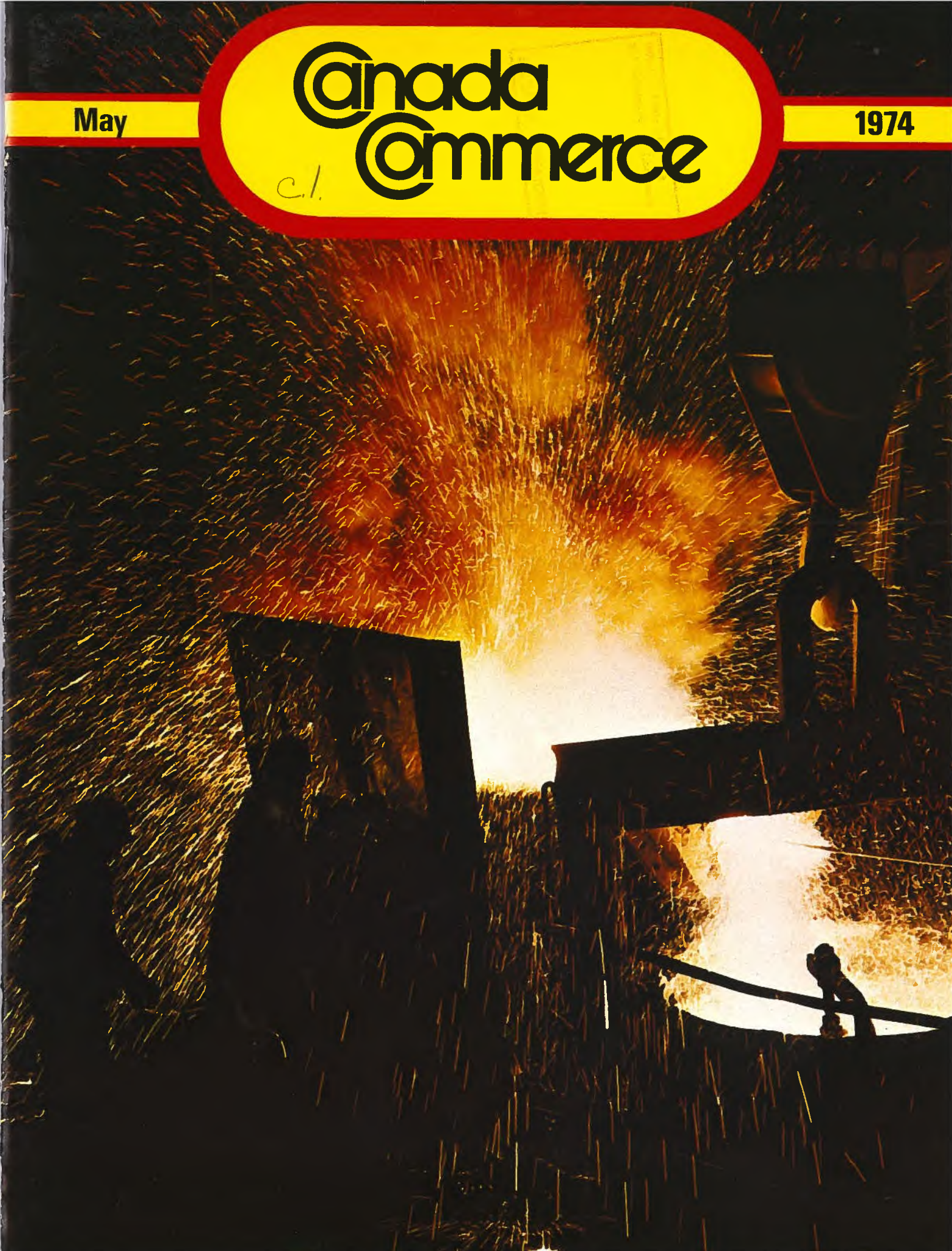


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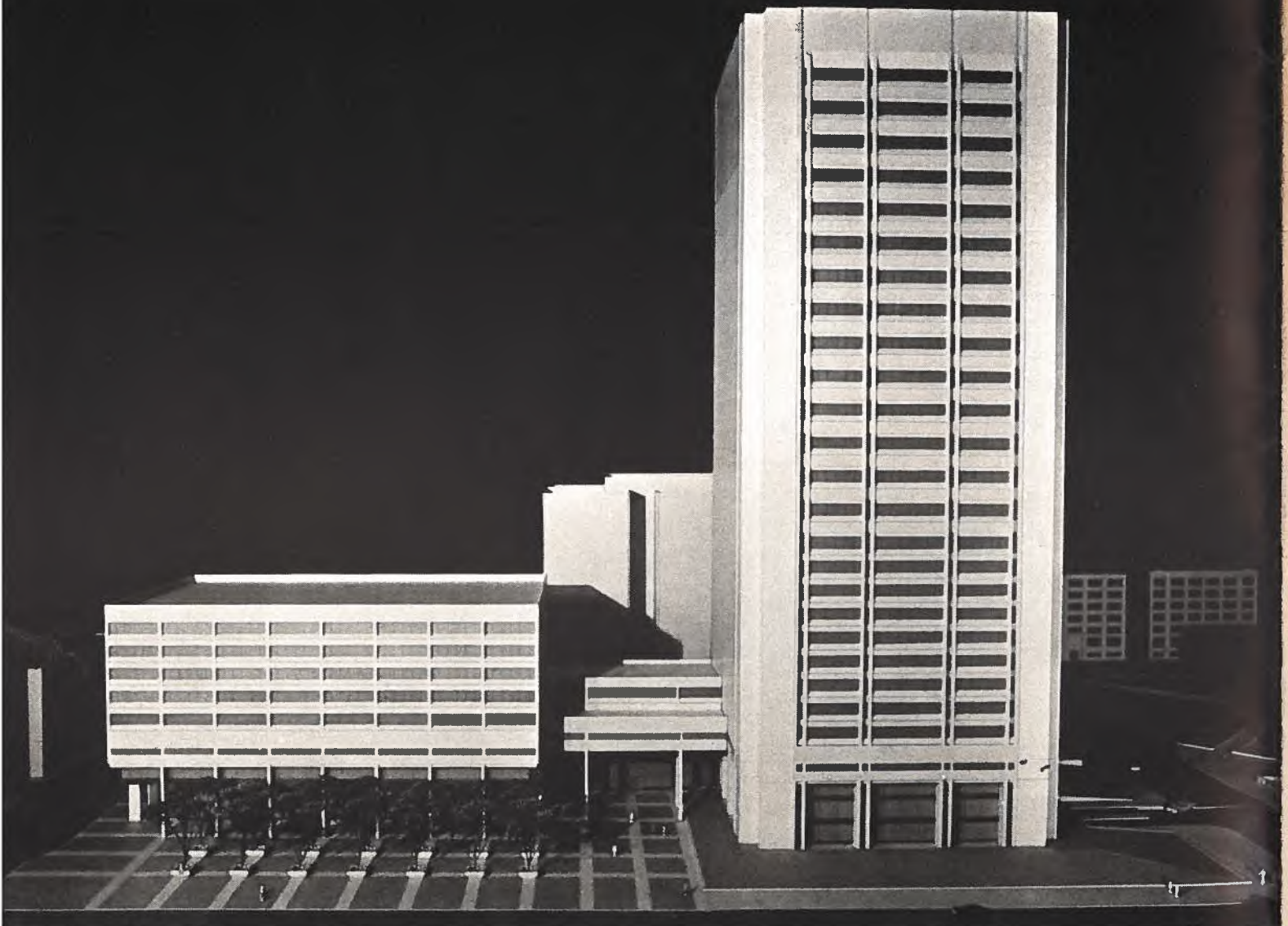


Toronto firm gets big Cleveland contract

Beer Precast Concrete Limited of Toronto has been awarded a \$12 million contract to manufacture and erect 4,500 precast panels for the new \$80 million Cuyahoga County Justice Center in Cleveland, Ohio.

One of the largest stone-facing contracts ever awarded in North America, the work will involve about 900,000 square feet of special Spanish Rosa Porrinho granite which will go through a unique 5,000-mile-long "assembly line". The stone will be quarried in Spain, cut in Italy, manufactured in Toronto and finally erected in Cleveland.

In recent years, Beer Precast Concrete Limited has carried out large precast concrete contracts in the Great Lakes region of the United States and from coast-to-coast in Canada. The projects have included the 37-storey Marine Midland Center and the 80,000-seat Buffalo Bill Stadium, both in Buffalo, the 44-storey Canadian Imperial Bank of Commerce Building in Montreal, the sculptured precast concrete-faced Medical Sciences Building at the University of Toronto and the internationally-acclaimed Toronto City Hall.



In This Issue

Last month we ran two articles on what is happening in the North Sea oil and gas industry. Originally, three articles had been planned but international mail services were not aware of this. Each one, however, can stand on its own, though the reader may like to refer back to our April issue and reread the reports from Glasgow and Dublin in conjunction with the one from Oslo on page 6 in this issue. The three together give a very good idea of what is happening in this oil development area, the speed with which development is taking place, and of the opportunities available for Canadian suppliers. But it is a crowded field, at least as far as hotel beds are concerned, and anyone with plans to visit shore bases should make certain that plans for his own base have been made — and confirmed.

It is now no more than a cliché to say that a country lives by its exports, and it comes with a sense almost of shock to learn of markets that Canadians appear to be missing. Some no doubt are harder to sell in than others and harder to reach. Cyprus may be in this category, but it is certainly a market where Canadian products are not very well known. And yet we have many ambassadors there in the form of UN personnel. But a report on page 29 tells you the state of the market there and the sort of things Cypriots are interested in.

Latin America, on the other hand, appears to be a much easier market, yet the percentage of Canadian goods being imported by the various countries in that area is small, around 3 per cent. There is great goodwill among Latin Americans for Canadians and Canadian products, and there are many things they want from us. And there is an organization in Canada whose sole job is to foster understanding between Latin America and Canada by bringing together businessmen from both countries. If you are interested in this market — and why should you not be? — turn to page 13.

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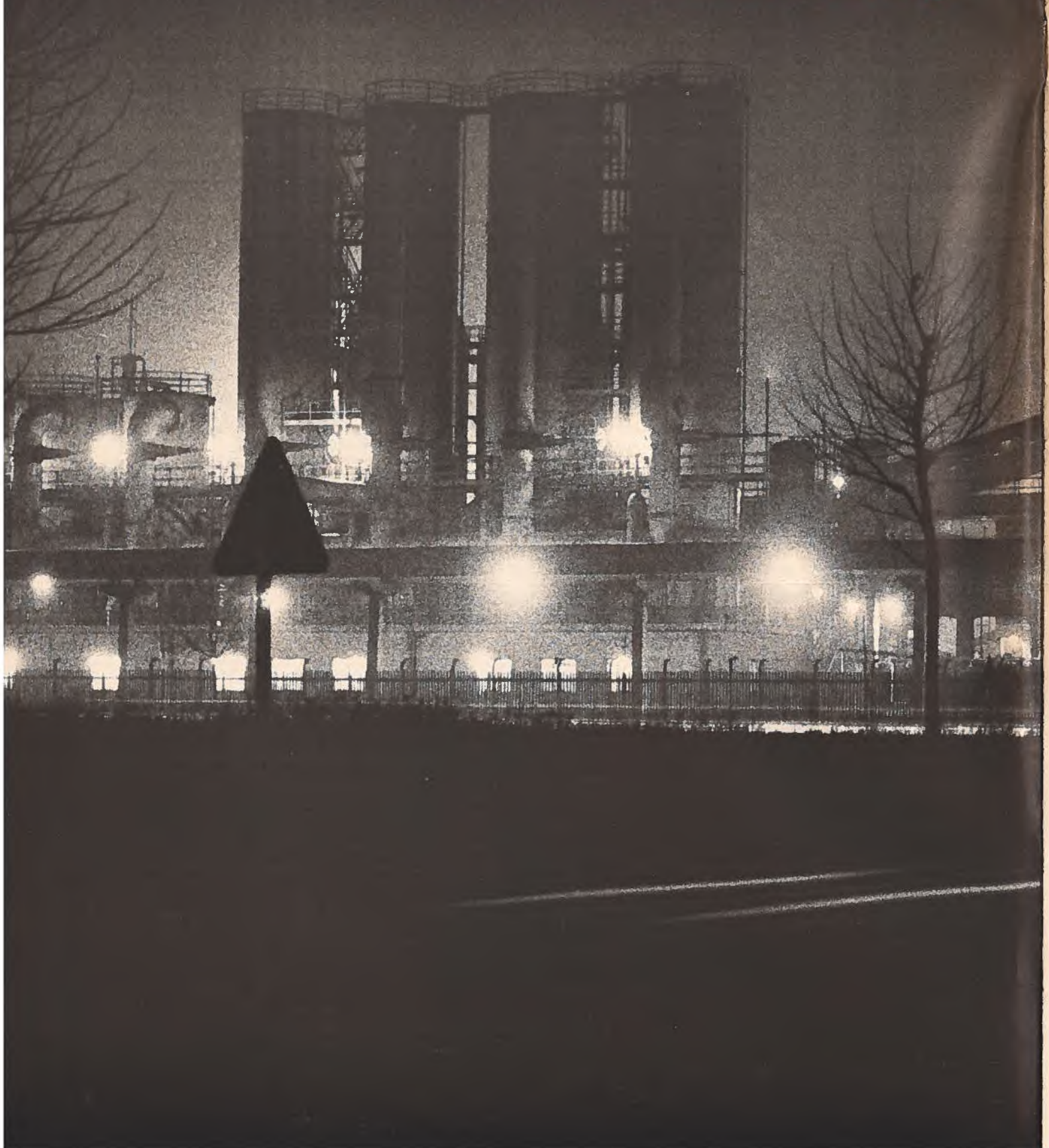
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Publié aussi en français.

West Germany

Partners for manufacturing?



R. H. DORRETT, Consul and Trade Commissioner, Duesseldorf

While trade promotion is one of the prime functions of Canada's Trade Commissioners abroad, the Service is called upon to undertake a wide variety of commercial activities varying in emphasis in different parts of the world.

One such activity that has taken on new importance recently, particularly in sophisticated industrialized countries, is the provision of assistance to Canadian firms wanting to expand their production lines, or to use certain production capabilities more efficiently, by undertaking licensing or joint venture and partnership arrangements to make products for foreign companies. In the past, this process has contributed substantially to Canada's industrial capability. It may have created some problems such as reducing incentives to undertake original R&D in Canada and it may have caused certain limitations on export rights, design and engineering modifications, but on the whole it has been a positive factor in expanding Canadian output.

A parallel activity of the Trade Commissioners is to help foreign companies to establish branch plants and assembly, warehousing and distribution facilities in Canada to better serve their Canadian and North American customers. Multinational companies are prime examples of this process that is happening around the world.

In West Germany, economic, political, and social conditions are stimulating large corporations and family firms to study investment opportunities abroad. Speaking to a symposium sponsored recently by the United States Chamber of Commerce in Stuttgart, an official of the Economic Ministry's Department of Foreign Economic Policy and Development Assistance outlined very clearly the German government policy on foreign investment by German manufacturers: "One of the major objectives of the Federal Government's external economic policy is an international division of labour. Investment abroad can make a considerable contribution towards this, since it can help to mobil-

ize the world's resources, whether these be raw materials, energy, labour or favourable market conditions, in an efficient and productive way. The stimulating effect it can have on industrial development and employment, for example, not to mention a possible expansion of the host country's exports, is likewise positive and is contributing substantially to the industrialization of the Third World."

The German labour force, almost 10 per cent of which is composed of foreign nationals (*Gastarbeiter* — guest workers), is becoming more demanding. Wage rates are spiralling, fringe benefits are expanding and union leaders are presenting plans for labour to participate more fully in management and to enjoy a larger share of profits. Some of these developments are felt to be affecting the equity position of corporations and the Government is taking steps to restrict the influx of workers from non-EEC countries. A re-alignment of available workers undoubtedly will have tangible effects.

Parity changes in the mark generally resulted in German exports being less competitive in North America and German exporters are having much greater difficulty in profitably managing their export marketing programs and related financing. They are seeking means to offset these problems by obtaining their own production facilities inside the dollar market.

Home restrictions — In 1973 German companies were faced with an 11 per cent capital investment tax on expansion or improvement of their facilities in their own country. This legislation was lifted in January 1974 but the indication is that German management is generally concerned about restrictions affecting domestic capacities. A report published recently by *Business International* states: "Germany's burgeoning prosperity has created a new set of problems for which the nation's socialist thinkers are coming up with new solutions. . ." The report says the circumstances of having developed almost too much industrial wealth places Germany in

the rare, perhaps unique, category of nations that do not seek foreign investment.

The report continues: "The Government will henceforth carefully tune its policies of exporting technology and capital, of importing goods best suited for local customers and encouraging only limited and specific types of investment from abroad."

In these circumstances, it is not surprising that Canadian trade offices, immigration officials, bank representatives and Provincial Government offices in Germany receive many requests for information about private and corporate investment opportunities in Canada. Such inquiries could have significant implications for Canadian manufacturers.

Magnitude of investment — The European business magazine *Vision* recently reported that 28 of the top 100 companies in Europe listed in order of turnover are of German origin. Already, more than half of these have some sort of Canadian operation and others are currently investigating Canadian projects. But this is only a small percentage of the 55,000 manufacturing companies in Germany, of which almost 15,000 have 100 or more employees. Many of these have developed capabilities over the last 25 years that could augment Canadian productive capacity and could contribute to filling some of the gaps in Canada's industrial technology. The amount of investment could be substantial.

According to statistics published by Germany's Federal Department of Economics, the total direct foreign investment from Germany exceeded \$2.3 billion between January 1, 1972, and June 30, 1973. The United States, Canada, and Brazil, in that order, were the major benefactors outside the EEC and EFTA countries. The total direct investment by Germans in Canada to the end of 1971 was almost \$780 million. Between then and June 30, 1973, another \$106 million was invested in production facilities in Canada, either in the form of new plants or in shareholding



Steel-tube mooring posts in the final stage of manufacture at Mannesmann AG.

positions that have given German firms management involvement. These statistics are not up to date but they do describe the magnitude of available capital.

There are clear indications that this rate of German investment abroad will continue and perhaps grow. Last spring, a mission of 23 German industrialists sponsored by the Federation of German Industries and headed by Dr. Sohl, chairman of the giant steel corporation August Thyssen Hütte AG, visited Canada to investigate economic conditions, business practices and federal and provincial legislation in an effort to determine opportunities for expansion. Some uncertainty was generated by the Foreign Investment Review Bill then under study but, in the words of Dr. Sohl, "there is a vast potential of qualified labour available in Canada

. . . and Canada offers greater stability in a political and economic sense."

Symposia, organized in Germany during the last six months by private organizations and government agencies to acquaint German financial decision makers with economic prospects and manufacturing opportunities in North America, have attracted well over 500 firms. Many of these companies are continuing their investigations and several have sent delegations to Canada to gain first-hand experience and knowledge.

Canadian partners sought — A point of real interest to Canadian manufacturers is that a large percentage, perhaps as high as 75 per cent of the German companies investigating Canada for possible expansion, are seeking a Canadian partner. This is for several reasons: Canadians have

learned to manage unique problems in marketing and in transportation of raw materials and finished goods in a country more than 35 times as large as Germany but with only one third of the population; business practices and banking and accounting procedures are somewhat different than those in Europe; and investors often desire to share the risk of a new enterprise.

