

CANADA COMMERCE

JUNE
1975



IT&C's new deputy minister



The appointment of O.G. (Gerald) Stoner as Deputy Minister of the Department of Industry, Trade and Commerce was announced April 22. Mr. Stoner had been Deputy Minister of the Ministry of Transport since February 1969.

Mr. Stoner was born in London, Ontario in 1922, and attended the University of Western Ontario (1938-41) and Queen's University (1945-47). He served in the Armed Forces from 1941 to 1945 in the Canadian Armoured Corps in Northwest Europe. He was mentioned in dispatches in 1944 and was discharged in 1945 with the rank of Major.

Entering federal government service in 1947 in the Department of External Affairs, Mr. Stoner served in Paris from 1950 to 1954, and was Counsellor and Charge d'Affaires at the Brussels Embassy from 1956 to 1959. He represented Canadian interests with the European Economic Community Headquarters during this period. From 1959 to 1964, he was in charge of Economic Affairs in the

Department of External Affairs.

In 1964, Mr. Stoner was appointed Senior Assistant Secretary to the Cabinet with special responsibility for economic matters. During this period, he was Secretary of the Cabinet Committee on Transportation and Communications and served also as Chairman of the Interdepartmental Committee studying expansion of the Seaway. He was one of the principal negotiators of the major revision of the United States-Canada Bilateral Air Agreement during 1965-66.

Mr. Stoner was Acting Secretary to the Cabinet and Acting Clerk of the Privy Council from September 1967 until May 1968 during the absence of Mr. R.G. Robertson at Laval University. He was appointed Deputy Secretary to the Cabinet and Deputy Clerk of the Privy Council in June 1968 with particular responsibility for the operations of the Cabinet and the new Cabinet Committee structure established by the Prime Minister shortly after he took office.

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Alnaft: potent ally of the Gulf States

JOHN MARROW, Commercial Officer, Beirut

Once the desert fiefdoms of a few powerful rulers, the Gulf States are emerging from the past with almost eye-blink rapidity. The changes have been fast and furious: mud huts and feudal palaces to modern houses and government edifices; illiterates to university graduates; camels and burrows to Mercedes and Cadillacs; and desert trails to four-lane expressways.

A city and state many Canadians have never heard of — Abu Dhabi — has acquired one of the world's highest annual per-capita incomes, an astounding \$45,000. Kuwait with only 420,000 people was expected to have an income of \$8 billion by the time 1974 statistics were toted up. The incomes of Qatar and Bahrain similarly have shot upward.

In each case, oil — alnaft as the Arabs call it — has been the catalyst in these economic explosions and oil royalties to these states were expected to reach \$20 billion in 1974. In the Fifties and Sixties the oil companies called the shots on Middle East crude and the price they set varied from \$1.75 a barrel to \$2.18, stabilizing at around \$1.80 for 11 years. This changed in 1973 when the oil companies lost control of the price-setting side of the crude oil business and the new owners, the Arabs themselves, raised the price to between \$10 and \$11 a barrel. At the same time production increased and averaged 15.7 million barrels a day during the first half of 1974, an increase of 5.3 per cent over the same period in 1973.

As the Gulf States have no natural resources, aside from oil, they depend on imports for virtually all their requirements. Therefore, trade is booming and Dubai, in the United Arab Emirates, is fast becoming another world-renowned entrepot centre along the lines of Singapore. There are few controls on imports and almost all foods enter Gulf States at low tariff rates, most not exceeding two percent ad valorem. Essential goods including machinery, building materials, foodstuffs and all govern-





ment and oil companies' requirements are imported duty-free. Excluding alcoholic drinks, narcotics and arms, no imports require licences or foreign exchange permits.

Naturally, international manufacturers and suppliers are competing vigorously for a share of the \$300 million worth of products imported by the various oil companies operating in the Gulf States. However, the Canadian presence in this part of the world is faint indeed even though it appears there are many opportunities for Canadian suppliers. Competition is keen but the effort certainly would be worthwhile. Foreign (non-national) oil companies operating throughout the Gulf acquire their oilfield equipment and services either through their headquarters in the United States, Europe and Japan, or through local agents. Therefore, it is essential for Canadian suppliers of both goods and services to establish relationships with the oil company head offices as well as appointing local agents.

The national oil companies offer Canadians better opportunities. They buy through bid invitations or, in certain cases, direct from foreign suppliers. Canadian firms must register with these companies if they expect to get anywhere. It is also essential to appoint an agent and definitely a good idea to visit the area to size up both the potential and the competition. As a matter of fact, many firms have resident representatives in Beirut or Tehran to assist their local agents. Once sales have been made it is best to maintain stocks in an agent's warehouse in Kuwait, Dubai or Dammam to facilitate servicing the account.

The supplier or contractor intending to do business with any of the Gulf States should be prepared to be flexible in order to meet some of the more unusual demands of his clients. Canadians will face seasoned competitors from the United States, Europe and Japan and the Arab oil companies place great stress on prices —

generally the lowest bid is accepted. Consultants, on the other hand, are selected for their qualifications for the particular work to be performed and contracts are often arranged on a mutually-agreed basis. This does not mean, though, that prices are not an important consideration.

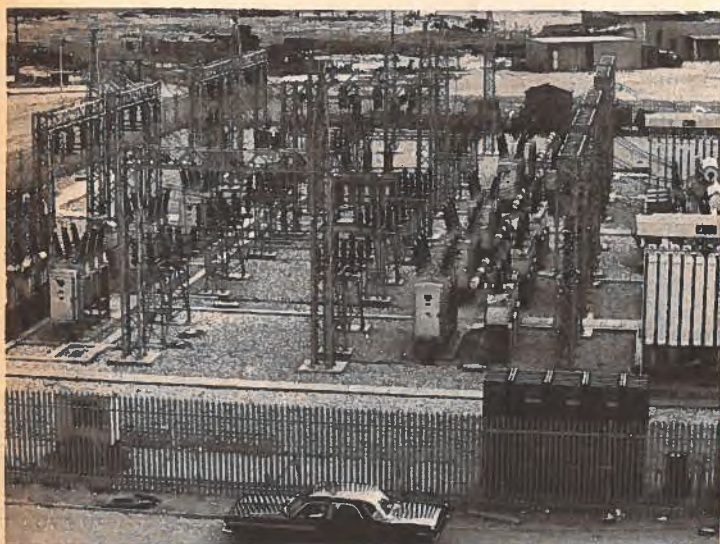
For more information contact your Regional Office, or the Africa and Middle East Division, Pacific, Asia and Africa Bureau, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5. If you write to us we can supply considerable information, including names of agents: Commercial Counsellor, Canadian Embassy, PO Box 2300, Sabbag Centre, Beirut, Lebanon.



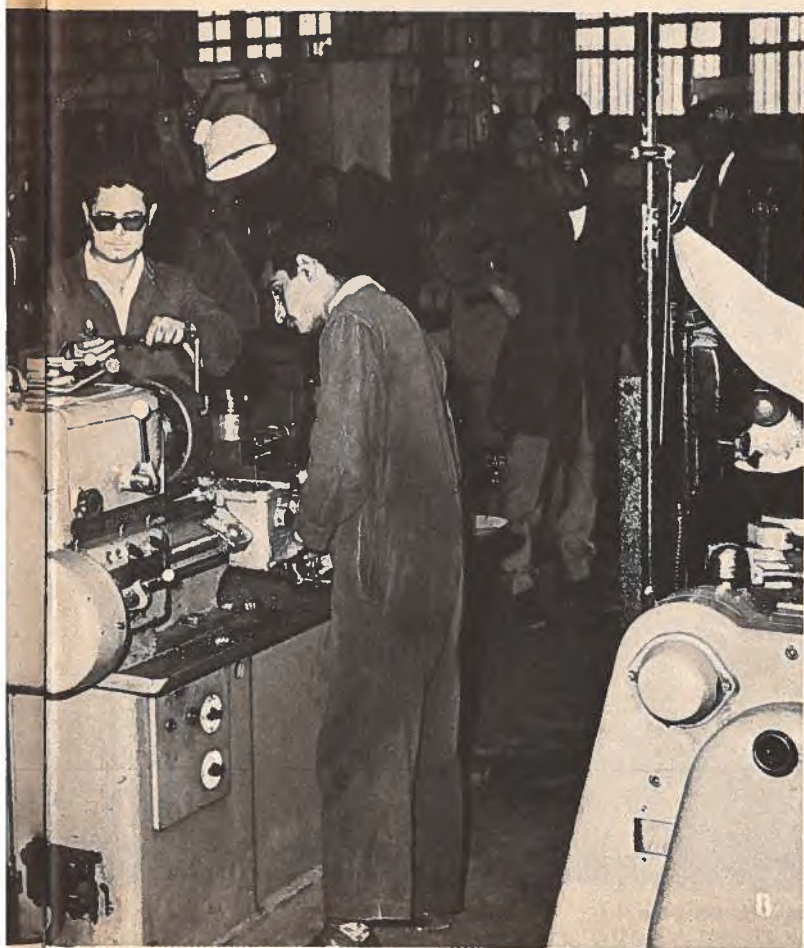
Cement plant, Qatar



Industrial school, Bahrain



Central Power House, Ras Abu Abboud, Qatar



PRINCIPAL FOREIGN AND NATIONAL OIL COMPANIES

Kuwait	Kuwait National Petroleum Company (KNPC) PO Box 70 Kuwait
	American Independent Oil Company (AMINOIL) Mina Abdulla Kuwait
Bahrain	Bahrain Petroleum Company (BAPCO) Awali, Bahrain
Qatar	Qatar Petroleum Company Limited (QPC) Doha, Qatar
	Shell Company of Qatar Doha, Qatar
Dubai	Dubai Petroleum Company Limited PO Box 2222, Dubai, United Arab Emirates
Abu Dhabi	Abu Dhabi Marine Areas Limited (ADMA) Abu Dhabi, United Arab Emirates
	Abu Dhabi Petroleum Company Limited Abu Dhabi, United Arab Emirates
Sultanate of Oman	Petroleum Development (Oman) Limited Muscat

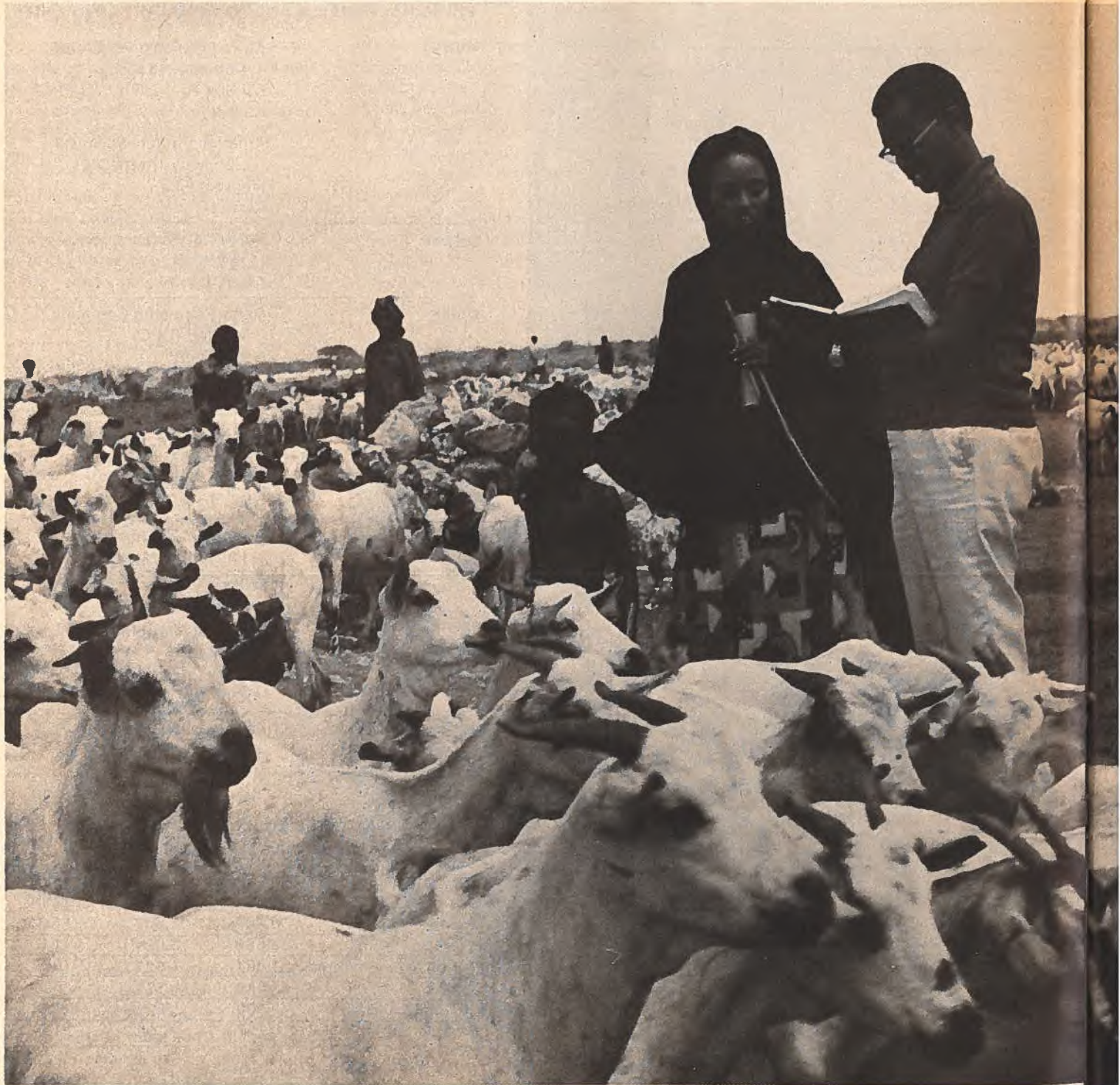
GULF STATES CRUDE OIL PRODUCTION

('000 bbl daily)

	1974	1973	Percentage Change
Saudi Arabia	8,484	7,602	+11.6
Kuwait	2,549	3,024	-11.6
United Arab Emirates	1,681	1,521	-10.5
Qatar	519	570	- 8.9
Sultanate of Oman	290	293	- 1.0
Bahrain	67	68	- 1.5



Area: 262,000 square miles
Population: 4.5 million
Climate: Hot, arid



Education goes to the people in Somalia. The woman with the book spends her time helping to educate the country's nomads.

