisting with evaluation of bids, formulation of proposals for contract awards, and negotiation of contracts; (c) supervising power house construction and installation and commissioning of equipment. (2) Consultant services on grant basis relate to an assessment of WAPDA's power systems operation and the making of recommendations concerning the improvement of such operations by a short-term team of electric power system operations experts. (3) All consultants will be selected in accordance with the Bank's guidelines on Uses of Consultants. Assignment of the consultants are scheduled to commence as early as possible in 1974.

Procurement: (1) Under proposed Special Funds Loan, procurement will consist of turbine-generators and inlet valves. (2) Under proposed ordinary capital resources loan, procurement will consist of transformers and switchgear, cables and control equipment. (3) All procurement will be undertaken in accordance with the Bank's Guidelines for Procurement Contracts involving the expenditure of $50,000 equivalent or more will be subject to international competitive bidding. Contracts involving the expenditure of less than $50,000 equivalent may be awarded in accordance with the principle of reasonable competition. The tentative timing for commencement of procurement is mid-1974.

TURKEY — FORESTRY

The World Bank has approved a $40 million loan to help finance a project that will utilize the natural pine forests of the Antalya region of Turkey. The project consists of a forestry development program, an integrated sawmill and pulp and paper mill, and forest industries feasibility studies. Turkey's forests are the fourth most extensive in Europe, and the project is the first integrated forest utilization operation in the country.

The forestry part will introduce new forest management systems aimed at increasing log production from about 300,000 cubic meters a year currently to 800,000 cubic meters a year by 1979, the year of the start-up of the proposed mill. A large reforestation and afforestation program of 27,170 acres per year is included.

The integrated mill is to be located on the Mediterranean coast about 60 miles east of Antalya. It will include a moderately mechanized sawmill capable ol producing 182,000 cubic meters of sawn wood annually, a pulp mill that will annually process pulp logs and sawmill residues into 147,000 bone-dry tons of unbleached kraft pulp, and a paper mill with an annual capacity to produce either

155,000 tons of kraft linerboard or 90,000 tons of sackkraft, or varying amounts of both. A townsite including housing and other amenities is included.

Implementing organization: The forestry part of the project will be implemented by the Antalya Forestry Division of the General Directorate of Forestry, Ministry of Forestry, Ankara, Turkey. To assist the Division in preparing long-term and operational forestry development plans, a project Implementation Team will be formed. Implementation of the mill project will be directed by the Project and General Manager of the Antalya Establishment under the State Pulp and Paper Enterprise (SEKA), Manavgat-Antalya, Turkey, who is responsible to an administrative committee under the chairmanship of the SEKA General Manager. The studies will be implemented by the Government of Turkey utilizing foreign consultants.

Procurement: All imported items will be procured under international competitive bidding. Procurement arrangements will be on a joint basis with the European Investment Bank. Bidding will be phased, and winning bidders from the six founder members of the European Community will be financed from EIB loans, others from the Bank loan. Some restricted bidding in a second phase might be necessary to ensure full utilization of the EIB loan. Local costs will be largely purchases of local equipment, contracting with local firms, and some force account work.

Consultants: Consultants will be engaged to assist the Antalya Forestry Division of the Ministry of Forestry to prepare and implement a regional forestry management plan; consultants have been engaged to assist SEKA and the Antalya Establishment in procurement, construction, equipping, and start-up of the integrated mill and to prepare studies on forest industries development.

YEMEN ARAB REPUBLIC

The International Development Association (IDA), an affiliate of the World Bank, has approved two credits equivalent to $8.55 million to the Yemen Arab Republic. $6.25 million will help to finance a water supply project for the capital city of Sana'a and $2.3 million will help to finance an industrial estate project designed to stimulate investment in small-scale industry.

WATER SUPPLY

Implementing Organization: The Government has created the National Water and Sewerage Authority (NWSA) c/o Central Planning Organization, Box 175, Sana'a, Yemen Arab Republic, to carry out this project and ultimately to assume responsibility for the development of water supply and sewerage in the urban centers. Management and engineering consultants are provided and also a training program for local personnel.

Procurement: Contracts for construction and for supply of equipment except for minor contracts for maintenance and office equipment and installation of house connections (together about $300,000), will be awarded in conformity with the Association's Guidelines for Procurement. Construction contracts will be grouped to the extent practicable to encourage international bidding. Local firms will be used for installation of house connections and subcontractors.

Consultants: A water engineer, accountant and four technicians will be provided from a regional water authority or consulting firm to help operate the water supply system; a tariff consultant will advise on creation of a tariff structure and billing system; engineering consultants will supervise construction of the water supply system; other engineering consultants will prepare final designs and tender documents for the Hodeida water supply system.

INDUSTRIAL ESTATE

Implementing Organization: The estate will be built and administered by an Industrial Estate Development Authority (IEDA) c/o Central Planning Organization, Box 175 Sana'a, Yemen Arab Republic.

Procurement: Contracts of $50,000 or above for the civil works, including land development and standard factory buildings, will be submitted to international competitive bidding. Small contracts for civil works e.g. fencing of the estate will be awarded under local bidding procedures. Contracts for the supply of equipment valued at $25,000 or above will be awarded after offers have been obtained from at least three suppliers.

Consultants: Yemen Industrial Consultants (YIC) will be given the task of preparing the detailed engineering for the industrial estate, provided it submits an acceptable proposal. Individual consultants will be recruited as advisors to IEDA's Director General and industrial engineer and as the banking specialist.

Export Opportunities

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

Equipment and Machinery

AUSTRALIA — Back-pack tanks for firemen, self-contained breathing apparatus, protective paints, gas detection and indicating systems, ear protectors, road safety lamps, proximity alarm devices, reflex horns for PA systems, under-floor safes, note and coin counting and sorting machines, emergency lighting, strobe-type warning lights, portable light guns, emergency fluorescent lights and Portalac-type batteries, distress signal flares for marine and land use, small boat safety equipment: Commercial Counsellor for Canada, Princes Gate East Tower, 17th Floor, 151 Flinders Street, Melbourne 3000.

BELGIUM — Steel and wood office furniture; electronic equipment for industrial and scientific measuring, process control and anti-burglary applications: Commercial Counsellor, Canadian Embassy, rue de la Science, 35, B-1040 Brussels.

NORWAY — Equipment and supplies for offshore oil industry, including nylon mooring ropes, non-twisting wire ropes, steel casing, drill pipes, drilling mud, mud pumps: Commercial Secretary, Canadian Embassy, Postuttak, Oslo 1.

POLAND — Sand drying machine: Commercial Secretary, Canadian Embassy, Matejki 1/5, Srodmiescie, Warsaw.

SPAIN — Machinery for making galvanized iron roof guttering: Commercial Counsellor, Canadian Embassy, Apartado 117, 35, Nunex de Balboa, Madrid.

Textiles

SAUDI ARABIA — Acrylic, cotton, nylon acetate, artificial silk and tetron piece goods; ladies' and gentlemen's apparel, especially underwear and tights: Commercial Counsellor, Canadian Embassy, Boite Postale 2300, Sabbag Centre, 3rd Floor, Hamra Street, Beirut.

SWITZERLAND — Plain, coloured and printed woven fabrics for sleepwear, shirts and blouses: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000, Berne.

Wanted: Manufacturers

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

Boring tools, cutters and visual aids

American company offers under licence the Canadian manufacturing rights to its line of machining instruments and accessories. One type of product consists of a line of boring tools, one model of which features an adjustable length, solid carbide shank and renewable tip. These boring tools are claimed to provide twice the life of competitors' tools. Also available is a line of milling cutters with blades designed so that they can be removed and sharpened by the user and then replaced in the cutter within .0005 in. tolerance. Company also offers a new simple to use, economical, trouble-free visual aid which indicates "stop" positions for use in repetitive machining and mass production operations; also, a new low cost, self-contained and versatile precision tool designed to accurately and rapidly assist in almost any machine set-up work. Literature available. **Item 2976**

Jig drill

Canadian company is offering the outright sale of its patent rights or a licence to manufacture in Canada, its jig drill. This high precision drill press features a patented drill bushing frame which is attached to the spindle housing. The drill bit therefore is continuously guided and in perfect alignment with the centre of the drill spindle. This feature is claimed to eliminate the need for expensive jigs and other tooling. Literature available. **Item 2977**

Positioning, drilling and reaming machine

Canadian company is offering the Canadian manufacturing rights to its positioning, drilling and reaming machine. This production machine combines the advantages of the Jig Drill and Pin Table. A positioning pin is built into the base which receives the pin table. Additional features include a very accurate guide bar to keep the spindle always in line with the positioning pin, an automatic vertical feed and a continuous variable speed drive. Literature available. **Item 2978**

Small diameter electrode guide

Canadian company offers the outright sale of its patent rights or an arrangement to manufacture under licence in Canada its small diameter electrode guide. This electrode holder is a precision attachment for use with all makes of spark erosion machines. It centres and guides small diameter electrodes down to .005" in diameter. It is claimed to be easily attached and to be a unique time-saving device for which no competitive alternative exists. Literature available. **Item 2979**

Rotary electrode spindle

Canadian company offers under outright sale or licence the patent rights for its rotary electrode spindle. This precision instrument accurately drives electrodes of diameters up to 12 inches. It can be attached to any make of spark erosion machine and is actuated by the machine's dielectric fluid. Spindle speed is variable from 0 to 350 rpm by regulating the fluid flow through the turbine by means of a simple valve. This unit, which incorporates a precision-hardened and ground spindle, is claimed to cost far less than any other similar attachment. Literature available. **Item 2980**

Pin table

Canadian firm is offering the outright sale of its patent rights or the opportunity to manufacture under licence in Canada its pin table which is claimed to transform most milling machines into high-precision jig boring machines. This device permits extreme accuracy in the machining of holes, both as to position and size. The pin table has particular application in precision machine shops for short production runs but is equally suitable to the production of large quantities at no additional cost. A patented periscopic set of mirrors permits the operator to see every hole in the templet thereby assuring quick and safe positioning of the pin table. Literature available. **Item 2981**

Decorative curtain

Canadian firm offers under licence the exclusive Canadian manufacturing rights to its decorative curtain. The curtain is composed of plastic coated aluminum discs of various shapes and colours linked together with nylon hooks. It can be used for home furnishings and window displays, as room dividers and wall coverings, and has many other uses, particularly for interior decorators. An automatic linking machine is available, together with stamping dies for the discs, plastic moulds for the hooks, and looms to assemble the curtains. Literature available. **Item 2982**

Surgical stapler

Canadian firm is interested in the outright sale or licensing of the patent rights for its surgical stapler. This instrument uses surgical clips to close incisions in the operating room or wounds in the first aid room. It automatically feeds the clips from a disposable magazine without requiring the doctor or nurse to handle each individually with pliers. The magazine, when empty, is discarded and a new one is inserted. Literature available. **Item 2983**

Psychological testing machines

Canadian company wishes to sell its patent rights or to conclude a licensing arrangement for the manufacture of its two models of psychological testing machines. These machines are used for the application and recording of any written test, e.g. word or idea association, question and answer, aptitude, employment, psychological, psychiatric, etc. Pre-printed tests on paper rolls are inserted into the basic machine. A control device regulates the time allowed for each question. A button permits the examinee to proceed more quickly if desired. The individual time to answer each question is recorded, thereby adding a new parameter in the testing field. A visual testing machine, which permits ink blot and other visual tests, may be used alone or coupled with the basic machine. Literature available. **Item 2984**

Safety nuts

Swiss company offers under licence the Canadian manufacturing rights to its safety nuts. These self-locking nuts are equipped with safety elements which do not damage the screw or bolt threading. They can be adjusted, loosened and used again as often as required. Claimed advantages include resistance against cold and heat, and insensitivity to oil, gasoline and normal chemical substances. They can be used in critical applications, such as aircraft and automobile manufacturing, where vibration and rotation will often loosen regular nuts. Literature available. **Item 2992**

Wrench systems

Swiss company seeks to licence a Canadian firm to manufacture its series of universal wrenches and its universal ratchet wrench/screwdriver device. The wrenches, in various sizes, fit both inch and mm bolt heads and nuts. One size, for example, fits heads from 3/8" to 1" or from 9 to 24 mm. These wrenches are suitable for square, hexagon, octagon and round heads. They are claimed to lock tighter than any other wrench, yet don't damage the bolt or nut. The universal ratchet wrench/screwdriver device can rotate either clockwise or counter-clockwise and is lockable in position. When coupled with screwdrivers, wrenches, etc., they immediately become ratchet tools. This tool is equipped with a dovetailed handle which is claimed to achieve a multiple turning force and to save operating time. Literature available. **Item 2986**