A joint venture or partnership arrangement or a Canadian management team can usually prove beneficial to both sides and companies wishing to know more about such opportunities should advise the Trade Commissioner offices, particularly the one in Duesseldorf because it is coordinating these activities. Likewise, Canadian manufacturers interested in taking the initiative in identifying new technology or in expanding their

operations are invited to contact these offices for assistance.

Of course, there is fierce competition between countries, states and cities to attract potential branch plants in order to create new jobs and new wealth. On opening almost any newspaper or trade journal in Germany you will find advertisements inviting the industrialist to consider the merits and the incentives offered by Ireland or Virginia or Australia or South Africa or Birmingham — all claiming to be the ideal site for future industrial expansion. In addition, German industrialists are being bombarded with fancy charts and graphs and propaganda through direct mail.

Canadian provincial and municipal agencies are in the act too. The provinces of Ontario and Quebec have permanent offices in Frankfurt and Duesseldorf respectively, and have on-going programs to attract new branch plants. Other provincial agencies and municipalities have undertaken various promotion efforts. Representatives from the New Brunswick Multiplex Corporation have visited Germany on several occasions to pursue specific inquiries. The City of Niagara Falls has conducted missions to Germany in each of the last three years to find companies to locate there. All of these promotional efforts have resulted in some successes and in 1973 almost 20 German branch plants were established in Canada. In addition the number of new joint ventures with Canadian firms was significant, but statistics on these are not available.

Promotional efforts — A well designed preliminary feasibility study or prospectus is the best means of gaining an entrée to senior management discussions. This should describe a definite product line, give figures on regional, Canadian and North American markets, provide estimated capital costs of building, machinery, and equipment, give information on production, labour, utilities, and raw material costs, and show projected profit and loss statements and cash flow requirements. Industrial development agencies, pub-

lic and private, are encouraged to use the services of our Trade Commissioner offices in Germany and in other countries in planning and implementing foreign industrial promotion programs. The posts can be very useful in helping to identify companies that may have expansion ideas and in giving guidance with respect to the best procedure to get a message across, taking into account local customs and language.

How long the German investor

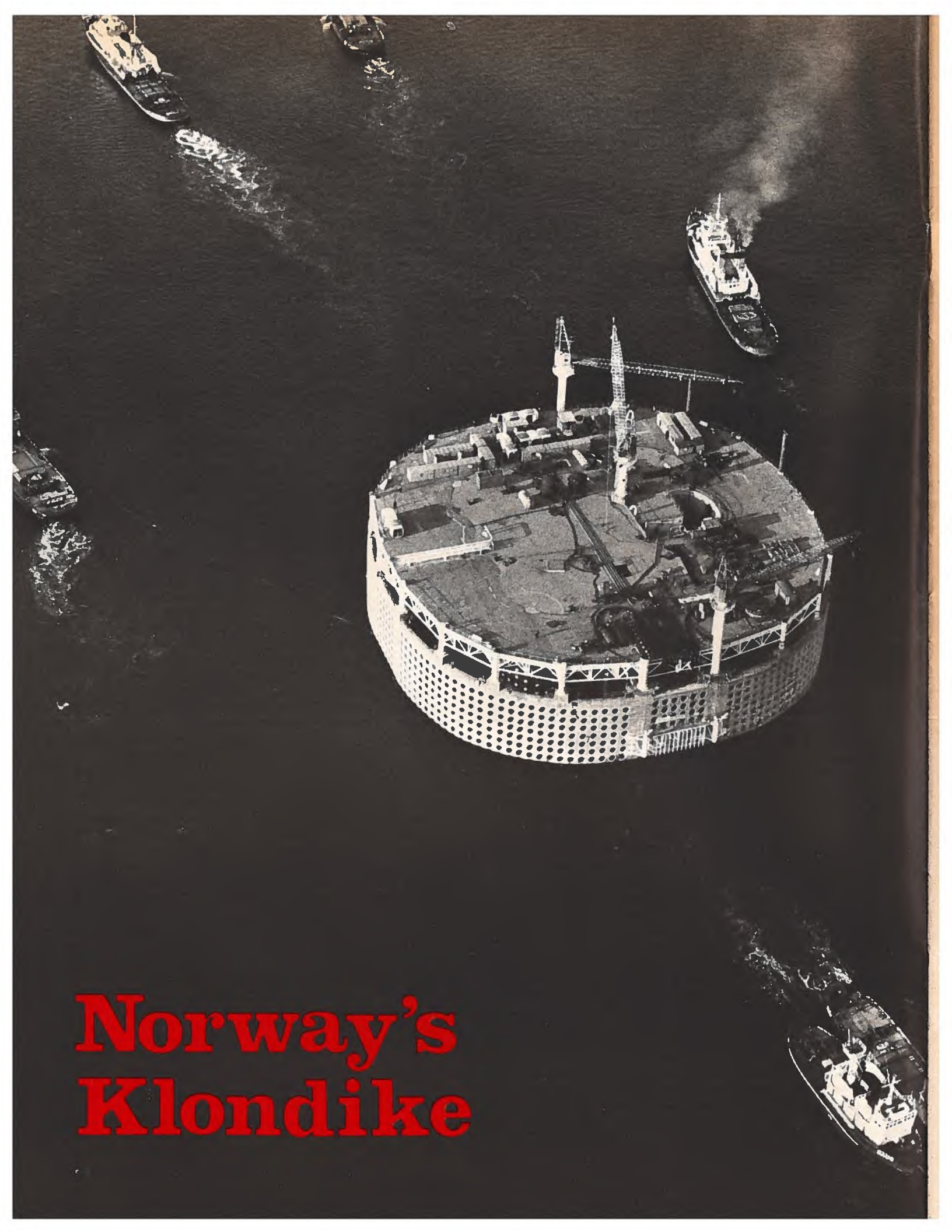
will continue to be interested in North America, or what influence factors such as the energy crisis, the forthcoming GATT trade negotiations and international monetary fluctuations might have on the economics of decentralization, is very much open to speculation. But for the near future, Germany is certainly a prime target for industrial promotion and a key source of potential partners for Canadian manufacturers. □

Direct German Investments Abroad (Accumulative)*

	(DM million)		
	to Dec. 31/71	to Dec. 31/72	to June 30/73
Europe			
EEC countries	7,350.9	8,123.5	10,842.4
EFTA countries	4,993.0	5,439.0	4,785.3
Other	1,476.9	2,009.1	2,512.5
Africa	1,473.3	1,767.7	1,990.2
America			
U.S.A.	2,095.7	2,248.0	2,264.0
Canada	1,952.0	2,131.8	2,225.4
Central America	1,021.4	1,063.5	1,114.7
South America	2,480.5	2,650.1	2,718.9
Asia	691.6	910.4	1,084.1
Australia and Oceania	245.4	258.8	257.3
Total	23,780.7	26,601.9	29,794.8

Source — German Federal Department of Economics, Gazette No. 189

*Figures are based upon compulsory reporting of investment abroad of DM 10,000 and over originating in Germany. They do not attempt to take into account German foreign investment redirected to third countries.



Norway's Klondike

A one-million-barrel concrete oil storage tank, 295 feet high and with a diameter of 301 feet, being towed into position at the Ekofisk field. The tank incorporates a perforated caisson-type breakwater developed at the National Research Council in Canada.

ROBERT D. MERNER, Commercial Secretary, Oslo

The discovery of oil and gas in the North Sea parallels, in many ways, the North American gold rushes of the 19th century. Norway's 'Klondike' will attract 8,000 oil men to Stavanger where Europe's largest Offshore Technology Conference and Exhibition will be held from September 3 to 6, 1974. The 'black gold rush' has changed Stavanger overnight from a city of fish catchers and canners into a bustling oil capital of 88,000 inhabitants, where hotels are fully booked, and a single rye and dry sells for \$2.85. The number of people directly employed by the oil industry will increase from the present 2,550 to 8,000 by 1985.

In the 10 years between 1963 and 1973 Norway invested \$3,166 million in the oil and gas industry. The biggest chunk of this (\$2,000 million) went into the development of finds, including pipelines and terminals, and \$455 million into 26 drilling platforms averaging 75 per cent Norwegian ownership. Future investment up to 1980 will be, in present-day money values, about \$11,525 million. Again, the major part of this will be spent on development, pipelines and landing terminals. Norway will become Europe's first oil exporting country when the pipeline to England is completed this year, but a recent submission by the Norwegian Government to Parliament estimates that increased revenues from oil operations will make an extra \$53 million available for development assistance by 1978, when it is intended that 1 per cent of the gross national product will be devoted to such purposes.

Canadians have played a part in Norway's oil boom from the very beginning when two Canadian firms participated in the Syracuse Group which was awarded two blocks in the initial 1965 round. Peter Bawden Drilling and Westburne International have provided drilling rigs and Canadian

crews able to explore the Arctic islands in the Spitzbergen group. A perforated caisson-type breakwater invented at the Canadian National Research Council was used in the building of the one million barrel Ekofisk storage tank. Canadian-built equipment, from snowmobiles to \$25 million semi-submersible drilling rigs, is employed by oil companies located in Stavanger. Approximately 10 Canadian companies are participating in the 77 groups which applied for 33 blocks announced in July, 1973. At the beginning of this year 141 Canadians were based in Stavanger. A Canadian bank was one of the first foreign banks to establish representative offices in Oslo. These pioneers have blazed a clear trail to Norway. The following report will summarize some of the other reasons why the Department of Industry, Trade and Commerce has reserved 120 hotel beds and 310 square yards of exhibition space to ensure that Canadian industry has an opportunity to compete for the offshore business at O-T-C '74 in Stavanger.

We hope to see you there and offer our fullest co-operation in helping you to sell the equipment and technology being sought by all sectors of the offshore oil industry. Further details concerning space at the exhibition and the offshore market potential can be obtained by contacting: W. V. (Bill) Andrews, Ocean Industries Divisions, Transportation Industries Branch, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5, or R. D. Merner, Commercial Secretary, Canadian Embassy, Posttuttak, Oslo 1, Norway.

Approaching the market — The investments required to find, produce, transport and process oil and gas from the Norwegian sector of the North Sea are estimated at between \$11 billion and \$20 billion between now and 1980. Canadian manufacturers should

be able to find markets for a wide range of components such as motors, cranes, safety equipment, drilling equipment and tools, underwater packages, steel pipes, casings, mud, pumps, valves and diving equipment. The list could be extended to include almost any kind of equipment or supplies used in the onshore oil and gas industry, plus a full range of equipment common to the shipbuilding and marine industry.

One fact is clear when discussing sales to the oil industry in Norway: delivery delays are the most common complaint voiced by purchasing departments. If exporters can offer satisfactory delivery times, questions regarding service, design and price can be negotiated. The oil companies are not prepared to source new materials through catalogue nor to request competitive bids for off-the-shelf items. The "time is money" philosophy is required in selling to the petroleum industry; this means being on the spot — or at least being represented by an active agent.

Competition for this multi-billion dollar business is somewhat restricted by the Norwegian Royal Decree of December 8, 1972, which states in Section 54 that "The licensee shall use Norwegian goods and services in the activity as far as they are competitive with regard to quality, service, schedule of delivery and price." Sales, therefore, are made easier by having an agent established in Norway who can invoice direct to the oil companies and provide after-sales service. The Commercial Division is prepared to recommend suitable agents. Another approach followed by the international oil supply companies is to establish a Norwegian subsidiary located on one of the supply bases.

A third alternative, one which we particularly recommend for medium and small Canadian export-



The Norsco supply base near Stavanger. As many as 15 supply boats and pipe-laying barges have sought shelter here during winter storms.

ers, is to establish an exporting consortia with the assistance of the ITC program for Export Market Development, Section "E". (Details of the PEMD cost-sharing programs are available at your nearest ITC office.)

If a Canadian firm or consortium wishes to consider renting space in a Norwegian supply base the annual costs per square metre, calculated on a two-year lease, would be approximately:

Office space	\$85
Unheated warehouse	\$40
Heated warehouse	\$50
Outside storage	\$10

The supply bases also provide forklift trucks, cranes, docks and contract labour, but costs differ according to the products handled and the type of contract. Supply bases in Norway are considered as custom-free zones for material used in the North Sea and, therefore, offer another advantage to Canadian exporters competing with EFTA and BEC suppliers.

Income from hydrocarbon resources — The income to the Norwegian State in 1980 will depend upon the price levels of hydrocarbons and the rate of development permitted under the Government's popular policy of "making haste slowly". Norway is clearly committed to spreading the development of hydrocarbon resources well into the 21st century so that the maximum benefit can be derived by Norwegian industry and the Norwegian people without disrupting the traditional economy. With controlled development and the Norwegian policy of state participation, the direct revenue from the offshore resources should reach \$4 billion a year by 1980. This figure is equivalent to 50 per cent of the current state budget, 25 per cent of the 1973 GNP, or \$1,000 on a per capita basis.

Economists predict that the

"bringing ashore" of this money in Norway will lead to substantial revaluations of the krone, uncontrolled inflation and unwelcome social change. The only alternative may be for Norway to re-invest the money in the oil industry and become a net capital exporting, rather than capital importing, country. This trend could open important new avenues for Canadian industry seeking risk capital or joint venture participation in technologically sophisticated new industry related to Canada's offshore and Arctic resources.

Share values rise — The once staid and rather calm Oslo stock exchange has reacted strongly to the potential new incomes for those sectors of the Norwegian economy even remotely connected with the petroleum industry. During 1973, the Oslo Børs led the world with a total index climb of more than 50 per cent. Industrial shares increased 76 per cent and shipping 52 per cent, and many

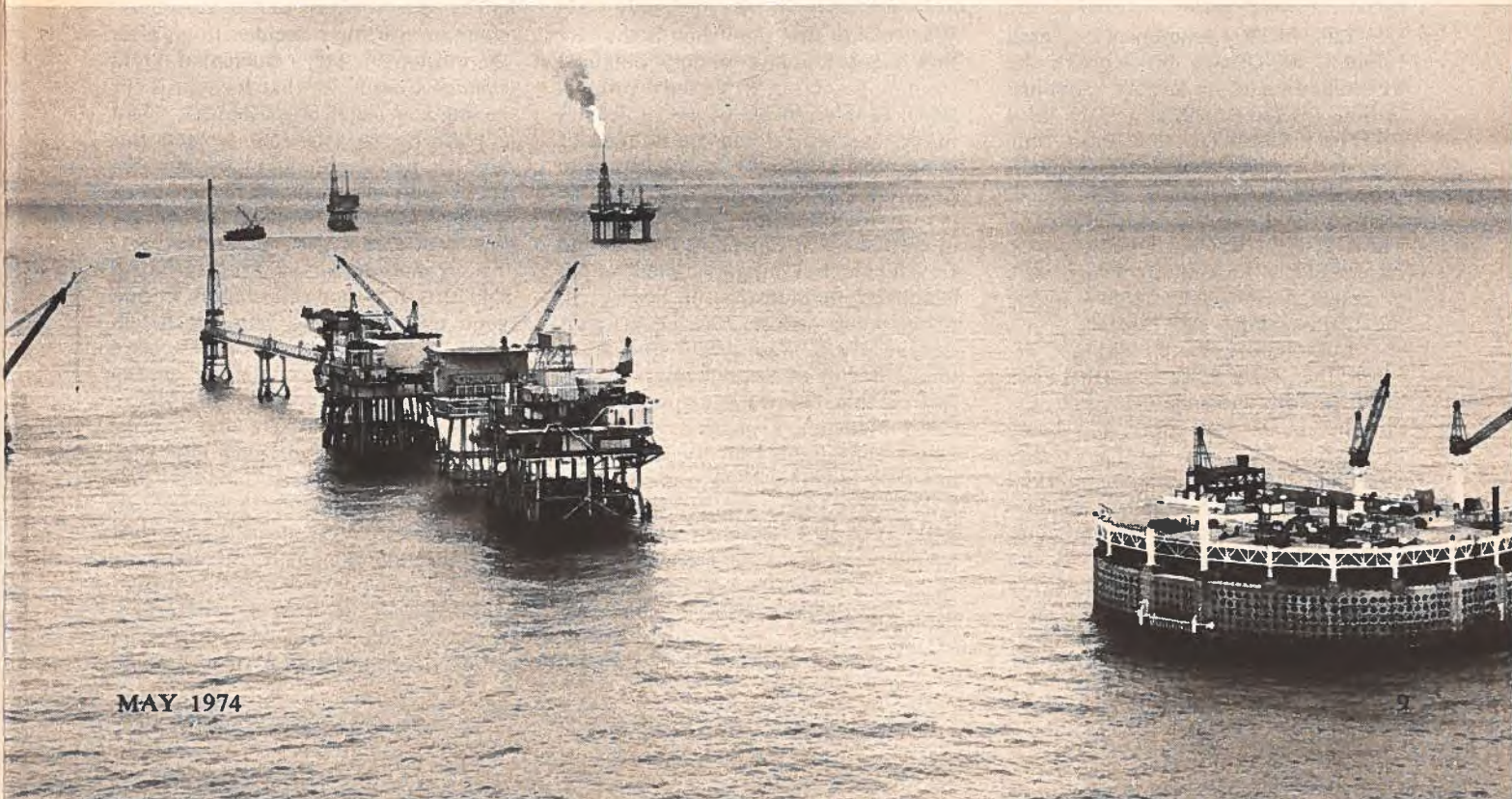
stocks have trebled in value since 1970. The highest flyer is probably the 51 per cent government-owned Norsk Hydro, which has moved from 230 Norwegian kroner to more than 3,000 kroner. Canadian stock promoters have not been slow in grasping the new mood in Norway and Canadian stock advertisements are beginning to appear in the financial and trade papers. The Commercial Division awaits your trade inquiries, but please do not ask for stock market tips!

Without exception the official forecasts of North Sea investment and income have proved too conservative. The figures in this article will probably be out of date before it is printed but one thing will remain constant — opportunity awaits you in Norway! Come to Stavanger in September and experience the good will of Norwegians toward Canadians. Who knows, you may discover black gold.

Summary of Activities to December 1973

- 92 wells drilled and 14 finds
- Two commercial fields, Ekofisk and Frigg, have been delineated
- One-million-barrel concrete storage tank towed and settled in Ekofisk field
- Three concrete storage tanks and production platforms valued at more than \$150 million under construction in Norway
- 27 orders for Norwegian-designed Aker H3 semisubmersible drilling rigs, representing contracts worth about \$750 million
- Norwegian owners participating in total of 50 drilling rigs, including drill ships
- Norwegian owners have 85 supply vessels on order worth about \$200 million

The Ekofisk tank in place 187 miles offshore.



MAY 1974



Lasers one company's cup of tea

Lumonics Research Limited technician adjusts a TEA Laser in the company's Ottawa laboratory.

DAVID MAGEE, Assistant Editor

Late in 1973 Lumonics Research Limited, an Ottawa firm, broke the \$1 million mark in export sales just in time for the celebration of its third year in business. In that short time this all-Canadian company has established itself as a leading producer of high-powered laser equipment; its Transversely Excited Atmospheric Lasers (TEA Lasers) are being used by research establishments in Canada, the United States and Europe.

Lumonics Research did not develop the TEA Laser — that was done by the Defence Research Establishment — but came into being because of it. When the TEA Laser was officially introduced late in 1969 it attracted considerable attention from the international physics community because, until then, it was necessary to operate gas lasers at very low pressures. The TEA Laser was the first that would work at comparatively high atmospheric pressure.