Somalia: potential horn of plenty

ZEN BURIANYK, Commercial Secretary, Nairobi

Somalia was known to the Egyptians as early as 2200 BC. They called it the Land of Punt and it was their chief source of frankincense and myrrh. Over the centuries, Somalia has been known by many names and visited by many cultures — a Chinese mariner of long ago called it "White Pearl of the Indian Ocean." In more recent history it has been contested by Britain, France, Italy, Portugal and Ethiopia, however, by 1960 it had gained its independence and became the Somali Republic. During the first nine years of independence under three separate civilian governments, more than \$450 million worth of aid was poured into the republic with little apparent effect and it became known among rueful international agencies as the "graveyard of foreign aid." But all this changed on October 21, 1969, when the military took over in a swift and bloodless coup. Major General Mohamed Siyad Barre was named President of the Supreme Revolutionary Council, a position he continues to hold.



President of the Supreme Revolutionary Council, Maj. General Mohamed Siyad Barre

In the five-and-a-half years since the coup, Somalia has based its economic policies on what President Barre calls "scientific socialism." He has stated that it is "the only way for the rapid transformation of the country into a developed and economically advanced nation."

As far as external relations are concerned, Somalia has adopted a policy of dialogue with all countries and it has representation at the United Nations and the Organization of African Unity. Just over a year ago it joined the Arab League. The country's initial five-year development plan ended with the close of 1974 and the setbacks of that difficult year, both man-made and natural, which hit many countries hard did not spare Somalia. However, no major revisions of the plan have been announced as the second phase gets underway.

Funding of projects comes from diverse sources. Among the contributors are organizations such as the World Bank, the United Nations and the European Economic Community, and countries such as the USSR, the People's Republic of China and others. The one-year-old association with the Arab League has already resulted in various projects, including a joint shipping line in partnership with Libya, an oil refinery with Iraq, an irrigation system and modernization of textile mills. It is probable that the oil-rich members of the Arab League will continue to be a source of funds to support any number of ambitious but necessary projects.

Livestock remains the principle source of livelihood for 80 percent of Somalians, who raise mainly cattle, goats, sheep and camels. In fact, this country has one of the world's highest livestock/people ratios at about five-to-one and much of its foreign exchange comes from exports of live animals, tinned and frozen meat, raw hides and skins. The planners have recognized the need to increase exports of high-quality, finished animal products and priority has been given

to establishing abattoirs, freezing and canning plants, and tanneries. Some leather production would be earmarked for the domestic footwear industry in order to reduce the substantial imports of footwear now necessary.

Plans call for establishing: three 40,000-acre ranches, each capable of maintaining 30,000 head of cattle; 50 feed lot operations; artificial insemination centres; disease-free zones, which are a necessity in pursuing the lucrative Middle East and European markets; and a training school for animal health assistants who will be assigned to posts throughout the country to administer disease control programs.

Somalia has the potential to be self-sufficient in food production even though only 12.5 percent of its land is arable. The land that is suitable for agriculture is extremely rich but most farms are not mechanized and the farmers need to be educated in modern methods. Furthermore, drastically increased prices of imported foodstuffs and unfavourable weather conditions have added to the Somalians' difficulties — prices continued to rise and a lengthy drought remained unbroken when this was written during the spring.

In line with its policy of scientific socialism, the government has embarked on a program aimed at:

- 1) establishing agricultural education centres;
- 2) establishing price supports and central purchasing systems;
- 3) organizing large-scale co-operatives;
- 4) farm mechanization;
- 5) building irrigation systems and reclaiming land;
- 6) making grain storage facilities available to public and private firms.

With so much livestock in such a relatively small area, farmers need to guard continually against the overgrazing that could turn useful land into desert. The government is putting to-

gether a plan for utilization, conservation and regeneration of forest resources. To this end, a number of steps have already been taken, including a ban on charcoal exports, establishment of a reforestation and erosion-control program, and introduction of rotational grazing and range management systems.

Somalia has a coastline of about 2,800 kilometres and the waters are teeming with marine life but there is no fishing industry to speak of — only about 2,500 Somalis are full-time fishermen and fish plays a small part in the country's diet. But until recent years there had been no incentives to build a fishing industry and those who did fish for a living had to do so with primitive boats and equipment. Nor were there adequate processing or marketing facilities.

An FAO-sponsored fisheries survey showed that annual fish production could run as high as 750,000 tons and here again the government has

made plans. These call for:

- 1) establishment of co-operatives where catches can be collected, equipment acquired and repaired, and training undertaken;
- 2) building a fleet of 250 motor boats assigned to various processing plants as well as 10 deep-sea vessels of 25-30-ton capacity;
- 3) establishment of three new freezing plants; improvement of internal marketing and transportation methods, as well as encouragement of more local consumption of fish.

This country has limited mineral resources and while there have been discoveries of quartz, uranium, iron ore and tin, deposits do not appear to be large enough to warrant exploitation, except perhaps for the tin. The big gamble is petroleum and four companies have been given leases to explore the potential. So far, commercial quantities have not been discovered, or at least have not been announced, but there are plans to



Somalia has a program of sand-dune stabilization which involves plantings of commiphora interspersed with cacti.



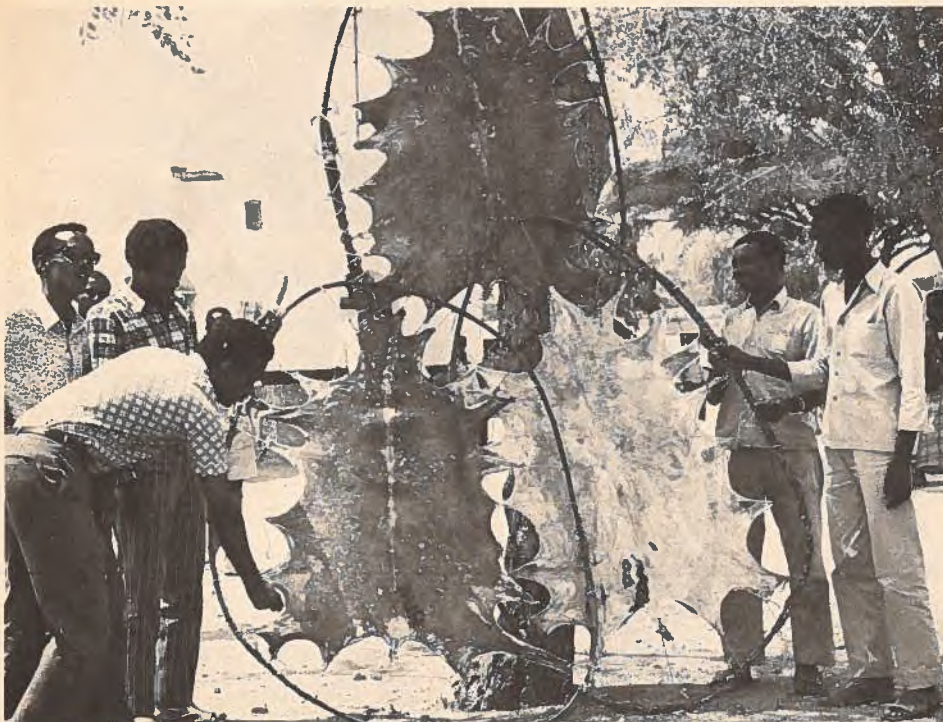
Magadiscio, capital and principal port

build an oil refinery.

The resources situation being what it is, it is natural to expect that industrial development will be limited. But the government plans to seize the growth opportunities that are available — and there are more of these than may be apparent at first glance. Plans call for building a cement plant, a shoe factory, a cigarette and matches plant, a corrugated box factory, four grain mills, a fruit processing plant, canneries, abattoirs, and meat packing and freezing plants.

Opportunities for Canadians —

When it appears economical and social development will be expedited, Somalia permits foreign investment and other forms of participation. Probably the best approach for Canadians interested in this country is through the Canadian International Development Agency. Under the agency's sponsorship, a \$2,500 grant may be awarded to assist in paying for transportation and accommodation involved in a "starter study" which may lead to a full-scale feasibility study. Again CIDA grants are available — up to \$25,000 or 50 percent of the cost of the study, whichever is less. Assuming these studies lead to bigger and better things, the Export Development Corporation has insurance packages against such eventualities as expropriation. For more information about Somalia in particular or developing countries in general, write to your Regional Office or to the Pacific, Africa and Asia Bureau, Department of Industry, Trade and Commerce, Ottawa, K1A 0H5. You could also write to us: Commercial Section, Canadian High Commission, P.O. Box 43778, Nairobi, Kenya.



As government plans take effect, traditional methods of curing and drying hides will be replaced by modern tanneries.

Nigeria: brand names do best

B.I. OLUWU, Commercial Officer, Lagos

Nigeria is a nation of conservative consumers. It can take a long time for a product new to the market to be accepted and it can be an expensive business securing a foothold here. But once Nigerians accept a new brand name they tend to remain loyal to it. For the company able to hang in while promotion and marketing costs overshadow sales figures (and this can be an extended period), the end result can be profitable.

This is a highly competitive market and because the major importers already handle full lines of food items, they can afford to be choosy in taking on new lines. Then too, the consumer naturally tends to shop for local products before looking at the imports, mainly because the imports are usually more expensive. On the other hand, several firms are making substantial sales of imported top-quality packaged rice, even though this brand-name product retails at a considerably higher price than competing locally-produced rice.

Canadian companies deciding to have a go at this market will have to spend a lot of time and effort establishing a really effective sales and distribution system, and an active sales promotion program is an absolute must. Commercial samples accompanied by c.i.f. quotations are a good idea but we suggest you contact our office so we can assist in selecting firms to which these samples will be distributed. If samples are not feasible, you will have to send promotional literature and catalogues or brochures. If these initial efforts elicit positive responses you will find it necessary to come to Nigeria to evaluate prospects first-hand.

Small traders, stall-holders, market women and department stores operated by the major traders all vie for the consumer's business. The market women sell mainly locally-produced foodstuffs such as grains, vegetables, fruits, live poultry, fresh and dried fish, beef, palm oil, ground nut oil and gari (a staple food).



Merchandise for Nigerian markets being loaded on "mammy wagons".





Tinubu Square in heart of Lagos, which has a population of more than one million

The department stores sell mainly imported items such as dairy products, cereals, flour, fruit juices, coffee, tea, cocoa powder, sugar, tinned milk and cream, beverages, spirits, baby foods and other processed tinned foods.

Prices of foodstuffs sold by the department stores are regulated by the Nigerian Government Price Control Board but prices in the markets are decided by old-fashioned haggling. In addition, there are open market days in all 12 Nigerian States in which food and other merchandise are sold from a central location. This system enables the wholesalers to make bulk purchases for later sales to the retailers.

Distribution — Because of shipping costs and packaging differences, Canadian products will face difficulties in competing against European products. However, these are not insurmountable and we repeat, this market can be very rewarding.

Nigeria's major ports are at Lagos and Port Harcourt. Congestion is a serious problem at both of them but the Nigerian Ports Authority has embarked on a program to improve and enlarge them.

Once into the country, food products are sold through a number of channels and the major ones are as follows:

- 1) Direct to large retailers;
- 2) Through a manufacturers' rep to retailers;
- 3) To stocking distributors who sell to retailers;
- 4) Through manufacturer's reps who sell to stocking distributors who sell to retailers;
- 5) Through a manufacturer's subsidiary with a local sales force selling to retailers;
- 6) By placing consignment stock and selling through a rep;
- 7) Direct to large retailers in the case of private brands.

The manufacturer's representatives or agents work on commission basis and generally carry the lines of



Hausa women at the railway bridge spanning the Gongola River near Bauchi, an important regional centre. (Photo courtesy World Bank Group)

several foreign firms.

Advertising — This is highly developed in Nigeria and many firms invest large sums in advertising consumer goods. Newspapers, magazines, radio and television are used extensively, as well as cinemas. Posters are a popular method and new products are often introduced by door-to-door salesmen who carry samples and promotional literature. Sound trucks are often employed and

so is the native talking drum network.

KEY PRODUCTS

Alcoholic beverages: In 1970 Nigeria imported \$700,000 worth of distilled liquors; by 1973 imports had jumped to \$1.66 million and virtually all of these came from Europe. There are plans to increase local production of spirits. Ale and lager are big sellers, with annual sales of lager alone estimated at about 360 million bottles.

Marketing: Going North America in food habits



There is a well-developed local brewing industry but a number of imports are popular, including British and Dutch brands.

Non-alcoholic beverages: These are extremely popular and all well-known international brands are produced by local firms under licence.

Meat and poultry: Government legislation protects local producers and they are able to meet most of the

demand. Opportunities are probably limited.

Fish and fish products: Demand for fish is estimated at about 900,000 metric tons but local industry is able to supply only about two thirds of this. By 1985 demand is expected to reach about 1,300,000 metric tons a year.

Fruit and vegetables: Nigeria being mainly an agricultural country, there is a plentiful supply of domestically-

grown fruits and vegetables. However, imports are increasing. In 1972 imports of fruits reached \$1,054,850, while vegetables worth a total of \$4,946,610 were brought in. These amounts increased in 1973 to \$2,262,576 and \$5,471,061 respectively.

Malaysia: going North American in food habits?

MICHAEL LEE, Commercial Officer, Kuala Lumpur

It is estimated that Malaysia imported \$4,000 million worth of goods and services last year and fully 20 percent of that amount consisted of food products. Canadian food producers had a piece of the action but it was, if you will pardon the pun, rather small potatoes at just over \$2 million. Frankly, there are more promising markets for Canadian foods but the producers with the right items at the right prices should be able to make sales.

The 12 million citizens of Malaysia are enjoying a steadily rising standard of living and while the bulk of their food imports consist of rice, wheat, sugar and beverages, other products such as pasteurized and skim milk, full-cream milk powder, baby food, health food, and canned fish, meat and vegetables are in increasing demand. Most of these products come from Australia, New Zealand, the Peoples' Republic of China, the United States, Britain, Norway and Denmark.

It may be possible for Canadians to gain a bigger share of this market

as at least three factors could work in their favour:

1) International currency fluctuations have in the past increased the competitiveness of the Canadian dollar.

2) The Malaysian Government has slashed import duties on several food products in an effort to restrain domestic price increases and to satisfy demand for imports.

3) With the rise in the standard of living, Malaysians have been adopting North American food habits, and



supermarkets and fast food chains are increasing in popularity.

Having perhaps whetted your appetite, let us move on to the ways and means of selling your products here. Literally hundreds of firms, large and small, are engaged in the Malaysian food trade and most of them have contacts among wholesalers, retailers, supermarket operators and restaurateurs. Food products are usually distributed through mixed-form commercial houses,

wholesale import houses, commission agents and supermarkets.

Mixed-form commercial houses are international in scope, with sales offices in the key cities of Kuala Lumpur, Ipoh, Penang, Johor Bahru, Kota Kinabalu and Kuching. Most of them control at least 100 agencies each involved in processed foods, chemicals, machinery and hardware.

Their products are distributed mainly through wholesalers, but also

occasionally through sales direct to consumers as part of promotion campaigns. These houses are able to provide sales staff, credit facilities and sales promotion on a national level, however, because of their dominant position, they are not often moved to accept a new product unless it has been successful in other markets or appears to have very solid potential.