Universal connectors

Swiss firm offers a licensing arrangement covering the Canadian production rights for its universal wire, rope and cable connector and its universal solderless electrical connector. To use these connectors the material to be secured is inserted into a hole in the connecting device, which incorporates no screws or the like. Once inserted, the material is fastened automatically and cannot be released accidentally, although it is easily tightened or released as required. One model is designed for securing wires or ropes on boats, tents, clotheslines, winches, etc. A second model is available for use in electrical and electronic applications and is claimed to provide excellent conductivity without the use of solder. Literature available. **Item 2987**

Cylindrical lock

Spanish firm offers the opportunity to manufacture its cylindrical lock which is claimed to be the only one of its kind with an additional locking bar. This fitting has a movement of 22 mm and when at maximum stroke blocks the lock. The lock is fixed with a single screw which prevents loosening. It functions rapidly and the screw, once fixed, forms a compact block with the two parts of which the lock is comprised. These locks can be fitted to doors of 28 to 33 mm thickness and are available for outside doors, passage doors and bathroom doors (with chain). Literature available. **Item 2988**

Automotive exhaust testing system

German company is offering the Canadian manufacturing rights to its integrated computer system for testing exhaust emissions from motor vehicles. This system is designed for the automation of test stands using the various known testing methods. It is claimed that this on-line system is very rapid and provides an absolutely reliable assessment of exhaust concentrations while at the same time providing savings in time and personnel. It is designed to be used primarily by car manufacturers and technical inspection services. Literature available. **Item 2989**

Filament-winding machines

Danish firm offers under licence the Canadian manufacturing rights to its filament-winding machines for the production of spherical tanks from glass fibre-reinforced polyester. These machines are available in two models and are capable of producing tanks from 200 gallons to 2,000 gallons capacity. The tanks have only one opening, which is equipped with a flange and a manhole-cover. It is claimed that the winding method employed makes possible one automatic and rational production process. Literature available. **Item 2990**

Grease separator

French company is offering the manufacture under licence in Canada of its surface-aeration separator with automatic grease recovery. This appliance consists of a reinforced plastic tank containing an activation cell fitted with a surface aerator and a calm cell. It is used for separating the grease from effluent before that effluent enters a purification plant. The company claims that, in the case of domestic or urban waste water, with the effluent at temperatures of under 30°C, the appliance removes 70 to 80 per cent of the grease. For industrial waste, the performance level is the same, provided the temperature requirement is respected. Literature available. **Item 2991**

Shotgun target

Canadian inventor seeks a licensing arrangement with a Canadian firm to manufacture his shotgun target device designed for training hunting dogs. The device is used with standard clay pigeons and clay pigeon traps. It consists of a disc, preferably made of plastics, so designed that it follows the contours of standard clay pigeons. These discs are attached to clay pigeons prior to launching. When the clay is shot away, the disc falls to the ground, thereby simulating actual hunting conditions. It is claimed to be ideal for training dogs for bird retrieval. The discs can be re-used many times. Literature available. **Item 2992**

Melamine dinnerware — joint venture

American company is interested in a joint venture arrangement with a Canadian firm for the manufacture of its melamine dinnerware. This quality dinnerware is comprised of 22 different items which are produced from a set of moulds which will be provided to the Canadian licensee. By using these moulds, it is possible to produce over 15 million pieces annually. The dinnerware that these moulds produces is modern in design and is claimed to have the look and feel of quality chinaware. The press equipment required for this production could also be used to produce other products. Literature available. **Item 2993.**

Foreign Tariffs and Trade Regulations

Argentina

An Executive Decree effective January 14th authorized the Central Bank to allow 100% of the value of 83 imported production imports to be liquidated at the commercial (pesos 5.00 per U.S. dollar) rate; such items purchased abroad formerly were subject to a financial/commercial parity split of 74%/26%. This new system reportedly is designed to compensate Argentine producers for "imported inflation" without causing repercussion in local prices, currently under strict government control. This decree is applicable to merchandise shipped after September 15th where payment is still pending; furthermore, the imports involved must be dispatched to their local destination within 45 days after arrival in Argentina.

For a list of products included in the decree contact: Latin America Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce.

Brazil

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

Resolution 1908 of December 4, 1973 exempts from duty methyl alcohol (methanol), if shipped before November 30, 1974 provided the importer has purchased one ton of national product for each 0.55 tons of imported material (tariff heading 29.04.13.00).

Resolution 1909 reduces the duty to 15% on tin waste and scrap. (tariff heading 80.01.03.00).

Resolution 1910 of December 4, 1973 exempts from duty for one year fatty acids of tall oil (tariff heading 15.10.01-.99).

Resolution 1911 of December 4, 1973 exempts from duty for six months cellulose acetobutyrate (tariff headings 39.03.03.02, 39.03.04.03).

Resolution 1912 exempts from duty a quota of 45,954 metric tons of natural and synthetic rubber through special authorization of the Superintendancy for rubber (tariff headings 40.01.01.00, 40.01.02.00, 40.02.01.00, and 40.02.99-.00).

Resolution 1913 extends for a period of two years the rate of 30% established by Resolution 1104 of October 6, 1971 on rods made of ferromagnetic powder (tariff heading 85.28.01.00).

Resolution 1914 of December 4, 1974 reduces the duty from 55% to 25% for one year on modacrylic yarn, printed or dyed of 50 to 52 deniers (tariff heading 51.01.01.02).

Resolution 1915 of December 4, 1973 exempts from duty for six months carbon black of all kinds (tariff heading 28.03.00.00).

Resolution 1916 exempts from duty several chemical products and preparations if imported exclusively for agricultural and/or livestock breeding uses.

Resolution 1917 of December 4, 1973 exempts from duty for six months Agar-agar (tariff heading 13.03.03.01).

Resolution 1918 exempts from duty until June 30, 1974 maleic anhydride (toxilic anydride) (tariff heading 29.15.04.02).

Resolution 1920 of December 4, 1920 exempts from duty for six months foot and mouth disease vaccine (tariff heading 30.02.01.99).

Resolution 1921 exempts from duty a quota of 1000 tons of dichlorodiphenyltrichloroethane (DDT) in minimum concentration of 99% (tariff heading 29.02.45.01).

Resolution 1922 exempts from duty for one year toluene diisocyanate (tariff heading 29.30.06.01).

Resolution 1927 reduces the duty from 60% to 30% for 12 months on aerosol type aluminum containers, internally coated with epoxy and externally brushed and varnished with varnished lock-seamed bottom. A certificate as to type and finish is required (tariff heading 76.10.99.00).

Resolution 1931 of December 4, 1973 exempts from duty for 180 days forged carbon steel railroad axles, as specified by norm AAR-M-101, Grade F, last revision, for use with roller bearings (tariff heading 86.09.09.00).

Resolution 1932 extends for a period of two years the tariff increase from 30% to 60% established by Resolution 1189 on citric acid (tariff heading 29.16.01.01).

Resolution 1933 raises the duty from 15% to 40% on transistors and establishes a minimum value at U.S. 0.20 per unit c.i.f., for a period of 24 months.

Resolution 1934 exempts from duty for one year vinyl chloride (chloroethylene) to be used in the manufacture of PVC (tariff heading 29.02.12.00).

Resolution 1935 of December 4, 1973 exempts from duty for six months waste of sheep or lamb's wool or of other animal hair (tariff heading 53.03.00.00).

Resolution 1936 raises the duty from 30% to 50% for two years on resin based on rosin modified by maleic anhydride or fumaric acid, suitable exclusively for use in the paper industry (tariff heading 38.08.06.00).

Resolution 1937 extends for 12 months the duty reduction from 55% to 25% on blank paper cards, weighing 160 grams per square metre, with magnetic tape on each surface, specialised for data-processing machines (tariff heading 48.15.99.00).

Resolution 1938 exempts from duty until June 30, 1974 acrylonitrile-butadiene styrene ABS, methyl methacrylate butadiene styrene (MBS) and styrene acrylonitrile (SAN) (tariff headings 39.02.02.13 and 39.02.02.99).

Resolution 1941 extends until December 31, 1974 the duty exemption on tallow established by Resolution 1760 (tariff headings 15.02.01.00 and 15.02.02.00).

Guyana

The Guyanese Government has announced a number of economic measures relating to foreign exchange control and imports designed to overcome severe balance of payments pressures.

The trade measures will include a ban on imports of automobiles with an engine capacity over 1600 c.c. and restrictions on imports of those with an engine capacity under 1600 c.c. Further announcements are expected shortly concerning a ban on additional non-essential imports. Details will be published as soon as available.

Inquiries should be addressed to the Caribbean Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa.

Jamaica

The Jamaican Government has announced new economic measures designed primarily to counter severe balance of payment pressures resulting from sharp price increases for major imports, particularly petroleum.

Total 1974 commodity imports will be held to Jamaican $645 million, an increase of $40 million over 1973. Imports of capital goods and raw materials will be limited to $500 million, with priority being given to employment creating activities. Consumer goods imports will be restricted to $145 million (a reduction of $79 million from 1973). This total of $145 million will provide for imports of $78 million for basic foodstuff and the balance of $67 million will be allocated for other consumer goods including motor vehicles.

Most imports will be subject to specific import licensing with a total ban on a range of items including: ducks; turkeys; apples; cider; gin; toys; greeting cards; calendars; handkerchiefs; underwear and nightwear of all material except cotton; handbags; wallets; and plastic household and decorative items. Motor vehicle imports will be restricted to:

a) $5 million total value for imports of motor cars with the unit c.i.f. value not to exceed $3,000 (this is a 50 per cent reduction;
b) commercial vehicle imports will be limited to $10 million total value of which $6 million will be reserved for public transportation and agricultural vehicles.

In order to make up for the estimated $20 million annual revenue loss resulting from increasing import restrictions, an ad valorem sales tax of 50 per cent on motor cars and 75 per cent on air conditioners, water heaters and coolers will be imposed. Ratio of imports to local and Carifta textiles allowed for sale by the trade is reduced from 2:1 lbs. to 1:1 lb.

A number of other economic measures are being taken including an increase in the bank rate, a freeze on credit ceilings and a tightening of exchange controls.

Any enquiries should be addressed to the Caribbean Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa.

Spain

The Spanish Ministry of Commerce has announced a 5 per cent across-the-board reduction in import duties, for a period of three months effective from January 19, 1974.

Decree 75/1974, which authorizes the tariff cuts, applies to all goods except those which are already duty-free, or subject to import duties of less than 5 per cent, or subject to suspension of duty under two earlier decrees; Decree 2050 of October 11, 1973 concerning certain petrochemical products, and Decree 2781 of November 2, 1973, suspending import duties on textile raw materials and manufacturers. If these earlier decrees are not renewed, the 5 per cent reduction under the new decree will apply to them as well.

Venezuela

Consular invoices are no longer required for shipments to Venezuela. Shipments are now to be covered by commercial invoices and bills of lading. Consular legalization of the commercial invoice is not required. However, bills of lading must still be visaed by the Venezuelan Consul.

The commercial invoice should be made out in Spanish. According to **Oficio No. 1434** the following data must appear on the commercial invoice: (a) name and address of the supplier; (b) name and address of the importer; (c) quantity of the merchandise in commercial units; (d) detailed description of the merchandise according to trade terms; (e) unit price and trade units must be given in detail; (f) total price; (g) delivery conditions and point of delivery; (h) terms and conditions of payment.

The following tariff changes have been announced:

Tariff Heading	Description	Duty
02.02.01.01	Turkey meat	reduced from 30% to 1%
04.04.00.01	Parmesan cheese	reduced from 200% to 135%
16.01.00.00	Sausages of meats, of offals of blood — licence from the Ministry of Development is required.	reduced from 125% to 1%
16.02.00.01	Ham — licence from the Ministry of Development is required.	reduced from 200% to 1%
59.02.02.01	Shapes and weatherstrips of felt.	reduced from 80% to 10%
61.09.01.00	Suspensory bandages	reduced from 20% to 10%
62.05.00.08	Shapes and weatherstrips of fabrics	reduced from 40 bolivars per gross kilogram + 150% to 10%
71.16.00.00	Watch bands of base metals	reduced from 200% to 15%
74.03.00.01	Wire rope of copper	increased from 1% to 10%
78.02.00.01	Bars, shapes and wires of lead.	increased from 5% to 25%
83.15.00.03	Wires, rods, tubes, plates and electrods of lead and tin, coated or cored with flux material for soldering brazing or welding.	increased from 1% to 30%
97.06.04.01	Balls for baseball and softball.	reduced from 5% to 1%
73.15.01.00	Ingots of alloy steel and high carton steel.	increased from 1% to 60%
73.15.03.00	Roll trimmings for coils of alloy steel and fine carbon steel — licence from the Ministry of Development is required.	reduced from 50% to 1%

ing to many times that value. On the whole the companies were very satisfied with their participation, but they have to continue their efforts; they have to follow up the commercial contacts they made on location, since Algerians, like every buyer, wish to be wooed.