What makes that significant is the fact that the amount of energy obtained from a gas laser is directly proportional to the number of gas molecules in the laser's tube, and the number of molecules increases as the pressure rises.

A lot of people were extremely interested when Canadian Patents and Development Limited invited applications from industry for licenses to manufacture and sell the TEA Laser. Among them was Allan Buchanan, then Director of Engineering at Leigh Instruments, Ottawa. He and a friend, Gord Mauchel, a physicist and marketing consultant, had discussed starting their own business and the new laser looked like something they could build on. Al Crawford, who is still president of his own sales representative company specializing in scientific equipment, also became involved.

Although they had not formed a

company yet, they decided to go after the license. Mr. Buchanan told *Canada Commerce* that the "basis for having any belief at all that we might get the license was that we felt this kind of new technology development could best be handled by a small company that was dedicated to it. . . that depended on it for survival."

Commitment — Mr. Buchanan said that it is not uncommon to find good technical ideas being buried in large companies, that even a large company can have difficulty getting money out of its R&D budget to spend on new ideas. He said that he and his associates decided that they should try to convince Canadian Patents and Development Limited that the right way to licence the new laser was through a new, small company that was 100 per cent committed to it.

"We gave it to them as thoroughly as possible", said Mr. Buchanan. "We felt an obligation to explain in

great detail what we would do with the licence. We wrote a very large document, in effect a company plan, that outlined what we would do."

Detail was needed because the company had no track record — there was no company. But Mr. Buchanan thinks now that the Government may have been given much more information than was necessary. In any case, the application was successful and a conditional agreement was drawn up in July 1970 by which a license would be granted if Mr. Buchanan and his associates could raise sufficient money to start product development.

In a relatively short time about \$300,000 was raised through an issue of stock, most of which was purchased by local businessmen, lawyers and doctors, with some investment money coming from Toronto and Quebec City. When New Year's Day, 1971, rolled around, the new company, Lumonics Research Limited, was under way.

Proper environment — Mr. Buchanan has always attached great importance to planning and attributes much of the company's success to it. He told *Canada Commerce* that he considers it his job "to ensure that there is an environment in which everyone can do their job effectively.

"The only way," he said, "that there can be such an environment is to make sure that they know what they're supposed to do. If they're going to work effectively, they've got to be working towards something . . . they've got to have a clearly-defined goal."

Planning isn't everything, Mr. Buchanan admitted. Other things help make the environment right: employees, salaries, equipment and facilities. "The most critical factor in the efficiency of a development program or any other program, I think, is to have it clearly defined in terms of objectives . . . so that's the number one job as far as I'm concerned."

Mr. Buchanan said that all his activities take second place to planning, that he makes time for planning if he has to: "It's not a continuing thing. You go through a planning

exercise, you document your plan and then you work to it. You measure your performance against it . . . it's a working document that you review periodically, updating and changing it.

"But planning isn't like opening the mail every morning. It doesn't require some planning activity every day in order to have a clear idea of where you're going."

Mr. Buchanan said that thorough planning makes the job of running a company much easier. He said that once the difficult early planning has been done, day-to-day decisions fall into a pattern because "you're not recreating a company image every time you're forced to make a decision; you're deciding in the context of a pre-defined plan."

Next to planning, in Mr. Buchanan's books, comes professionalism. Lumonics employs a high proportion of university degree holders on its staff of 31. There are 14 people working in research and development, 13 in production and the rest in administration. Almost half these employees have degrees; three of them are PhD's and the company is negotiating to hire a fourth man in that category. Mr. Buchanan said that the proportion of degree people is high because "we believe very seriously in the concept of professionalism.

"If you're going to do something," he said, "do it right. We wanted to hire well-qualified professionals and we felt that we'd need top scientists to direct the R&D program. That, in effect, equated to PhD's with experience in laser development."

Mr. Buchanan said these top-level people are backed up by support staff with master's or bachelor's degrees as well as experienced technicians. He admitted that it is difficult to find technicians with experience in lasers but the company, when it was starting up, "didn't really expect to find anybody who was a laser man because there is not that much laser development going on in Canada.

"But," he continued, "if you get somebody with the right general background in physics, then he can become a laser man."

Mr. Buchanan paid tribute to professionals who were willing to take a risk and join Lumonics: "One of the guys — he's currently our technical director, Dr. John Nilson — was working at RCA in Montreal on space-qualified laser systems. He came to see us and after we told him what our program was, he decided to join us, which was kind of a courageous decision on his part. Anybody joining a small, new company must have some reservations about whether it's going to go. At the same time, there's a challenge there to make it go."

Name your fee — Another factor in Lumonics' ability to attract first-rate professionals has been its rather liberal policy on salaries. Mr. Buchanan explained that if a man has the kind of self-confidence the company is looking for and feels he can help the company, then "we sort of let him name his own salary with the understanding that if we offered him a position, it will be at his requested salary . . . we have followed a practice of asking a person what they'd want to join the company because at the start we had no guidelines for knowing what the job should pay.

"We ask what kind of salary would a person want to join the company . . . and it's remarkable how people come up with a very reasonable figure. Right across the board we've had people come up with pretty darned reasonable salary requirements and we've made a practice of making sure that rates are kept in line with the rest of the industry. When our people have turned out some really outstanding work, we have tried to give them a really outstanding salary increase to show our support."

With sound planning and plenty of professionals on staff, Lumonics Research has something else going for it too — product quality. Mr. Buchanan said that many companies have failed because they put their product on the market too soon or because their product was unreliable and did not meet its specifications.

"We sold a special laser to Battell Memorial Institute in Columbus,

Ohio," said Mr. Buchanan, "with a minimum output of 20 joules — they claim they're getting 80 joules out of it. You don't need many customers like that to do well because they all talk to each other." (A joule is a unit of energy).

Mr. Buchanan said this is because the physics community is completely international. Physicists, he said, are always getting together in world-wide conferences and they talk about the research they do and the tools they use. In other words, according to Mr. Buchanan, word-of-mouth advertising has a great deal to do with how well a company will do in this field.

He said: "You sell more by getting a good reputation with the people that have already bought than in any other way . . . we've had people phone up, people we've never heard of, and they ask for a price on one of our models. We ask how they heard of us and they reply 'I heard from some guys at Kirkland Air Force Base and I've seen that laser of yours and it's great and I want one!'"

Mr. Buchanan said there have been a few problems with the lasers, such as blown capacitors or damaged optics but, he said, "we jumped all over them, got them fixed damn quick and made sure the customer was really happy."

Fast service — He said that in some respects, lasers are just like ordinary household appliances such as television sets. There are components that will fail, just as a TV picture tube will fail. One of these is the laser's energy storage capacitor. Depending on laser size, they are charged up to 100,000 volts and they will break down under those loads sooner or later. But, according to Mr. Buchanan, spare parts are kept in stock and the company provides service as quickly as possible.

He said that Lumonics usually just sends the replacement part to the user because "these guys have all the smarts to relate a component with no problems. . ." According to Mr. Buchanan, Lumonics has only had a half-dozen field problems. But there was one case that had everyone

baffled for a while. A laboratory in California was unable to get its Lumonics laser to work, no matter what was tried.

As Mr. Buchanan told it: "They tried everything and finally we sent one of our people out there. He couldn't find anything wrong with it but finally he decided there just couldn't be the right gas mixture — you use three gases in a laser: carbon dioxide, nitrogen and helium — so he took a rubber glove and filled it from the helium bottle. The glove should have risen to the ceiling, instead it went straight to the floor."

Mr. Buchanan said all this was done "in front of all these top scientists, very bright guys, and they were embarrassed . . . but that's the kind of thing you get into." Lumonics has sold that organization four lasers since then and has been designated a preferred supplier.

Government help — Lumonics Research has received assistance of one kind or another from several Federal Government Departments and Mr. Buchanan has some definite ideas about obtaining such help.

"Yes," he said, "I sure think there's a right way. I think it's important to do what they say they want done on the grant application, for example. For any of these grants, PAIT, IRAP or whatever, there is a list of instructions and we follow them very carefully, doing everything completely. And prior even to doing that we go and talk to the contact we're assigned to in the Department. We get his advice and do exactly what he says. We haven't had any serious problems with grant applications but then, well, we put a fair amount of professionalism into them.

"They look good," he said, "they read well and all the obvious questions are answered. The Government doesn't have to pry financial data out of us — we put it in there because we know they need it. It's a lot of work but I think we've benefitted greatly."

Mr. Buchanan again mentioned planning. He said that if his company is asking the Department of Industry, Trade and Commerce for a million dollars, then the Department

deserves more than just a few words of description of the project. He said that it is a question of business planning because "they want to know all about the company before they'll even talk about development of one product. They want to make sure that the project is compatible with our over-all company plan. Planning has a lot of different ways of showing itself up but if you've done your planning, then applying for government aid is a lot easier — you're not starting from ground zero."

Industrial Application

Lumonics Research Limited is heavily committed in two areas of laser development and is about to branch into a third. To date, most of the company's sales of high-energy pulse lasers have been to thermonuclear fusion researchers. But sales to spectroscopy researchers are increasing and the company hopes to crack the commercial/industrial market in the relatively near future.

The goal of fusion research is to harness the nuclear fusion reaction of the H-bomb to permit generation of electrical power. Spectroscopy with lasers permits rapid analysis of various types of materials and could be of great value, for example, in the petrochemical industry by allowing much more accurate analysis of products on a continuous, almost instantaneous, basis.

Obviously, the market for research lasers will continue strong but Lumonics considers the real potential to be in commercial/industrial applications. Lasers can be used to machine products, to drill holes in hard materials and to perform many other operations that are difficult or impossible with conventional tools.

Lumonics Research has a \$1 million development program under way (50 per cent financed by PAIT) to put an industrial laser on the market in about a year. A prototype is already operating.

CALA-

Catalyst in a \$17 Billion Market

MICHAEL LUBBOCK, Executive Director, CALA

Latin America has become too big a market to be ignored by the Canadian business community. Economic development is surging ahead and the area's total import bill is now over \$17 billion. Less than 3 per cent of Canada's export trade is accounted for by the countries of Latin America and a large portion of that has consisted of traditional items such as wheat and raw materials. In recent years Canadian exporters have done much better in manufactured items. However, the Canadian share has remained more or less static at 3 per cent while other international trading nations such as Japan have substantially increased their shares of these expanding markets.

Because of the importance of the area, the Canadian Association for Latin America, (CALA) was formed in 1969 to bring Canadians and Latin Americans closer together in a wider, deeper relationship. In the five years since then, it has achieved a great deal to make Latin America more widely known and appreciated in Canada. It has come to be regarded by the principal inter-American institutions, and by a growing number of Latin American business leaders, as the symbol of greater Canadian interests. Its information centre on current economic, financial and political events in Latin America is unique in Canada. CALA has acted as a catalyst to bring Canadians and Latin Americans together through its conferences, seminars across Canada and its bilateral businessmen's committee with Mexico. It receives an increasing flow of inquiries from Canadian companies wishing to initiate or develop business in Latin America; and this is reflected in its steadily expanding membership.

Turning point — As the only private institution in Canada wholly dedicated to Latin America and specialized in its knowledge and con-

tacts, CALA has now reached a turning point in its life, a new stage in its essential work for the good of both Canada and Latin America. In recognition of the importance of CALA's work, the Federal Government has recently given us the first of three annual grants. This will enable us to launch our new three-year plan, the priority objectives of which include the early identification of investment openings in Latin America that are suitable for Canadian companies and the creation of further bilateral businessmen's committees with Venezuela, Colombia, Peru, Argentina and Central America. A similar liaison with Brazil will be provided by the recently created Brazil-Canada Information Centre in Toronto and the Canadian-Brazilian Chamber of Commerce in Sao Paulo.

The Latin Americans will be taken on visits to industries and natural resources in all parts of Canada

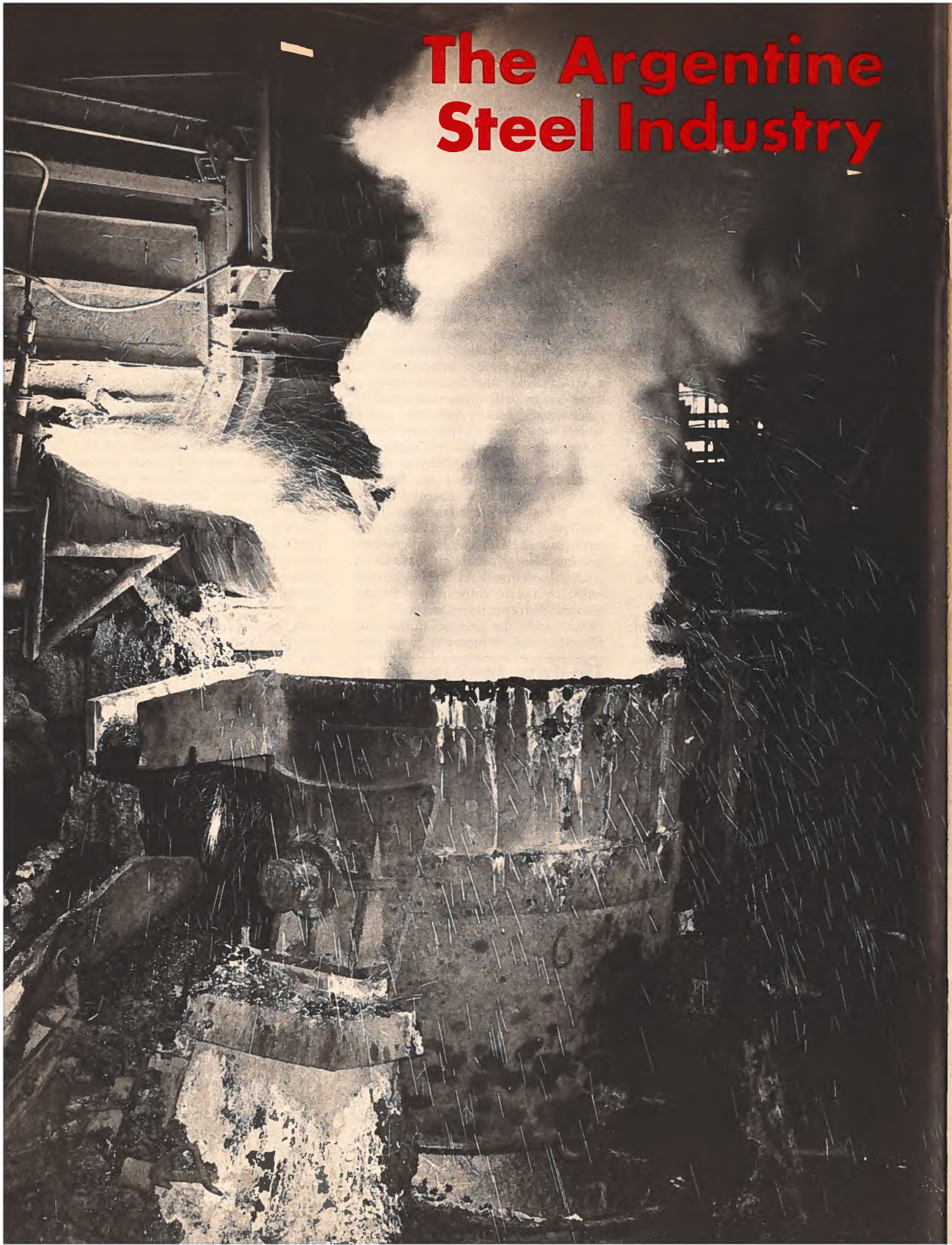
But there is another important project, one that will provide a new foundation and impetus for our other expanded activities. One of CALA's most significant achievements has been three important conferences in Canada to explain Latin America to Canadians, to explain its growing economics and markets and the ever widening opportunities for Canadian trade and investment. The success of these conferences can be attested to by the increasingly large attendance of Canadian businessmen and by the invaluable support given by some of the most distinguished Latin Americans from both the public and private sectors. At the last conference (CALA III), which was held in 1972, a direct dialogue was started between Canadians and the 30 or so Latin Americans who came to this country specifically for the meeting.

June conference — CALA IV, the next major conference, to be held in Toronto on June 17 and 18, will turn to the equally important task of telling Latin Americans about Canada. Interest in Latin America and knowledge about it is still insufficient in Canada, but the same is true in reverse. Latin Americans generally have a limited appreciation of the specialities in skill and products which are the result of Canada's development experience, and CALA IV will set out to correct this.

The Department of Industry, Trade and Commerce is sponsoring the visit to Canada of 50 leading businessmen and heads of state enterprises from all over Latin America, and the Department of External Affairs will sponsor a group of Latin American journalists. During the two-day meeting Canadians will be explaining, in two plenary sessions and six specialized working groups, the problems which Canada has faced in its development, how it has solved them, and the particular skills and products which have grown out of this process and which may be of special interest to Latin America in its own development. Following the conference the Latin American guests will be taken on visits to industries and natural resources in all parts of Canada to reinforce what they have heard during the meeting.

This is CALA's most ambitious project to date and would only have been possible with the help of the Department of Industry, Trade and Commerce. It will be the first such Canadian "shop window" to Latin America, and, in view of the calibre of the Latin American participants, it should result in a much wider appreciation throughout the area of what Canada can offer in the partnership for development. Canadian firms will surely seize on this opportunity to display their skills and services to such a distinguished audience. □

The Argentine Steel Industry



Molten metal being poured into a crucible at Acindar's plant at Rosario, Province of Santa Fe.

COMMERCIAL DIVISION, Canadian Embassy, Buenos Aires

Argentina imports about 45 per cent of its steel needs, which come to roughly 4.5 million tons a year. Of the 2.5 million tons produced locally, 50 per cent comes from scrap, half of which is, again, imported. Steel imports account for half of all foreign exchange invested in the country's import market.

In July last year, Argentine steel producers were ordered to cut back their prices to the levels prevailing at January 1, 1973. As the cost of imported materials has been rising, this means that working profits have suffered severely, but the industry continues to invest heavily in expansion projects. Imports of steel this year are expected to cost about \$500 million.

Projections indicate that Argentina will produce about five million tons of raw steel in 1979 and that consumption in that year will reach 8.1 million tons. In other words, the country will have to import 38 per cent of its requirements.

There is tremendous demand for scrap; in 1972, about one million tons were needed but imports totalled only 263 metric tons. This year it is expected that 700,000 tons will be needed in imports.

Imports of final rolled products in 1972 were about 500,000 metric tons, down from 791,000 metric tons in 1969. As rolled product imports declined, those of semi-finished products increased from 800,000 to 1.1 million metric tons. Pig iron imports for foundry use continued at high levels.

Three categories — Steel manufacturing in Argentina is done by firms that can be grouped into three categories: semi-integrated plants with an annual production capacity of less than 25,000 tons; integrated and semi-integrated plants with a production capacity of between 25,000 and 500,000 tons a year; and large integrated plants with a capacity of more than 500,000 tons. There is, however, only one company that, at the present, fits into this last category and that is SOMISA (Sociedad Mixta Siderurgica Argentina). Somisa is 99.9 per cent owned by the Gov-

ernment and produced 1.1 million tons in five Siemens Martin furnaces in 1972. The company also has a metallurgic coke blast furnace with a capacity of 850,000 tons of pig iron, using imported ore and carbon (85 per cent of the carbon is imported). A second blast furnace and a sintering plant will be installed this year, allowing production capacity of pig iron to be increased to 2,240,000 tons with the expansion also of the coking process. Included in expansion plans is the installation of an LD steel plant, the first of its kind in Argentina, with two basic converters of 180 tons each and continued casting and related installations. By 1977 annual production capacity of pig iron will reach 2,835,000 tons and four million tons of steel, by already authorized increase in capacity of the two blast furnaces and the steel plant.