Commission agents solicit orders for products, pass them on to their principals and receive a commission.





They do not take title to the goods nor do they assume any credit risk. Agency commissions vary from 3 to 5 per cent for canned foods and settlement of commissions is negotiable, depending on sales volume. Payment is normally by letter of credit established by the customer.

Wholesale Import houses usually request agency rights for Peninsular and East Malaysia. They buy from the principal for their own account, maintain stocks and either sell direct to the retailer or to the district wholesaler who handles distribution to the retail outlets. With financial assistance from their principals, wholesalers may advertise products in suitable media.

Supermarkets buy from the principal for their own account. They set their own resale prices and do their own sales promotion. Increasing numbers of supermarkets are turning to direct importing.

Malaysian importers are quite sophisticated and are generally well-informed about what is going on in the international markets. They usually require c.i.f. Port Kelang or Penang prices, as well as samples and labels for preliminary market surveys before placing orders.

Do's and Don't's — Preferred sizes for canned foods are six to eight ounces and one pound. Labels should be in English and should include the name and address of the manufacturer, list of ingredients, weight and/or volume of the contents and other relevant information.

Generally speaking, cardboard boxes used for domestic packing, and particularly shrink-wrap packing, will not do because they will not take the wear and tear of ocean freight handling. Malaysian importers prefer triple-wall corrugated boxes holding 24-tin cartons bound with plastic-



reinforced tapes or steel strapping. Each case should be clearly marked on at least two sides with salt water-proof ink indicating the consignee and port of destination. Instructions on handling, labelling, stowage and fragility should be included. Also bear in mind that shipping takes 38 days from our West Coast and 48 days from the East Coast.

For more information, contact your Regional Office or the Asia Division, Pacific, Asia and Africa Bureau, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5. You can write us too, at Commercial Secretary, Canadian High Commission, PO Box 990, A.I.A. Building, Ampang Road, Kuala Lumpur, Malaysia.

CANADIAN FOOD EXPORTS TO MALAYSIA	1971	1972	1973	1974
			(\$ Cdn.)	(11 mos.)
Meat - canned	700	1,477	3,000	7,000
Salmon - frozen	6,327	4,781	4,000	7,000
Sole - frozen	1,560	1,146	-	-
Salmon - smoked	5,051	12,357	12,000	-
Salmon - canned	1,485	5,399	10,000	33,000
Sardines - canned	-	2,122	16,000	3,000
Milk, cream, by-products powdered	60,564	244,026	15,000	4,000
Wheat	757,165	1,750,361	636,000	1,938,000
Macaroni products	1,347	2,724	4,000	2,000
Breakfast cereals	-	783	3,000	-
Apples - fresh	8,613	20,444	32,000	-
Apple juice	-	423	-	1,000
Fruit juices	166	295	-	6,000
Fruit juice concentrates	320	640	-	-
Pie fillers - canned	139	294	-	-
Pickles & relishes	7,697	1,855	8,000	8,000
Sugar & confectionery	37,672	54,072	-	24,000
Instant coffee	-	42,000	-	-
Soups & bases	855	609	-	1,000
Whisky	7,078	21,749	18,000	22,000
Other distilled beverages	3,684	2,201	3,000	3,000
Honey	-	-	3,000	16,000
Fruits - canned	-	-	4,000	8,000
Vegetables - canned (mainly corn)	-	-	3,000	2,000
Biscuits	-	-	-	6,000
Vegetable juices	-	-	-	3,000
Infant foods	-	-	-	9,000
Pet foods - canned	-	-	-	8,000
Total	900,423	2,169,758	774,000	2,111,000

Halifax Conference on New International Economic Order

The topic of this year's Halifax Conference to be held August 27-29 will be "Canada and the New International Economic Order". The Halifax Conference is an annual conference held at Saint Mary's University, Halifax, Nova Scotia.

The Conference will be chaired by Dr. Gerald K. Helleiner, Professor of Political Economy, University of Toronto. Eight papers will be presented by internationally known scholars on New International Strategies For Primary Commodities (including food), The Acquisition of

New Technology By the Developing Countries, Bargaining With Trans-national Enterprises For Economic Development, Market Access For Manufactured Goods From the Developing Countries, and the International Monetary System.

The topic of the Conference is directly related to the special session of the UN General Assembly to be held this September, and to the Fourth United Nations Conference on Trade and Development to be held in Nairobi in 1976.

Balderson Cheese Ltd. keeping tradition alive and growing too

DAVID KEAY, Special Correspondent

Ever wonder what happened to the old-fashioned country cheese factory? Only 15 years ago there were 55 of them in Eastern Ontario, the heart of Canada's cheddar cheese country. But traditions have a way of dying out and today there are only eight such factories in the area.

The first assumption might be that the factories which shut down simply could not cut the mustard against the big outfits such as Kraft. And this would be partly correct, but since the end of World War II, another factor had been at work. Shortly after the war, the federal government implemented its cheese factory consolidation program, which resulted not only in big producers taking over the little guys but also enabled some of the smaller operators to buy out their less efficient competitors.

One of the "little guys" growing and prospering in spite of it all is Balderson Cheese Ltd., still going strong in the community of Balderson, in historical Lanark County. The company has a long history, having been founded in 1881 by a co-

operative of milk shippers. A disastrous fire forced the re-building of the plant in 1929, a bad year to make a new start. But by 1964 Balderson Cheese had amalgamated with two smaller firms and had undertaken a \$93,000 expansion, with federal assistance, to enable increased production. A second expansion just two years ago cost \$100,000 and was one-third financed by government money. A third expansion is taking place this year to enable installation of whey holding tanks.

Many Canadian cheese producers have never had much use for whey, discarding it as waste, but environment protection officials had been campaigning against this. They pointed out that whey can be pasteurized and sold as a profit-making item. Balderson Cheese will do just that, and the move is representative of the kind of thinking that keeps the company prosperous.

There have been other profitable decisions. For example, in 1971 the company opened its own retail outlets, thus bypassing the Belleville

Cheese Exchange where it had been selling its product wholesale. The trouble was, the wholesale price had always fluctuated disconcertingly and dealing solely through the Exchange seemed a precarious way to do business. Opening retail outlets allowed Balderson Cheese to establish its own extremely competitive prices and currently it operates four stores. Its products are also sold through two franchised outlets and there are plans to open five more company-owned stores.

Balderson Cheese has taken advantage too, of legislation that might have hampered some companies. Ontario cheese factories are obliged to buy the milk they use for cheddar from the Ontario Milk Marketing Board and there is a quota on the amount each factory may buy.

But the quota does not apply if the factory sells its cheese from a retail outlet in the plant. Furthermore, there is no quota on production of speciality cheeses such as Colby, mozzarella and flavoured types. The next steps seemed fairly obvious to Balderson

Those sporting Swiss

ODETTE VOULICH, Commercial Officer, Berne

The Swiss are a sport-loving people and the climate and topography of their country are ideally suited to all kinds of summer and winter sports. There is not much doubt that skiing is the most popular winter sport, with more than 2 million energetic Swiss attacking the alpine slopes and cross-country trails every year.

They have a lot of help in their pursuit of this invigorating pastime. For a start, there are more than 130 recognized ski schools, with lessons provided by about 2,000 instructors. There are more than 1,500 mountain

railways and ski lifts, and for the really dedicated, skiing can become almost a vocation at the 11 high-altitude resorts which are open winter and summer. For those who have the time and money, the snow never melts in Switzerland.

On the other hand, sales of cross-country equipment have reached record levels, mainly because the downhill facilities are becoming overcrowded. It is estimated that cross-country skiing has about 200,000 active followers and the number is growing. Another factor in the shift of

interest is cost — cross-country is much cheaper than downhill.

Hockey has a lot of support here. The Swiss Ice Hockey Association lists almost 53,000 members in more than 280 clubs around the country and membership in these clubs has gone up about 8,000 in just a little over two years. The Swiss like to play hockey and they love to watch it, with the Bernese probably the most vociferous fans. Their 16,000-seat stadium is usually sold out weeks in advance and when the home team is on the ice it sounds a lot like Saturday night at the

UPDATE

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UPDATE

This month our centre section takes on a new look and finally gets a name. From now on, we're calling it UPDATE and, as the name implies, the idea is to provide a greater variety of timely information about what's happening around the government, and in business and industry.

This section is printed about a month later than the main part of the magazine and allows us to publish "last-minute" items. We invite you to use it to pass on information that may be of interest to our other readers. Write to the Editor, Canada Commerce, Department of Industry, Trade and Commerce or phone Ottawa (613) 996-4012.

This month UPDATE has some background material on that impressive line of credit extended to the Soviet Union last month. In addition, there are details of the controls to be exercised over textile imports into Canada and a brief report on those Latin American seminars the Department sponsored across the country during April. And of course, there are our regular features which you have told us you value and which will continue as part of UPDATE: Foreign Exchange Rates, Wanted Manufacturers, International Projects, Export Opportunities, and Foreign Tariffs and Trade Regulations.

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 May 8. 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)	.0411	24.33
Arab Republic of Egypt Pound (official)	2.6231	.38	El Salvador Colon	.4106	2.44
Argentina Peso (financial)	.0680	14.71	Fiji Dollar	1.2830	.78
(commercial)	.1026	9.75	Finland Markka	.2887	3.46
Australia Dollar	1.3797	.72	France, Monaco, etc.¹ Franc	.2534	3.95
Austria Schilling	.0614	16.29	French Pacific² Franc	.0139	71.94
Bahamas Dollar	1.0264	.97	Franco-African Republics³ Franc	.0051	196.08
Belgium and Luxembourg Franc	.0293	34.13	Germany D Mark	.4369	2.29
Bermuda Dollar	1.0397	.96	Ghana New Cedi	.8895	1.12
Bolivia Peso	.0513	19.49	Greece Drachma	.0342	29.24
Brazil Cruzeiro (official free)	.1324	7.55	Guatemala Quetzal	1.0264	.97
Britain Pound	2.4023	.42	Guyana Dollar	.4444	2.25
British Honduras Dollar	.6078	1.64	Haiti Gourde	.2053	4.87
Burma Kyat	.2132	4.69	Honduras Lempira	.5132	1.95
Chile Escudo (commercial)	.0004	2,500.00	Hong Kong Dollar	.2094	4.76
(financial)	.0003	3,333.33	Hungary Forint (official)	.0869	11.51
China, Peoples' Republic of Yuan	.4188	2.39	Iceland Krona (official)	.0067	149.25
Colombia Peso (fixed)	.0349	28.65	India Rupee	.1304	7.67
Costa Rica Colon	.1232	8.12	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	3.4670	.29
Denmark Krone	.1867	5.36	Ireland Pound	2.4023	.42
Dominican Republic Peso	1.0264	.97			

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	.1711	5.84	Philippines⁵ Peso (free)	.1468	6.81
Italy Lira	.0016	625.00	Poland Zloty (fixed basic rate)	.2577	3.88
Jamaica Dollar	1.1290	.86	Portugal & Overseas Provinces⁶ Escudo	.0419	23.87
Japan Yen	.0035	285.71	Saudi Arabia Riyal	.2850	3.50
Kenya⁴ Shilling	.1379	7.25	Sierra Leone Leone	1.2371	.81
Korea, Republic of Won	.0020	483.00	Singapore Dollar	.3358	2.98
Lebanon Pound (free)		N.A. ¹⁰	South Africa Rand	1.5088	.66
Libya Dinar	2.777	.36	Spain & Dependencies Peseta	.0181	55.25
Malawi Kwacha	1.2280	.81	Sri Lanka⁷ Rupee	.1555	6.43
Malaysia Dollar	.4475	2.23	Sweden Krona	.2620	3.82
Mexico Peso	.0821	12.18	Switzerland Franc	.4095	2.44
Morocco Dirham	.2447	4.09	Syria Pound (free)	.2711	3.69
Netherlands Florin	.4285	2.33	Thailand Baht (free)	.0513	19.49
Netherlands Antilles Florin	.5734	1.74	Trinidad & Tobago⁶ Dollar	.5005	1.99
New Zealand Dollar	1.3600	.74	Tunisia Dinar	2.3585	.42
Nicaragua Cordoba	.1466	6.82	Turkey Lira	.0713	14.03
Nigeria Naira	1.4700	.68	United States Dollar	1.0264	.97
Norway Krone	.2072	4.83	Uruguay Peso (free)	.0004	2,500.00
Pakistan Rupee	.1037	9.64	Venezuela Bolivar (official free)	.2397	4.22
Panama Balboa	1.0264	.97	Yugoslavia Dinar (official)	.0593	16.86
Paraguay Guarani (free)	.0082	121.95	Zaire, Republic of⁹ Zaire	1.961	.51
Peru Sol (free)	.0237	42.19	Zambia Kwacha	1.550	.65

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 Leeward and Windward Islands.

9. Formerly Congo (Kinshasa).

10. Rates not available at press time.

Largest line of credit spurs new trade push

Business writers and broadcasters last month reported on the "biggest deal ever negotiated by the Canadian Export Development Corporation." With the formal signing in the Parliament Buildings' Commonwealth Room, Alastair Gillespie, Minister of Industry, Trade and Commerce and V.S. Alkhimov, Soviet Deputy Minister of Foreign Trade put the finishing touch on an agreement to extend a \$500-million line of credit to the USSR.

This was followed by a visit to Canada of a high-level Soviet trade delegation, which showed particular interest in machinery and equipment for pulp and paper, forestry, petroleum, gas, mining and transportation. It was expected that a number of contracts would be written up following the tour.

These developments probably came as no surprise to regular readers of *Canada Commerce*. Officers of this Department, writing in the magazine, have for several years predicted greatly increasing trade with the USSR and other East European countries (see *Canada Commerce*, April 1975, for the latest comprehensive report). After the signing of the line of credit agreement, Mr. Gillespie repeated the prediction, pointing out that Canadian sales to the USSR of items other than grain increased from about \$5 million in 1973 to almost \$30 million in 1974.

The EDC credit will be for contracts signed by the end of 1977, at which time the agreement will lapse. However, actual deliveries could be spread over a longer period. The agreement should go a long way to helping Canadians compete for Soviet business. For some time it has been known that we have lost out on contracts with the Soviets because even though our products were competitive in every way, we could not offer credit terms as favourable as those provided by companies in other countries.

V.N. Myshkov, former head of Soviet trade representation in Canada, played an important role in the negotiations leading to the line of credit agreement. He returned to Moscow about two weeks after the signing, capping six years in Ottawa

spent cultivating Canadian/Soviet trade relations. He oversaw the establishment of a new trade centre in the capital, which opens this summer and houses show rooms and office space, as well as special exhibits. He also played a large part in recent sales to Canada of Soviet-built turbines, generators, tractors, machine tools, watches, cameras, cotton fabrics, chromium ore and manganese worth a total of about \$50 million.