● *What do you mean by "wooed"?*

Throughout the year it is necessary to be seen in order not to be forgotten, since it is not we, the Trade Commissioners, who make the sale; we only facilitate the entry of companies into the market through our personal contacts. If a Canadian company really wants to sell, it must establish a continuing contact with the companies it is interested in.

● *Is it necessary for companies to establish permanent representatives?*

Naturally, that would always be more effective but it is important to investigate the development of markets before installing someone on location. Some Canadian companies do already have representatives permanently located in Algeria. Our office may undertake preliminary market studies and provide indices to companies if necessary. We can establish contacts, but we cannot sell their equipment.

● *Are there other ways to enter the Algerian market?*

The Algerian Government prefers to buy direct from the manufacturer. This means, therefore, that a Company must present itself personally and establish a direct contact with the Algerian national company in which it is interested.

● *Does a company entering this exhibition have to display its product, or would brochures be sufficient to attract interest?*

It is too much to ask a company manufacturing cranes to demonstrate them at a fair, but obviously there is more interest in the products that are displayed and it is in this that the advantages in participating at the fair become apparent. A company that has already prepared the ground work through previous visits will be able, during its participation at the fair, to receive the individuals whom it has already met and demonstrate to them the equipment it has to sell. But we do have some audio visual equipment at our office, and if Canadian companies have films, slides or cassettes we can provide the necessary equipment for them to be screened and played to potential Algerian clients.

● *Do you consider the use of audio-visual equipment a superior method of presentation to brochures or folders?*

Of course. The great advantage in Algeria is that one is not dealing with 50 different clients, each buying small quantities. Rather, one is dealing with only one client who buys for the whole country.

● *Are you speaking about national or state trading companies?*

Correct. There are no two companies which do the same thing in Algeria. A Canadian firm that sells agricultural equipment will have only one possible client here.

● *Does this complicate things for the Canadian businessman?*

The Canadian businessman must realize that he is dealing with only one client, and that it is a big client. He must adjust his approach to this fact. But there are certain advantages. It is more economical to sell to one client than to sell to 50. In passing, I must say that Algerians are good buyers; they are well-informed, and hard bargainers. Canadians should not be misled on this point.

● *Must the Canadian businessman in Algeria alter his usual manner of doing business?*

One of our functions is to give pointers to the businessmen who pass through our office before they meet their Algerian clients. We can help them to avoid blunders and waste of time. The Canadian businessman must not forget that the people he has to see are busy and important, and not easily accessible.

● *Would it help if he let your office know in advance when he expects to arrive?*

It would allow us to prepare the ground work and make any necessary studies to make his visit as effective as possible.

● *There were only nine Canadian companies at the last Algiers International Fair. Would you say that the Algerian market is open to other Canadian products?*

Certainly. There are many products that could be sold that are not available here. Algerians are well disposed to Canada, and the two-tier $100 million credit agreement signed last May between Algeria and Canada is there for a purpose.

But there is also this fact: Algerians definitely wish to diversify their purchases. Previously, they purchased nearly 70 per cent of their equipment in France. Now they are trying to restructure their import policy so as not to depend on only one country.

Agricultural equipment is in short supply in Algeria, and we are very much considered in this area. Mining and telecommunications equipment could find new and interesting markets here.

Consumer goods, however, are considered luxuries and Algerians have decided to use their assets for development. In the structure of the four-year plan ending this year, the Algerian Government put 70 per cent of its investments into new equipment. Algerians have decided to establish a heavy industry based on petroleum and gas and other raw materials available here. Once this infrastructure of heavy industry has been established, they will develop a secondary industry. All their investments, therefore, are being made with the objective of economic development in mind rather than the consumer.

● *Is Algerian economic development based mainly on petroleum and natural gas?*

We are aware of the fact that Algerians are developing their natural gas industry. They are already selling liquified gas in Europe and they have very important projects under construction for the sale of liquified natural gas to the United States. Therefore, there is an enormous commercial potential for everything connected with equipment for this industry — exploration, production and transportation — as well as in the area of services.

We are also planning to organize a visit to Canada of key engineers from Sonatrach, the national company which deals with the exploitation of gas and petroleum, so that they can see and judge on site what Canada has to offer in terms of equipment and services for this industry. Two such missions have already taken place: one which focused on agricultural equipment, and another on the petroleum and gas industry.

● *What is the reputation of Canadian products in Algeria?*

We have two great advantages. First, we are North Americans, and Algerians identify North America with advanced technology. Second, and equally important, is our command of the French language in the business world. Algerians are very interested in the training of their personnel, and we can train their engineers and technicians in Canda in a language which they understand, while the Japanese or the Americans do not have this capability.

• *But isn't Arabic the Algerian national language?*

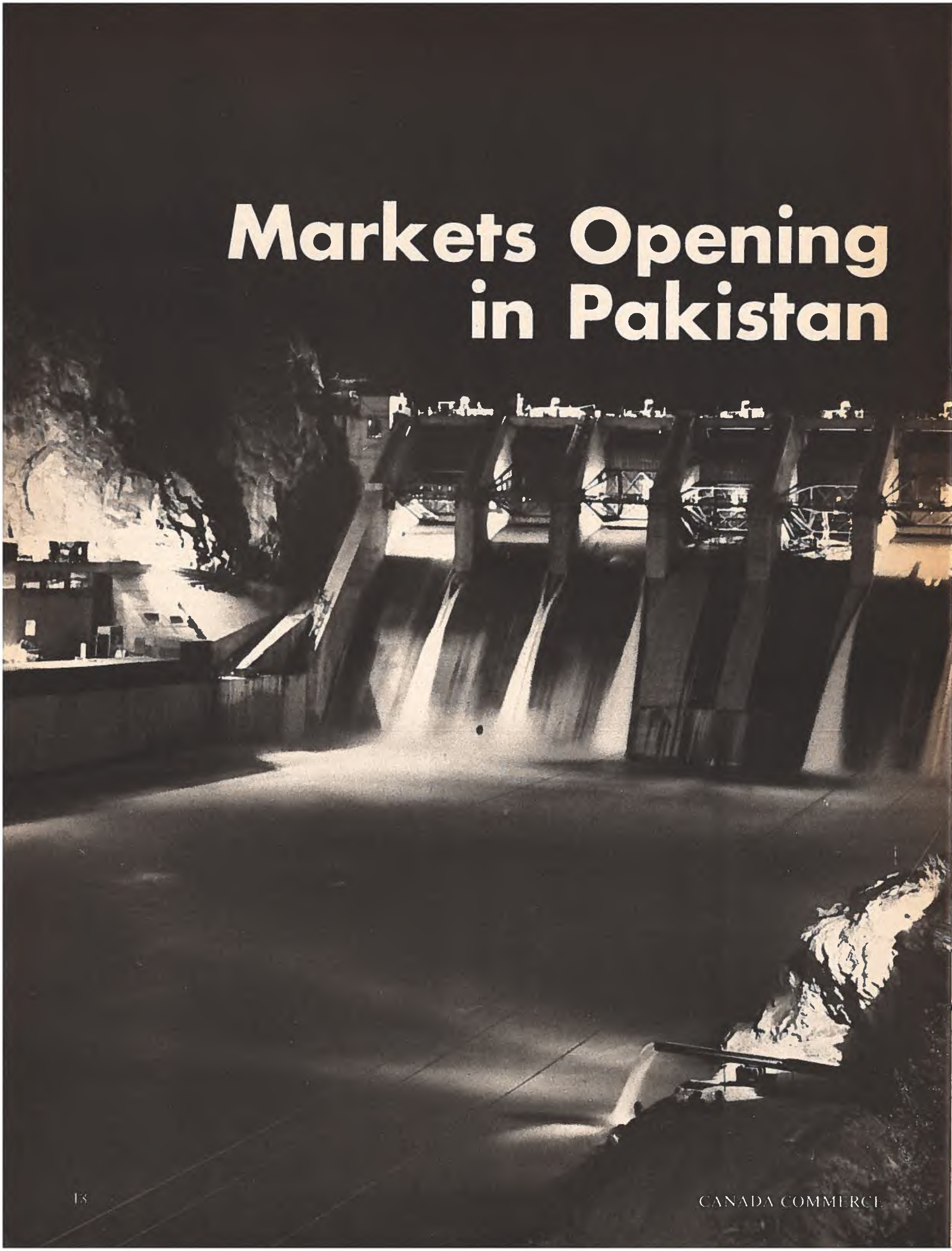
Yes, but French continues to be one of the languages used in trade and communications.

● *Could Algeria become the key to a Francophone market in Africa for Canadian companies?*

The Algerian market can serve as a door to the whole French-speaking market in Africa. It is the most developed country in Francophone Africa and certainly the one with the largest market. Moreover, Algeria sees itself, and rightly so, as one of the leaders of the Third World. It offers a very important market and a Canadian who succeeds in it will find that the doors are open elsewhere in Africa.

Furthermore, it is easier to sell in Algeria than in other French-speaking African countries because, out of all the old French colonies, the Algerians are nearly the only ones who have no tariff or contingent advantages with the European Common Market. □

Markets Opening in Pakistan



With a drainage area of 26,000 square miles, the Warsak Dam on the Kabul River in East Pakistan has a capacity of 160,000 kilowatts and can irrigate 100,000 acres of farmland. It was built with the help of approximately $36.6 million of Canadian assistance. (Photo: National Film Board, Ottawa)

JAMES D. LEACH, Commercial Secretary, Islamabad

During the past year Pakistan's economy has, in spite of severe inflationary pressures, staged a marked recovery from the depressed conditions of the previous two years. The early 1970's were particularly difficult years for Pakistan. The prolonged drought plus inadequate supplies of fertilizers had resulted in a decline in agricultural production. The industrial sector was also depressed. Labour unrest and a shortage of foreign exchange to finance imports of raw materials and equipment contributed to a reduction in industrial output. The uncertainty created by internal and external political developments discouraged investment. And the December 1971 war which led to the separation of Bangladesh interrupted Pakistan's considerable interwing trade.

However, there was a sharp upswing in economic activity, during 1972-73. Some sectors of the economy — notably large-scale manufacturing, construction and wholesale/retail trade — achieved impressive rates of growth; others, including agriculture, continued to expand steadily. In spite of the severance of trade with the country's former eastern wing, which had accounted for approximately one third of total exports and one eighth of total imports, 1972 saw a remarkable increase in exports as producers succeeded in locating alternative world markets. In addition, devaluation of the rupee in May of that year corrected the lack of equilibrium in the balance of payments.

Before the onslaught of the recent calamitous floods in Pakistan, it was confidently expected that the upswing in economic activity of 1972-73 would gather increased momentum during the present fiscal year. Agricultural output, responding to higher prices, would have risen substantially and economic expansion would have been stimulated by a continuation in the growth of exports and increased development outlays. In fact, the expectation was that the current year would see a growth rate of over 7 per cent. The exact extent of the damage caused by the floods has yet to be fully assessed; it is obvious, though, that Pakistan's economic performance in 1973-74 will be seriously affected. Nevertheless, the longer-term outlook remains promising and Pakistan could well become relatively prosperous and self-reliant; some observers believe that Pakistan's economy is now in the early stages of a period of substantial growth.

Canada has had a long and close association with Pakistan. Since the early 1950's Canada has been, after the U.S.A., the second largest donor of development assistance to Pakistan, roughly $400 million on the most generous loan terms available. Canadian projects, particularly (although not exclusively) in the fields of electric power generation and transmission, can be found throughout virtually the entire country and Canada's food aid and commodity assistance (primarily industrial raw materials) have also been substantial. In addition, thousands of Pakistanis have been trained at Canadian educational institutions and many now occupy senior positions in industry and government in Pakistan.

Although Canadian project assistance will continue to support the power sector in Pakistan, plans call for diversification into other fields, and new projects in the transportation and natural resource development sectors, among others, could conceivably be approved for CIDA financing in the near future. It is also worth noting that a $30 million commodity agreement was signed recently in Islamabad under which Canada will provide over the next three years a wide range of industrial materials, including non-ferrous metals, newsprint, wood pulp, synthetic rubber, wire and cable.