The other company that will eventually fit into this category is Propulsora Siderurgica S.A., a private venture with Italian capital. The Government withdrew its support for this company after a cold-rolled plant with a capacity of 350,000 tons had been completed in 1969. Other stages planned by this company had been a coke blast furnace (capacity of 1.2 million tons of pig iron), an LD steel plant (1.36 million tons) and a hot-rolling plant. It is expected, however, that its plans will eventually materialize, though there may be modifications from the original.

Important middle category — Ten enterprises fit into the middle category (those with a capacity of between 25,000 and 500,000 tons). One of these is state-owned, one is partially state-owned and the others are all private ventures. This category is, perhaps, of more importance to Canadians.

Establecimiento Altos Hornos Zapla S.A., the state enterprise, is the only integrated plant in this category. It operates four small charcoal and local mineral blast furnaces with a total capacity of 122,000 tons a year of pig iron. It has three 15-ton Thomas converters and two 15-ton electric arc furnaces. The converters

can produce 95,000 tons of steel a year, the arc furnaces 46,000 tons.

Altos Hornos will bring another 250-ton-a-day charcoal blast furnace into operation this year, to increase capacity of pig iron production to 217,000 tons a year by 1975, and of structural steel to 168,000 tons. Conversion of three Thomas converters to oxygen by the 0.3M system next year will raise capacity of the steel plant to 202,000 tons a year of high and medium carbon and low alloy steel. A new continuous rolling mill is planned to start up in 1976.

Aceros Bragado has two 25-ton arc electric furnaces and three lines of continuous casting for slabs. Steel production is 135,000 tons and of rolled products 15,000 tons. Plans include a bar rolling mill of 120,000 tons capacity next year.

Mexican process — Acindar has installed a second 30-ton 15,000 KVA electric arc furnace which is due to come into operation this year and increase production capacity from 22,000 tons to 77,000 tons a year. It is also awaiting approval to replace a Siemens Martin plant by an electric plant using a Mexican H and L process direct reduction unit of 7,400 tons a day of iron and two ultra high power electric furnaces of between 85 and 96 tons and 55,000 KVA each, with six-line continuous casting for slabs. A third furnace will be installed later to bring annual capacity to 600,000 tons a year.

Cura Hermanos will start operating a second 12-ton arc furnace with a continuous slab-casting line to push steel capacity up to 50,000 tons a year. It already has a bar rolling mill for concrete of 50,000 tons capacity.

Dalmine Siderca, with three 50-ton arc furnaces with a capacity of 300,000 tons of steel and 90,000 tons of slab, is expected to install the Midrex system for direct reduction of 1,000 tons a day of iron. Dalmine Siderca is the only producer in the country of seamless tubing and has a plant with an annual production capacity of 145,000 tons of tubing.

Gurmendi, a semi-integrated plant with two 36,000 KVA 65-ton

ultra high power electric furnaces and two installations for four lines of continuous slab casting, can produce 300,000 tons of steel a year, and 252,000 tons of structural wire, rolled steel, light bars and sections. It is expected to complete integration plans and produce 330,000 tons a year of iron, and expand the wire manufacturing facilities by 1976.

La Cantabrica is a semi-integrated Siemens Martin steel plant with four 25-ton furnaces and an annual production capacity of 85,000 tons of steel. A two-ton electric furnace can produce 3,000 tons a year. At the beginning of this year, production was started with a new bar and section rolling mill with annual capacity of 120,000 tons. Annual production of the steel plant is expected to increase by 25,000 tons by 1975.

Santa Rosa, with two Siemens Martin furnaces and three electric arc furnaces, has a production capacity of 190,000 tons a year of steel. It also has a primary rolling mill (240,000 tons capacity) and a semi-continuous bar and structural wire mill (192,000-ton capacity). This year steel-making capacity will be increased to 215,000 tons by the replacement of a Siemens Martin furnace with a 50-ton electric

arc furnace.

Tamet (Talleres Metalurgicos San Martin) will start operating a new continuous rolling mill. It has three Siemens Martin furnaces capable of a total output of 200,000 tons a year, a primary rolling mill (70,000 tons) and a bar and structural wire mill of 66,000 tons a year. It also manufactures wire, bolts and forgings, moulded cast iron parts and centrifuged casting pipes up to 600 millimetres.

Canadian venture — Hipasam (Hierro Patagonico de Sierra Grande S.A. Minera) was formed to develop the Sierra Grande iron ore deposits in southern Argentina. It is building concentration and pelletizing plants to produce two million tons a year of pellets. Construction of the pelletizing plant is being done by Wright Engineers Ltd. of Vancouver. Plans include a direct reduction unit, probably using the Stelco Lurdi process, and a steel plant with a capacity of 400,000 tons a year to supply local and regional demand.

Scrap prices push trend — The most costly element in the steel industry in Argentina is scrap, which is the basic charge for almost every furnace of enterprises within the

middle category. The one exception is Altos Hornos Zapla, which uses pig iron from its own charcoal blast furnaces. But the price of scrap is such that pre-reduced products are now being sought. There is also a trend towards the manufacture of quality steel rather than the low and medium carbon steel produced by SOMISA.

So, in summary, we can say that electric arc furnaces will replace the Siemens Martin furnaces and that most of them will be of ultra high power. The only Thomas converter will be converted to oxygen, and continuous casting of slabs will be increased.

What does it all mean for Canada? With steel production capacity programmed to reach 10 to 15 million tons by 1985 from the present 2.5 million tons, there should be opportunities for Canadian engineering and consulting firms and equipment suppliers to participate in the various expansion projects. These plans are ambitious, but consumption is expected to outpace production for some time to come, and Canada should continue to have a healthy market for steel products and services. □

Hudson Institute comes to Canada

An international arm of the Hudson Institute of New York, the U.S. think tank, is planned for Canada. The Hudson Institute of Canada is to be headed by Claude Frenette, on leave of absence from his position as Vice-President of Power Corp. of Canada, and will be

established in Montreal.

The Hudson Institute of Canada will serve as the International arm of the New York organization and will be owned 30 per cent by the U.S. parent. Control will remain in Canada. □

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 April 25. Because of unsettled market conditions exporters should consult their bankers for up-to-date quotations.

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units	Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Algeria Dinar	.2380	4.20	Ecuador Sucre (official)	.0389	25.71
Arab Republic of Egypt Pound (official)	2.4483	.41	El Salvador Colon	.3832	2.61
Argentina Peso (financial)	.0960	10.42	Fiji Dollar	1.1975	.84
(commercial)	.1916	5.22	Finland Markka	.2588	3.86
Australia Dollar	1.4238	.70	France, Monaco, etc.¹ Franc	.1958	5.11
Austria Schilling	.0515	19.42	French Pacific² Franc	.0110	90.90
Bahamas Dollar	.9580	1.04	Franco-African Republics³ Franc	.0040	250.00
Belgium and Luxembourg Franc	.0243	41.15	Germany D Mark	.3845	2.60
Bermuda Dollar	1.0397	.96	Ghana New Cedi	.8302	1.20
Bolivia Peso	.0479	20.88	Greece Drachma	.0333	30.03
Brazil Cruzeiro (official free)	.1473	6.79	Guatemala Quetzal	.9580	1.04
Britain Pound	2.3008	.43	Guyana Dollar	.4444	2.25
British Honduras Dollar	.6078	1.64	Haiti Gourde	.1916	5.22
Burma Kyat	.1990	5.03	Honduras Lempira	.4790	2.09
Chile Escudo (bank rate)	.0018	555.55	Hong Kong Dollar	.1884	5.31
(free)	.0013	769.23	Hungary Forint (official)	.0869	11.51
China, People's Republic of Yuan	.4188	2.39	Iceland Krona (official)	.0098	102.04
Colombia Peso (fixed)	.0374	26.74	India Rupee	.1223	8.18
Costa Rica Colon	.1444	6.83	Indonesia Rupiah	.0024	410.00
Cuba Peso		N.A. ¹⁰	Iran Rial	.0134	74.63
Czechoslovakia Koruna (fixed basic rate)		N.A. ¹⁰	Iraq Dinar	3.2359	.30
Denmark Krone	.1604	6.23	Ireland Pound	2.3008	.43
Dominican Republic Peso	.9580	1.04			

Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units	Country and Currency	foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
Israel Pound	.2281	4.38	Philippines ⁵ Peso (free)	.1435	6.97
Italy Lira	.0015	666.66	Poland Zloty (fixed basic rate)	.2577	3.88
Jamaica Dollar	1.0538	.95	Portugal & Overseas Provinces ⁶ Escudo	.0392	25.51
Japan Yen	.0035	285.71	Saudi Arabia Riyal	.2850	3.50
Kenya ⁴ Shilling	.1379	7.25	Sierra Leone Leone	1.2371	.81
Korea, Republic of Won	.0024	404.38	Singapore Dollar	.3358	2.98
Lebanon Pound (free)		N.A. ¹⁰	South Africa Rand	1.4274	.70
Libya Dinar	2.777	.36	Spain & Dependencies Peseta	.0165	60.60
Malawi Kwacha	1.2280	.81	Sri Lanka ⁷ Rupee	.1479	6.76
Malaysia Dollar	.3937	2.54	Sweden Krona	.2206	4.53
Mexico Peso	.0766	13.05	Switzerland Franc	.3211	3.11
Morocco Dirham	.2284	4.38	Syria Pound (free)	.2711	3.69
Netherlands Florin	.3635	2.75	Thailand Baht (free)	.0479	20.88
Netherlands Antilles Florin	.5352	1.87	Trinidad & Tobago ⁸ Dollar	.4793	2.09
New Zealand Dollar	1.3963	.72	Tunisia Dinar	2.2013	.45
Nicaragua Cordoba	.1369	7.30	Turkey Lira	.0684	14.62
Nigeria Naira	1.4700	.68	United States Dollar	.9580	1.04
Norway Krone	.1767	5.70	Uruguay Peso (free)	.0009	1,111.11
Pakistan Rupee	.0967	10.34	Venezuela Bolivar (official free)	.2235	4.47
Panama Balboa	.9580	1.04	Yugoslavia Dinar (official)		N.A. ¹⁰
Paraguay Guarani (free)	.0078	128.21	Zaire, Republic of ⁹ Zaire	1.961	.51
Peru Sol (free)	.0225	44.44	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 Mauritania, 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

CHILE — AGRICULTURAL DEVELOPMENT

The Inter-American Development Bank has approved a \$22 million loan to help finance an agricultural credit program in Chile.

The loan, which was extended to the Banco del Estado de Chile (BECH), a government development bank, will help finance an agriculture recovery plan designed to overcome present food shortages. According to official figures, between 1972 and 1973 Chile's farm output fell 25.3 per cent and livestock production 10.1 per cent, due to the reduction of land in cultivation and a considerable loss of productivity.

Implementing Organization: Banco del Estado de Chile (BECH).

Procurement: International public bidding among member countries of the Bank on goods and services imported with resources of the Bank loan. National public bidding on domestic purchases.

EL SALVADOR — HEALTH SERVICES

The Inter-American Development Bank has approved a \$15 million loan to help El Salvador expand its health service network. The loan will be used by the Ministry of Public Health and Social Welfare (EMPAS) to construct and equip health establishments to provide comprehensive health service coverage, preventive as well as curative, to a total of 1.8 million persons in urban and rural communities, of which 476,000 have no health service at present.

The total cost of the project is estimated at \$18.8 million, of which the Bank loan will cover 79.8 per cent and the Salvadoran Government the remaining 20.2 per cent.

Specifically, the resources of the Bank loan will help construct and equip one regional hospital, 11 health centres, 37 health units and 55 health posts in the five health regions of the country.

Implementing Organization: The Ministry of Public Health and Social Welfare (MSPAS), San Salvador.

Procurement: International public bidding among member countries of the Bank on goods and services imported with resources of the Bank loan. National public bidding on domestic purchases.

LATIN AMERICA — SPECIAL FUND

The Inter-American Development Bank has entered into an agreement with the Government of Canada to administer a special fund of \$1.5 million to finance the preparation of development projects in its Latin American member countries.

The agreement was signed at Bank headquarters in Washington, D.C., March 22, by Antonio Ortiz Meña, President of the Inter-American Bank, and by David B. Laughton, Executive Director of the Inter-American Bank for Canada.

Under terms of the agreement, the resources of the Fund will be made available to governments and public and private entities in eligible member countries of the Bank to assist in the formulation of development projects, including basic studies, preliminary feasibility, feasibility and final engineering design. The agreement specifies that special priority in use of the fund resources be granted to the lesser-developed countries of the Bank.

The Fund resources will be used for the purchase of goods and services in Canada or the country where the project is to be executed or, under special conditions, in other member countries of the Bank. The resources will be made available on a nonreimbursable, contingent recovery or reimbursable basis. However, the Bank can extend nonreimbursable assistance only to its lesser-developed member countries.

MAURITIUS — PORT DEVELOPMENT

The World Bank has approved a \$10 million loan to Mauritius to help finance the first phase of a master plan for the development of the harbor of Port Louis.

The harbor, which is virtually free of siltation, comprises a main basin with a water area of 320 acres and two small adjacent basins of 22 and 8 acres respectively. The port is predominantly for lighterage with 15 mooring buoys. Ocean-going cargo is lightered to and from public lighterage quays.

The project will expand and improve the harbor of Port Louis by providing improved facilities and equipment. It consists of the con-

struction of three deepwater berths, a small jetty, mooring dolphins, sheds and administrative and workshop buildings, together with consultants services for engineering and supervision of construction; the purchase of cargo handling equipment and tugs; the completion of the port dredging program; and technical assistance to the National Port Authority (NPA) in port administration, accounting and operations.

Implementing Organization: Ministry of Communications until the National Port of Authority (NPA) is created in late 1974.

Procurement: Bank-financed contracts would be awarded to pre-qualified contractors after international competitive bidding in accordance with Bank/IDA guidelines. Separate contracts are anticipated for the wharves and the cement pier, shed steel structures, shed erection, and other buildings and asphaltting. Though local contractors do not have the capability of undertaking the major civil works, they are expected to be awarded the contracts or sub-contracts for building, pavements, etc.

Consultants: The engineering consultants have been selected; the technical assistance to the Ministry of Communications and later to NPA is financed by UNDP and will comprise two port advisors.

PERU — WATER SUPPLY

The Inter-American Development Bank has approved a \$4.7 million loan to help Peru carry out the third stage of a national rural water supply plan which will benefit approximately 270 rural localities with between 400 and 2,000 inhabitants each.

The loan will be used by the Ministry of Health to construct 239 rural water systems in 22 of Peru's 23 departments which will supply water to roughly 60 per cent of the population in the benefited communities.

Implementing Organization: The Office of the Sanitary Engineering Program of the Ministry of Health, Lima.

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

SYRIA — IRRIGATION

The World Bank and its affiliate, the International Development Association (IDA), have approved financing totaling \$37 million to the Syrian

Arab Republic to help finance an irrigation and rural development scheme in the Balikh River basin, a tributary of the Euphrates River. The project also includes studies for the rehabilitation of agriculture in the lower Euphrates Valley.

Consisting of 101,270 acres, the irrigation and rural development scheme will enable the development of irrigated cotton, and other crops, integrated with livestock, in an area with well suited soils and arid climate. At present, only about 6,900 acres are under partial irrigation and 49,400 acres under low yield and unreliable dry land.

THAILAND — HYDRO ELECTRIC

The World Bank has approved a loan of \$75 million to the Electricity Generating Authority of Thailand (EGAT), to help finance part of the first phase of a hydro-electric power project at Ban Chao Nen, on the Quae Yai river 150 kilometers northwest of Bangkok. The Overseas Economic Cooperation Fund of Japan intends to lend EGAT about \$45 million for another part of this first phase of the project. The World Bank has now made seven loans to EGAT and its main predecessor, The Yanhee Electricity Authority, since 1957, making a total of \$232 million.

Thailand's electricity demand grew almost ten-fold from 1962-72, reaching 1,117 megawatts in 1972. By 1982, demand is expected to have grown to 3,400 megawatts. To meet this demand, EGAT, which accounts for 95 per cent of all electricity generated in Thailand, will continue to make large investments in equipment. This expansion is essential to the continued economic growth of Thailand.
Implementing Organization: EGAT will be responsible for construction

and operation of the facilities. EGAT was established in 1968 by merging three public electricity authorities, The Yanhee Electricity Authority, The Northeast Electricity Authority and The Lignite Authority.

Procurement: Contracts will be awarded on the basis of international competitive bidding in accordance with Bank guidelines. Eligible domestic manufacturers of goods will be accorded a preferential margin of 15 per cent of the c.i.f. price of competing imports or the rate of applicable customs duties, whichever is lower.

Consultants: The Electric Power Development Co. of Japan has been retained as prime consultant.

UNITED REPUBLIC OF CAMEROON — LIVESTOCK

The World Bank has approved an \$11.6 million loan to the United Republic of Cameroon to help finance a livestock development project.

The project will enable the Government to implement the first phase of its livestock development program. It comprises establishing and operating three 20,000-hectare state ranches and two slaughter plants, modernizing 12 butcher shops, developing livestock production on 150 private ranches and farms, and eradicating tsetse flies from 800,000 hectares of good pasture land. In addition the project will provide for training of Cameroonians in livestock production, credit and tsetse fly extermination technique. The project, scheduled for completion in 1979, will lay the ground for the preparation of a follow-up project.

Implementing Organization: Ministry of Livestock, Fonds National de Développement Rural (FONADER),

Société de Développement et d'Exploitation des Productions Animales (SODEPA).

Procurement: Contracts in excess of US\$50,000 for all goods and services, except for livestock purchases, will be awarded on the basis of international competitive bidding. Slaughter plants and equipment will be procured on a turnkey contract basis.

Consultants: To be selected.

URUGUAY — HIGHWAYS

The Inter-American Development Bank has approved two loans totaling \$21.4 million to help Uruguay recondition its national highway network.

The loans, which were extended to the Oriental Republic of Uruguay, will be used by the Ministry of Public Works to carry out the first phase of a general integrated highway improvement program designed to improve the structural condition of existing highways and to reduce the cost of road transportation and vehicle maintenance.

The total cost of the project is estimated at \$36,580,000, of which the Bank loan will cover 58.5 per cent and the Ministry of Public Works the remaining 41.5 per cent.

Implementing Organization: Ministry of Public Works, Montevideo.

Procurement: International public bidding on imported goods and services covered by the resources of the loan extended from the Bank's ordinary capital resources and international public bidding among eligible member countries of the Bank on imported goods and services covered by resources of the loan extended from the Bank's Fund for Special Operations. National public bidding on domestic purchases.

Foreign Tariffs and Trade Regulations

Antigua

The Government has introduced a surcharge of 3 per cent on all imports, except certain foodstuffs, drugs and medicines, effective March 20, 1974 for a period of two years. The surcharge will be levied on the value of the goods.

Barbados

The Barbados Government recently announced a total import ban on the following items: beer, margarine, biscuits (sweetened and unsweetened), canned sweet potatoes, picture postcards, Christmas and other picture greeting cards, and chairs.

The following products which were formerly imported freely now require specific import licences: mutton and lamb, fresh and frozen pork, poultry parts, fresh apples, fresh grapes, vegetables in airtight containers and peanuts.