Interviewed by *Canada Commerce* some time before the line of credit was announced, Mr. Myshkov told us that trade prospects are excellent but noted that Canadian businessmen are going to have to be both more patient and more aggressive in their dealings with Soviet trade companies. The following is a portion of that interview: *What products is the Soviet Union most interested in selling in the West, especially in Canada?*

The Soviet Union, being a highly-industrialized country, is interested first of all in selling machinery abroad and during all the talks we have had with Canadian companies and government officials, we have always placed emphasis on machinery. We have much experience in building huge electricity generating plants and we are particularly interested in selling our turbines, generators, high-frequency transmitting lines and other such equipment.

But we are also interested in selling agricultural machinery such as tractors and various types of combines for crops such as wheat, corn and potatoes. We also offer machine tools, presses of huge capacity, fixed-wing aircraft and helicopters. From time to time our trading partners purchase other items, such as heavy water, chromium ore, manganese ore, cotton, cotton fabrics and even plywood boards and sheets but our greatest interest is in selling machinery.

Does the Soviet Union plan to sell expertise in the West; that is, Canadian engineers work as consultants on foreign projects and your engineers have worked as consultants in some countries — would the number of

such countries be increased?

Of course, the Soviet Union provides knowhow to its trading partners, especially when the building of power stations or other construction is being done with the assistance and equipment of the Soviet Union. But we are engaged in exchanges of knowhow with many countries, including Canada. Canadian specialists have gone to the Soviet Union to learn what we are interested in and vice versa. I think this will be a special question for the consideration of the Commission formed under the Canada-U.S.S.R. Agreement on Co-operation in the Industrial Application of Science and Technology.

Nowadays, knowhow is an accepted item of trade and therefore we have organized a special foreign trading corporation to deal in this area. It is called Licenzintorg and it has already sold licences to Stelco and Alcan and discussions are underway with other Canadian companies. In the case of Stelco and Alcan, Soviet engineers visited Canada as consultants and we hope to increase this sort of activity.

Your government is opening a trade centre in Ottawa. Could you tell us about it? What is its purpose?

Because of the great geographical distance between our countries it is difficult to arrange demonstrations of various types of equipment. The Soviet Union participated in Expo 67, then at the Canadian National Exhibition, and our foreign trade organizations have set up several special shows in Montreal and Toronto. But all of these were for just a short period of time and businessmen need to be re-acquainted constantly with the products they may be able to use.

Our existing facilities in Ottawa do not permit us to organize exhibits and that is why we decided to build a trade centre. And I think this helps to demonstrate our serious interest in Canada-Soviet trade. We will have semi-permanent displays of goods we want to sell in Canada and we will also be able to show films and maintain a library of pamphlets and other sales literature. Canadian businessmen thus will have the opportunity to get

acquainted with our products right here in Canada. And by the way, officials of the trade centre will have the right to sign contracts on behalf of all Soviet trading corporations and so less time will be required on negotiations and signing contracts.

What Canadian goods and services is the Soviet Union interested in?

Well, we are just as interested in buying machinery as we are in selling it. It depends on demand in the Soviet Union. For many years we have purchased heavy-duty tracked vehicles from Foremost Industries in Calgary and we are also buying pulp and paper equipment and some types of powerful pumps.

Recently, we bought licences and equipment from Bata for a plastic shoe plant and Soviet specialists came to Canada under that deal in order to study methods. Canadian consultants also went to the Soviet Union. We have also bought equipment to produce snowmobile tracks and we regularly buy wheat, cattle, synthetic rubber and other goods.

In general, right now we are looking for automotive parts and equipment to produce automotive parts, equipment for electro-smelting furnaces, machinery for the textiles and footwear industries, equipment for natural gas production, non-ferrous metals mining equipment and equipment for the production of synthetic materials. We are interested in Canadian consortia which have the know-how, equipment and financing to develop copper and nickel resources and we are interested in companies producing electricity generating plants and equipment. We would like to cooperate with Canadian companies on projects in third countries as well.

There is some interest in consumer goods, if the price is right, but we have found that it is generally cheaper to buy consumer items in Europe.

What is the best way for a Canadian firm to attempt to sell its products in the Soviet Union? What procedure do you recommend?

For a Canadian company it is

much easier than it is for a Soviet trading company to determine demand for products. This is because in the Soviet Union there is only one company dealing in each particular product. It is possible to contact Soviet trading companies directly in Moscow but I strongly recommend preliminary discussions with Soviet trade representatives in Canada. We have our office here in Ottawa and there is a branch in Montreal.

We provide consultation and make recommendations on how to pursue a particular deal and it is often the case that we start and finish a deal here. That is, we negotiate here and sign the contract here, which means that it is often not necessary for a Canadian company to travel to the Soviet Union. But when it is a big deal and very complicated, we usually recommend who to approach in the Soviet Union and make the arrangements for the Canadian trip to Moscow.

Wanted Manufacturers

This information is intended to promote additional manufacturing in Canada and is re-printed from the New Products Bulletin, published by the Industrial and Trade Enquiries Division of the Department. Further material on items listed is for Canadian manufacturers only and no responsibility is assumed for claims or statements made. Address inquiries, quoting item numbers, to: Industrial and Trade Enquiries Division, Department of Industry, Trade and Commerce, Ottawa K1A 0H5.

Ultrasonic cleaning equipment

American company offers under licence the Canadian manufacturing rights to its line of industrial ultrasonic cleaning equipment. Ultrasonic cleaning consists of setting up high frequency sound waves in an appropriate cleaning solution such that when contaminated parts are immersed within the activated liquid they are thoroughly cleaned. The product line ranges from separate tanks of various sizes or volumes to completely automatic systems. Immersible transducers are available for inserting into existing tanks. Literature available. **Item 3162**

Commercial laundry machinery

Danish firm is offering the Canadian manufacturing rights to its line of commercial laundry machines for use in hotels, motels, apartment buildings,

institutions, laundrettes, etc. The equipment includes automatic and semi-automatic washers and washer-extractors of the front loading type, water extractors, tumbler driers and return feed ironers. The washers are claimed to provide savings in water, detergent, and energy consumption. All machines are designed for continuous use. Literature available. **Item 3163**

Scaffolding supports

Norwegian firm seeks to licence a Canadian company to manufacture its steel props used to support construction scaffolding. The supports consist of two steel telescopic tubes and a fixed fork with locking pin. An automatic release feature permits rapid disassembly. The tubes have no threads or holes; fine adjustment is accomplished by a removable jacking

apparatus. It is claimed that these props can be used with all existing types of girders and that they are less expensive than other types of supports due to their low cost of maintenance and longer life. Literature available. **Item 3164**

Cylinder lock

Swiss firm offers under licence the Canadian manufacturing rights to its precision high security cylinder lock and key systems. These patented systems are based on the spring pin/tumbler principle. In one model a theoretical total of over four billion combinations is possible. The key is flat and reversible, has straight sides rather than serrated edges, and will not bend or break under normal use due to its high quality nickel silver construction. The keys have dimples on each face at four depth. Literature

available. **Item 3185**

Folding hand truck

Canadian inventor offers a licensing arrangement or the outright sale of his Canadian and American patents covering a folding two wheel freight hand truck. Designed as a space saver where storage is a problem, it is ideal for transports and delivery trucks, small warehouses and offices. The handles open and align the wheels, engage the wheel-locking assembly and open the load carrying plate in a single action. The unit's folded size is 3 in. x 16 in. x 42 in. It is equipped with an extension frame for carrying light weight cartons. Literature available. **Item 3166**

Portable mixer, roller, container

British firm offers under licence the Canadian manufacturing rights to a versatile unit made of low density polyethylene which can be used as a container, as a mixer for liquids and granular products, or as a lawn roller. Mixing is accomplished by internally moulded vanes which mix the con-

tents as the container is rolled. Designed in a variety of sizes from two pints to 25 gallons, this unit can be used for mixing cement, fertilizers, feed stuffs, etc. A detachable handle is provided. Literature available. **Item 3167**

Retractable ladder

American company is offering the rights for manufacturing under licence in Canada its retractable ladder for use as a residential fire escape. The ladder is attached to the house near a window. In the closed position, it resembles a rain downspout and does not detract from the appearance of the house. The ladder can be opened for use by a touch of a lever at the top. Laboratory tests indicate that the ladder can support over 1,500 pounds. Literature available. **Item 3168**

Bicycle fork lock

American inventor offers for manufacture under licence in Canada his new locking device which is inserted into the fork of a bicycle to lock the steering mechanism. The lock is in-

serted 2" above the fork shoulders in a 3/8" hole drilled through the fork housing and steering tube. The lock can be provided with a securely attached wire rope or cable which permits the bicycle to be secured to a pole or other stationary object. The cable can also be used to prevent the theft of quick-release wheels. Literature available. **Item 3169**

Battery — terminal bridge

American inventor offers the Canadian manufacturing rights or the outright sale of his Canadian patent covering a battery terminal bridge to be mounted over the cable terminal clamp attached to a storage battery. This device assures uninterrupted flow of current through the ignition system of an automobile despite corrosion between the battery terminal and the terminal clamp. Bridging of the corrosive condition is accomplished by contacts imbedded into both the battery terminal and the cable terminal clamp. The bridge is zinc plated to resist corrosion. Literature available. **Item 3170**

International Projects

HAITI — WATER SUPPLY

The Inter-American Bank has announced the approval of a \$2.3 million loan to help Haiti expand and improve the water supply system of Port-au-Prince, Petionville and adjacent areas. This loan complements a previous loan for \$5.1 million approved by the Bank in 1970 to help finance the second stage of the project.

The first stage, now completed, included the preparation of design and the installation of transmission and distribution systems and was partially financed by a 1964 Bank loan for \$2,360,000.

The total program is designed to satisfy the needs of the metropolitan zone of Port-au-Prince for potable water up to 1980. In addition, it is expected to improve sanitary conditions in the city and to foster the expansion of industry, construction, tourism and commerce.

JORDAN — EDUCATION

The International Development Association (IDA), an affiliate of the

World Bank, has approved a \$6 million credit to the Hashemite Kingdom of Jordan to help finance a second education project. The United Nations Development Programme and foreign governments are expected to finance expert services and fellowships costing about \$1.3 million. The Government of Jordan will provide financing for the balance of the project's total cost estimated at \$17.4 million equivalent.

The project aims at (i) expanding and reinforcing vocational and technical education including adult training and retraining to produce the specialized skills required for the development of priority sectors of the economy (mining, industry, agriculture, food processing, and tourism); (ii) supporting integrated rural development projects in the Jordan Valley through a pilot scheme of non-formal basic education; and (iii) promoting quality improvements, rationalization and economy of operation in both the compulsory cycle (which includes both elementary and prepara-

tory education) and secondary education by replacing uneconomically small rented school buildings and providing schools with adequate workshops and other teaching facilities.

Implementing organization: Projects Implementation Unit (established under the first project), Jordan — IDA Education Project, Ministry of Education, Amman, Jordan.

Procurement: Contracts for civil works, furniture and equipment for all project institutions except the proposed extensions and the items included in the miscellaneous category for each institution will be awarded on the basis of international competitive bidding. For the purpose of comparing foreign and local bids, local manufacturers of furniture and equipment will be allowed a margin of preference equal to the existing rate of customs duties applicable to competing imports or 15 percent of the c.i.f. price whichever is lower. Competitive bidding, advertised locally and in accordance with local procedures, will

be used for the procurement of furniture for the proposed extensions as well as for their construction, where the estimated value of each construction contract will not exceed \$100,000 and the aggregate cost of all such contracts will not exceed the equivalent of \$1,100,000. Local competitive bidding will be used for furniture and equipment items costing less than \$2,000, which are to be included in one miscellaneous category not exceeding \$50,000 for each institution.

KOREA — RAILWAYS

The World Bank has approved a \$100 million loan to help finance a Fifth Railway Project in Korea.

The project, with an estimated total cost of \$292 million, will increase the capacity of the Korean National Railroad (K.N.R.) to handle rising volumes of passenger and freight traffic; in particular, it will help K.N.R. in carrying an increased amount of coal from the northeast of the country to population and industrial centers such as Seoul and Busan where its consumption as an alternative to oil will assist in saving foreign exchange.

Implementing organization: Korean National Railways, Seoul, Korea.

Procurement: International competitive bidding except for some spare parts. \$8.7 million for spare parts will be negotiated with the original suppliers. Korean manufacturers will be allowed a 15 percent preferential margin of the C.I.F. cost.

Consultants: A specialist for advice and assistance in implementing a plan of action on improving locomotive and rolling stock maintenance.

SPAIN — LIVESTOCK

The World Bank has announced a \$33 million loan to help finance a second livestock project in Spain.

The project, with a total cost of \$149.3 million, will increase meat and milk production, based on pasture rather than feed grains, which are urgently needed for human consumption. It will also introduce institutional changes in land tenure arrangements and reinforce technological innovations begun under the first project.

Implementing organization: Livestock Development Agency (Agencia de Desarrollo Canadero), Avenida Re-

publica Argentina 33-37, Sevilla, Spain.

Procurement: International competitive bidding is not appropriate for this project because of technical reasons. The goods and services required for farm development, both locally manufactured and imported, will be procured through existing commercial channels which will also provide the service facilities. Most machinery, wire for fencing and building materials are manufactured locally and are competitive with international prices. An adequate number of international firms is represented to ensure effective competition in the procurement of the required imported goods, such as seeds and certain types of machinery and equipment. Applicable import duties on farm machinery are generally 25 percent or less while the import duties on most pasture seeds are below 10 percent.

Consultants: Consultants will be employed for technical assistance and staff training. The Livestock Development Agency will require a Technical Consultant (with a University degree in Agricultural Science). The Ministry of Agriculture and the National Institute for Seeds and Nursery Plants will require a Seed Production Specialist (with a university degree in Agricultural Science).

TANZANIA — DEVELOPMENT ASSISTANCE

The World Bank Group has to date approved loans totalling \$76.7 million to Tanzania during the fiscal year ending June 30, 1975. Two further projects, for textile manufacture and dairy development, are being appraised and would bring total Bank Group assistance to Tanzania to \$100 million for the current fiscal year. This would be double the Group's lending to Tanzania in FY74, and compare with the present total of \$276 million lent to Tanzania by the Bank since 1963.

During the current fiscal year, the Bank and its soft-loan affiliate, the International Development Association (IDA), have approved loans and credits of \$8.5 million for a National Site and Services Project; \$10.2 million for highway improvement; \$10 million for the Kigoma Integrated Rural Development Project; \$18 million for the Kilombero Sugar Project; and \$30 million to provide foreign

exchange for essential imports.