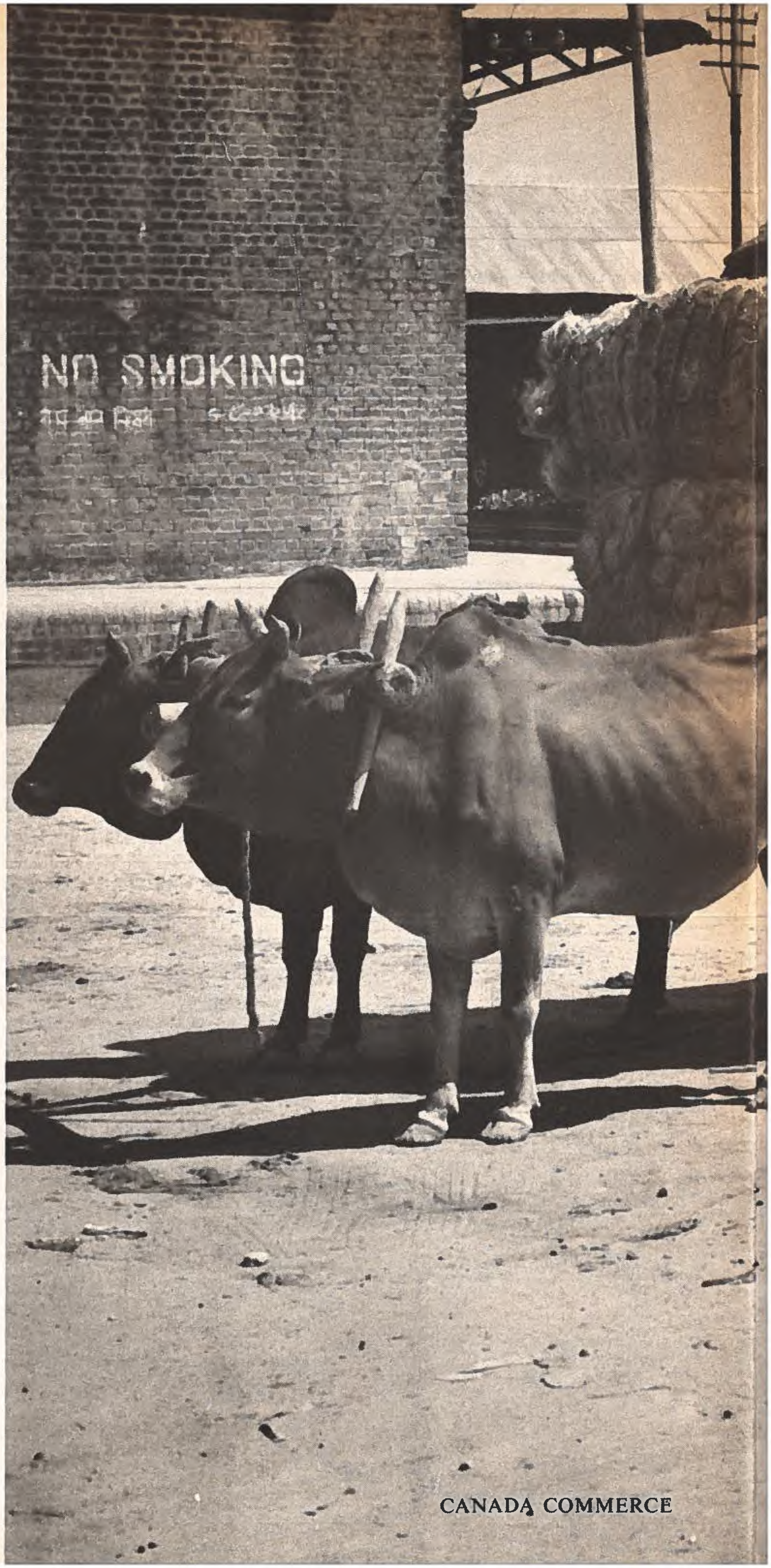
A substantial level of Pakistan's imports will continue to be financed by barter agreements with Eastern European countries, bilateral assistance programs such as that administered by CIDA, and multilateral aid provided by international agencies such as the World Bank and the Asian Development Bank. There are many IBRD/IDA and ADB projects in Pakistan, by the way, that should offer interesting prospects for Canadian consultants and equipment suppliers.

Pakistan's import policy provides for two lists of permissible imports, a tied list covering items importable exclusively from tied sources, and a free list of more than 350 items, ranging from ambergris to yeast, which are importable against cash from world-wide sources. Unfortunately, many Canadian suppliers, whose products are in fact included on the free list and for which there is a local demand, incorrectly assume that as Pakistan is an aid-recipient country there is little or no scope for commercial sales.

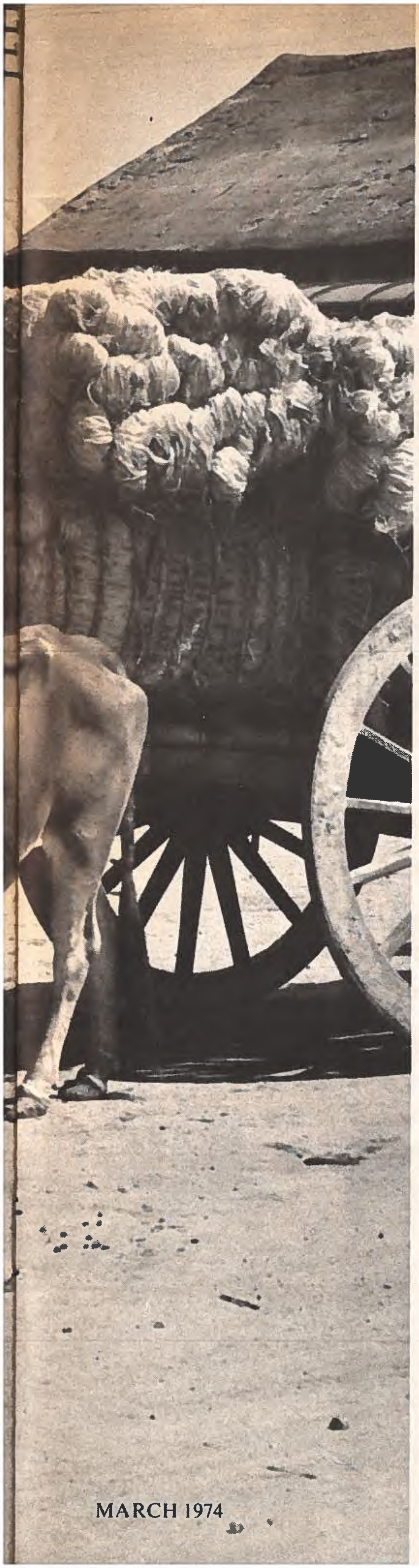
Opportunities increasing — Traditionally most of Canada's exports to Pakistan have been aid-related and our commercial (non-aid) trade has been worth only several million dollars each year. But the picture is changing and our export statistics will begin to reflect a dramatic increase in commercial sales. The most significant component of this increase will be wheat, Canada having only recently sold more than $50 million worth to Pakistan, in addition to our food aid commitment. Although Pakistan should obtain a large proportion of its newsprint and wood pulp under the CIDA commodity aid program, considerable tonnage may be purchased from Canada against cash, as the demand for additional paper continues to increase. And as CIDA project assistance diversifies into other sectors of the economy, there will undoubtedly be an increase in the commercial fallout as well.

Over the longer term, prospects for sales of wood-harvesting equipment, pulp and paper machinery, and mining and oil exploration and development machinery and equipment look promising. Important markets already exist for such diverse products as civil and military communications equipment and used clothing.

Significant opportunities should develop in Pakistan for Canadian exporters over the next few years. As our interests to date have been primarily aid-related, however, relatively few Canadian companies are represented here and a good agent is an essential part of doing business in Pakistan. If you would like a reading on the future prospects (or present potential) in this area for your product, we would be glad to give you an assessment and help you to locate a suitable local representative. Descriptive literature and price details should be sent to the Commercial Secretary, Canadian Embassy, P.O. Box 1042, Islamabad, Pakistan. □



Bullock carts are still used extensively in Pakistan, as can be seen by this one loaded with jute.



Some important contacts in Pakistan

Chairman
Trading Corporation of Pakistan
Press Trust House
I.I. Chundrigar Road
Karachi
Non-ferrous metals, newsprint, wood pulp, used clothing, edible oils.

Managing Director
Karachi Electric Supply Corporation
Aimai House
Abdullah Haroon Road
Karachi.
Electric power distribution equipment.

General Manager
Sui Gas Transmission Company Limited
P.O. Box 540
University Road
Karachi.
Natural gas pipeline system equipment.

General Manager
Sui Northern Gas Pipelines Limited
P.O. Box 56
Monnoo House
3 Montgomery Road
Lahore.
Natural gas pipeline system equipment.

Engineer-in-Chief
Karachi Port Trust
Port Trust Bldg.
Karachi
Port construction materials and equipment.

Director General
Pakistan Telegraph and Telephone Department
Islamabad.
Telecommunications equipment.

General Manager
West Pakistan Industrial Development Corp.
PIDC House
Dr. Ziauddin Road
Karachi
WPIDC-managed projects produce a wide range of goods including salt, medicine, machine tools, sugar, cement, fertilizers, chemicals, coal, cotton yarn, carpets, etc.

Chairman
Agricultural Development Bank of Pakistan
Shafi Court
Mereweather Road
Karachi
Agricultural machinery and equipment, marine engines, nylon ropes and twines.

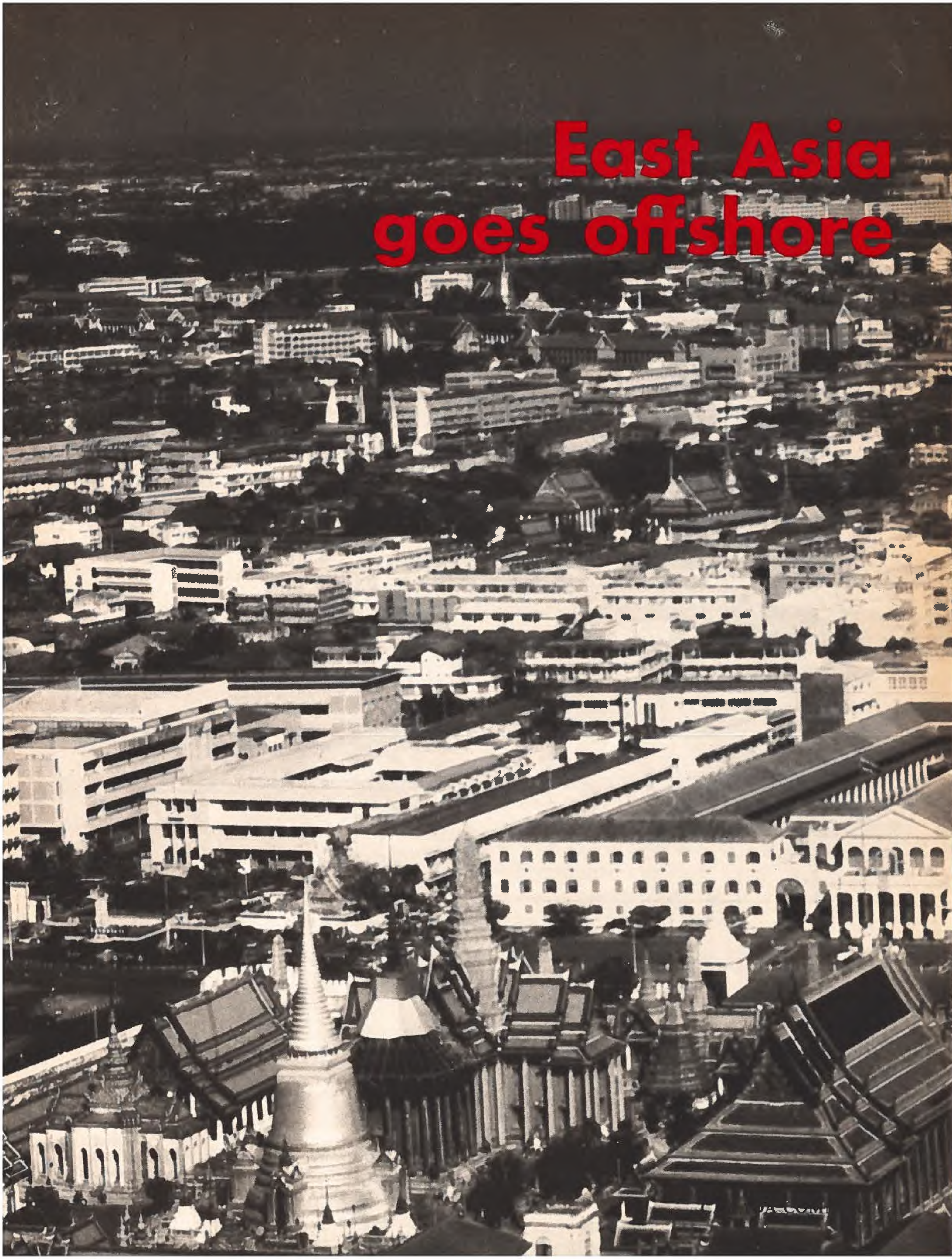
Chairman
Water and Power Development Authority
WAPDA House
Lahore
Electric power generation, transmission and distribution equipment.

Secretary
Railway Board
Pakistan Western Railway
Empress Road
Lahore.
Rails, rolling stock, railway stores.