Columbia

Resolution No. .005 of January 15, 1974 exempts the following products from the prior deposit requirements: meats, fish, dairy products, vegetables, fruits, cereals, semi-refined fish oil, raw cocoa beans and cocoa paste, and certain raw materials, chemicals, fertilizers and equipment for the agricultural sector.

Decree No. 372 of March 7, 1974 modifies tariff heading 84.23.11 which provides for excavating, grading, levelling and similar machinery. By former regulations, excavators scrapers, levellers and bulldozers, mounted on tracks or wheels, were classified under the same tariff heading and dutiable at 20 per cent ad valorem. However, machines mounted on tracks, if imported without chains, shoes, upper and lower rollers of the rolling assembly, were subject to a 2 per cent duty. Under Decree No. 372 the rates for equipment mounted on tracks remain the same but equipment mounted on wheels would fall under tariff heading 84.23.11.99 which provides for other excavating, grading and levelling machinery at a rate of 5 per cent ad valorem.

Brazil

The Customs Policy Council has announced the following tariff changes:

Resolution 1965 of January 15, 1974

exempts from duty until June 30, 1974 polyvinyl chloroacetate with a content of up to 15 per cent of acetate. A certificate of guarantee of type and specification is required (tariff heading 39.02.02.06).

Resolution 1966 exempts from duty until June 30, 1974, acrylic resin in powder (tariff heading 39.02.02.09).

Resolution 1967 of January 15, 1974 extends for one year the duty exemption established by Resolution 1470 on stratified laminate of cellulose with a thickness of more than 0.75 mm, plates or sheets of cellulose acetate with a thickness of more than 0.75 mm and foil, sheets or plates of cellulose nitrate whether or not stratified (tariff headings 39.03.05.02, 39.03.05.03 and 39.03.05.05).

Resolution 1969 reduces the duty from 30 per cent to 15 per cent for one year as of January 15, 1974 on sodium formate (tariff heading 29.14.13.16).

Resolution 1971 of January 15, 1974 exempts from duty for six months orthosulphobenzimide (saccharin) (tariff heading 29.26.03.00).

Resolution 1972 of January 15, 1974 extends for one year the exemption from duty on cathode blocks of amorphous carbon and of paste used for joints (tariff heading 85.24.99.00).

Resolution 1974 exempts from duty for one year as of January 15, 1974 monochloroacetic acid and monochloroacetate (tariff headings 29.14.06.01 and 29.14.06.02).

Resolution 1976 of January 15, 1974 exempts from duty a quota of 20,000 tons of concentrated lead ore with a minimum lead content of 70 per cent (tariff heading 26.01.06.99).

Resolution 1977 extends for one year the reduction in duty from 30 per cent to 5 per cent established by Resolution 1629 in respect to unwrought lead (tariff headings 78.01.01.00 and 78.01.02.00).

Resolution 1978 of January 15, 1974 exempts from duty for one year lead scrap (tariff heading 78.01.04.00).

Resolution 1981 reduces the duty from 17 per cent to 5 per cent for two years on vanillin in the crude state (liöxin) (tariff heading 29.11.35.01).

Resolution 1992 of January 15, 1974 exempts from duty for one year fertilizers to be applied on the leaves (tariff headings 31.05.06.00 and 31.05.99.00).

Resolution 1993 of January 9, 1974 exempts from duty for one year iron or steel products classified within the following tariff headings in case of non-availability of insufficiency of national production (73.06.00.00, 73.07.00.00, 73.08.00.00, 73.09.00.00, 73.10.00.00, 73.11.00.00, 73.12.00.00, 73.13.00.00, 17.14.00.00, 73.15.00.00, 73.15.13.01, 73.15.14.01, 73.15.15.01, 73.15.15.99, and 73.18.00.00).

Resolution 1995 extends for one year the exemption from duty established by Resolution 924 on pulp for the manufacture of paper and waste paper and paperboard fit only for use in paper-making (tariff headings 47.01.01.00, 47.01.02.00, 47.01.04.00, 47.01.05.00, 47.01.06.00, 47.01.07.00 and 47.02.00.00).

Resolution 1996 of January 9, 1974 exempts from duty for one year ammonium sulphate and urea (tariff headings 31.02.03.00 and 31.02.06.00).

Resolution 1997 exempts from duty for one year pneumatic tires for agricultural machines and tractors in the following sizes 750 x 16; 750 x 18; 10 x 28; 12 x 38; 13 x 24; 13 x 26; 13 x 28; 13 x 28A; 14 x 30; 15 x 30; 15 x 30A; 15 x 34 and 18 x 26 (tariff heading 40.11.01.04).

Resolution 1998 of January 9, 1974 exempts from duty for one year aluminum waste and scrap (tariff heading 76.01.03.00).

Resolution 1999 of January 18, 1974 exempts from duty a quota of 40,000 tons of unwrought aluminum and its alloys (tariff headings 76.01.01.00 and 76.01.02.00).

Resolution 2001 of January 30, 1974 exempts from duty for one year duplex paperboard with the upper surface made of bleached cellulose and the back made of wood or mechanical pulp, unbleached cellulose and sundry shavings and triplex paperboard similar to duplex paperboard but which has on the back an external coating of bleached cellulose (tariff heading 48.04.99.00).

Resolution 2002 of January 30, 1974 increases the duty until December, 1975, on the following products:

Tariff Heading	Descriptions	New Rate	Former Rate
04.03.00.00	Butter	105%	55%
04.04.00.00	Cheese-various types	120%	70%
16.01.00.00	Sausages and the like	135%	85%
16.02.00.00	Other preserved meat or meat offal.	135%	85%
16.03.00.00	Meat extracts and meat juices	135%	85%
16.04.00.00	Prepared and preserved fish	135%	85%
16.05.00.00	Crustaceans and molluscos, prepared or preserved	135%	85%
20.02.02.00	Capers	135%	85%
22.02.00.00	Lemonades, soft drinks and other non-alcoholic beverages	110%	60%
22.03.00.00	Beer made from malt	155%	105%
22.04.00.00	Grape must	155%	105%
22.05.00.00	Most wines	155%	105%
22.06.00.00	Vermouths	155%	105%
22.07.00.00	Other fermented beverages	155%	105%
22.09.00.00	Spirits, liqueurs and other spirituous beverages	155%	105%
22.10.00.00	Vinegar and substitutes	135%	85%
24.02.00.00	Manufactured tobacco	155%	105%
33.06.00.00	Perfumery, cosmetics and toilet preparations	155%	105%
48.12.00.00	Floor covering prepared on a base of paper or paperboard	135%	85%
50.09.00.00	Woven fabrics of silk	155%	105%
50.10.00.00	Woven fabrics of noil silk	155%	105%
51.04.00.00	Woven fabrics of man made fibres (continuous)	155%	105%
53.11.00.00	Woven fabrics of wool	155%	105%
56.07.00.00	Woven fabrics of man made fibres (discontinuous)	155%	105%
58.04.00.00	Woven pile fabrics and chemille fabrics	135%	85%
60.01.00.00	Knitted or crocheted fabrics	155%	105%
60.03.00.00	Stockings, socks, knitted or crocheted	155%	105%
61.04.00.00	Women's, girls', and infants' undergarments	155%	105%
61.09.00.00	Corsets, brassieres, braces, etc.	155%	105%
62.01.00.00	Travelling rugs and blankets	155%	105%
64.01.02.00	Footwear of plastic material	120%	70%
64.02.00.00	Footwear of leather	120%	70%
69.11.00.00	Tableware and other articles of porcelain or china	120%	70%
69.12.00.00	Tableware and other articles of domestic use of earthenware	120%	70%
69.13.00.00	Statues and other ornaments	120%	70%
69.14.00.00	Other articles of ceramic material	120%	70%
70.13.00.00	Glassware, table, kitchen, toilet	120%	70%
85.06.00.00	Electro-mechanical domestic appliances with self-contained electric motor	155%	105%
85.12.00.00	Electric water heaters, space heaters, domestic hairdryers, smoothing irons, dishdryers, toasters, etc.	155%	105%
85.14.00.00	Low frequency amplifiers	135%	85%
85.15.00.00	Television and radio receivers	135%	85%
97.02.00.00	Dolls	155%	105%
97.03.00.00	Other toys	155%	105%
98.10.00.00	Lighters	135%	85%

Resolution 2003 of January 18, 1974 increases the duty from 70 per cent to 155 per cent for 180 days on parts of electro-mechanical domestic appliances (tariff heading 85.06.90.00); from 105% to 155% on doll parts (tariff heading 97.02.90.00); from 70 per cent to 155 per cent on toy parts (tariff heading 97.03.90.00); and from 85 per cent to 135 per cent on lighter parts (tariff heading 98.10.90.00).

Resolution 2004 of January 30, 1974 reduces the duty from 5 per cent to 15 per cent for six months on tires for earth-moving, road-building, and road mending machines; exempts from duty for six months pneumatic tires of the following sizes: 11.00 x 24; 12.00 x 25; 14.00 x 20; 15 x 22.5; 18.00 x 49; 21.00 x 49; 24.00 x 35; 24.00 x 43; 24.00 x 49; 27.00 x 33; 29.5 x 35; 33.00 x 51; 33.5 x 39; 36.00 x 51; 37.25 x 35; 37.5 x 33; 37.5 x 51 and 38 x 39 and inner tubes of the following sizes: 7.50 x 24; 9.00 x 24; 9.00 x 25; 10.00 x 24; 12.00 x 24; 14.00 x 25; 16.00 x 20; 16.00 x 21; 16.00 x 25; 17.5 x 25; 18.00 x 24; 18.00 x 33; 21.00 x 24; 21.00 x 25; 21.00 x 35; 23.1/18 x 26; 24.00 x 29; 27.00 x 49; and 30.00 x 51.

Dominican Republic

The following Articles of Law 622 should be of greatest interest to Canadian business persons (see also article on Dominican Republic in January issue of *Canada Commerce*):

- Article 1 (d) — which alters the penalties prescribed formerly in Law 173, guaranteeing that an adverse ruling against a foreign company will cost it an amount equal to five years' commissions for its Dominican agent.

- Article 11 — which specifies the only way a company may start up business in the Dominican Republic following termination of an agreement with its agent. Both this and the Article which follows restrict foreign companies freedom to manoeuvre even after having reached an agreement with their previous representatives.

- Article 12 — is intended to prevent a foreign company, once the Dominican agent has generated a significant annual sales volume which might justify the company's opening its own office in Santo Domingo, or manufacturing the product locally, from doing so without extremely generous compensation and terms favourable to the Dominican Republic. The foreign company can avoid penalties under this clause by retaining its original agent.

Guyana

According to a report from our Port of Spain office the Government of Guayana has imposed specific import licensing requirements on all imports, except for imports from the Caribbean Common Market and the Caribbean Free Trade Association, effective April 4, 1974.

Canadian exporters should ensure that the importers have valid licences in their possession before shipping their goods to Guyana.

Jamaica

Notice No. 2886 February 5, 1974 advises importers that import licences will not be issued for any of the following consumer goods: meat extracts and preparations of meats; poultry meats; smoked, dried and salted beef and meal; unsweetened bakery products; sweetened biscuits; flour in consumer packages for the preparation of cereal foods; cheese in consumer packages; fruits; preserved or prepared, whether or not in airtight containers; fruit peels, parts of plants, drained, glazed or crystalized flavoured or not; marmalade; jams, fruit jellies, fruit pulp and pastes for consumer use whether or not in airtight containers; vegetable soups; sauces condiments; food preparations such as prepared mustard flour, meals ready for preparation, powder for table creams and jellies, prepared seasoning; cigars and cheroots; stationery items; linoleum and similar products; pipes, cigar and cigarette holders; refrigerators, freezers, ice boxes etc. other than those for commercial use; items of clothing; port-

able and domestic electric appliances other than tools; golf caddy carts; articles made of feathers, artificial fruit, salmon and trout in any form; oats and other cereals — flaked, pearled or otherwise prepared; macaroni, spaghetti; noodles, vermicelli, fancy carved articles of natural animal, vegetable or mineral materials.

Specific import licences are required for importing goods into Jamaica.

Nigeria

The recently released 1974-75 Nigeria's fiscal budget include the following announcements related to foreign trade:

1. The 90-day rule for payment of imports has been abolished.
2. The import duties have been reduced or eliminated on a wide variety of building materials, foodstuffs and automobiles.
3. The list of goods whose import is banned or subject to licence had been reduced substantially, notably maize, meat, fresh fruits, beer and whisky.
4. Export duty on rubber has been abolished.

South Africa

The South African Minister of Finance recently indicated substantial reductions in the sales duty on specific goods for the fiscal year 74/75 starting April 1st 1974. These reductions are:

1. All rates of sales duty in excess of 20 per cent will be reduced to 20 per cent and includes radios and record players where the

present rate was 25 per cent.

2. Domestic refrigerators reduced from 10 per cent to 5 per cent.
3. Office machines reduced from 15 per cent to 10 per cent.
4. Travel goods from 15 per cent to 10 per cent.
5. Several articles of leather for leather for personal and domestic use reduced from 15 per cent to 10 per cent.
6. Lawn movers reduced from 15 per cent to 10 per cent.
7. Fountain pens, ball point pens and revolving pencils reduced from 15 per cent to 5 per cent.
8. Wallpaper reduced from 15 per cent to 5 per cent.
9. Glass mirrors reduced from 15 per cent to 5 per cent.
10. Bathroom wall cabinets from 15 or 10 per cent to 5 per cent.
11. License discs from 15 per cent to nil.
12. Dress patterns from 10 per cent to nil.
13. Gloves from 5 per cent to nil.

West Germany

Mr. Fitz Logemann, Undersecretary of State of the Federal Ministry of Agriculture announced on March 18 that the Federal Government currently does not plan to place an import embargo on fresh and chilled beef from third countries as has been the recent practice of France, Italy, Belgium and Luxemburg. According to Mr. Logemann these measures have not influenced West Germany's meat trade as there has been no recent increase in imports from third countries.

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

SOUTH AFRICA — Machinery and paper for the paper and film printing and converting industry: Canadian Government Senior Trade Commissioner, P.O. Box 61619, Marshalltown, Johannesburg, 2107 South Africa.

SPAIN — Ferrite cores and power transistors for a manufacturer of motor vehicle electronic equipment: Commercial Counsellor, Canadian Embassy, Apartado 117, 35, Nunez de Balboa, Madrid, Spain.

Gas turbine drive alternators for shipboard mounting in sizes up to 2000KW, and oil water separators

from one to fifty tons: Commercial Counsellor, Canadian Embassy, Apartado 117, 35, Nunez de Balboa, Madrid, Spain.

Materials

CAYMAN ISLANDS — Steel re-bars, plyboard, lumber of all types, hot dipped galvanized nails and any quick selling hardware items: Commercial Division, Canadian High Commission, P.O. Box 1500, Kingston 10, Jamaica.

UNITED STATES — Cedar poles, twelve to eighteen feet long and eight to twelve inches in diameter by truckload quantity: Canadian Consulate

General, 500 Boylston Street, Boston, Mass.

Timber in sizes twelve inches by twelve inches by fourteen feet in fir or pine and S4S; also three inch by twelve inch by sixteen feet: Canadian Consulate General, 500 Boylston Street, Boston, Mass.

Miscellaneous

DENMARK — Fashion watches and watch straps: Commercial Counsellor, Canadian Embassy, Prinsesse Maries Allé 2, Copenhagen V, Denmark.

Trade Commissioners on Tour

The following Trade Commissioners will be on tour within Canada. Timetables may be altered and businessmen wanting to contact these officers should check with their regional office of the Department of Industry, Trade and Commerce.

R. D. Merner, Commercial Secretary, Oslo

Regina, May 27
Winnipeg, May 28-30
Toronto, May 31-June 4
Ottawa, June 17-19
Montreal, June 17-19
Fredericton, June 20-21
Halifax, June 24-28
St. John's, July 2-5

D. G. Adam, Commercial Secretary, Santiago

Toronto, June 10-14
Ottawa, June 24-28
Vancouver, July 2-4
Winnipeg, July 5
Montreal, July 9

R. F. Andrigo, Commercial Secretary, Rome, Montreal and Toronto, June 24-28

The following officers will be visiting certain centres within Canada prior to taking up new assignments. Businessmen wishing to contact them should check with their regional office of the Department of Industry, Trade and Commerce.

A. W. Evans, Consul and Senior Trade Commissioner, Atlanta, to Capetown

Ottawa, June 10-14
Montreal, June 17-19
Vancouver, June 20-21
Winnipeg, June 24
Toronto, June 25-28

D. Ditto, Ottawa to Commercial Secretary, Stockholm

Ottawa June 10-14
Montreal, June 17-19
Toronto, June 20-25
Vancouver, Winnipeg, June 26-28

K. G. Ramsay, Consul and Trade Commissioner, San Francisco, to Milan

Vancouver, June 10-11
Edmonton, June 12
Regina, June 13
Winnipeg, June 14
Toronto, June 17-21

Invoice Procedures – East African Community

Trade Commissioners in Nairobi, Kenya, report that many Canadian companies are losing business in Kenya, Tanzania and Uganda for the simple reason that they do not prepare their proforma invoices properly.

The law relating to customs in the East African Community requires the value of goods to be declared in accordance with the Brussels definition of value:

"The value of any imported goods is the normal price which an importer would give for the goods on a purchase in the open market if the goods were delivered to him at the port or place of importation, freight, insurance, commission and all other charges and expenses incidental to the making of the contract and the delivery of the goods at such port or place (except any duties or customs payable in East Africa and any landing

charges payable within East Africa) having been paid by the seller."

Therefore imports are valued c.i.f. port or place of import into East Africa. Currency notes and coins are included at their intrinsic value and six copies of the proforma, as shown in the following sample, must be forwarded to the prospective buyer before an order is placed. This is to comply with currency regulations so that the necessary foreign exchange can be made available.

Sample form

Name and address of buyer company
F.O.B. price (including all commissions).
Insurance

Freight

Total C.I.F. price

Any deviation from the above format — e.g. grouping of items, failure to show totals, etc. — will lead to automatic rejection of the request for foreign ex-

change and probable cancellation of the order.

Separate proformas must be prepared for each category of goods as well. Kenya uses the Standard International Trade Classification (BNC), of which the following are the main groups:

Section 0. Food and live animals

1. Beverage and tobacco
2. Crude materials, inedible, except fuels
3. Mineral fuels, lubricants and related materials
4. Animal and vegetable oils and fats
5. Chemicals
6. Manufactured goods classified chiefly by material
7. Machinery and transport equipment
8. Miscellaneous manufactured articles
9. Commodities and transactions not classified according to kind.

California

A \$200m customer

The tower of Los Angeles City Hall, framed by palm trees. Young banana trees and winter-flowering plants are in the foreground.

STEPHEN P. HALDEN, Commercial Officer, San Francisco

The Office of Procurement of the State of California spends more than \$200 million annually on materials, supplies and equipment ranging from pencils and light bulbs to aircraft and railroad equipment. Our staff has found the Office of Procurement personnel to be genuinely interested in learning about Canadian products. After the California State Supreme Court determined the "Buy-American" chapter of the State Purchasing Code to be unconstitutional, state procurement officials have bought opticals, small pick-up trucks, motorcycles and television equipment from Japan, motorcycles from Italy and opticals, dictating equipment and business machines from Germany.