URUGUAY — TELECOMMUNICATIONS

The Inter-American Bank has announced the approval of a \$28.4 million loan to help Uruguay improve its telecommunications system. The loan, which was extended to the Republic of Uruguay, will be used by the Administracion Nacional de Telecomunicaciones (ANTEL), the national telecommunications agency, to build and equip two telephone exchanges in Montevideo, to install new microwave systems totaling 726 miles in length, and to modernize the present marine telecommunications network.

The total cost of the project is estimated at \$48,800,000, of which the Bank loan will cover 58.2 percent and ANTEL the remaining 41.2 percent. It will include the following three sub-projects:

- **Switching:** The construction of two telephone exchanges in Montevideo with a total capacity of 10,000 subscriber lines and the installation of central traffic measurement equipment.

- **Microwave:** The construction of civil works and the installation of new microwave systems extending 720 miles in length, including reconstruction of the existing network between Montevideo and Colonia. The new equipment will have an ultimate capacity of 960 voice channels per radio channel and the Montevideo-Colonia route will have three radio channels.

- **Coastal radio:** The relocation of the existing low-, medium- and high-frequency equipment, the construction of three buildings and the procurement and installation of transmitters, receivers, antennas and accessories to modernize marine communication services, including the construction of 11 along the Atlantic seaboard, the River Plate and the Uruguay River.

Implementing organization: Administracion Nacional de Telecomunicaciones (ANTEL), Montevideo, Uruguay.

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

Export Opportunities

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

Equipment and Machinery

SCANDINAVIA — Import agency with offices in Gothenburg, Copenhagen and Oslo is interested in expanding its product line sold to shipping and offshore oil industries. All related products are of potential interest and the firm is currently marketing fibre and steel wire rope, and survival systems. Proposals should be sent to: Commercial Division, Canadian Embassy, Postuttak, Oslo 1, Norway.

SWITZERLAND — Heavy and light machinery and installations; 2GHZ mobile duplex microwave links for digital data transmissions; book-keeping equipment; electrotechnical porcelain insulators: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

UNITED STATES — Distributor covering six New England States needs Canadian sources of combustible-gas, hand-portable and fixed-instrument, lower-explosive-limit (LEL) and oxygen-deficient meters. Prices should be quoted in US funds, including US customs duty, c.i.f. border point: Consul and Senior Trade Commissioner, Canadian Consulate General, 500 Boylston Street, Boston, Massachusetts 02116.

Foodstuffs

NIGERIA — Milled long-grain rice in packets and bags: Ajogbe Trading Company, P.O. Box 3196, Lagos, Nigeria.

SWITZERLAND — Canned foods, soups, and prepared foods and honey: Commercial Counsellor, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Miscellaneous

SWITZERLAND — Garden tools, fishing equipment, ski gloves: See above address.

Joint Venture

MALAYSIA — Agency has a client with a vacant factory in Butterworth, Malaysia, interested in manufacturing building components, especially adjustable metal louvres in either steel or aluminum. The client is interested in obtaining a joint-venture partner or technical assistance: Commercial Secretary, Canadian High Commission, P.O. Box 990, AIA Building, Ampang Road, Kuala Lumpur, Malaysia.

Foreign Tariffs and Trade Regulations

Argentina

According to a report from our Buenos Aires office, the Argentine Government has eliminated the import duty on newsprint without waterlines. The same decree eliminates the end-use verification tax and deposits prior to importation. The Forestry Fund Tax of 10 percent for the development of the newsprint industry in Argentina will still apply to imported newsprint.

• The Argentine authorities recently introduced the following measures regarding imports by Government departments:

- a) All imports will have to be previously approved by the appropriate government organization;
- b) Certificates of import will be approved for the supply of stocks of no more than four months need. The previous certificates were approved for a supply of six months.

Brazil

The Customs Policy Council has announced the following tariff changes:

Resolution 2333 of February 3, exempts from duty until July 31, 1975 vinyl chloride (chloroethylene) imported for use in the manufacture of vinyl chloride polymer (tariff heading 29.02.12.00).

Resolution 2334 of February 3, 1975 reduces the duty from 55 percent to 40 percent for one year on polyvinyl chloride in suspension and on polyvinyl chloride in emulsion for plastics, (tariff heading 39.02.02.05).

Resolution 2335 of February 3, 1975 exempts from duty for one year a quota of 36,000 tons of concentrated lead mineral with a minimum content of 70 percent lead (tariff heading 26.01.06.99). The quota to be distributed by CACEX to domestic producers of primary lead.

Resolution 2336 of February 3, 1975

reduces the duty from 30 percent to 5 percent for one year on unwrought lead, unrefined and refined, for importers registered with CACEX, provided proof of acquisition of domestic lead in proportion of 2 to 1 tons of imported lead is furnished (tariff headings 78.01.01.00 and 78.01.02.00).

Resolution 2350 of February 21, 1975 exempts from duty forest vehicles for transportation, with 4 or 6 wheels of traction, articulated chassis, for off-road logging; if imported directly by or consigned to the end user (tariff heading 87.02.03.99).

• Effective March 19, 1975 the value of the cruzeiro was adjusted by 1.517 percent in relation to the U.S. dollar. The new exchange rate for the cruzeiro is 7.695 for the purchase and 7.735 for the sale of one U.S. dollar. This is the third rate adjustment in 1975 and the cumulative devaluation against the dollar this year is now 4.06 percent.

Controls on textile imports

The following measures regarding textile imports have been announced by Industry, Trade and Commerce Minister Alastair Gillespie:

- Restraints will be arranged on imports of men's fine suits from Korea in line with the recommendations of the Textile and Clothing Board set out in the Board's interim report on fine suits which was tabled in the House of Commons May 5 by the Minister.

- Imports of fine suits from Taiwan, Hong Kong, Hungary, Romania and Poland are to be monitored through use of the Import Control List.

- Imports from all sources of worsted spun acrylic yarn for machine knitting, and double-knit and warp-knit fabrics, are to be monitored through use of the Import Control List to insure that imports do not exceed the levels stipulated in Textile and Clothing Board recommendations for these products.

- Imports of nylon filament fabrics from Taiwan are being placed on the Import Control List to facilitate administration of Taiwan's recent voluntary undertaking to restrain exports of nylon fabrics to Canada to avoid disrupting the market.

"Action is underway with the Republic of Korea for the purpose of arranging a restraint on exports of men's fine suits to Canada, pending completion of the current inquiry of the Textile and Clothing Board on men's suits, jackets and pants," Mr. Gillespie said. In its interim report on men's suits from the Republic of Korea, the Board expressed the opinion that until such time as it can complete its current inquiry, steps must be taken to discourage the placing of further large orders for men's fine suits in the Republic of Korea "if damage which would be difficult to repair is to be avoided.

"Full use will be made of the provisions of the Export and Import Per-

mits Act to encourage stability on the textile market," Mr. Gillespie said. "By placing on the Import Control List products which are vulnerable to competition from low-priced imports, advance information can be obtained on rates of importation that will indicate what further special protective measures may be required."

Mr. Gillespie said that the measures are in keeping with the National Textile Policy which the government has been implementing since 1970. "The policy is to encourage the development of an efficient domestic industry which is internationally competitive on a normal basis. Where this objective is jeopardized by injurious imports, special measures of protection are introduced."

Major reduction obtained in EEC levy on Canadian aged cheddar

Exports of Canadian aged cheddar to Britain are resuming as a result of successful negotiations which Canada undertook with the European Economic Community to work out a special reduced levy for this cheese when imported into Britain, as well as the rest of the enlarged Community. The British market has traditionally been of prime importance to Canadian cheese producers, but over the past two years virtually no Canadian cheddar cheese has been exported to Britain because of the imposition of the EEC variable levies in 1973.

The special access arrangement concluded with the EEC provides for the application of a fixed levy for imports of Canadian aged cheddar of 15 EEC Units of Account (UA) per 100 kgs. (about 8½ cents a pound at present exchange rates); this represents a big reduction from the basic EEC levy, currently equivalent to approxi-

mately 73¢ a pound. Because EEC levies are being phased in during a transitional period in Britain, the Canada/EEC agreement means that no levy applies to our aged cheddar in Britain at present and the full levy of 15 UA does not come into effect until January 1, 1978.

In order for Canadian aged cheddar to benefit from the special fixed levy, certain agreed specifications have to be met regarding price, quality and form of the product. In addition, shipments must be accompanied by official Canadian certification that the stipulated requirements have been observed. The Canadian Dairy Commission is the agency authorized to issue the certificates.

Further details about how exports can qualify under the aged cheddar arrangement may be obtained from any of the following:

Agriculture, Fisheries & Food
Products Branch or
European Bureau,
Department of Industry, Trade
and Commerce,
112 Kent Street,
Ottawa, Ontario K1A 0H5
Canadian Dairy Commission,
2197 Riverside Drive,
Ottawa, Ontario K1A 0Z2
Dairy Division,
Agriculture Canada,
Sir John Carling Building,
Carling Avenue,
Ottawa, Ontario K1A 0C5

Two more companies repatriated

Following more than 20 weeks of negotiations, Arden C. Boland, founder of Central Dynamics Ltd., recently announced that two wholly-owned Canadian subsidiaries of the W.R. Grace Company were acquired by him and two of his Canadian business associates.

To establish a vehicle for the purchases, Mr. Boland formed a new federally-chartered company, Welland Chemical Ltd., which immediately acquired all assets of both Welland Chemical of Canada Ltd., in Scarborough, Ontario, and St. Clair Chemical Ltd., in Sarnia.

Mr. Boland is chairman of the board of the new company. He is also controlling shareholder in Central Dynamics Ltd., which has become the largest electronics company in Canada specializing in television terminal equipment. He was also active in the founding of Comterm Ltd., another electronics-oriented company special-

izing in remote batch terminal equipment. It is now the largest Canadian manufacturer of RBT equipment.

Welland Chemical Ltd. is Mr. Boland's first venture into the chemical industry but it is actually his ninth entrepreneurial venture. He has also been involved in aerospace accessories, prefab housing, atomic energy-related instrumentation, in addition to computer and television products. The housing company was sold two years ago but Mr. Boland says the other companies continue to sell their products in increasing volumes around the world.

Mr. Boland told *Canada Commerce* that plans call for Welland Chemical Ltd. to expand in a number of directions. The company is the only one in Canada manufacturing aluminum chloride in commercial quantities and, in fact, is the second largest producer in North America. Domestic and foreign sales efforts will be intensified

and Mr. Boland and his associates intend to capitalize on Welland Chemical Ltd.'s unique, patented manufacturing process.

Mr. Boland said the repatriation of the two companies was made possible by a "generous" line of credit extended by the Toronto-Dominion Bank.

A.C. Boland



Export growth merits award

An Ontario Government "A" for Achievement award was presented May 9 to J.T. James Jr., President, James Fibre-Glass Manufacturing Co. Limited of Maple, Ontario. The award was recognition of the company's export growth over the past two years.

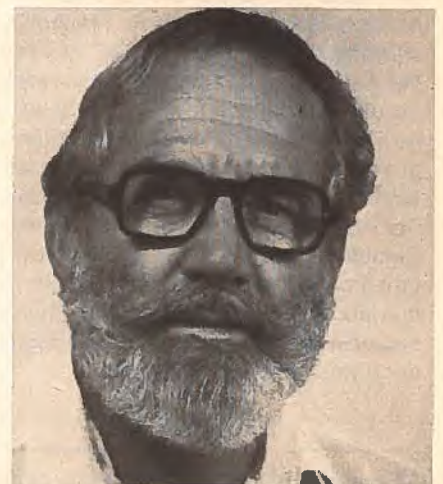
Mr. James has been active in the fibreglass reinforced plastics industry for almost 25 years and has had his own weaving company servicing the industry since 1963. He also operates firms in the United States and Britain and has established a second company in Canada, F.G. Industries Limited.

Mr. James told *Canada Commerce* his firm has been successful because

"we have made many trips to foreign markets . . . it is the only way to make sales . . . you have to deal face-to-face with your potential customers." He said his company has taken full advantage of various provincial and federal assistance available for overseas sales missions. Recent visits to South America and South Africa were made with the help of IT&C's Program for Export Market Development (PEMD).

Mr. James' company has two new forms of fibreglass reinforcement on the market — Fabmat Type "C" and Liasil/Fabmat — and these products account for most of the company foreign sales.

J.T. James



Garland moves to bigger plant

Garland Commercial Ranges Limited has moved into new facilities on Kamato Road in Mississauga, Ontario.

The new plant has a working area of 113,000 square feet and is designed for easy expansion. It will manufac-

ture the complete line of Garland food service equipment.

Garland has been manufacturing

in Canada for more than 20 years and there have been several expansions during that time. The company has sales representatives in Toronto, Montreal, Vancouver, Calgary, Winni-

peg and Moncton. There are distributors in 21 other countries and a subsidiary firm, Garland Catering Equipment Limited, in London, England.

Scholarships awarded

The Department of Industry, Trade and Commerce has awarded 10 scholarships to women for post-graduate studies at the MBA level as part of its International Women's Year program.

The scholarships were offered in national competition to academically-

qualified women. It is hoped these awards will assist women in reaching senior management positions in business and government. The scholarships were awarded to: Ginette Bourgeois, Montreal; Tina Chopra, Islington; Nancy K. Clive, Willowdale; Rhonda Fern Green, Toronto; Joan

Burrill Hayes, Toronto; Helen Louise Hein, Montreal; Jean Emily Pearce, Montreal; E.K. Carolyn Rodger, Delta, B.C.; Gail Estelle Sleeman, Toronto; Sheila May Smith, Willowdale.

Seminars exceed expectations

Speaking at a Montreal news conference to wind up a series of seminars on Latin America, Alastair Gil-

The Trade Commissioners had been brought back from their posts in Latin America especially for the seminars, which were held across the country during April. They started in Vancouver, where three days of meetings had been organized by the governments of British Columbia, Alberta, Saskatchewan and Manitoba, with the co-operation of IT&C, as the Western Canada and Latin American Trade Partners conference (WESLA).

The Vancouver sessions featured government officials and business leaders from Colombia, Ecuador, Peru and Venezuela, in addition to the Canadian Trade Commissioners from those countries. It had been expected that about 100 people from the private sector would show up; instead attendance was more like 300 persons.

lespie, Minister of Industry, Trade and Commerce, said that "about 2500 management people took part and at

The message from Latin America was quite clear — at the Vancouver seminars and across the country — there are some tremendous opportunities for Canadians but we're going to have to work at it and it appears joint ventures will be a major factor in doing business in the vast market that is the "other" America.

As Samuel Drassinower, president of MORAVECO of Peru, put it: "We can't go on exporting our raw materials. We have to develop mass-employment industries. Our unemployment rate is enormous and we can't allow this situation to continue. Canadian investors should definitely consider joint ventures with Peruvian interests."