Where Pakistan Buys

	1969-70	1970-71 $ million	1971-72
U.S.A.	166	212	155
West Germany	83	85	65
Britain	76	84	67
Japan	69	76	67
Eastern Europe	55	61	69
Middle East	41	53	50
Italy	37	38	37
Canada	24	23	9
Others	139	125	104
Total:	**690**	**757**	**623**

East Asia goes offshore



Part of the modern city of Bangkok, capital of Thailand and the country's business centre.

The information in this article comes from an article by Dr. C.Y. Li that was published by the Thai-American Chamber of Commerce. Dr. Li is head of a United Nations organization called "The Committee for the Co-ordination of Offshore Prospecting (In East Asia)."

Canadians wanting more information on the possibilities indicated by Dr. Li should contact the Commercial Secretary and Consul, Canadian Embassy, P.O. Box 2090, Thai Farmers Bank Building, 142 Silom Road, Bangkok, Thailand.

For centuries, man explored for minerals on land but very little attention was paid to the sea until after World War II. Since then, the sea has become a focal point of efforts to obtain mineral fuels and metals.

In East Asia and the Western Pacific, the Co-ordinating Committee for Offshore Prospecting (CCOP) has played an important role in stimulating interest in this activity. CCOP is an intergovernmental body initiated by the United Nations Economic Commission for Asia and the Far East but now supported by the United Nations Development Program (UNDP).

CCOP has eight member nations: Indonesia, Japan, the Khmer Republic, the Republic of Korea, Malaysia, the Philippines, Thailand and the Republic of Vietnam. Singapore's recent application for membership is expected to be accepted and several developed countries outside Asia have provided assistance. Among these are: France, Australia, West Germany, Britain and the United States. The Netherlands is also expected to extend support. Thus, CCOP will represent the joint efforts of 15 nations.

The Committee is concerned not only with the problems of exploration over the next few years but is also looking to the next decade, when the search for minerals and oil will go beyond the shallow waters of the continental shelf into the ocean depths. CCOP's undertakings have economic and scientific implications and have been instrumental in attracting risk capital to East Asia.

Before CCOP came into being, there was virtually no undersea mineral exploration in East Asia, with the exception of a few isolated cases — in Japan (for magnetite sands, coal, petroleum and natural gas), off east-central Sumatra (petroleum and natural gas) and southern Thailand (tin).

The success of offshore petroleum exploration in other areas of the world was one of the main incentives for establishing CCOP. Since World War II, reserves of petroleum and natural gas have been exploited in the Gulf of Mexico and the Persian Gulf and important discoveries have been made off Alaska and Australia and in the North Sea.

When CCOP was set up, it was on the basis that offshore exploration might be expensive on a small scale, but if the area to be covered was large enough and a continuous program undertaken, overall costs would be reduced. A Project Office was set up with UNDP assistance and it is intended to carry out two broad objectives: (1) to assist in increasing scientific and technical knowledge of the mineral potential of nearshore, offshore and adjoining areas of East Asia; (2) to assist in augmenting the capability of the developing member countries of CCOP to carry out offshore and related activities.

To achieve these objectives, the Project Office provides advisory and consultancy services in marine geology and geophysics, arranges training programs, acts as a data service centre for offshore activities, compiles sea-floor topography and issues technical documents. The Office also works to attract assistance to developing member countries for carrying out offshore surveys and related activities. In all its undertakings the Project office is guided by CCOP, with the help of a Technical Advisory Group, the members of which include leading geologists and marine geophysicists from developed countries.

CCOP's interests are not confined to petroleum and natural gas, although the activity in these fields more readily attracts public attention — offshore metallic mineral exploration also figures in its work.

Indonesia, Malaysia and Thailand are the world's leading tin producers and CCOP has directed the Project Office to study further development of these resources. In line with this, a number of proposals have been prepared. These include investigation of tin and other minerals in offshore areas along West Malaysia's east coast and joint geological and geophysical studies of mineral potential in the Strait of Malacca. Bilateral assistance is being sought to carry out these proposals.

As a result of CCOP's work, there is already a new impetus and direction in offshore surveying and prospecting in East Asia. The next few years will be particularly important because technical staff and equipment will be increased in a number of CCOP countries. In some others, equipment to suit specific national needs must be selected.

In all member countries, the Project Office will provide assistance in selecting, installing and testing equipment. Experts attached to the Office will provide advisory services, participate in surveys and help assess results obtained. At all times, the Office will watch developments closely. □

Japanese Industrial Groups

A 400-page report entitled *Industrial Groupings in Japan* has been published by Dodwell Marketing Consultants of Tokyo. It covers the 13 major industrial groups of Japan and more than 1,000 companies; provides details on which companies belong to which group; analyzes group companies by industry; surveys group company turnovers, shareholders, directors, loans and rate of inclination to group; makes comparative analyses between groups by industry; provides information on major general trading companies.

The concentration of economic power in large financial and industrial groupings is a unique feature of Japanese commerce and industry. The groups are less closely knit than before but they still represent powerful economic and industrial concentrations. The Dodwell report is designed as a practical reference source for the businessman dealing with Japan and supplements existing directories by providing this type of information for the first time in English.

For more information write Dodwell Marketing Consultants, Kowa No. 16 Building Annex, 9-20 Akasaka 1-chome Minato-ku Tokyo 107, Japan.

Research for the small business

E.C. BUTTON, Managing Editor

When a large corporation or a government embarks on a new venture — the announcement usually comes after thousands, even hundreds of thousands, of dollars have been spent in research. But what about the small business? What about the company of about 20 or 30 employees that feels a need to diversify?

The executive of the large corporation will have at his or her disposal a special purpose library with an annual budget of at least $50,000, and a team of researchers being paid at least $15,000 a head. And these are minimum figures. In the small company the picture changes completely. Too often the only resource is time — time of one or more of the senior people — time they too often are hard pressed to find. And when it is found it may be at the expense of weekends at the cottage or a few holes of golf in the evening.

Research in business is applied in many areas: the technology of production — the search for new markets — the expansion of present markets — the search for a way to diversify. Research looks at the past, present and future. It looks into the history of the subject for past success and failures. It looks at the present to determine "the state of the art". And it looks into the future to somehow help us make better decisions.

Determining "the state of the art" is all important. Let's not reinvent the wheel. Let's not repeat mistakes. But to search out this information is time-consuming. Book after book, report after report, article after article, have to be found and read. Current trends have to be analyzed. And if an executive cannot afford the money or the personal time to do this — his or her decision may suffer.

There is a partial answer — a continual flow of information about your field or product can be available — a continual flow that can be scanned in a few minutes for significant items. And for a few dollars a day. The small company may not be able to afford that team of high-priced research analysts — but it can afford to have at its fingertips the orderly collection of information the research team will seek out, select and catalogue.

An ever-growing number of firms and institutions are appearing on the information scene. Firms whose primary function is to collect from across the country, or North America, or the entire world, newspapers, magazines, periodicals and reports. These firms will read this material and supply their clients with the results of this collecting and reading process, but only with that material that falls into the interest areas specified by the client. The services offered vary. Some firms will simply forward clippings on the client's subject. Others will rewrite the articles into short quickly-read abstracts. Some will keyword, or make short headlines, oriented to the client, further reducing the reading time. Some even employ computers.

For a few minutes and a few dollars a day a small company can keep abreast of developments and trends

It could be said that these firms generally offer one service vital to the businessman — information about information. Fòr a few minutes and a few dollars a day a small company can keep abreast of developments and trends in its field. Activities across the world are known as they happen. The busy executive can scan the package of clippings or abstracts in the in-basket and investigate only those items pertinent and vital to the company. Having in one compact package only those information items of specific interest, changes in an industry and trends in the market place will become evident.

And all for a few dollars a day. Actual costs will depend on the range of material read by the information firm, the uniqueness of your area of interest, on how many information items you are sent and in what form. Costs may be as high as several thousand dollars a year for special work, but there are services dealing with general or common fields of interest that will provide around 100 items a week, headlined and abstracted down to a single paragraph, for as little as $300 a year!

Before you seek out the service that suits your company, resolve two things in your mind. First of all make a mental list of the areas of information you want tapped. What information fields are vital to you or your company? Second, determine whether you want to look backward into the information on the established and proven — to seek out others' solutions to your problems — or whether your needs are more toward trend analysis. If the latter, then you need an information service that feeds you data about new happenings — things that people are trying, saying or doing. But perhaps you may need both.

Knowing the "state of art" in your business can be vital. Perhaps it may only confirm your decision; perhaps it may open new avenues for you. Or it may prevent a costly error in judgment.

We have prepared for *Canada Commerce* readers a list of firms and institutions offering information services. Time and available data may cause some firms to be omitted — and if we did please let us know.

Clipping and abstracting services

Agence de Publicité Gamelin
2529, Hochelaga
Montréal, Québec

Bowden's Press Clippings
220 Richmond St. W.
Toronto, Ontario

Canadian News Facts
Martep Publications Ltd.
55 York St.
Toronto, Ontario N5J 1R7

Canadian Press Clipping
481 University Ave.
Toronto, Ontario
and
625 President Kennedy
Montréal, Québec

CAN/SDI Tape Services
National Science Library
National Research Council
100 Sussex Drive
Ottawa, Ontario K1A 0S2
(Mr. G. Mauerhof)

Centre de Recherches arctiques
Institut d'économie appliquée
École des Hautes Études commerciales
535, ave. Viger
Montréal 24, Québec

D. & G. Service
2529, Hochelaga
Montréal, Québec

Media Quotes Ltd.
410 Adelaide W.
Toronto, Ontario

Mega Communications
Gilles Sainte-Marie & Associés Inc.
1545, rue de la Montagne,
Montréal 107, Québec

Northern Titles
G.A. Cooke, Librarian
Boreal Institute for Northern Studies
The University of Alberta
Edmonton, Canada

Orba Information Ltd.
418, Saint Sulpice
Montréal 125, Québec

Science Associates/International, Inc.
23 East 26th Street
New York, N.Y. 10010

Societé de Recherches et Documentation Journalistique Incor. (R.D.J.)
1411, Crescent
Montréal, Québec

Trade Lines

Brazilian coffee plantations

A spokesman for the Brazilian Coffee Institute has said that the three-year plan for the renovating and strengthening of coffee plantations is the Brazilian Government's most expensive one. It will absorb $800 million for the planting of 600 million new coffee trees. Interest shown by the planters in the plan will allow for its completion in just two years — Rio de Janeiro

New Argentinian mining effort

The Argentine Government has voted an initial investment of $11 million to develop the Farallon Negro Mine in the Department of Belén, Province of Catamarca. This mine, discovered in 1938, is owned jointly by the Province of Catamarca and the University of Tucuman. The ore body consists of a manganese, gold and silver mixture. Yacimientos Mineros Aguas de Dionisio (YMAD), the State Corporation formed to develop this property, has announced that some seven miles of underground tunneling, and 12 miles of roads, have already been built. Tenders will soon be called for the provision of a plant for crushing, milling, separating and cyanide concentration of manganese. — Buenos Aires.

New investment in power

Construction of new power systems in seven border towns and the extension of 15 plants already in operation have been included in the 1974 investment plan of the Amazonas Electric Centrals. — Rio de Janeiro.

Brazilian atomic power

The first Brazilian atomic power plant now under construction in Angra dos Reis, Rio de Janeiro State, will be fully operating in 1977, after completion in 1976. It will generate power for the centre-south area of the country. — Rio de Janeiro.

Iraqui 20-year plan

An agreement was concluded recently between the Ministry of Planning of Iraq and UNDP for drawing up a 20-year development plan covering the period of 1975-1995. UNDP will also contribute to the preparation of a five-year economic plan (1975-1980). Under the agreement UNDP will offer Iraq $635,500 to cover the expenses of experts and materials and equipment to be provided to Iraq. The Government's share will amount to $356,000.

On the other hand, the local papers report that 18 Soviet planning experts have arrived in Baghdad to help the Iraqi Ministry of Planning to draw up a long-term planning policy. The purpose of the visit is to "introduce co-operation in the sphere of planning and to introduce modern planning techniques". — Beirut.

Jordan Valley development

Jordan is to receive credit assistance from the World Bank ($12 million) and the United States ($20 million) to finance a $100 million scheme for development of the Jordan River Valley. Earlier, aid had been extended by West Germany for this same project, for electrification, roads and telecommunication. The purpose of the scheme is to expand irrigation, and to assist in the reclamation of some 20,000 acres and the resettlement of 150,000 people in new villages — Beirut.

Kuwaiti fertilizer plant

The municipal authorities of the City of Kuwait have finished building a fertilizer factory with a 100-ton daily output and are planning a second plant with double this capacity. This project is to convert into organic fertilizer some of the 400,000 tons of waste collected each year and dumped into pits in the desert. — Beirut.