The State of California maintains bidder lists of pre-qualified vendors. To apply for inclusion on a bidder list you must first complete a short questionnaire which you can get from the Department of General Services, Office of Procurement, P.O. Box 1612, Sacramento, California 95807. This questionnaire enables the Office of Procurement to identify specifically what is being offered and whether the State uses this type of product frequently enough to maintain a bid list. If your type of product is used by the State, you have passed the first test. Additional conditions must be met by

the vendor before final qualification.

Your firm must be represented in California so that pre-purchase and post-purchase service can be provided. If your firm qualifies for a bidder list, you will receive bid requests for those requirements within the purchasing areas in which your firm has regular representation. Indicate on the vendor questionnaire whether you want the bid requests to be sent to your home office or to your local representative.

The Office of Procurement buys almost exclusively by competitive bid. The techniques and procedures vary with the size and type of purchase, but all procedures for these purchases are designed to produce maximum open competition. Recent purchase records are available at procurement offices for public inspection.

Assuming your type of product is used by the State, your firm has adequate representation and that you are added to a bidder list — how can you sell to the State most effectively?

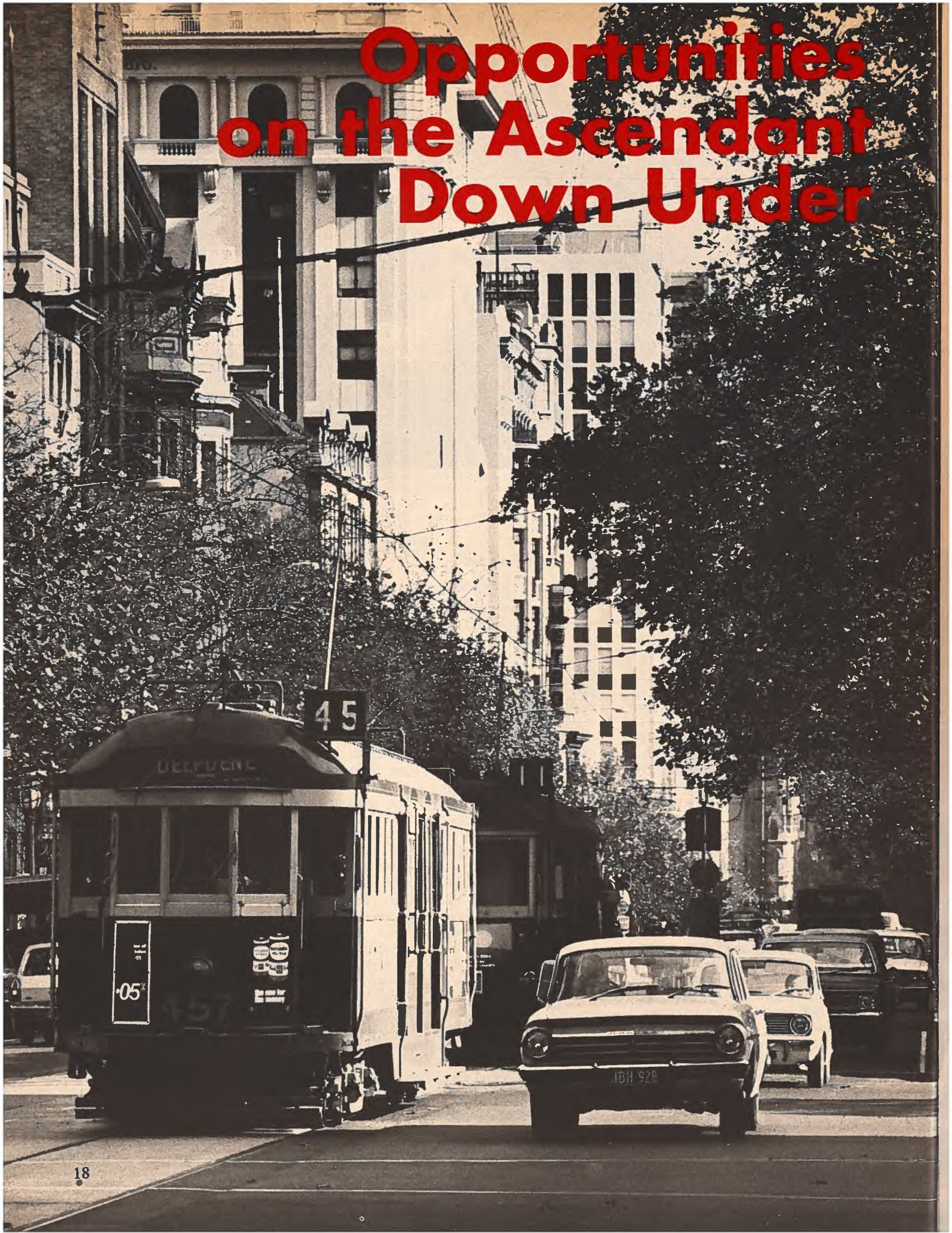
The Office of Procurement maintains offices both in Sacramento (P.O. Box 1612, Sacramento, California, 95807) and in Los Angeles at South Broadway (90012) but Sacramento is where you will find most of the buyers and specifiers. There is no substitute for a personal call at one

of these offices to find out which of the many state agencies may need your product. The buyers at these offices can advise you on where and to whom to show your product and, while the initial call might best be done by a home office representative accompanied by your local representative, subsequent follow-up calls should be the responsibility of the local representative.

When completing the vendor questionnaire, volunteer as much information as possible concerning your local representation and any customers you may have in California. As does any buyer, the State of California wants to know as much as possible about you. The State buys at highly competitive prices; therefore, be sure you can meet the requirements of a bid, in time, material and product performance, so that you avoid penalties which can eliminate your profit margin. Remember that you must answer requests for quotes. If you fail to reply to several consecutive bid invitations or price requests, you will be removed from the State's bid lists on the assumption that you are not interested.

Can you afford not to consider a buyer with the purchasing power of \$200 million a year? □

Opportunities on the Ascendant Down Under



Streetcars still provide the main public transport in Melbourne.

JOHN VINCENT, Consul (Commercial), Sydney

A number of recent developments has made Australia a particularly attractive market for Canadian exporters. There are at least three main factors that have enhanced Canada's prospects.

1. Successive revaluations of the Australian currency since the autumn of 1971 have appreciated the Australian dollar by about 30 per cent relative to the Canadian dollar, increasing the price competitiveness of Canadian products in Australia.

2. In July 1973, the Whitlam Government unexpectedly slashed all tariffs by 25 per cent in an effort to restrain domestic price increases and simultaneously stimulated an inflow of imports to help meet pressing local demands.

3. On October 25, 1973, an exchange of letters was signed between the Australian and Canadian Governments. This agreement serves as a new legal framework for the exchange of preferential tariffs which were derived from the preferential agreements with Britain until that country's entry into the EEC. With the anticipated phasing out of the British preferential system in Australia, this exchange of letters strengthens and preserves Canada's preferential access to the Australian market.

These factors combine to give Canadian manufacturers a unique position in the Australian market, and Canadian exporters are experiencing buoyant sales. Demand for traditional Canadian export items of forest products, asbestos, sulphur, plastic film and sheet, and other industrial raw materials, continues strong as does the demand for a broad range of consumer goods and textiles and capital equipment. The Canadian trade development mission, which was led by J. F. Grandy, Deputy Minister of the Department of Industry, Trade and Commerce, and included 13 senior Canadian businessmen, confirmed the potential for Canadian products in Australia. (For details of this mission see *Canada Commerce* March 1974, page 8. Copies of the mission report are available from the Pacific, Asia and Africa

Bureau of the Department in Ottawa.) Canada's exports to Australia last year increased by about \$48 million to \$204 million.

It is, therefore, an excellent time to concentrate on sales promotion and development in Australia. Interest in Canadian products has reached a new high, reflecting not only traditional Commonwealth ties with Canada but also the knowledge that Canada is a competitive source of high quality products. A strong preference for North American-style consumer goods further enhances our prospects. There will be no better opportunity than the present to introduce your product or expand existing sales to Australia.

Your business visit — When planning a trip to Australia, you should advise the Canadian Consulates-General in Sydney and Melbourne about the purpose of your visit and your arrival time. List also any contacts you may have already established with Australian businessmen. Your itinerary should definitely include both Sydney and Melbourne, the two largest cities, and the principal financial and industrial centres.

Depending on your products, visits to the other capital cities, Brisbane, Adelaide and Perth, could be worth your time. The Trade Commissioners in Sydney and Melbourne can advise you on export opportunities in these cities.

Canberra, unlike the State capitals, is not a commercial centre and has no manufacturing industry. Its activities are centered principally on Federal Government administration.

Hotels — Leading modern hotels in the capital cities offer a high standard of comfort. In addition, there are numerous modern motels in the cities and throughout the states which provide comfortable accommodation with private bath or shower facilities. Reservations, which should be made well in advance, can be arranged easily by your travel agent in Canada.

Living expenses in the major hotels vary between capital cities but would be in the region of A\$30 to A\$40 (Cdn.\$40-60) a day including hotel tips which are minimal. If you are a credit-card user, you will prob-

ably find Diners Club the most useful.

Documents — A valid passport is required. Visas are not required for Australia but to avoid delays, passengers travelling through other foreign countries en route are advised to obtain any necessary visas before leaving.

Visitors should have a valid International Certificate of Vaccination against smallpox. Vaccination against cholera and other diseases may be necessary for visitors travelling to Australia via India, Pakistan and Southeast Asia.

When to go — There is no special buying season in Australia so a visit can be made any time of the year. It is recommended, however, that the summer months of December and January be avoided since many businessmen are on holiday then. Most Canadian businessmen visit Australia during the Canadian winter, but those who travel during the Canadian summer find they receive better attention from their agents and customers. You will find Australia a beautiful country at any time of the year, and Sydney a beautiful city.

How to get there — CP Air operates two flights and Qantas one flight weekly from Vancouver. A number of other airlines offer frequent services from the U.S. west coast and from Honolulu.

Visitors should not overlook the fact that flying time from eastern Canada (Toronto) to Sydney is approximately 24 hours. To avoid travel fatigue, travellers should try to break their trip with stopovers in, for example, Honolulu or Fiji, or alternatively, allow 24 hours after arrival to rest before starting any serious business negotiations.

Internal travel — Domestic airlines in Australia provide excellent services and frequent flight connections between the major cities and to Papua New Guinea. Services are operated mainly by two companies, Trans-Australia Airlines and Ansett Airlines of Australia.

Because of the great distances involved, business visitors generally prefer to travel interstate by air, al-

though train service between capital cities is comfortable and frequent.

Taxi services are good and inexpensive by Canadian standards. Private cars, hire and "drive yourself" services are also available, but the latter may prove somewhat hazardous to Canadians unaccustomed to driving on the left side of the road.

Business and social customs — Australians tend toward informality and visitors may soon find themselves being addressed by their Christian names. They are punctual for business appointments and social functions and expect visitors to show the same courtesy.

Commercial samples — ATA Carnets are now acceptable to Australian Customs authorities. This is an international customs clearance document and allows both accompanied and unaccompanied samples (not by letter post) to be temporarily imported without duty deposit or bank guarantee.

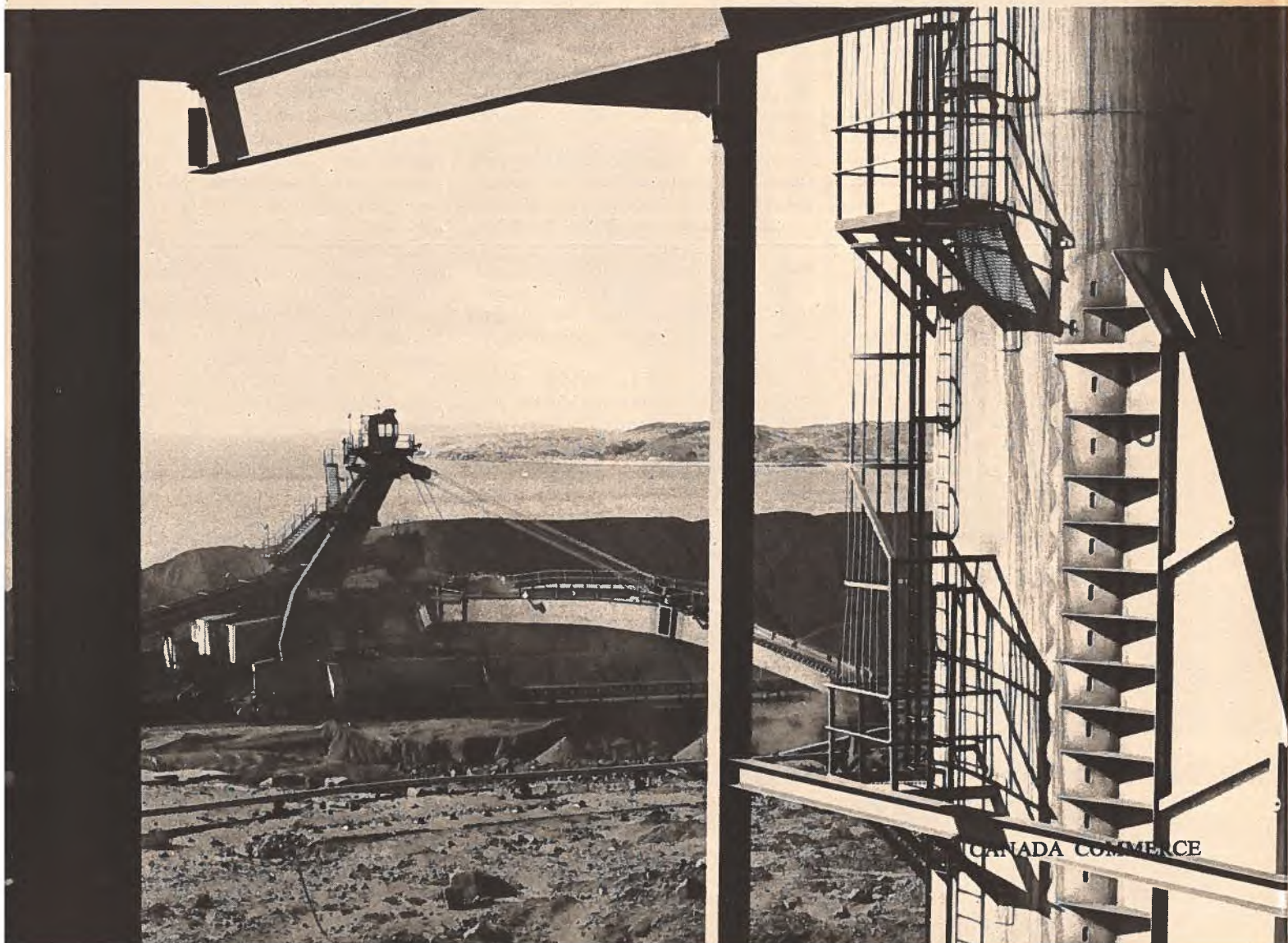
Unaccompanied samples should be sent well in advance of your expected arrival because of shipping delays. For your own convenience, it is advisable to send samples to both Sydney and Melbourne, particularly if the parcel is heavy or bulky. You should advise the Trade Commissioner

if parcels are despatched to the Consulates-General, to assist in clearing customs before you arrive.

In general, Australia is a relatively trouble-free market for Canadian companies to penetrate and the extensive development which is taking place in all aspects of Australian life provides an important growth market. Despite the long shipping distance, Canadian prices are comparatively competitive: combined with tariff preferences and a keen Australian interest in the Canadian market, this gives Canadian exporters an especial advantage over other countries.

Why not plan a visit soon? □

Ore stacker at Dampier, Hamersley Iron Pty. Ltd.'s outlet port on the northwest coast of Western Australia. (Australian News and Information Bureau photo).



CANADA COMMERCE

Something To Think About— Sex and the Business World

MARTHA ANSCHUTZ

The views expressed in this article are those of the author, who is Chief Librarian in a Federal Government Agency. They do not necessarily express the views of the Department of Industry, Trade and Commerce.

Change is so much a part of today's world that indicators of any startling change may be buried in the back pages of the newspaper, or relegated to the Sunday national news on TV. The role of women in the world of business and government is an example. A changing role emanating from social and economic changes — but a role of ever-increasing significance.

On January 24 and 25, 1974, the Office of Equal Opportunities for Women, part of the Public Service Commission, sponsored the Ottawa Conference on the Role of Women in the Public Service. About 180 delegates from various Government Departments attended this, the first such conference, but discussions were not restricted to apply only to women in the Public Service. The Conference Proceedings and the recommendations made will be published at a later date. However, some of these areas were analyzed in a report made to the Public Service Commission in 1970 by Kathleen Archibald and called "Sex and the Public Service."

Prime Minister's pledge — Of a number of studies and reports the most significant work was the Report of the Royal Commission on the Status of Women in Canada, which was tabled in the House of Commons on December 7, 1970. Shortly after the Report was tabled, the Prime Minister, Pierre Elliott Trudeau, stated that the status of women in Canada would receive priority consideration by the Government. He reiterated his concern on March 3, 1971, when in a major policy statement he pledged the full support of the Government to the removal of discrimination and the provision of equal opportunity for women in all fields of Canadian life.

In line with the recommendations of the Royal Commission on the Status of Women, an Advisory Coun-

cil on the status of women was established on May 31, 1973. In his announcement to Parliament the Honourable John C. Munro, Minister Responsible for the Status of Women, noted that the purpose of the Council would be: "to bring before the government and the public, matters of interest and concern to women; and to advise the government on actions that it deems necessary to improve the positions of women in society."

This is by no means a simple task. Since the present Government took office, it has made over 200 Order-in-Council appointments of women. They include six appointments in the Senate, five in the Judiciary, and three women holding the rank of Deputy-Minister. Approximately 20 women have been appointed to full-time positions on such important Boards as the following: Canadian Transport Commission, Economic Council of Canada, National Parole Board, Pension Review Board, Immigration Appeal Board, Citizenship Court, Canadian Pension Commission, and Food Prices Review Board. The Government is on a constant lookout for suitable women candidates to be appointed to vacant seats.

Equality of opportunity is not just a slogan in the Public Service of Canada. As the country's largest employer of women, the Public Service of Canada is working to make the idea a reality. The objective is to translate concern into practical action ensuring that women do, in fact, have the opportunity to participate fully and equally in the world of work.

Progress achieved — In this light it is interesting to note the progress made since Kathleen Archibald's Report in 1970. This Report showed that in 1967, in the Public Service, 41 per cent of the men earned more than \$6,000 a year, but only 10 per cent of the full-time working women were in that salary bracket. At higher levels the situation was worse: a man was 12 times more likely to make over \$10,000 in 1968. However, this was an improvement over the situation 10 years earlier, when a man's chances of earning a five-figure salary were 62 times higher.

In November 1973, the Office of Equal Opportunities for Women published a booklet called *The Employment of Women in the Public Service of Canada — Mandate for Change*. The booklet briefly outlines the events leading to changes of attitudes of the Federal Government concerning working women and the special efforts under way to equalize opportunities for the more than 68,000 women in the Public Service of Canada. It documents the Government's responsibilities and commitment to equalize career opportunities for women in the Public Service. Included are actions resulting from the Archibald Report and the Report of the Royal Commission on the Status of Women.

The Honourable John C. Munro, in his preface to "Status of Women, 1973" states that: "the government will continue its concern about the status of women. We are already deeply involved in plans to celebrate 1975 as International Women's Year. However, the task of bringing true equality and an end to discrimination cannot be achieved without the help of every member of society."

Implications for business — What are the implications for Canadian business? Let's look at some of the highlights of the past decade.