At the wrapup news conference in Montreal, Mr. Gillespie reiterated the

least 1600 of them were able to meet in private sessions with our Trade Commissioners."

joint venture theme. "It's often the only way to do business," he said, "There isn't much of a market for consumer goods yet but the Latin Americans are attracted to many of the things Canadians do superbly well. They are very interested in working with us on road projects, airports, control systems, mining and other resource industries, and port development."

From Vancouver, the "IT&C Travelling Trade Show" moved to Calgary and Edmonton for one day in each of those cities, then on to similar stops in Saskatoon, Winnipeg, Toronto, Halifax, Fredericton and, finally, Montreal.

Readership survey response excellent

Readers of the English edition of *Canada Commerce* will remember that the October issue contained a survey card and even though the issue was delayed by fire at the printer's, hundreds of cards were filled out and returned. A high percentage of the

people filling out those cards agreed to participate in a more detailed survey and returns on that are impressive.

However, the fire meant that many of the October copies of our French edition, *Commerce Canada*, never

reached the mailbox. The survey card was run again in the May issue of *Commerce Canada* and we expect excellent returns. But this means that completion of the survey will be delayed and it gives readers who did not respond before an opportunity to do

so now.

By the way, first returns of the detailed survey indicate the vast majority of our readers find *Canada Commerce* useful and informative and many have taken the trouble to make additional comments. G.L. Grey, President, Buttes Resources Canada Ltd., an oil and gas exploration firm, wrote the following:

"In this rapidly changing world it is necessary for all Canadians to have a better feel for what is going on in other parts of the globe. This is par-

ticularly true of individuals engaged in supplying commodities on a world-wide basis.

"We must have a better understanding of the needs, desires, ambitions and objectives of our foreign friends before we can successfully negotiate with them. In a resource-oriented nation, such as Canada, the opportunities for increasing world trade are enormous.

"At a time when the federal government is restricting exports of vital supplies of energy necessary for

our own use, we must find alternative commodities and materials to make up the difference caused by this change in policy. Canada can be a leader in world trade if its business people make the right decisions and it is through organs such as *Canada Commerce* that much of the information necessary to understanding changing world situations is acquired."

Wrong number

A number of recent IT&C publications have listed as the telephone number of our Embassy in Washington, D.C., the one that actually belongs to the chancery annex (CDLS Building). The correct Embassy number is (202) 785-1400.

Trade Commissioners on Tour

W.H. Smith, Commercial and Press Officer in IT&C's Johannesburg office, is touring Canada until the end of June. His office covers Transvaal, Natal, Botswana, Lesotho, Swaziland, Madagascar, Mauritius, Mozambique, Angola and Reunion.

Mr. Smith's specialities are forestry, pulp and paper, transportation, television, films and press relations. If you would like to meet with him while he is in Canada, contact your IT&C Regional Office to check his schedule.

WATCH-4 could be two years ahead

Computer networks involve the interactive working of several computers and their associated communication links. Usually, monitoring of a system is done at the input and output terminals but does not identify overworked, idle or malfunctioning elements.

Using what is claimed to be a unique combination of hardware and software techniques, University of Waterloo's WATCH-4 can reveal internal behaviour of a system or network and identify weaknesses. WATCH-4 should assist managers and computer performance engineers in

getting maximum use out of their systems. According to the people at Waterloo, applications range from a single computer system to the coast-to-coast networks used by airlines, and the on-line banking systems coming into use.

Designed by Professor David Morgan and Walter Banks, two WATCH-4 prototypes are now operating at University of Waterloo, after three years of development work financed in large part by the federal Department of Communications contract research program.

University officials say the WATCH-4 system is two years ahead of anything similar and is ready for the open market. They are seeking active involvement with companies capable of manufacturing the hardware and adapting, distributing, and installing systems to provide network monitoring service. For more information contact C. Frank Phripp, Waterloo Research Institute, University of Waterloo, Waterloo, Ontario N2L 3G1.

Maybe your library can help

We haven't done a survey of what's available at libraries across the country but the Ottawa Public Library offers some services for business that may be more or less duplicated in other centres.

The Ottawa Public Library offers a selection of tax guides; books and

articles on conducting a useful interview; information for the person suddenly saddled with a responsibility such as public relations or job evaluation that lies outside their regular field; books and up-to-date references on evaluating various insurance programs; books on personnel manage-

ment; interest and amortization tables for the person taking out a loan; a large selection of business and industrial directories.

In addition, the library has books on accounting, marketing, financial management, resume writing, commercial law, office management —

even business letter writing. A complete collection of government publications and documents is maintained and there are many other time-

saving sources of information. The point is this; why spend a bundle on material you can get for next to nothing? Give your library a call.

Joint venture sought

An Ontario-based structural steel building systems company seeks a joint venture partner. The company has an engineered system for approximately 7,000 sizes of industrial and commercial buildings. The partner company would be required to

handle manufacturing and sales with distribution through the joint venture. Management counselling will be available through all phases and capital participation is open for discussion. For more information contact the Toronto Regional Office of the De-

partment of Industry, Trade and Commerce, P.O. Box 325, Commerce Court West, 51st Floor, Toronto, Ont. M5L 1G1.

First for Canada in Iran

The Tehran International Trade Fair opens September 13, to run until the 24th, and for the first time Canada is participating officially. Our office in Tehran informs us that hotel space is

extremely tight and with its limited staff is not able to be of much assistance in arranging accommodation for Canadians wishing to visit the fair. We recommend that interested persons

contact their travel agent immediately. For more information about the fair itself, contact your IT&C Regional Office as soon as possible.

Telex difficulties

You may have had difficulty recently in contacting certain Canadian Embassies because a number of telex numbers have been listed incorrectly. Following is a corrected list for some of the Embassies:

London	261592
Costa Rica	2179
Hong Kong	73391
Korea	27425
Malaysia	30269
Portugal	12377
Sri Lanka	1106
Turkey	42369

If you have trouble contacting other numbers listed in *Canada Commerce* we would appreciate being informed. We are correcting our lists but we may miss one or two numbers.

Change of Address

The Guatemala Trade Office in Canada has a new address:

Guatemala Trade Commission,
57 Frontenac, Place Bonaventure,
P.O. Box 381,
Montreal, Quebec H5A 1B7
Telephone: (514) 861-5615
Telex: 0525866 (Guatexpro Mtl)

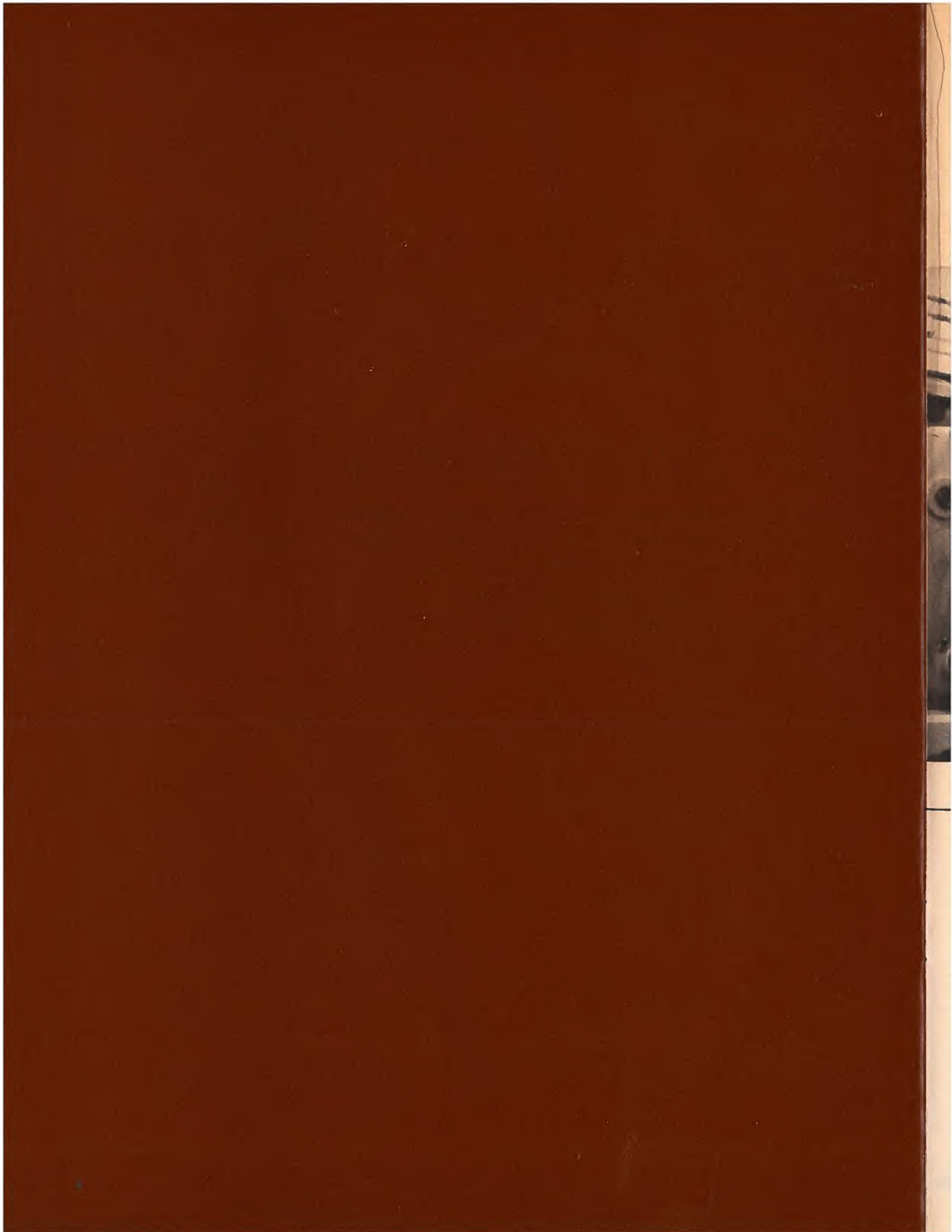
Next Month in Canada Commerce

There will be no *Canada Commerce* next month. We are combining our July and August issues and this will be published on the August schedule. Among the features:

A look at IT&C's Regional Offices;

Japan's distribution system;

The advantages of export houses.





Cheese management and they were taken. The result is a factory outlet and a range of speciality cheeses.

As you might expect, quality plays a big part in the company's success. Cheese lovers are a picky lot but Balderson cheeses have won a wall-full of ribbons at country fairs and the company is particularly proud of its John E. Echlin Memorial Trophy for the Grand Champion Cheese of 1974 at the British Empire Dairy Show.

But all this is not to say that there are plans for a big operation. Quite the contrary. The company was approached a while ago by a major packing company that offered to buy all the processed cheese the Balderson factory could put out. However, the decision has been made to remain a small but efficient country factory producing superior cheese to sell at the lowest possible price. There will be growth but it will be controlled and there will be a limit to it. The philosophy, it seems, is quite simple — why bite off more than you can chew?



Montreal Forum. Many Swiss hockey teams have Canadian coaches, including the champions from Berne.

Curling, in modified form, is becoming increasingly popular and the Swiss Curling Association lists more than 7,000 members in 193 clubs. It is estimated another 2,000 Swiss curl regularly, even though they do not belong to clubs, and you can probably add another 5,000 winter tourists to that figure.

The Swiss very nearly won the Air Canada Silver Broom Bonspiel in 1974 and this year they did win it, at Perth,

Scotland. This success is certainly not going to harm the growth of the sport here. The younger generation seems to be taking to it with a will and a newly-opened curling school in Geneva for youngsters 10 years or older has had an enthusiastic reception.

The curling broom generally used in this country is different than the one seen in Canada — older players particularly seem to find it less tiring to handle. But the Canadian type is gaining wider acceptance, especially since its use by the Swiss champions at the Silver Broom Bonspiel.

In summer, the Swiss turn to tennis, among other things, and there are more than 1,500 hard-surface tennis courts for them to play on. The Swiss Tennis Association claims 66,000 active members, including juniors, in about 470 clubs. Geneva boasts the largest club, with 1,300 members swatting away on 14 courts. Tennis, like horseback riding, used to be considered a sport for the wealthy but both activities have received considerable promotion in recent years and these days, many less-moneyed people are getting in on the fun. Horseback riding, in fact, has shown a dramatic increase in popularity and it is estimated that the number of riding schools has tripled during the past five years.

It appears that golf is a sport that a lot of people would like to play but equipment is still prohibitively expensive for many would-be Johnny Millers and club fees are generally high. Nevertheless, the Swiss Golf Association claims 5,500 active members.

Soccer has always been big and there are almost 5,400 teams playing in regular leagues. Other popular sports are rugger, handball and, perhaps this is a surprise, basketball. The rivers and lakes all have their share of fishermen and all types of water sports are popular, especially canoe and kayak racing for both men and women. In the land of William Tell it may also be surprising that only 500 people are active in just 22 archery clubs but on the other hand, target shooting with rifles and pistols has more than 200,000 practitioners.



Hang gliding is attracting adventure seekers all over the world and so far it is estimated that about 2,000 Swiss have taken to regularly flinging themselves off various mountainsides suspended from seemingly flimsy triangles of fabric. They call it "delta flying" here and the Federation Suisse de Delta has about 500 full-fledged members who can take instruction at the eight hang gliding schools that have been established so far.



Selling in Switzerland — The Swiss have their pick of sporting goods, with all types of equipment readily available. They are, as you probably realize, extremely quality-conscious and will pay top money for top products. They also expect the best in after-sales service. But there is also a market for second-string equipment and it is usually sold by chain stores, discount houses or mail-order firms for the use of children, beginners or people who have no intention of becoming deeply involved in a particular sport.

The main suppliers are Austrian, West German, French and Italian — in that order. Firms in those four countries supplied fully 71.5 percent of Swiss imports of sporting goods in 1973 and that business was worth almost \$26 million. Total imports were worth more than \$36 million. About 80 percent of the skis sold here are imported but virtually none of these come from Canadian firms and Czechoslovakia led us in sales of ice skates (admittedly by the exceedingly narrow margin of \$1,500) in 1973. Japan and other Far East countries are rapidly gaining importance as suppliers of lower-priced sports equipment.

It is easy to see that the Canadian presence on the Swiss sporting goods scene is not overwhelming. But that does not mean the market should be by-passed. It is expanding steadily and a number of areas should be of interest to Canadian firms. There is demand for hockey and curling equipment, après-ski wear, sportswear, fur and fur-lined garments. Western saddles and boots could catch on and there is growing demand for archery and camping equipment. The Swiss also import impressive quantities of fishing gear.