New Great Lakes Canal Proposed

JOHN JURSA, Chairman, Promotion and Public Relations Committee,
International Association of Great Lakes Ports

United States engineers have made a report showing that a new canal can be constructed through New York State to help to ease the bottleneck expected to develop at the Welland Canal by 1990 because of increased shipping.

Economic studies and a projection of trends in water-borne traffic indicate that unless some structural improvements to the Welland Canal are made before 1990, traffic on the entire Great Lakes system will be constrained by the physical capacity of the canal. The report envisages construction of a new Lake Erie — Lake Ontario deep-draft waterway about 38 miles long, through New York State, as a parallel canal to provide additional capacity.

Cost of the project, that would take five years to complete, is estimated at $2.6 billion, based on 1972 price levels.

The project would use a channel in the Niagara River and then traverse a 325-foot drop across the U.S. side of the Niagara Peninsula, including the 240-foot Niagara Escarpment. The report emphasizes that the proposed waterway would provide additional capacity sufficient to meet the projected water-borne traffic between Lake Erie and Lake Ontario through the decade 2030-2040.

The Welland Canal, which handled 63 million tons of shipping in 1971, is the existing link from Lake Ontario to the rest of the Great Lakes system. Built by Canada in 1932, it contains one guard and seven lift locks, each 800 feet by 80 feet, with a 27-foot depth.

The proposed U.S. Canal would have a minimum bottom width of 600 feet to meet standards for two-way traffic and a minimum depth of 30 feet. Locks would be 110 feet wide and 1,200 feet between gates to permit passage of vessels up to 105 feet by 1,000 feet, or about the same as the largest lock now in the system at Sault Ste. Marie. Four locks, each with a lift of 80 feet, are proposed for the overland section while the lock in the Niagara section would have a normal lift of five feet. Surge basins would be required to minimize surges in the channel in the overland section caused by rapid displacement of large volumes of water during filling and emptying of the locks.

The report cautions that unless something is done to relieve the projected traffic jam by 1990 and to provide facilities to handle larger ships, the Great Lakes region of the United States and Canada will lose a significant amount of future water-borne traffic.

It claims that the movement of goods by ship is the most economical mode of transportation over long distances. And with the growing energy crisis and related costs, future studies could favour water-borne commerce.

Other benefits would include: savings to shippers through reduced traffic delays, increased efficiency, insurance against shutdown because of accidents, stimulation of regional development and increased tourism.

But the report lists a number of disadvantages. Increased tourism might be considered undesirable to residents because it would disrupt the quiet, rural atmosphere characteristic of this area. Also, water required for lockages on the canal would have a potential adverse effect on the power industry located along the Niagara River and could result in additional costs.

The report says that construction of the waterway "is not economically justified, based solely on U.S. transportation savings and when analyzed as an increment to, rather than an integral part of, the entire system."

Whether the new canal will be constructed depends on a number of factors, including what future developments take place in Canada. "Some major waterway improvement is needed, either in the form of a new waterway or major structural improvements to the existing Welland Canal," the report warns. "A decision must be made by 1980 in order to prevent constraint of waterborne traffic in 1990".

The United States views the Welland Canal as the weak link in the St. Lawrence-Great Lakes system. However, the Canadian St. Lawrence Seaway Authority has said that it expects to start work about 1980 on the "twinning" of the Welland Canal locks, creating four or five new locks about the same size as those in the U.S. proposal. □

Food for Thought

Items in this feature are reproduced as originally published. The Department accepts no responsibility for their accuracy.

This month's items come from the Orba Information Limited publication *Changes*.

Financial Times writer John Chittock reports that videocassettes have a great potential in changing the nature of business communications. While video telephones have not really become popular, a growing number of UK firms are using VCR's for sales training, recruitment and company news. Chittock also believes that the soon-to-be-available videodisk could have a dramatic effect on office information retrieval systems.

Financial Times of London

Regardless of Arab policies and despite the fact that by 2000 the world will have used only 2 per cent of its fossil fuel resources, the energy shortage will persist. Such is the attitude of the United Nations Economic Commission for Europe. New sources of energy will not have made an impact by that time and demand will have doubled, the Commission predicts.

The Times of London

University of Montreal researcher, Syed S. Hyder, has produced a device to simplify the hitherto very difficult process of typing Arabic script. The problem with Arabic typing has been that the shape of the character changes according to its position in the word, making it necessary for the same character to be repeated many times on the keyboard. The new device uses a mini-computer to make the choice of character shape, allowing the keyboard to consist of the basic 32 Arabic letters.

New Scientist

Chairman of IBM World Trade Corp., Gilbert Jones, is opposed to international laws that would seek to regulate the behaviour of multi-national companies. He told the Canadian Club of Toronto that such laws would cause operating inefficiencies due to their inflexible nature. He said his company welcomes guidelines for international practices and believes that multinationals build world security through increased trade.

Globe and Mail

From the Librarian's Desk

Here are more of the recent books of interest to the Canadian businessman that have appeared on the Department's library shelves. If you are interested in reading any of them and they are unavailable from your own library, ask your local librarian to borrow them from us through the inter-library loan system.

Agriculture and the energy question. Ottawa, Agricultural Economics Research Council of Canada, 1973.

Alles, A. *Exhibitions: universal marketing tools.* London, Cassell, Associated Business Programmes, 1973. (Cassell/Associated Business Programmes marketing library).

Arpi, B. *Planning and control through marketing research.* Translated by A. Franklin Golborn. London, Hutchinson, 1973.

Britt, S.H. and Boyd, H.W. *Marketing management and administrative action.* 3d.ed. New York, Toronto, McGraw-Hill, 1973.

Buckner, H. *Business planning for the board,* edited by H. Buckner. London, Gower Press, 1971.

Burnham, D.C. *Productivity improvement.* Pittsburgh, Carnegie Press, Carnegie-Mellon University; distributed by Columbia University Press, New York, 1973; (Benjamin F. Fairless memorial lectures, 1972)

Bowles, R.P. (and others.) *Canada and the U.S.: continental partners or wary neighbours.* Scarborough, Ontario. Prentice-Hall of Canada, 1973. (Canada: issues and options, No. 3.)

Economic Council of Canada. *Shaping the expansion.* Ottawa, Information Canada, 1973.

Engineer's handbook of management techniques. Dennis Lock, ed., foreword by Sir Arnold Lindley. Epping, (Eng.), Gower, 1973.

Evans, A.A. *Flexibility in working life: opportunities for individual choice.* Paris, OECD, 1973.

Evron, Y. *The Middle East: nations, super-powers and wars.* London, Elek, 1973. (International relations series, V.5).

Finkelstein, J. and Thimm, A.L. *Economists and society; the development of economic thought from Aquinas to Keynes.* New York, Harper & Row, 1973.

Hamelin, L.E. *Canada: a geographical perspective.* Toronto, Wiley, 1973.

Hazel, A.C. and Reid, A.S. *Managing the survival of smaller companies.* London, Business Books, 1973.

Hinsley, F.H. *Nationalism and the international system.* London, Toronto, Hodder and Stoughton, 1973. (Twentieth century studies.)

Hoffman, E.B. *Resolving labor-management disputes: a nine-country comparison.* New York, The Conference Board, 1973. (The Conference Board Reports, no. 600.)

Industrial relations research in Canada/La recherche sur les relations industrielles au Canada. Ottawa, Economics and Research Branch, Canada Dept. of Labour, 1971.

Kelly, L.A. and Kumar, Pradeep. *Recent price trends in Canada and their implications.* Kingston, Industrial Relations Centre, Queen's University, 1973.

Kirzner, I.M. *Competition and entrepreneurship.* Chicago, University of Chicago Press, 1973.

Little, B., ed. *New products, new markets.* London, School of Business Administration, University of Western Ontario, 1973.

McCollum, J. *Inflation and interest rates in Canada;* a study prepared for the Prices and Incomes Commission. Ottawa, Information Canada, 1973.

Mahdavi, K.B. *Technological innovation, an efficiency investigation.* Stockholm, Beckman, (Solna, Seelig), 1972.

Mason, Anthony W. *Export; a manual of instruction.* 2d ed., London, Business Books, 1973.

Maxwell, J. *Energy from the Arctic: facts and issues.* Montreal, Canadian-American Committee, 1973.

Michalski, W. *Export trade and economic growth;* conclusions drawn from Federal Republic of Germany's post-war development. Hamburg, Verlag Weltarchiv, 1972.

Nierenberg, Gerard I. *Fundamentals of negotiating.* New York, Hawthorn Books, 1973.

Philippatos, G.C. *Financial management: theory and techniques.* San Francisco, Toronto, Holden-Day, 1973.

Quigg, P.W. *Environment: the global issues.* New York, Foreign Policy Association, 1973. (Headline series, 217.)

Scott, A. *Natural resources; the economics of conservation.* Toronto, McClelland and Stewart, (The Carleton library, no.68), 1973.

International Trade Data Service

Businessmen looking for information on international trade statistics now have another sophisticated source to turn to. The International Trade Analysis Division of the Department of Industry, Trade and Commerce operates a data bank of information on the imports and exports of 35 trading nations. The information is the same as reported to the United Nations on an annual basis and is received from the United Nations by the Department on computer tapes on an individual country basis. Origin of imports and destination of exports is reported, based on volume and U.S. dollars, for all levels of the Standard International Trade classification.

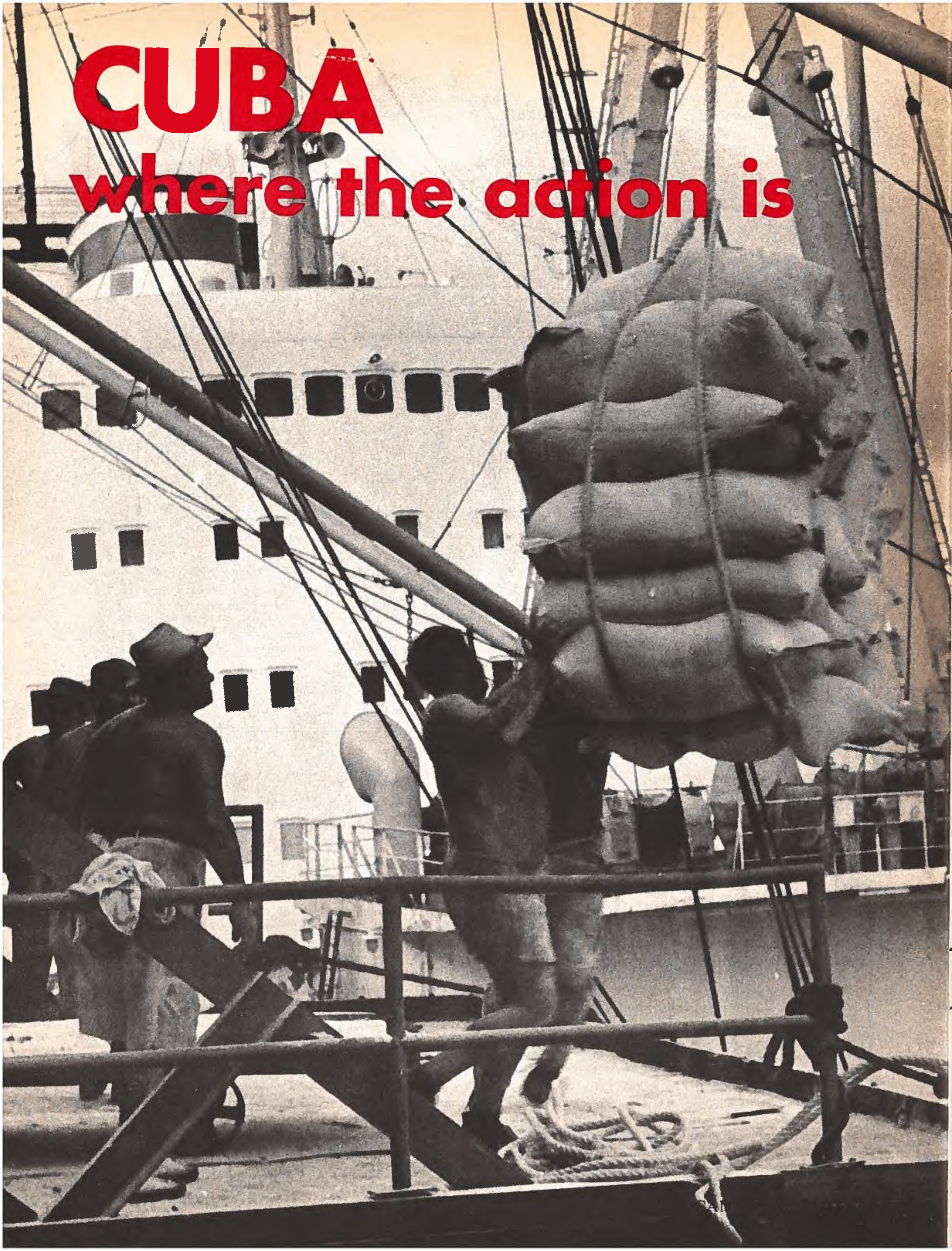
Stored in time series, the information runs from 1962 to 1971. It is updated annually, allowing for the usual time lag of about a year for countries reporting statistics to the United Nations.