The number of women in the labour force in 1971 showed a percentage increase of 62 per cent over 1961; that means 1,092,000 more working women by the end of that decade for a total of 2,831,000. The largest influx of any group in recent years has been that of women, and particularly women just beyond child-bearing years. Yet the percentage of women in managerial positions rose by only two tenths of a percentage point (from 3.7 to 3.9). Twenty per cent of those 2,831,000 working women belonged to unions and 57 per cent were married. In 1971 almost one third of all married women were in the labour force.

In 1951 only 3,200 women graduated from Canadian universities, or 20.3 per cent of the total of graduates; in 1971 the 35,493 women graduates represented 38.3 per cent of the total. But women held only 3.9

per cent of the management positions. During 1971, the percentage of men in the full-time employed labour force who were absent from work for a whole of a particular week because of illness was 1.88, but the percentage of women was only 1.63.

Women are cheaper — In 1971, women held more than 70 per cent of all clerical positions and more than 60 per cent of all service positions. A selective survey of average wages for similarly described occupations and published in *Women's Bureau 71*, a publication of Labour Canada, revealed a consistent pattern: male rates exceed female rates all down the line. The amount is in many instances considerable.

And what about the professions? True, 17.5 per cent of the professional and technical positions were filled by women in 1971 but this group includes the so-called "female" professions, such as teachers, nurses and librarians. These professions may offer security and the certainty of work, but salaries are traditionally low and promotions limited. And even those who passed by the traditional professions and ventured into the male world did not do much better. The annual earnings of, for example, women engineers and scientists are lower by as much as 41 per cent. The same percentage differential appears in other fields.

Back to women in managerial positions — that 3.9 per cent. Women in the labour force increased by 62 per cent, but the number of women managers grew by 0.2 per cent in the 1961-71 decade. The *Financial Times*, in its October 2, 1973, issue, published the results of a survey carried out on efforts in organizations towards the employment of women in managerial positions. Twenty-five percent

of the organizations surveyed indicated that special efforts had been made to hire women in managerial and professional positions. However, almost one fifth admit to having done so because women accept lower salaries than men.

For about 20 years there have been laws designed to enforce the principle of equal pay for equal work, but in spite of this the data available indicate that women are paid less than men in most occupations. And there are few pension plans that provide the same benefit packages for both sexes — or that provide for a widower's benefit.

Women's Bureau — The Women's Bureau of Labour Canada is the federal Bureau with responsibility for matters directly affecting the working woman in Canada. It is part of the Employment Standards Program of Labour Canada, the federal government department that enforces labour standards in such national undertakings as banks, telecommunications, and transportation. But its aim — the acceptance of women at all levels in the workforce — is all-pervasive. It deals with problems relating specifically to the employment of women.

The Bureau publicizes federal legislation designed to further the interests of working women, such as the maternity leave and equal pay provisions recently added to the Canada Labour (Standards) Code. The Bureau promotes surveys, studies and reports on the problems of working women. It provides information and speakers on request to employers, trade unions and women's organizations interested in improving conditions of employment and making participation in the labour force more equitable and satisfying. It encourages

women to organize, particularly into trade unions, to further their own interests and needs.

The Bureau will give advice to those who don't know what legislation there is for the working woman or how the law applies to a particular situation. It will give statistical and economic information on the participation of women in the Canadian labour force.

The accompanying list gives the addresses of this federal bureau and of provincial government women's bureaus in Canada.

Federal and Provincial Government Women's Bureaus in Canada

Director,
Women's Bureau,
Labour Canada
340 Laurier Avenue West,
OTTAWA, Ontario K1A 0J2

Director,
Women's Bureau,
Department of Labour,
411 Dunsmuir Street,
VANCOUVER 3, British Columbia.

Director,
Alberta Women's Bureau,
204 Legislative Building,
EDMONTON 6, Alberta.

Supervisor,
Women's Division,
Department of Labour,
2350 Albert Street,
REGINA, Saskatchewan.

Director,
Women's Bureau,
Manitoba Department of Labour,
WINNIPEG, Manitoba.

Director,
Women's Bureau,
Ontario Human Rights Commission,
400 University Avenue,
TORONTO 2, Ontario.

Bibliography

Archibald, Kathleen. *Sex and the Public Service*. Report made to the Public Service of Canada. Ottawa, Queen's Printer, 1970. \$3.25.

Canada. Royal Commission on the Status of Women. *Report*. Ottawa, Information Canada, 1970. \$4.50.

Interaction, published five times per year by the Office of Equal Opportunities for Women, Tower "A", Place de Ville, Ottawa. Free.

Munro, Hon. John C. (Minister of Labour, Minister responsible for Status of Women) *Status of Women 1973*. Ottawa, Information Canada, 1972. This publication is free upon request from the Co-ordinator, Status of Women, Privy Council Office, East

Block, Parliament Buildings, Ottawa, K1A 0A3.

Public Service Canada. Office of Equal Opportunities for Women. *The Employment of Women in the Public Service of Canada — Mandate for Change*. Ottawa, November 1973. Free.

Women at Work is published every two months by the Women's Bureau, Labour Canada. Free. This Bulletin is dedicated to the 3,000,000 Canadian women in the labour force. It reports facts and figures relating to the female labour force, changes in human rights and labour legislation and policies that affect women, and the achievements of individuals and

the efforts of organizations to ensure a better place for women in Canadian society.

LeClair, Maurice. *Day Care for Children*. Ottawa, Department of National Health and Welfare, 1973. Free. Prepared by the Canada Assistance Plan Directorate to clarify the federal government role in the provision of day-care services. This booklet is part of a series available from the Day Care Information Centre, Canada Assistance Plan.

Boyle, M. B. "Equal Opportunity for Women is Smart Business", in *Harvard Business Review*. May/June, 1973, pp. 85-95.

From the Librarian's Desk

The Canadian citizen, broadly speaking, is not fully aware of the assistance the Federal Government can give him in supplying answers to questions he may have with regard to government publications. Each federal department is charged with certain functions, activities and investigations, and department officers conduct extensive research in various fields of knowledge within the scope of the department.

It is useful to know what kind of research is going on in government departments on a particular subject and what is being published. Government publications form one of the most extensive and valuable sources of information available.

Government publications may appear daily, weekly, monthly, quarterly, annually, or only when research on some special project has been completed. Publications may be general works or reference, monographs or serials, as well as maps, speeches, press releases — even magazines such as *Canada Commerce*. In size they range from single sheets to heavy volumes and multi-volume editions.

They exceed in number and variety the publications of any Canadian commercial publisher, and cover almost all fields of human knowledge and endeavour, from favourite recipes to atomic energy and communication satellites.

They range in content from popular articles and booklets, to technical reports. How to set up a small business, management, vocational guidance, tourism and camping, national parks and forests, fishing and hunting, sport and recreation are some of the topics covered. You can also get information on consumer topics such as drugs, storage of vegetables, and the nutritional value of foods.

Many of the publications are original records and thus are the primary historical sources within the country. Annual reports contain accounts of the work of government departments and agencies. Various statistical publications present figures that measure economic and social changes in the country and touch all facets of human activity. The statistical records portray the nation's

life, for the figures are very meaningful to economists, politicians, administrators, and businessmen. Government publications also are important tools for planners and policy makers. No matter what profession a person has, there is probably a government publication that could be helpful or interesting.

All federal government publications are listed in Information Canada catalogues. Some of these publications are for sale, but a great number are obtainable free of charge from government departments and agencies. Some can be found in special libraries and public libraries, others can be obtained from Information Canada (the Government of Canada's official publisher) or, in some instances, from the information services branch of the department sponsoring the publication.

Inquiries concerning federal government publications should be directed to Information Canada, 171 Slater Street, Ottawa, Ontario K1A 0S9, or to one of the six Information Canada centres across the country. □

Businessman's Bookshelf

Sources of Venture Capital in Canada — a Canadian Guide was written by Toronto chartered accountants Peter McQuillan and Howard Taylor, and is published by the Department of Industry, Trade and Commerce.

The first part of this booklet shows the inventor or entrepreneur how to prepare a business plan for presentation to venture capitalists. It also discusses in general various sources of venture capital and their pros and cons.

The second part consists of a list of venture capital sources complete with names, addresses and descriptions of the way they operate. *Sources of Venture Capital — a Canadian Guide* is a paperback and is available free, in English or French, from the Office of Science and Technology, Department of Industry,

Trade and Commerce, Ottawa K1A 0H5.

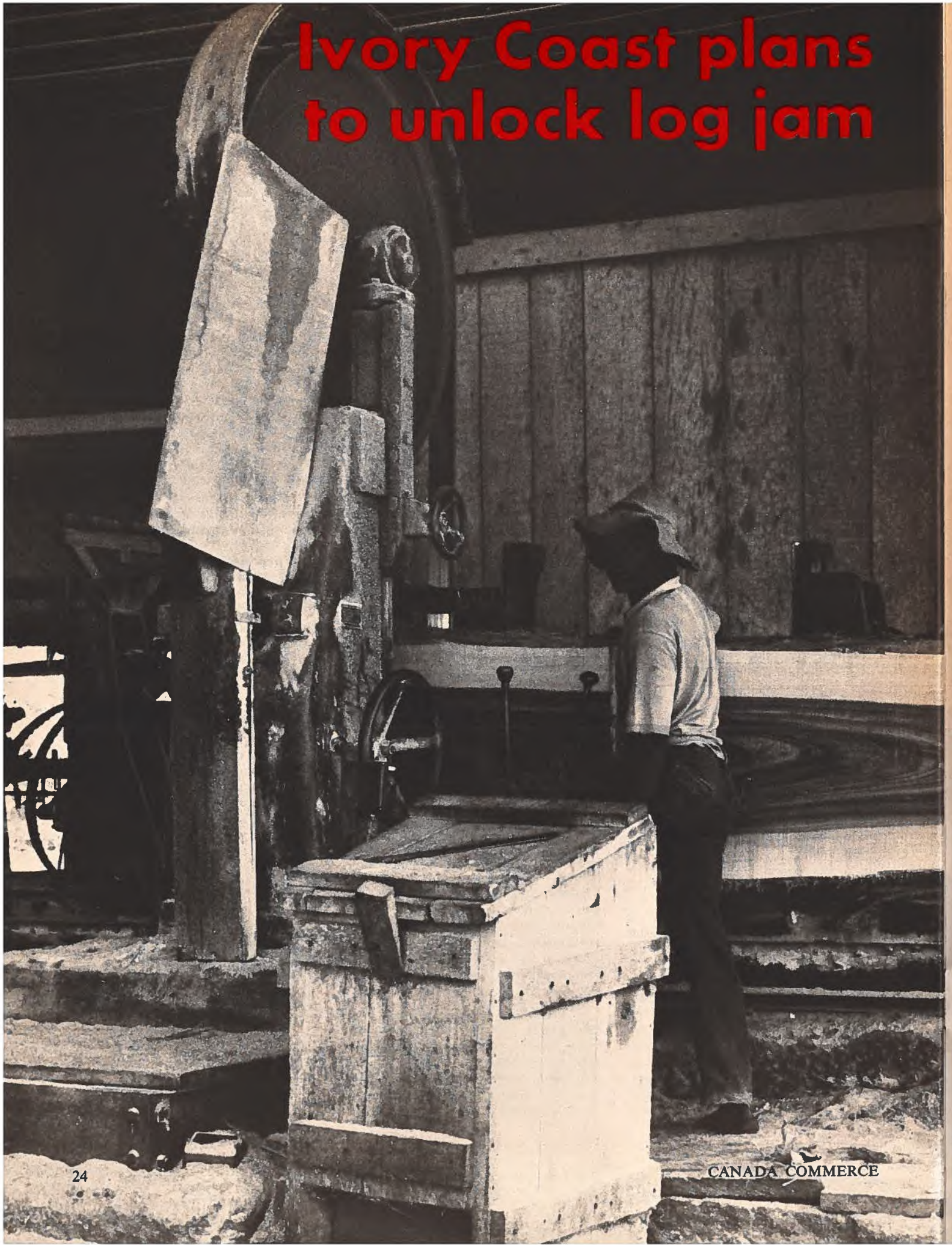
Canadian Treated Wood, a technical booklet on pressure-treated wood products, is now available free, in English or French, from the Resource Industries and Construction Branch, Department of Industry, Trade and Commerce. The publication is intended to acquaint the potential user with the extent and quality of Canadian treated wood products available for use in construction of communications, transportation, agriculture and manufacturing facilities.

Canadian Hospital Journal changed its name at the start of the New Year to *Dimensions in Health Service*. In February this publication celebrated its 50th year of service to Canadian hospitals and allied health care institutions. *Dimensions* is pub-

lished monthly by the Canadian Hospital Association, 25 Imperial Street, Toronto, Ontario M5P 1C1.

The Northern Miner was first published almost 60 years ago and has grown from a small community weekly to a prestigious publication commanding a worldwide audience. Reporters from *The Northern Miner*, a number of whom have had training as mining engineers or geologists, travel regularly to the various mining camps to keep in touch with latest developments. The newspaper reports on the financial aspects of various mining companies and features a section on new methods and equipment. Metal markets get close attention and the paper's quotations on prices serve as a basis for some metal contracts. Political trends, government regulations, in fact anything that affects the mining industry, are watched closely. The newspaper is published every week at 77 River Street, Toronto, Ontario M5A 3P2. □

Ivory Coast plans to unlock log jam



FRANCOISE LAMAIRE-MARINGER, Commercial Officer, Abidjan

The Ivory Coast is one of the world's foremost producers of tropical timber. This industry started around the end of the last century and constitutes the country's main source of wealth, next to coffee and cocoa.

The Ivory Coast is known on world markets primarily as an exporter of logs (billets), rather than finished products. It ranks first among African countries in log exports and ties with the Philippines as the world's leading exporter of tropical timber.

Ivory Coast log production has been increasing steadily over the past 10 years, reaching a total of four million cubic metres in 1972. Eighty per cent of exports are to the EEC countries, with France the biggest customer, followed by Italy and West Germany. Canada imports very little Ivory Coast wood — mainly mahogany and some tropical lumber samples.

This export development has resulted in the cutting of only the most sought-after varieties (bete, sipo, samba and mahogany) and timber reserves have been depleted in an alarming matter. Deliveries to local industries, on the other hand, have remained unchanged. Most of these deliveries were of second-grade, low-yield logs. In 1972, deliveries amounted to one million cubic metres, which produced 300,000 cubic metres of semi-finished products (plywood, veneer and sawn timber), half of which was used by the local market and the other half exported.

The local industry consists of three types of operations: sawmills (by far the most important), veneer-peeling plants and wood slicing mills. There are about 50 sawmills in the Ivory Coast, the largest exporting the bulk of their production.

Many of the sawmills are equipped with obsolete machinery and the result is low output. The sawn timber placed on the local market is sold directly to contractors or timber merchants as building and planking timber, without being processed. Sawn timber is also used in construction woodwork for making face panels, windows, doors, skirting boards, mouldings and stairs. Not much sawn

timber is used in furniture production because most furniture for local use is produced from particle board and plywood sheets.

Few companies have sought export markets for sawn timber although some surveys have been undertaken by French and Danish companies to assess the potential for mosaic flooring and industrial joinery.

The main local market for sawn timber is in the construction industry. In the past few years, all forecasts have been exceeded and this sector is enjoying unprecedented expansion. Supplies do not cover domestic requirements and contractors are turning to substitute products such as aluminum.

It is safe to say that the extensive forest resources of the Ivory Coast have not attracted, so far, any sizeable investments to develop the fledgling timber industry. To improve this situation, the Ivory Coast Government has taken certain measures to promote local timber processing. For example, an Order of September 8, 1972, compels exporters to provide local mills with the equivalent of one third of their exports. This proportion will be increased as the local industry expands, the aim being to dispense with log exports within the next five years in favour of finished and semi-finished products.

The "industrial exporters" — those private companies with their own logging operations and processing mills — are obliged to limit their exports to half their undressed log production and to deliver the other half either to their own or to other local mills. This measure was taken because the Ivory Coast had reached a paradoxical situation in which the few domestic timber processing companies were having great difficulty obtaining dimension lumber supplies locally and could buy only rough timber that was unfit for export. Mill output was low — 30 per cent of capacity at best. The mills could not export their semi-finished products because their manufacturing price was higher than in Europe. Some Ivory Coast firms actually found it more advantageous to obtain supplies of dimension timber on the French mar-

ket — timber produced from logs that originated in the Ivory Coast!

These new policies should stimulate rapid change in the Ivory Coast timber industry. It is expected that annual output of processed timber will be tripled from one million to three million cubic metres within a short time. It is expected that many new facilities will be set up by Ivory Coast companies or by foreign companies already established here, providing excellent prospects for Canadian investors, especially since the Ivory Coast Government is anxious to see more foreign concerns established in the country and has provided numerous investment incentives.

In particular, the Government has introduced criteria for "priority business" that will enable those companies which contribute to the nation's development to benefit from certain fiscal measures such as reduced customs and taxation and to obtain land and credit easily. The Ivory Coast's speedy economic expansion and its great political stability cannot help but encourage industrial growth.

But new producers will have to gear for exports as the local market is limited. Furthermore, setting up a sawmill here is an expensive proposition. A mill with capacity of roughly 70,000 cubic metres involves a minimum investment of about \$1.1 million. A small veneer-peeling plant calls for substantial capital investment — at least \$1.76 million — which is one of the reasons there are so few such plants in the Ivory Coast. The newest one was built 10 years ago.

Sales potential for Canadians: Equipment manufacturers will find excellent prospects for turnkey sawmills, veneer-peeling plants and plywood mills. At the time of writing, no Canadian equipment (other than for logging) had been installed in any Ivory Coast mill, but one Canadian company has submitted bids for turnkey sawmills in competition with European companies. Canadian equipment has an excellent reputation and seems to be competitive in price.

Under the Order of September 8, 1972, existing plants are obliged to

modernize their facilities and increase their output. Some of the equipment needed includes band saws, horizontal saws, edgers, veneer-peeling machines, dryers and cross-cut saws.

Some companies have already demonstrated their willingness to change. For example, a mill was set up to produce glulam (Lameco) frame elements and began operating just over a year ago. The glulam technique makes it possible to erect a building with a large span without centre posts at minimal cost. This company is going to build a 20,000-square-meter storage shed for the first coffee-hulling plant in the Ivory Coast — a world record for surface area covered using the glulam technique. Introduction of the method is going to make it possible to use frake (limba), a tree variety common in the Ivory Coast but considered worthless until now.

It is estimated that within five years production of sawmills and veneer-peeling mills will require an additional one million cubic metres of logs a year. To be able to dispose of this increased production, better access to export markets will be necessary and will depend on the selling price of the processed products which will, in turn, depend on the profitability of the industrial facilities and the cost of the raw material. The solution lies in building new mills with modern equipment.

The success of an integrated forest industry depends on putting timber not previously sold commercially on the market in the form of semi-finished or finished products. This can be achieved only if the producers deal directly with the leading Western manufacturers and encourage them to finance new mills.

Major French producers are already interested in ventures of this type and Canadian investors have a tremendous opportunity.

Nor should the opportunities offered by the many small sawmills be overlooked, especially if the Ivory Coast Government is seriously planning to control small local manufacturers through the Office pour la promotion de l'entreprise ivoirienne (OPEI).

The forest industries market here is only just beginning to open and it has a long way to go. If you want more information about it, we will be happy to tell you as much as we can. Our address is: the Commercial Division, Canadian Embassy, P.O. Box 21194, Le General Building, Abidjan, Ivory Coast. □

The Ivory Coast Government plans to update operations (photo by Photoivoire S.A.).