There are almost 900 sporting goods stores in this country and about 600 of them belong to the Association Suisse des Magasins d'Articles de Sport (ASMAS). Another important organization is Intersport Switzerland

in Ostermundigen, near Berne. This is the central buying agency for some 110 sporting goods stores and it is affiliated with Intersport International, which is active in 11 countries. It also has its headquarters in Ostermundigen.

A more recently-established organization, Zentrasport of Basel, represents 120 stores and it too has representation in other countries, through its affiliation with Zentrasport International of West Germany. Between them, Intrasport and Zentrasport account for 75 percent of the purchases made by the stores they represent. A few importers and wholesalers operate independently but the tendency is to centralize buying power in order to reduce costs and to obtain more favourable prices.

In addition to getting in touch with the central buying agencies, Canadians should also consider trade fair participation. Important international sporting goods fairs are held each year in West Germany and France and a new show will be held in Switzerland this fall. SNOW 75 will open in Basel October 11, to run until the 19th, and it will feature skiing and other winter sports. It is expected to become the largest show of its kind in the world — well worth a look.

Do's and Don't's — It seems obvious, but the Swiss market should not be approached without careful consideration of price and quality. It bears repeating; the Swiss will pay top prices but the product must be superlative. Even the department stores and discount houses demand a certain level of quality and low prices alone will not guarantee sales to these canny businessmen.

There are other points to consider as well:

1) When submitting offers, prices c.i.f. European port should be quoted whenever possible and samples should be made available.

2) Delivery times must be met. The Swiss are sticklers about this and more than one promising business

relationship has ended over late deliveries. Goods delivered should be exactly those promised when the order was taken and substitutions should not be made without the importer's approval.

3) If a firm is financially sound it should be trusted and the terms of payment favoured by the customer should be accepted whenever possible.

4) High-pressure sales tactics are out because they will only antagonize potential customers.

It is not customary in Switzerland to make payment for imported goods against documents or letters of credit.

Importers prefer to make inspections prior to settling accounts and bills paid within 10 days are usually given a 3 percent discount; within 20 days, 2 percent, or net 60 days.

The Swiss advertising industry is one of the most sophisticated and the quality of its work is much admired — certainly there are few countries where advertising plays such an important part in promotion. Even established names are pushed regularly in newspapers, magazines, billboards, television and during intermission at movie houses. The distributor or agent usually handles the details of setting up advertising cam-

paigns but the manufacturer is nearly always expected to help pay for them.

For more information, contact your Regional Office or the Western Europe Division, European Bureau, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5. You can get in touch with us at the Commercial Division, Canadian Embassy, 88 Kirchenfeldstrasse, 3000 Berne, Switzerland.

DOLLAR VALUE OF SWISS SPORTING GOODS IMPORTS

(Canadian share in brackets)

	1973		1972	
Sleighs	479,004		373,717	
Skis and poles	25,204,815	(1,801)	17,983,048	(190)
Gymnastic equipment	308,404		264,789	
Ice and roller skates	701,095	(170,108)	374,871	(117,292)
Skate blades and rollers	676,272	(47,676)	514,470	(67,382)
Fishing equipment	1,374,007	(1,958)	1,028,324	(109)
Others	7,509,671	(102,227)	5,442,579	(195,347)
Total	36,226,268	(323,770)	25,981,798	(380,320)

Note: 1974 statistics were incomplete at press time.

For what it's worth

L.D. Burke, the Department's Commercial Counsellor in Berne, in a memo to *Canada Commerce* passes on an interesting and rather telling comment. Mr. Burke's office recently updated its records and in order to do so, wrote to a large number of Swiss firms. They were asked, among other things, if they were still representing Canadian companies and also to comment on Canadian marketing practices.

The reply from one company provides, as Mr. Burke puts it, "a lot of food for thought for those of us involved in trade promotion work." What the Swiss executive wrote

was this: "Canadian firms seem to be satisfied with the orders we give them. They never act on their own to provide special promotion offers or other marketing aids. We have to suggest promotions or special sales and, in our opinion, Canadians lack some initiative. We do not remember that a Canadian company ever came along with a plan to increase business and we have the distinct impression that their production must have trouble keeping up with demand."

What more can we say?

Demand for marine equipment continues in Norway

B.G.R. BARTON, Commercial Officer, Oslo

Despite its population of less than four million, Norway has one of the world's largest merchant fleets, with a total of 22.7 million tons, and income derived from shipping accounted for more than 35 percent of the country's exports of goods and services in 1973.

The Norwegian merchant fleet is one of the most modern, with an average age of 6.3 years per ton and it is updated continually. In 1973 Norwegian owners contracted for a total of 10 million tons of new building and by September 1974, they had ordered a total of 400 vessels, all scheduled for delivery before 1979.

Norwegian yards are building 124 of the new vessels and they also have contracts for 59 vessels for foreign accounts. In addition, these yards have 13 oil rigs on order for Norwegian accounts. The rigs are Norwegian-designed Aker H-3 models,

12 more of which are being built under licence at foreign yards. Local shipbuilding technology is highly advanced and computerized design, construction and operational systems are in widespread use.

Norwegian shipowners are heavily engaged in offshore petroleum exploration. At the end of September last year, 12 Norwegian-owned rigs were in operation and 42 were on order, including those being built in joint ventures with foreign partners. Thirty supply and support ships were operational, with another 91 on order. Concrete off-shore drilling platforms are being built in special yards and will be towed into position when completed.

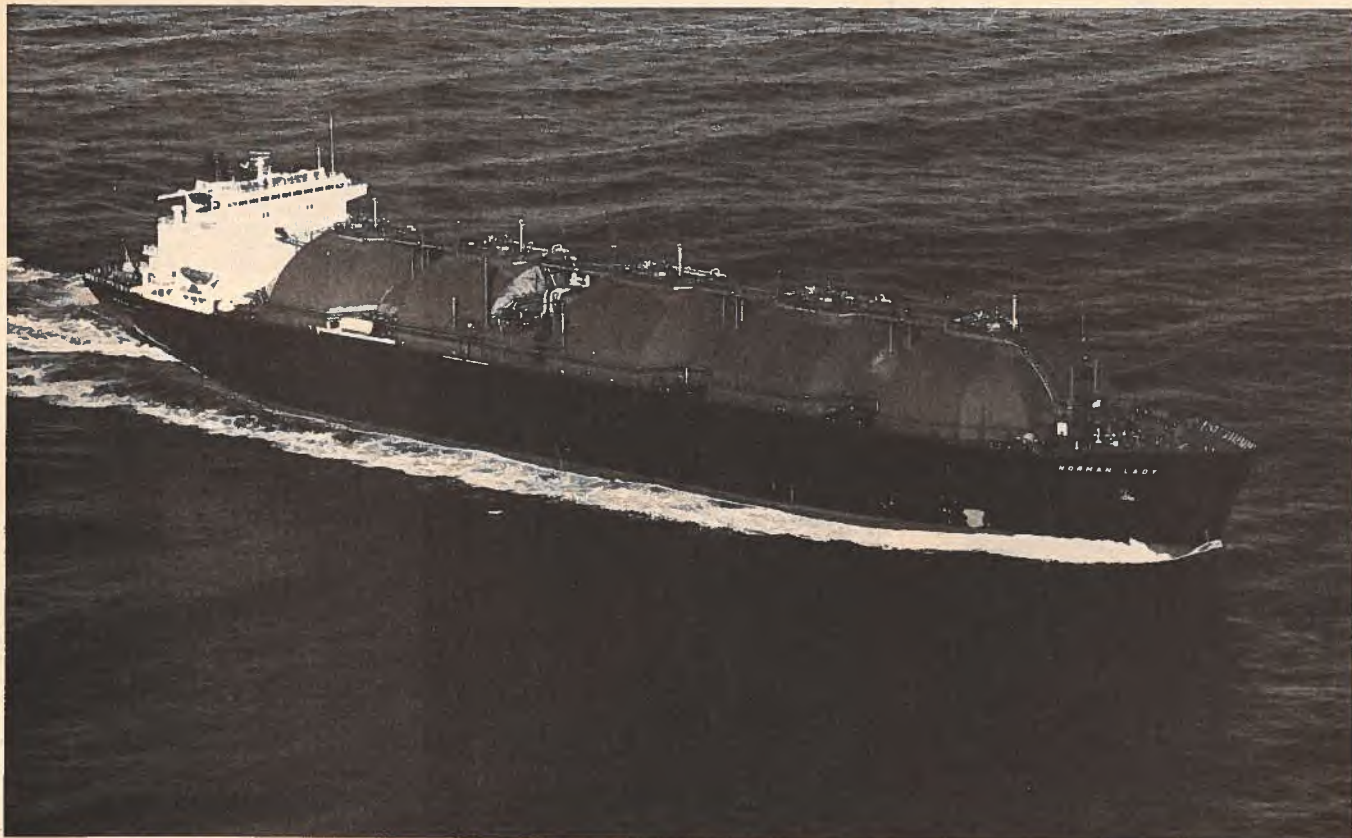
Opportunities for Canadians —

The demand for new vessels should present some excellent opportunities for Canadian yards. This should also

prove to be an interesting market for manufacturers of advanced navigational aids, oceanographic equipment, design computerization systems and other equipment.

The worldwide steel shortage has sent Norwegians searching for ship's plate, anchors, steel rope and submarine piping. There is also considerable potential for shipboard garbage disposal units, waste oil disposal or re-refining systems, oil spill recovery equipment and container handling equipment.

Canadian firms interested in exploring these possibilities should appoint local representatives. With few exceptions, Norwegian vessels are constructed to the standards of Norske Veritas and this institution, with its headquarters and main laboratories in Oslo, also approves most equipment used aboard ship. Not



LNG / C Norman Lady on sea trials out of Norway's Rosenberg Yard.

(Kvaerner-Konsernet photo)

only does appointing a local rep facilitate contacts with Norske Veritas and other bodies such as the Telecommunications Authority, it also enables listing of the manufacturer in local trade publications under the representative's name. As you might expect, competition is keen and the rep will have to be given prompt and thorough support at all times. For more information, contact your Regional Office. Our office too is ready to assist in every possible way and our address is: Commercial Secretary, Canadian Embassy, Postutak, Oslo 1, Norway.

NORWAY'S MERCHANT FLEET 1974

	Number	1000's GRT	%
Gas tankers	42	295	1.3
Tank ships	288	12,065	51.8
Combination vessels	51	3,440	14.8
Ore ships	14	270	1.2
Other bulk ships over 1000 DWT	220	4,815	20.7
Passenger ships	31	345	1.5
Liner vessels	181	975	4.2
Cold storage vessels	31	105	0.4
Other tramp ships	271	960	4.1
Total	1,129	23,290	100.0

(In addition there were 30 supply vessels totalling 20,000 tons.)



Nyland Shipyard, Oslo.



Nyland Shipyard



A.S. Bergens Mekaniske Versteder, Berger.

(Fotograf Lotvect)

Israel still in mood to buy hospital and medical equipment

J. INGBER, Commercial Officer, Tel Aviv

The economy of Israel has been under severe strain since the Yom Kippur War of 1973 but there has been no move to cut budgets for health care and hospitals. In fact, the Israelis have expressed the desire to acquire over the next five years a full range of equipment of the sort found in most Western hospitals and they also plan extensive hospital rehabilitation and construction. Consequently, it appears there are opportunities for Canadian manufacturers, even though they have not made much of a dent in the market yet.

Israel already possesses one of the highest physician-to-patient ratios in the world and it continues to absorb large numbers of doctors from many countries, including Canada, the United States, Britain, West Germany and the Soviet Union. Currently, American products are most popular with Israeli medical people, partly because of the extensive U.S. government assistance they have been receiving, but they also make large purchases in Britain and West Germany and do some business in Holland and Sweden as well.

To understand this market you have to know something about how it has developed. Prior to 1948, the British Mandate then in effect in Palestine meant that British manufacturers enjoyed the advantage in this area. But during the Fifties, German restitution payments to Israel began. As these payments were made in the form of goods of German origin, the British influence naturally waned. Then, when these payments ended, the Americans came on the scene in a big way and today they dominate the market.

Hospital services in Israel are provided by a multiplicity of operating agencies, each with its own policies, despite the fact there is a Ministry of Health charged with not only planning, building and maintaining government-owned hospitals, but also supervising and co-ordinating all other hospitals. But these other hospitals

provide their services through both socialized and private health care schemes and under the private plans, patients must provide their own doctors. Understandably, the Ministry of Health does not have an easy time fulfilling its mandate.

Prior to 1948, several groups of pioneering Jewish immigrants had set up mutual aid health services of their own, the most important of which was, and still is, Kupat Holim. This is a comprehensive mutual aid health insurance scheme run by the General Federation of Labour, known as the Workers' Sick Fund. It was formed about 65 years ago to bring medical care to co-operative villages and collectives and today it is the largest medical organization in Israel, controlling hospitals, out-patient clinics, convalescent homes and other facilities.

Other interest groups set up somewhat similar organizations at later dates and today most Israelis own health insurance issued by these various sick funds.

The Women's Zionist Organization of America (Hadassah) is also heavily involved in the Israeli health care picture. Around the end of World War I, Hadassah set up numerous mother-and-child clinics and when the State of Israel was created these were handed over to government administration. Hospitals were also built and the Hadassah Medical Centre in Jerusalem, now being extensively modified and expanded, enjoys worldwide recognition and support.

Despite the variety of organizations dispensing health care in Israel, they do have some common objectives. Among the most important of these is the replacement of obsolete plant and equipment. It is expected that at least five new hospitals will be completed within the next three to five years and various existing hospitals will be provided with additional wings or support services buildings.

Two of the new hospitals are in

very early stages of development and few capital purchases have been made for them. The others already are equipped with central supply facilities, laundries and kitchens, but the balance of equipment of the type usually found in Canadian general hospitals is yet to be acquired. And this brings us to what we think is an interesting point. The popularity of American-made products has already been noted but it is our view that this very popularity could work to the advantage of Canadian manufacturers whose equipment possesses the same types of features found on items bearing the "Made in USA" label.

The extensive hospital building and renovation being undertaken by the Israelis (about 5,000 new beds will be installed) should provide many sales opportunities for suppliers of all types of hospital and medical equipment. The obvious question is, how do you take advantage of these opportunities? In view of the number of different organizations involved in purchasing, we strongly recommend you appoint a local agent. There are many qualified to do the job and hiring them is standard procedure for virtually all



firms operating in Israel. A local representative is also in a better position to provide after-sales service, assuming your firm establishes a workshop with necessary spares and trained personnel. The agent will want a commission of about 10 percent, excluding service follow-ups.

For more information, contact your Regional Office and remember that the Commercial Division of the Canadian Embassy maintains good contacts with local agents and can help you select the one best suited to your requirements. We are also ready to assist you in other ways, such as evaluating your product's potential, so please contact us at: Commercial Secretary, Canadian Embassy, 84 Hahashmonaim Street, Tel Aviv, Israel.