The International Trade Analysis Division can provide computer reports on a country or commodity basis historically, or for a number of commodities or countries for one year. Both countries and commodities can be grouped into alternative classifications . . . i.e. by Brussels Tariff Nomenclature, EEC or centrally planned economies. There is also a market shares report available showing Canada in competition with the major trading nations of the OECD for desired commodities, years and markets. Costs of reports are borne by users, according to the computer time involved.

However, problems may be encountered in the use of volume statistics for many countries because units of measurement are not always consistent between reporting countries. Volume data for many S.I.T. classifications are not always given.

Information in the International Trade Analysis Division's data bank is being used by a number of government departments and agencies but the Department would like to encourage the use of its trade data bank by the business community and trade associations. If you would like to know more about this service, call the International Trade Analysis Division at (613) 996-9041, or write to the Division at the Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5.

CUBA
where the action is



An open letter from "your men in Havana."

Dear Sir or Madam,

It is probably well-known that Cuba does not import consumer goods or luxury items — what is not so well-known is that this country does import more than 300 different products from Canada every year. These include chemicals, valves, pipes, wire and cable, electronic and electrical equipment, farm machinery and industrial fasteners.

Cuban imports for 1973 probably will total about $500 million. Major competition for Canadian products came from Western European countries such as Spain, France, Italy, West Germany and Britain, as well as from Japan. In the past the Government has emphasized industrialization of Cuba but now the main thrust is aimed at developing agricultural potential.

Close attention is being paid also to transportation and mineral resources development. Under consideration are several projects including a bulk sugar terminal, bagasse pulp mill, moulded egg tray plant, skim milk powder plant, rubber tire plant, citrus fruit processing plant, can factory, cracker factory, a cement plant and a copper plant.

Now, consider these facts: in the first six months of 1973 Canadian firms shipped to Cuba $3 million worth of manufactured goods; Canada's 1973 exports to Cuba will exceed $75 million, a 30 per cent increase over 1972; construction of houses, apartments and schools is increasing rapidly, with a target of 100,000 housing units a year by next year; free market sugar prices are at record levels and should ensure a good supply of hard currency spending power.

Big opportunities leading to big contracts make Cuba an action spot in Latin America for Canadian firms. But it can be a difficult market if firms do not do their home work — the following article outlines the best ways of doing this.

Stuart B. McDowell
Commercial Secretary.

Gary M. Darychuk
Assistant Commercial Secretary.

How to do business with Cuba

The Cuban Ministry of Foreign Trade has over-all responsibility for the country's import and export performance, but it does not deal directly with foreign businessmen. The day-to-day responsibility for purchases and sales is delegated to a number of "empresas" (state trading companies), each of which has a monopoly on either the import or export of a given range of commodities. In response to a specified need from a customer or end-user, these companies will source, contact, negotiate and eventually sign contracts with various foreign suppliers.

The allocation of commodity responsibility among empresas changes periodically; new specialized empresas appear from time to time. A list of such companies with the current allocation of responsibilities is in a box accompanying this article.

Cuban purchasing requirements are brought to the attention of Canadian manufacturers and exporters through the facilities of the Cuban Trade Commission, 1415 Pine Avenue West, Montreal, Quebec. It is most important that all firms interested in exploring the Cuban market contact the Commission and supply literature, brochures, technical papers and any other relevant material. The Commission plays an active role in sourcing Canadian industry for goods required in Cuba, as well as in negotiations and contract signing. It is also responsible for the co-ordination of shipping arrangements.

Flour from Canada being unloaded at Havana.

Representation — There are no commission agents in Cuba. The Cuban Government's policy is to deal directly with the foreign manufacturer or supplier, wherever possible, but a number of foreign companies have established their own service offices in Havana. These offices provide after-sales technical service and keep alert to new market developments.

Correspondence — Most correspondence conducted by Canadian export firms will be with the Office of the Cuban Trade Commissioner in Montreal in English. Any direct correspondence with the state trading organizations in Havana should be in Spanish, although English is acceptable. Trade literature, technical specifications and product brochures should be in Spanish where possible, with metric specifications. This will better enable end-users and specifiers to study your company's range of products but North American specifications are understood and you could also enclose a copy of your specification sheet in English.

When writing the Cuban companies, be sure to use the post office box addresses in Havana and not the street addresses and remember that it is most beneficial to send copies of all correspondence to the Commercial Division, Canadian Embassy, Havana, Cuba, P.O. Box 499 (HVA), Ottawa, Ontario K1N 8T7, so there can be on-the-spot follow-ups.

End-users and product specifiers — If your company is approached by the Cuban Trade Commissioner, you can assume that this inquiry stems from a specific requirement on the part of an end-user and that the literature you supply the Montreal Office will eventually reach the original inquirer. Here again you should send additional copies of your product literature to the Commercial Secretary of the Canadian Embassy in Havana, to be given to the head office of the empresa concerned and selected end-users.

If your company wishes to examine the potential of the Cuban market and has not been approached by the Office of the Cuban Trade Commissioner, you should write to that office, outlining your company's product range and export capabilities and include general product brochures, with technical descriptions and an f.o.b. Montreal price list. At the same time, you may wish to advise the Commercial Division of the Canadian Embassy in Havana of your interest in the Cuban market. The Commercial Secretary will try to ensure that your interest is brought to the attention of the head office of the state import company in Havana and, where appropriate, that your product brochures are placed in the hands of potential end-users and specifiers.

Advertising and sales promotion — There is no commercial advertising of any sort. Dissemination of information must be done through the various state trading organizations, the Cuban Chamber of Commerce (especially for films, magazines and brochures) and the facilities of the Commercial Division, Canadian Embassy, Havana.

Commercial samples — If you are going to carry samples with you to Cuba, as accompanied baggage, full particulars about them should be given to the Montreal office of the Cuban Trade Commissioner before you go. Unaccompanied samples should be sent to the Cuban office in Montreal, packaged separately and addressed to the Havana head office of the foreign trade company responsible for import of that particular commodity. When they arrive in Havana local officers of the trading company will help them through Customs. But allow at least two or three weeks for the samples and correspondence to arrive.

Before you visit — Canadian exporters wishing to visit Cuba should contact the Cuban Trade Commissioner, Montreal, before making firm plans. The Montreal office plays a key role in all Cuban purchases in Canada and will be able to advise you whether a business visit will be worthwhile. It will contact the head offices of the import companies in Havana to ensure that all aspects of your visit to Cuba (including hotel reservations, internal transportation, schedule of meetings and departure arrangements) are properly handled.

You should also advise the Commercial Secretary of the Canadian Embassy in Havana of your travel plans and the objectives of your visit. His office may be able to help you in interpreting your sales objectives to the head offices of the various import companies.

General points — Cuban buyers are not looking for barter deals under which you might be expected to take delivery of Cuban merchandise in either Canada or a third country. Cuba's list of products for export is short, and extensive marketing efforts for these products are being made through the normal channels of export promotion and distribution. You may, however, be in a position to provide your Cuban contact with some help on other products for which he is seeking Canadian sources of supply. Your familiarity with Canadian industry and your personal contacts are based on years of experience; any information or assistance you can give him will be appreciated.

Some types of products such as agricultural equipment, may require testing under Cuban conditions before large-scale purchase commitments are made. You should offer to send technical or operating personnel to Cuba during the time of the test to ensure that your equipment is properly demonstrated. □

Cuban Trading Companies

Their principal Responsibilities

ALIMPORT
Infanta 16, APDO 7006, Habana
Director: Ricardo Espino
Foodstuffs, feedstuffs, livestock, seeds.

AVIAIMPORT
Calle 23 No. 64, Vedado, Habana.
Director: Eduardo Martinez Valdes
Aircraft, navigation & airport equipment.

CONSTRUIMPORT
Carretera de Varona, Kilometro 1½, Capdevila, Habana.
Director: Olegario Cartelles
Construction equipment, mobile or fixed.

CONSUMIMPORT
Calle 23 No. 55, APDO 6427, Habana.
Director: José Luis Mestres
Consumer durable goods, commercial, hotel and kitchen equipment, household, office and sporting equipment, appliances, small electrical items.

CUBAHIDRAULICA
Carretera Vieja de Guanabacoa y Linea del Ferrocarril, APDO 70, Guanabacoa, Habana.
Director: Antonio Rimbau
Irrigation equipment, stationary diesel motors.

CUBAMETALES
Infanta 16, APDO 6917, Habana.
Director: Dionisio Arranz
All metals, non-electrical wire and tubes, fuels, lubricants.

CUBAPESCA
Ensenada de Pote y Atares, APDO 138, Habana.
Director: Rolando Alvarez
All requirements for the fishing fleet and fishing industry.

CUBATEX
Calle 23 No. 55, APDO 6528, Habana.
Director: Isaac Abascal
Textiles, yarns, fibres, cordage, hides, leathers, footwear.

EDUCUBA
Obispo No. 160, Habana.
Director: Benito Fernandez G-Lafite.
Educational equipment and supplies.

FECUIMPORT
Egido y Arsenal, APDO 450, Habana.
Director: Porfirio Mederos
All equipment and supplies for the railway industry.

FERRIMPORT
Calle 23 No. 55, APDO 6258, Habana.
Director: Carlos Rodriguez Benitez
Hardware supplies, plastic and rubber hose, plumbing.

MAPRINTER
Infanta 16, APDO 2110, Habana.
Director: Justo Armesto Pons
Pulp, paper, lumber, industrial non-alimentary raw materials of animal or vegetable origin, non-metallic minerals, refractories.

MAQUIMPORT
Calle 23 No. 55 APDO 6062 Habana.
Sub-Director: José de la Fuente
Machinery and equipment, industrial electrical and electronic items, radio and telecommunications equipment, measuring instruments.

MEDICUBA
Calle 23 No. 201, APDO 6772, Habana.
Director: Orlando Romero
Equipment, raw materials and end products for medical, pharmaceutical, dental, veterinarian, hospital and laboratory use.

QUIMIMPORT
Calle 23 No. 55, APDO 6088, Habana.
Director: Eduardo Machado Flores
Chemicals for all uses, fertilizers, pesticides, rubber industry chemicals, essences, flavourings (except those handled by MEDICUBA).

TRACTOIMPORT
Ave. Rancho Boyeros y Calle 100, APDO 6301, Habana.
Director: Guido Valeinte Romero
All machinery and implements for agriculture.

TRANSIMPORT
Ave. Rancho Boyeros y Tulipan, APDO 6665, Habana
Director: Rene Narbona Alverez
All automotive, transportation, garage and service station equipment, components, replacement parts and supplies, engines, tires, batteries.

U.S.I.E.
Aguiar No. 207, Habana.
Director: Roberto Rodriguez Llompart
All mining and oil drilling machinery and equipment.

Montreal representatives of Cuban companies

All Cuban import companies are represented in Canada through Enrique Martinez Noa, the Senior Cuban Trade Commissioner; all correspondence should be addressed to the appropriate company as well as its representative at the Trade Commission of Cuba, 1415 Pine Avenue West, Montreal, Quebec H3G 1B2. Telephone: (514) 845-0191; telex: 05-25-228.

Always quote in Canadian dollars, f.o.b. Montreal or Saint John, New Brunswick.

Cuban buyers like to deal on a basis of confidence with their Canadian suppliers. They value a close buyer-seller relationship. If you have done business with Cuba once, you are likely to do business with Cuba again.

Provide the fullest possible information on your products, specifications and end use. Cuban clients do not always draw up tender documents that set out the complete specifications required. Buying specifications may be based on the literature, specification sheets and end-use information which various suppliers have brought to the purchasers' attention. Invite your Cuban contact or his principals in Havana to visit your plant. Offer to visit Havana to discuss specifications with clients.

ALIMPORT
Armando Gonzales Pla

AVIAIMPORT
Manuel Gutierrez

CONSTRUIMPORT
Carlos Dantin

CONSUMIMPORT
Armando Gonzales Pla

CUBAHIDRAULICA
Carlos Dantin

CUBAMENTALES
Israel Tomas

CUBAPESCA
Alejandro Suarez

CUBATEX
Israel Tomas

EDUCUBA
Manuel Marzoa

FECUIMPORT
Carlos Dantin

FERRIMPORT
Carlos Dantin

MAPRINTER
Carlos Dantin

MAQUIMPORT
Manuel Gutierrez

MEDICUBA
Israel Tomas

QUIMIMPORT
Israel Tomas

TRACTOIMPORT
Carlos Dantin

TRANSIMPORT
Manuel Gutierrez

U.S.I.E.
Manuel Gutierrez

Part of La Rampa, Havana's main shopping and business centre.