Detroit

After a Fashion

JOANNE KIRBY, Commercial Officer, Detroit

Ask any Detroiters what the fashion-conscious women are wearing here this year and you're likely to get "whatever New York wore last year" as a reply.

But . . . it's more complicated than that. What you wear most probably reflects which side of the city you're living on. Not unlike residents of other large cities, Detroiters tend to shop and play in their own neighbourhood. Travelling from one side of town to another for a social function can create the illusion of being on a visit to another country: everyone, including the fashion professional, is determined to opt for his or her own distinctive regional look.

The following comments on "areas" and "types" lend credence to the commonly heard refrain from local fashion observers that the "Detroit Look" has as many facets as there are crowds and neighbourhoods.

Grosse Pointe types — the inherited money, inherited taste or charity supporter set. Mostly pants and blazers for daytime, but with more skirts and shirtdresses than last year. Long printed Banlon dresses sometimes covered by shawls are worn for dinners and cocktail parties.

Royal Oak, parts of Dearborn and Livonia — women here are very concerned with practicality. They like polyester pantsuits that will launder — the look is still pantsuits and basic A-line shifts.

The "old guard" look — worn by women from 25 to 85. They can be spotted at the Detroit Yacht Club, the Women's City Club or charity luncheons set in any corner of the city. Very proper two- and three-piece suits (usually skirted) or classic dresses with pins worn on the shoulder. On a chilly day, the wrap is usually a fur stole; hats have all but joined the list of endangered species. Few platform-soled shoes are seen here but, as might be expected, classic pumps or sandals are worn.

The London Chop House crowd — suntanned year-round and from all areas of Detroit. Many of the women wear Anne Klein sportswear or Adolpho knits for daytime, with

touches of jewellery picked up in their travels. For evening, sweater sets with long or short skirts, palazzo pants with halter and cardigan sweater or short clinging jersey dresses are much in vogue.

Southfield, West Bloomfield and Oak Park — a fashion conscious community where there seem to be more beauty shops than grocery stores. About 85-90 per cent of the women wear trouser outfits for day. Most of these women care about accessories — interesting belts, the right shoulder bags and the latest shoes.

Lafayette-Orleans crowd — young professionals on the way up, the type that jet off to exciting places just for a weekend. The girls are ultra fashion-conscious . . . a must because of the heavy competition to get the eye of the numerous lawyers, doctors and sports stars who go there.

Currently, the girls are wearing hip sportswear, cashmere sweater sets or super-bar halter tops with high rise trousers or short skirts. Some heads are wrapped with turbans, others with cloches adorned with turned-back brims. Shoes are heavy — the high platform variety.

Birmingham, Bloomfield Hills, Franklin — where houses can cost \$100,000 or more, and the zooming cost of private schools is more traumatic than the price of beef. Most women in this crowd still wear slacks for daytime, unless they've invested in a Halston shirtdress or some of Anne Klein's \$50 skirts. Hats and gloves are seldom seen but those massive looking platform shoes are standard wear.

A good year — There are, of course, thousands of women in Detroit who don't fit into any of the above categories. They have a look that's free of neighbourhood idioms, one they've developed personally.

There are women in every part of the city who dress beautifully, who look contemporary without having become a caricature of fashion. They take care in choosing their clothing and accessories and the results are gratifying.

Last year was a good year for

Detroit retailers and, on average, sales were up about 10 per cent in the Motor City's women's fashion field.

• The J. L. Hudson Co., still the sales leader with an estimated total volume of \$410 million, is the major department store in Detroit. Women's fashions represent a large part of Hudson's merchandise picture, which is spread over many different departments. These departments are represented in all Hudson's suburban stores (Southland, Eastland, Oakland, Westland, Northland, Pontiac, Flint and Toledo, Ohio). All buying is done in Detroit and they are members of the Associated Merchandise Corporation.

• Crowley, Milner Co. is the second largest Detroit based department store. All eight of Crowley's stores (Downtown, Grand River, Westborn Center, Livonia Mall, Macomb Hall, New Center, Birmingham, and Farmington) are full-line department stores featuring medium- to higher-priced merchandise. Last year Crowley reported a 22.7 per cent increase in over-all sales. Here again, fashion buying accounts for a large part of the store's budget which encompasses several departments. Crowley, Milner is a member of the Mutual Buying Syndicate, one of the largest group-buying and retail research organizations in the United States.

The Detroit-based specialty chains also reflected noticeable sales increases.

• Winkleman Stores Inc., a moderately-priced women's and junior specialty chain with 66 units, experienced a volume increase of 14 per cent for a total of \$57 million in its Michigan and Ohio stores.

• Albert's Inc., a popular-priced women's specialty chain with 70 per cent junior ready-to-wear, reported a 6.5 per cent volume rise to \$27 million in its 40 stores in Michigan, Ohio, and Illinois.

• Himelhoch's, a family-owned fashion chain, estimated its sales at about \$13 million, up some 5 per cent in its six stores.

• The B. Siegel Co., another privately-owned operation, had an

estimated volume of slightly more than \$12 million in its six units, an increase of just over 5 per cent of the year.

• Jacobsen Stores Inc. has its headquarters in Jackson, Michigan, but the importance of its exclusive \$65 million, 13-unit operation in the suburbs surrounding the auto capital

is undeniable. The most profitable outlets are its trio of stores in Detroit's chic suburb of Birmingham, with an estimated volume of over \$15 million.

Detroit offers an exciting, diversified market with a wide range of qualities and prices which provide marketing opportunities for a broad

spectrum of the Canadian fashion industry. If your firm is not already selling here, you're missing a large market. Give us a call — we've got contacts. Our phone number is (313) 965-2811. Or write to us: Canadian Consulate, 1920 First Federal Building, 1001 Woodward Avenue, Detroit, Michigan 48226.

Detroit's Main Fashion Buyers

Their Department Numbers and Merchandise

J. L. Hudson

Karen Cruikshank (339)
Bridal Dresses and millinery

Mary White (355-357)
Tall Girl shop, maternity

Joyce Conklin (371)
Junior coats and suits

Sylvia Gill (372)
Junior Budget dresses

James Thistlewaite (372)
Junior moderate sportswear

Janet Bunnell (375)
Junior moderate and better dresses

Judy O'Keefe (375)
Junior better sportswear

Kathy McLean (377)
Young juniors

Nancy Smith (378)
Junior budget

Ken Monroe (380 and 386)
Miss Detroit budget sportswear; Women's sportswear

Mary Lou McBride (381)
Moderate blouses

Peter Winegarden (382 and 392)
St. Clair moderate sportswear; moderate sweaters

William Leonard (383 and 390)
Pro Shop; active sportswear

Jeane Stanley (388)
Miss Detroit budget blouses

Joan Sankovic (300 and 389)
Contemporary sportswear; Trend Shop

Sandra Morrison (350)
Misses Miss Detroit dresses

Eva Bielski (356 and 364)
St. Clair moderate dresses; moderate knits

Ruth Kassab (366 and 367)
St. Clair women; budget Miss Detroit

Carol Kohnke (311 and 346)
Women's coats; fake fur coats

Elaine Wieder (N.Y.) (369)
Contemporary misses and social occasion dresses

Dennis O'Keefe (490)
Home and town dresses

Frances Carroll (429)
Home and town half-size dresses

Diane McDonald (363)
Moderate casual dresses

Harriet Dean (140)
Fashion jewellery

Paul Lundstedt (142-144)
Fine jewellery

Jeff Keirn (170-171)
Handbags

Jim Ketzler (172)
Small leather goods, umbrellas

John Wylie (231 and 260)
Dress accessories; gloves

Marge Olis (250)
Hosiery

Susan Kennedy (430)
Day wear

Shirley Smith (435)
Moderate-price lingerie

Barbara Ogul (440)
Sleepwear

Audrey Misuraca (447)
Junior lingerie

Claire Sosinski (450)
Foundations

Mary Murphy (451)
Foundation bras

Mary Bruckman (480)
Robes and loungewear

Louise Soloman (338-384-5)
Kimberley and town and country

Mary Bruce (353-358-9)
Miss Hudson Shop, Crystal Room and LaSalle Room

Crowley, Milner

S. Bronstein (22)
Budget sportswear

M. Goldstein (36-37-72)
Coats and suits

V. Stackpole (42)
Better sportswear

D. Brannum (49-53-74)
Daytime dresses

L. Frederick (52)
Better dresses

S. Ryan (60)
Budget dresses

B. Harrington (69)
Junior sportswear

B. Patterson (78-79-80)
Moderate dresses

G. McMurtry (81)
Junior dresses

B. Rosenbeck (38-62-67)
Lingerie

J. Gehringer (50)
Foundations

J. Standart (66)
Robes

J. Schultz (14-25)
Hosiery

A. Mitchell (19-26)
Jewellery

E. Hunt (21)
Handbags



The harbour and castle of Kyrenia, a major tourist site.

Cyprus a market Canadians are missing

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The island of Cyprus, at the eastern end of the Mediterranean Sea, is one of the few world markets which has to a large extent been left untapped by Canadian exporters. The country basks in the hot Middle East sun for nine months of the year, and it is not surprising, therefore, that the economy is based on a blend of agriculture and tourism. However, unlike many other sunny islands elsewhere in the world, Cyprus has had considerable success in developing its industrial base. These new industries, and the economic base needed to sup-

port them, offer a variety of opportunities for Canadian manufactured goods and services.

The Cyprus economy is, in fact, remarkably healthy. In addition to its exports and tourism, foreign earnings are substantially boosted by funds brought in by the British armed force bases on the island as well as through the sizeable United Nations contingent there. These funds, as well as money sent back by Cypriots living abroad, have enabled Cyprus to achieve a balance of payments surplus each year since 1960, except in 1973 when a

small deficit was recorded as a result of a drought. Therefore, in spite of a 2:1 adverse balance of trade, Cyprus has managed to build up its foreign reserves to the point where it can finance an entire year's imports.

The economy is predominantly agrarian, as agriculture contributes about 53 per cent of total exports. Heavy industries include petroleum refining, electricity generating and cement production. The smaller industries include the manufacturing of foodstuffs, clothing, footwear and other consumer goods. With the en-

The ancient and modern blend in this view of Famagusta, the main port of Cyprus.

couragement of the Cypriot Government, the number of manufacturing enterprises is increasing rapidly. Included in the new industrial investments on stream or in the early planning stages are assembly of electrical appliances, food processing and bottle manufacturing plants, tanneries, a fertilizer plant and the manufacture of building products.

To the credit of the Canadian armed forces, which have been part of the UN contingent in Cyprus since March, 1964, Canada is well known and respected. Unfortunately, however, Canada is rarely regarded in the role of a supplier of goods and services. In fact, Canadian exports to the island are almost negligible — between one and two million dollars annually over the last few years. To some extent this figure reflects several problems which confront the potential Canadian exporter. One of these is shipping. There are no direct sea lines from Canada but goods can be transhipped either through New York or Israel, or through one of the many European ports.

Cypriots, being of Greek and Turkish origin and having been under the influence of Britain for many years, favour products from these countries. In the last few years, French and German goods have also made substantial inroads into the market. A good guideline, therefore, when estimating the potential export market in Cyprus for your goods, is to consider the experience of your products in Western Europe. If the product in question is competitive on a price and quality basis in Europe, chances are it will also be acceptable in Cyprus.

The agent — Clearly, one of the most important tasks facing the potential exporter to Cyprus is selection of an agent. Inevitably, Canadian companies prefer to find a local representative who specializes in two or three major complementary lines. However, in Cyprus such an agent is a rare commodity indeed. Manufacturers' representatives, indent agents and stockists exist in great abundance, and because of their number and their consequent limited market shares,

each one tends to carry a very wide range of goods. Locating an agent willing to handle a new line is relatively easy, but considerable work is involved in finding a representative aggressive and competent enough to obtain a significant market share. For this reason, a personal visit to Cyprus is recommended to select good local representation.

Another important item to consider when selecting an agent is the territory for which he will be responsible. Cyprus is divided into two communities, Greek and Turkish, and an agent in one of these sectors cannot usually serve the other. If it is desired to cover the whole island effectively, it is necessary to appoint two agents. Ideally the exporter should try to find two agents who can collaborate on the placing of joint orders and who can agree on their respective territories. Such an arrangement is not always possible, however, and it is often advisable to appoint an agent in one of the two communities and assign him the responsibility of selecting his own sub-agent in the other sector.

Opportunities for Canadians —

What are the possibilities for Canadian exporters? First, major World Bank-financed projects are under way. These projects include new sources and distribution networks for water and electricity, construction of new highways and development of sewage facilities. The water development program includes several projects in progress, or planned for the near future, involving the construction of dams and irrigation facilities to assist agricultural development of the arid eastern areas of the island. There is also a 1¼ million gallons per day desalination plant which is part of a \$90 million electricity generating/desalination project partly financed by the World Bank. The electricity generation portion calls for gas turbines, steam generating plants, turbo alternators, the necessary transformers and transmission lines and related equipment. Other locally financed projects under way include a new hospital, airport development and an improved refuse disposal scheme for the major towns. Cyprus, because of its close

relationship with Britain, has relied almost exclusively on British based engineering firms. This pattern is changing, however, and possibilities exist for genuinely interested Canadian consultants.

In the industrial sector, the light industries offer opportunities to exporters of packaging and processing machinery for agricultural produce, beverages, cosmetics, and other consumer products, as well as materials, particularly for the shoe manufacturing and clothing industries. Canadian companies have experienced some success in the export of textiles and possibilities exist for further sales in this line and for sales of all types of leather. Other products in high demand which Canada might supply include timber and virtually all kinds of paper.

Tourism — Opportunities also exist for Canadian exporters of tourist-related goods. In spite of a possible slow-down in tourism this year, the Cyprus tourist industry has grown at a rate exceeding 20 per cent annually for the last six years, to a total of 228,000 visitors in 1972. Investment in hotels and other tourism facilities has been going on for some time and is expected to continue. Canadian suppliers of tourist-related supplies and hotel equipment should, therefore, find it worthwhile to pursue this growing market.

The competition is strong in the consumer field. Virtually every manufacturer of any renown is represented in Cyprus: it is estimated, for example, that over 200 different brands of paint are retailed. Marketing possibilities for Canadian suppliers are most obvious in foodstuffs, particularly fish and canned meats. Other possibilities include small household appliances, automotive supplies and accessories, and various novelty items. The continued rotation of British and UN service personnel and the large number of tourists maintains consumer demand at relatively high levels, particularly for duty-free items.

Opportunities for Canadian exporters certainly exist in this island and so far have not been exploited. To assess the potential for specific

items, exporters should consider the success of their products in Europe and then bear in mind the importance of shipping rates upon their eventual competitiveness in the Cyprus market. Any Canadian suppliers interested in exploring the prospects in Cyprus should contact the Commercial Secretary, Canadian Embassy, 84 Hahashmonaim St., Tel Aviv, Israel. We will be pleased to help you.

Cyprus Facts

Country status: Independent republic within the Commonwealth.

Area: 3,572 square miles.

Population: 659,000 (estimated 1972); 78 per cent Greek Cypriots, 18 per cent Turkish Cypriots.

Languages: Greek and Turkish; English widely spoken and understood.

Average temperatures: July and August 97°F; January and February 42°F.

Cyprus time: Eastern Standard Time plus 7 hours.

Currency: Cyprus £ = 1,000 mils = Cdn \$2.25 (approx.).

Capital: Nicosia (pop. 112,000).

Chief towns: Limassol (pop. 50,000); Famagusta, the main port (pop. 44,000); Larnaca (pop. 21,000).

Major products: agricultural — citrus, grapes, potatoes, carrots, wheat, wine, olive oil; minerals — iron, chromium ore, gypsum, asbestos.

Total imports: Cyprus £ 121,480,000 (1972).

Value of imports from Canada: 1972 — \$1,371,000; 1971 — \$1,487,000.

Chief suppliers (with market percentages in brackets: Britain (27.9); Italy (8.0); W. Germany (7.6); U.S.A. (6.0); Greece (5.4); Japan (5.0); Netherlands (3.1); U.S.S.R. (3.0); other EEC (2.3); others (26.0).

Electricity supply: domestic — 240 volts, 50 cycles AC; industrial — 415 volts, 50 cycles, 3-phase.

Canadian Boats in Foreign Waters

With the energy crisis, the ecology crisis, the money crisis and all the other crises in our midst, sailing and sail boats appear to have the wind behind them: sailing has become everyman's sport. With so much open water in North America, Canadians and Americans are taking to their boats in increasing numbers, and Canadian boat-builders to the boat shows.

Recently more than 20 sailboat manufacturers from Canada displayed their products at two of the most prestigious in-water boat shows in the U.S. — the Newport International Sailboat Show at Rhode Island, and the United States Sailboat show at Annapolis, Maryland. There were more than 300 exhibitors at each of these shows.

The setting at Newport was Goat Island, where there was also a gathering of famous schooners and wind-jammers from up and down the U.S. coast. A full-scale replica of H.M.S. Rose, the British frigate that for a time blockaded Newport just before the American War of Independence, was on view during part of the show. The Rose was constructed in 1970 in Nova Scotia, using as much material as was possible from the original ship, which had been sunk across the harbour mouth at Savannah, Georgia, in 1779.

The Annapolis show is reputed to be the biggest of any and claims to have started the trend of in-water boat shows. During the five days the show lasted, the famous Fisherman's Wharf was empty of its usual complement of oyster and other boats and completely taken over by sleek up-to-the-minute sailboats and yachts and by those who administer to them with accessories. Exhibitors came from Japan, France, Sweden and Britain, as well as from Canada and the U.S. There were 14 exhibitors from Canada.

At both shows Canadian manufacturers felt that their aims had been largely achieved — dealers had been found, some as far away as Louisiana and Colorado. American sailing enthusiasts are more and more becoming aware of Canadian boats, but on-site sales at shows, while still welcome of course, are now less the prime motive of exhibitors — it is the dealer who brings in the continuing business. And it is big business: annual production of Canadian boatbuilders is about \$50 million, of which about 35 per cent is exported.


Record consignment of Canadian plywood for Le Havre

The arrival in Le Havre of two ships carrying record cargoes of timber from British Columbia is proof of the vigorous resumption of Canadian shipments to the French market. Because of past supply problems, the French timber industry was somewhat concerned about future availability of Canadian timber but these large shipments and, more generally, the increase in sales as a whole compared with 1972 should make it possible to satisfy growing French demand for Canadian timber.

For the first nine months of 1973, the volume of lumber delivered to France by Canada climbed 50 per cent, compared with the same period in 1972 and was worth about \$3.6 million. Canadian shipments of plywood increased 33 per cent for a total value in 1973 of about \$2.2 million. Canadian sales of CLS timber grew sevenfold between 1967 and 1972; plywood sales doubled during the same period.



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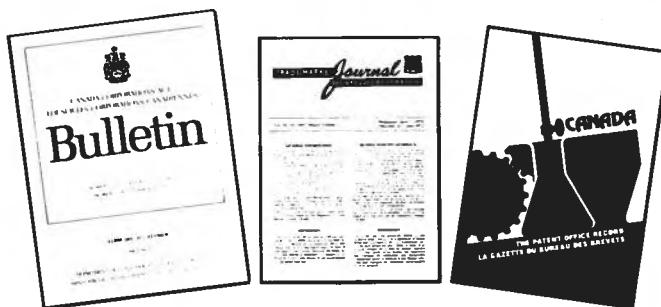
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