Cuba at a glance

Area: 44,200 square miles.

Population: 8.5 million (1970 census): 39 per cent rural, 61 per cent urban.

Climate: subtropical; cooler season November/March.

Language: Spanish. The state trading companies can correspond in English and French. Visiting businessmen will be provided with interpreter facilities. Where feasible, however, both correspondence and literature in Spanish are recommended.

Currency: peso; only used internally. The approximate exchange rate is 1 peso = Cdn.$1.06.

Foreign exchange controls, import controls, customs duties, documentation, etc.: all purchasing is done by the State and Canadian exporters need not concern themselves with customs duties, import licensing, etc. They should follow the instructions of the Cuban trade office in Montreal regarding the required documentation for specific export orders. Once the National Bank of Cuba, which controls the country's convertible currency reserves, has examined and approved the proposed purchase contract, it will allocate the necessary funds to cover payment. Exporters should adhere to the directions they receive from the Cuban trade office in Montreal concerning any regulations, restrictions or required certificates. Cuba is particularly strict where shipments of products of vegetable and animal origin are concerned.

Weights and measures: metric system.

Capital: Havana.

Chief ports: Havana, Cienfuegos, Santiago de Cuba, Mariel, Matanzas, Cardenas.

Marketing centres: Havana (population of Greater Havana, 1970 census, 1.7 million); other important centres are Santiago de Cuba, Santa Clara, Guantanamo, Camaguey, Cienfuegos, Holguin, Pinar del Rio, Matanzas, and Cardenas.

Economy: Agriculture is the dominant economic activity: the main crop is sugar, with tobacco, citrus, coffee, cattle and swine programs under development. Cuba has a growing fishing fleet, extensive nickel reserves and a small manufacturing sector.

Electrical standards: CSA standards are acceptable; domestic power supply is 110 volts, 3-phase, A.C., 60 cycle; commercial and industrial supply is 220 volts and 440 volts, 3-phase, A.C., 60 cycle. Voltage is subject to considerable fluctuation.

Internal transportation: an extensive railway network; new inter-city highway program under construction; Cuban airline, Cubana, serves major cities.

Chief imports: food products; machinery, (non-electrical); fuels, oils and petroleum products; chemicals and pharmaceuticals; transport equipment; iron and steel.

Chief suppliers: U.S.S.R., France, Britain, Italy, East Germany, Spain, Japan, West Germany, Czechoslovakia, Canada, Bulgaria, Netherlands.

Value of imports from Canada: 1972 — Cdn $57.6 million: 1971 — Cdn. $58.8 million.

Chief imports from Canada: (Cdn. $ million) 1972 — wheat and flour 40.8, skim milk powder 5.8, cattle 1.8, seed potatoes 1.2.

Total Cuban exports: 1970 — pesos 1,043 million, 65 per cent of which was directed to socialist countries.

Chief Exports: sugar (about 75 per cent of over-all exports), molasses, raw tobacco, cigars, cigarettes.

Chief markets: U.S.S.R., Japan, Czechoslovakia, East Germany, Spain, Bulgaria, Britain, Netherlands, France, Italy, Canada, West Germany.

Value of Canadian purchases: 1972 — Cdn. $11.1 million; 1971 — Cdn. $10.4 million.

Chief Canadian purchases: (Cdn. $ million) 1972 — raw sugar 3.9, lobster 2.9, shrimp 2.7, cigar leaf tobacco 0.4, cigars 0.3

Prices: quote f.o.b. Montreal or Saint John, N.B., in Canadian funds.

Usual payment terms: irrevocable letter of credit; payment on presentation of clean on-board bill of lading.

Correspondence: airmail only.

Shipping services: Canadian exports to Cuba are carried on Cuban flag vessels, vessels under charter to the Cuban fleet or vessels from other countries calling at Canadian ports prior to departure for Havana.The principal ports used are Montreal and Saint John, N.B.

Air service: there is no direct schedule air service between Canada and Cuba. Cuba is serviced by flights originating in Mexico, Santiago de Chile, Prague, Moscow and Madrid.

Trading practices: foreign trade is a state monopoly; all official import and export companies are represented in Canada at the Cuban Trade Commission, 1415 Pine Avenue West, Montreal, Quebec H3G 1B2.

Samples: unaccompanied samples should be sent to Cuban Trade Commission, Montreal.

Visas: no visa required to enter Cuba; if you are returning to Canada via Mexico, you will require a Mexican entry permit obtainable only from Mexican authorities in Havana (bring three passport pictures); on re-entry to Mexico from Cuba, the duration of your stay cannot exceed five days.

Inoculations: international smallpox vaccination certificate; TAB vaccination is advisable.

Trade agreements: Cuba is a member of GATT. The bulk of its trade, however, is with socialist countries in non-convertible currencies. Trade protocols are negotiated with each on an annual basis.

For detailed information on this market, write to: Western Hemisphere Bureau, Caribbean Division, Department of Industry, Trade and Commerce, Ottawa K1A 0H5, or Commercial Division, Canadian Embassy, Havana, c/o P.O. Box 499 (HVA), Ottawa, Ontario K1N 8T7.

Market Facts for Decision Makers

Should you expand your production, start a new line, open a new plant? Questions like these that involve your company's future are not answered by tossing a coin. You look for the facts that will give you as accurate a picture as possible of the market you are considering. When you are looking for those facts there is a specialized source in the Department of Industry, Trade and Commerce to help you — the Import Analysis Division.

Many Canadian companies consider the Division's reports an essential part of their feasibility studies. The volume of imports of a product is an important key to market demand, and an indication of the competition you face. But the bare figures of volume and value can't give you the whole picture. The Import Analysis Branch has the expertise and resources to work up a detailed analysis — not just so many widgets worth so much from such and such a country, but this many No. 2, 1" widgets and that many No. 5, 2" widgets.

If an import analysis would help you, write to either the Industry Sector Branch that handles your product or to the Chief, Import Analysis Division, Department of Industry, Trade and Commerce, 112 Kent Street, Ottawa K1A 0H5. Give as much information as possible about the product you are considering (it will be treated as strictly confidential), and say how soon you need the analysis and what periods you would like it to cover.

The following list is of the most up-to-date reports available. A previous list appeared in the July 1973 issue of *Canada Commerce.*

The Import Analysis Division can also supply market digests to go with these analyses. These digests do not follow any standard format because of the great variety of products imported into Canada and their varying uses but they do contain an analysis of the important factors in the supply and demand of the product. Digests, however, are available only for products that are manufactured in Canada.

Reports Available

Report. No.	Class. No.	Subject	Period
35-73	502-18) 588-04)	Diesel engines	Oct. to Dec. 1972
36-73	637-69	Radio combination sets	Aug. to Oct. 1972
37-73	832-37) 832-89)	Snow & water skis	Apr. to June 1972
38-73	850-63	Glass tumblers & stemware	Apr. & May 1972
39-73	425-31	Polyurethane foam	Oct. to Dec. 1972
40-73	367-89	Blended yarn	Oct. 1972 & Jan. 1973
41-73	339-99	Fireplace logs	Oct. to Dec. 1972
42-73	439-29	White mineral oil	Apr. to June 1972
43-73	423-37	Polystyrene resins	Oct. to Dec. 1972
44-73	114-99) 219-74)	Spices and herbs	Apr. to June 1972
45-73	433-29) 429-07)	Lubricating oil and additives	Apr. to June 1972
46-73	472-33) 472-35)	Earthenware tiles	Oct. to Dec. 1972
47-73	401-62) 404-57)	Silica gel and calcium silicates	Oct. to Dec. 1972
48-73	697-58	Garbage disposers	Jan. to Mar. 1973
49-73	634-45) 637-37) 637-49) 637-59) 639-45) 639-50)	Audio components	Oct. to Dec. 1972
50-73	433-49	Lubricating greases	Apr. to June 1972
51-73	409-59	Monoacids and derivatives	Apr. to June 1972
52-73	466-09) 466-30) 466-50) 466-99)	Chain	Oct. to Dec. 1972
53-73	509-69) 523-15)	Die casting machines & hydraulic presses	Oct. 1972 to Mar. 1973
54-73	472-99	Refractories	Oct. to Dec. 1972
55-73	399-45	Lignosulphonates	Oct. to Dec. 1972
56-73	703-25	Thermometers	Oct. to Dec. 1972
57-73	454-99	Nickel & nickel alloy fabricated materials	Oct. to Dec. 1972
58-73	338-79	Softwood, plywood	Jan. to Mar. 1973
59-73	339-99	Fireplace logs	Jan. to Mar. 1973
60-73	423-18	Polyurethane resins	Jan. to Mar. 1973

Reports Available

Report No.	Class. No.	Subject	Period
61-73	850-15) 850-19) 867-32)	Tableware & decorative ware	Oct. to Dec. 1972
62-73	783-12) 783-14) 783-41) 783-44) 783-45) 783-47) 783-54) 783-97) 874-14) 784-52) 784-66) 784-68) 784-85) 784-89) 784-97)	Children's wear	Dec. 1972 & Jan. & Feb. 1973
63-73	366-45	Polyester yarn	March 1973
64-73	513-27	Industrial hoists	Oct. to Dec. 1972
65-73	429-14	Activated carbon	Oct. to Dec. 1972
66-73	634-95	Video monitors	Oct. to Dec. 1972
67-73	276-20) 471-08) 471-49)	Travertine marble	Jan. to Mar. 1973
68-73	703-77	Gas analyzers & PH meters	Oct. to Dec. 1972
69-73	832-82	Hockey pucks	Oct. 1972 to Mar. 1973
70-73	423-29	Polyether condensation products	Jan. to Mar. 1973
71-73	397-39	Lime oil	
72-73	429-72	Compounding agents	Jan. to Mar. 1973
73-73	363-30) 363-50) 363-90) 366-16) 367-19)	Yarn	Jan. to Mar. 1973
74-73	93-12) 93-75)	Pulses	Oct. to Dec. 1972
75-73	411-34	Ethanolamines	Jan. to Mar. 1973
76-73	541-99) 542-41)	Cultivator sweeps	Jan. to Mar. 1973
M.D.1-73	425-49	Copper clad laminates	Oct. to Dec. 1972
M.D.2-73	683-77) 683-79) 683-95)	Transformers	Oct. to Dec. 1972
M.D.3-73	740-12) 740-14)	Kitchen cabinets	Jan. to Mar. 1973
M.D.4-73	468-09) 468-19) 468-29) 468-44)	Valves	Sept. to Nov. 1972
M.D.5-73	611-08	Bicycles	Jan. to Aug. 1973

If undelivered return to:
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K1A 0H5
OTTAWA

an invitation....

This may be the first time you have read *Canada Commerce*. We hope you found it informative — if you did, probably you will want to see more of this monthly magazine and you will be happy to know that obtaining a subscription is a relatively painless experience.

For starters, if you (or your firm) are a Canadian producer of goods and services, you can have *Canada Commerce*, in English or French, every month free of charge. For some readers there is a subscription fee — anyone in Canada who is not a "producer of goods and services" can have the magazine for $5.00 a year; those abroad can subscribe for $7.00 a year — still a bargain, considering the information provided.

From time to time we run special issues to provide in-depth coverage of particular market areas (for instance, the EEC). More often, issues are of general interest with articles on everything from changing eating habits in France to white-collar crime in Canada.

In addition, there are regular features such as *Export Opportunities*, *Wanted Manufacturers* and *International Projects*. International currency fluctuations are hard to keep up with these days but each month *Canada Commerce* publishes *Foreign Exchange Rates* compiled by the Bank of Canada. These may not be up-to-the-minute but they are valuable in keeping an eye on trends. Other articles tell of Canadian successes in business and industry and often provide useful tips on getting ahead in export marketing.

But the most important function of the magazine, perhaps, is keeping you posted on what's happening in the Department of Industry, Trade and Commerce and in other Government Departments. Regular directories of ITC offices in Canada and posts abroad are published, along with articles on the many Department services available. More than anything else, *Canada Commerce* can be an effective tool for cutting red tape — by showing you how to avoid wasted steps.

We invite you to clip the form below and mail it with your letterhead or business card to: Editor, Canada Commerce, Department of Industry, Trade and Commerce, Ottawa K1A 0H5.

Yes, I want to receive Canada Commerce every month

☐ English ☐ French

☐ Cheque or money order for subscription enclosed

(You may be eligible to receive Canada Commerce free of charge — see above for details. Cheques or money orders should be made out to the Receiver General of Canada. Do not send cash in the mail.)

Canada Commerce, Dept. of Industry, Trade and Commerce, Ottawa K1A 0H5