Ministry of Health Requirements (partial)

Anaesthesia equipment and accessories
 Cardiology, ophthalmology and nephrology equipment
 Electrosurgical units for general O.R. and urology use
 Phototherapy units
 X-ray apparatus
 Surgical equipment
 Respirators and resuscitation units
 Modular operating theatres
 General O.R., orthopedic and gynaecologic operating tables
 Laboratory equipment, including scales, P.H. meters, auto-analyzers and other diagnostic equipment
 Endoscopic instruments
 Suction pumps
 Incubators
 Miscellaneous hospital furniture, including beds, stretchers and trollies

BED TYPE AND OWNERSHIP

Type	1948	1960	1965	1970	1973
General	2,681	6,688	7,958	9,705	10,890
Tuberculosis	623	595	430	273	73
Mental diseases	800	4,100	4,905	7,152	8,061
Mentally retarded	397	2,162	3,003	3,087	3,428
Chronic diseases	105	1,765	1,509	3,015	3,116
Rehabilitation	20	303	577	465	549
Owned by					
Government	689	5,785	7,608	8,865	9,394
Municipal / Local	451	793	1,261	1,393	1,736
Sick fund	649	2,636	3,121	3,744	4,065
Hadassah	431	477	491	590	622
Missions	268	434	444	606	656
Private	1,367	3,394	4,169	5,606	6,475
Other	771	2,094	1,288	2,923	3,169
Total beds	4,626	15,613	18,382	23,727	26,117

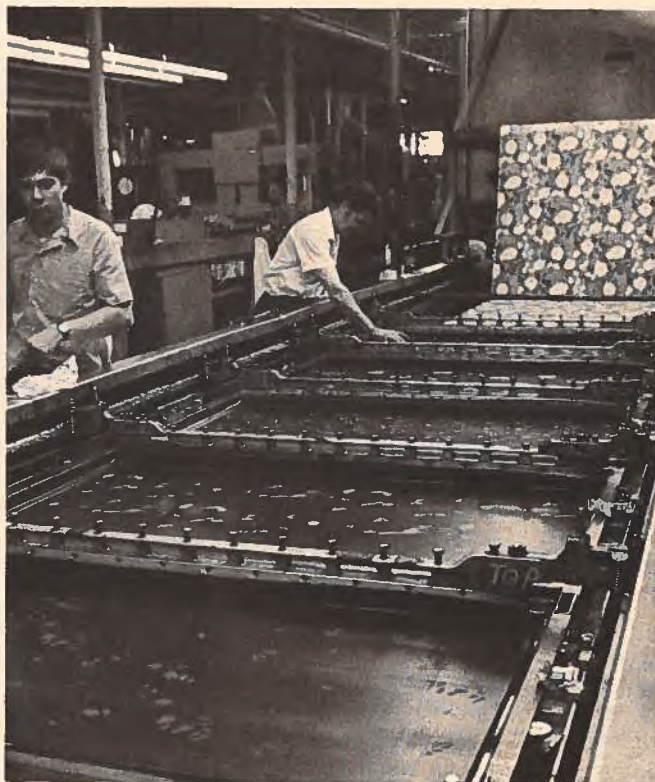
Source: *Statistical Abstract of Israel, 1974*, Central Bureau of Statistics

On-site sales better than anticipated

To sell more than \$900,000 worth of products at a trade show is good going. To sell that much at a show being held for the first time is very good going. But that is what happened during the first-ever Canadian Textile Sample Show, held at the Holiday Inn, Port of Spain, Trinidad. At the end of three short days, \$908,000 worth of business had been rung into the till.

The show was organized jointly by the Department's Textiles Division in Ottawa and the Trade Commissioner Service in Port of Spain. Thirteen Canadian companies exhibited their samples and it was estimated that representatives of more than 125 Caribbean firms attended. There were buyers from Trinidad, Barbados, Guyana, Antigua, Dominica, St. Lucia, St. Vincent, Grenada and several other islands. Many of them expressed particular interest in carpeting but some other products were too-high-priced.

Staffing was handled by personnel from the Department's Trinidad office and the participating firms were: Consolidated Fabrics, Cleyn and Tinker, Electro-Knit, Sterling Fabrics, Ledmin Sales, Mark IV Fabrics, Lyon Corduroy, Associated Textiles, Nalpac, Celanese Carpets, Celanese Fabrics, Val-Abel Textiles and Caravelle Carpets. A second Canadian Textile Sample Show is planned for 1976 but details were not available at press time.



KEY-EDIT in Brazil

Consolidated Computer Inc., of Toronto, has capitalized on a major, growing, but highly competitive marketplace for its KEY-EDIT data entry systems — Brazil.

Facing considerable competition from other manufacturers, more than 30 KEY-EDIT 50 data entry systems have been installed in the major cities of Sao Paulo and Rio de Janeiro, with more orders to follow.

Geoffrey H. Bennett, senior vice-president of marketing and business development at Consolidated Computer Inc., says that the company's growth record in the Brazilian market is an indication of the widespread acceptance of the Canadian-designed and manufactured equipment that is currently in use in more than 20 countries throughout the world.

PRODESP, a state-operated data processing company located in Sao Paulo, Brazil, is one of the world's largest users of KEY-EDIT 50 data entry systems with 10 central processing units and 160 key stations.



Renwick of Canada: shielded against export risks

DENISE MORIN, Assistant Trade Commissioner, Tel Aviv

The author of this article, who was recently appointed to the position in Tel Aviv, previously took a period of training in Canada to enable her to make contacts with Canadian companies interested in export markets. Her stay in the Department of Industry, Trade and Commerce Regional Office in Montreal also resulted in numerous meetings with company representatives eager to profit from the Export Market Development Program. "Most of them regarded exporting as a new venture or a major challenge, the success of which is uncertain and slow to materialize", she writes. Though that is the general rule of the game, one company has departed nevertheless from established practice. Denise Morin tells the story of Renwick of Canada, a firm producing high quality leather goods.

Like many industries in this country, Renwick of Canada is a family business. The company, which was formed in 1930 as Premier Leather Goods Co., has its head office in Montreal and is now managed by the two sons of the founder, Samuel and Maurice Reznick, together with their brother-in-law, Mr. Edmund Schnitzer. It manufactures a full range of articles from leather or imitation leather (briefcases, travel kits, billfolds, portable bars, etc.) with distinctive craftsmanship. This distinctiveness originates with the Reznick family which has been specializing in leather for several generations past.

About 30 years ago, the heirs to this family business decided to expand their operations. This expansion was first realized through creation of the Renwick of Canada division in January 1946 and was the outcome of long-term planning unusual for a Canadian company at that time. Samuel and Maurice Reznick regarded exporting as a natural extension of the Canadian market. They believed more outlets had to be found if they were to continue selling their products.

▀ Their methods are commonplace

today but then they appeared to be extremely reckless, considering the commercial climate prevailing between Canada and the United States, the market Renwick had decided to tackle first. The Depression had forced the two countries to erect a series of tariff and non-tariff barriers but the prosperity of the post-war years gave some hope these would gradually be lowered. Samuel and Maurice Reznick were convinced this would happen: "It was necessary to make preparations, because we knew those barriers would eventually be removed and the small manufacturer would be beset on all sides. We had to become large-scale producers because a new free trade policy could easily imperil our position on the local market."

The only way for them to guard against that consequence was to break into the U.S. market and the first stage consisted of identifying prospective buyers by visiting various U.S. cities. The first display of their samples was in New York at the Canadian Consulate.

Initial penetration yielded spotty results but, on the other hand, the experience gained was of inestimable value. To become established in the United States, it was necessary to overcome two special obstacles in that new market: the plentiful quantity of leather products available locally and the traditional "buy American" policy. They had to establish their identity as "another American producer" and, to do that, they invited potential buyers to visit the company facilities in Montreal.

The plan worked because the volume of sales to the United States rose considerably afterwards and the Reznick brothers were able to look further afield. As Samuel Reznick puts it, the firm adopted the attitude of the "*coureurs des bois*" and set out to explore. While still deeply involved today in establishing the American markets, Renwick has also been looking towards Europe. Following a

tour to scout the possibilities, the brothers decided to participate in the Leather Fair held in London last year. Since they were newcomers to that event, they had to grab the attention of the local buyers, but obviously they could not arrange, in such a short time, for a full-fledged publicity campaign. They hired a Daimler limousine and visited most of London's commercial leather establishments to invite the dealers to examine the Renwick samples at the Fair. The results were more than satisfactory, with sales figures totalling at least four times the volume expected.

That experience encouraged them to become heavily involved in the European market and, at the time of our last interview, Samuel Reznick was getting ready to leave for Europe again. These trips are an integral part of the company's export program, with the brothers regularly attending leather fairs around the world. According to them, it is the best way to keep up with developments in the industry.

The company is also aiming for the vast Asian market. An agent has been appointed in Hong Kong and sales have already been made. Recently two Japanese buyers visited the company's head office in Montreal, as the result of correspondence with our Trade Commissioners in Tokyo. Sales agreements were signed and the company intends to make a more thorough survey of this new market in the near future.

Despite their successes in foreign markets, Samuel and Maurice Reznick maintain that exporting is not easy. "It is an adventure involving numerous risks and your business must be more than a mere livelihood. You must be prepared to lose money but, in the long run, that sacrifice can work wonders for you," says Samuel Reznick, adding that exporting can even improve a company's position on the Canadian market. Renwick has been able to introduce innovations here that might not have

been possible if it wasn't exporting. For example, domestic demand for a certain type of briefcase may amount to only 100 units. Production costs would probably outweigh profits on such a small run but if international demand amounted to, say, 1,000 units then production to meet domestic demand as well could be justified.

Samuel Reznick says there is another advantage to being an exporter. Exposure to international design trends means that a product with wider appeal is possible. Renwick has a permanent design department under the direction of Edmund Schnitzer and one of his responsibilities is to oversee the continual upgrading of the firm's designs. To that end there is a complete review of all Renwick products at least twice a year.



Edmund Schnitzer and Maurice Reznick examine prime quality leathers used in Renwick products.

Design awareness

The first phase of a \$180,000 design awareness program for Saskatchewan manufacturers was launched in mid-April by the Saskatchewan Department of Industry and Commerce. The program, which opened with an exhibit at the Regina Public Library called "The Shape of Things Now," is being assisted by the Office of Design of the Federal Department of Industry, Trade and Commerce.

Saskatchewan Minister of Industry and Commerce, Kim Thorson, said his province will invest \$110,000 in the program over the next two years, while the Office of Design is providing \$70,000. Mr. Thorson said, that "the program will increase the design awareness level and innovative capability of Saskatchewan's secondary industries." He announced a pilot product development program for selected Saskatchewan manufacturers to be implemented over the year and said, "It should give manufacturers a first-hand look at the importance of good industrial product design and what it can accomplish."

Clifford Wiens, the internationally-recognized Regina architect and industrial designer will be an adviser and

consultant to the program. Later this year, a design management course for manufacturers will be organized in Saskatchewan, in co-operation with the Design Management Centre in Winnipeg. It is also possible that a design advisory board will be established in Saskatchewan.

Let's get it straight

The February 1975 issue of *Canada Commerce* indicated on page 12 that PEMD funds may be available to Canadian firms interested in pursuing business under a \$16 million line of credit extended by CIDA to the Ivory Coast. In this regard, it should be noted that PEMD assistance is not available to pursue export sales under a *tied* CIDA line of credit. The program only operates in internationally competitive situations; hence, if the CIDA funds in question can be used by the recipient country to purchase world-wide, PEMD assistance could be possible. But if the CIDA funds must be used by the recipient for purchases in Canada, PEMD support is not available.

Something to think about: information utilities

E.C. BUTTON, Office of Information and Public Relations, Department of Industry, Trade and Commerce

Clive Button has an extensive background in both computers and information services. Before joining this department he was Head, Information Services Project, National Museums of Canada. In this capacity he was responsible for a study of the organization and operation of an information service and then took on the job of implementing those recommendations. Mr. Button has also been Assistant Director, Information Systems and Services, Canadian Radio-Television Commission; Computer Systems and Programming Unit Manager, Department of Manpower and Immigration; lead systems analyst, Canadian International Paper Company; and a systems analyst with Eaton's of Canada.

The late movie is interrupted by a commercial for an interesting household gadget. At the end of the commercial a telephone number appears. "Simply dial this number, day or night, and someone will take your order," promises the announcer. You are interested so you dial, give your name, address and charge-card number, returning to the television in time for the resumption of your movie. You have communicated with your T.V.

Is this the beginning of information utilities? Before we explore that we should find out what is an information utility. We could call it the marriage of computation and communication — the mating of computers and cable television systems. A system where the consumer not only receives information (picture) on his receiver (television set) but can actually "talk back." Information utilities are not science fiction but rather are feasible systems that could be set up with existing technology.

Let's look at the components of an information utility; again the two words — computation and communication. There are scores of computerized and micrographized information banks available. Most are accessible

via a small network of terminals using individual telephone lines. Expand the capabilities of these computers to handle many more customers, link them with a CATV system — and presto! We have an information utility communicating with thousands of people.

We are not going to dwell on the technology here — but we will point out and remind you that the individual components of such a system do exist and are operating today. As we said, computerized information banks exist, and while individual computers and their information banks have physical and language differences, many institutions are starting to employ the new breed of mini-computers as electronic translators to permit the person at the terminal to communicate with several computers and their information banks, using one language, and to permit computer-to-computer communication. The mini-computer looks after all the subtleties of language and hardware difference.

Then there is the distribution system. We all know cable television systems exist and are on the increase. In the United States, cable systems have grown from slightly more than 600, with 700,000 subscribers, in the early Sixties, to more than 3,500, with 10 million subscribers, as we entered the Seventies. In Canada, 1973 figures show we had 365 cable systems reaching almost 30 per cent of our homes. Estimates to provide these customers with the equipment (two-way line, connectors and keyboard) to be able to communicate, vary from \$11 to \$18 monthly rental, not much more than the present one-way CATV charges. Of course this does not include the costs of any special programming or esoteric computational services that might be offered.

Home terminals exist and are being marketed. One computer utility is offering a device that uses a normal telephone, a small keyboard and a standard home television set as a





means of using their computer. Set up in minutes, the customer communicates with the computer through the keyboard and receives information back on the T.V. screen.

Let us go back to the computers. It is estimated our planet is inhabited by more than 100,000 computers. Predictions are that by the end of the 1980's, computers will be able to receive oral input, will come in large-memory, pocket-sized versions, be capable of learning from experience, and probably cost 1/100 of what they cost today. The same forecasts predict that by the 1980's, stores and banks will be computer-linked, and automatic libraries, automatic language translation and automated transit will be among some of the commonplace applications. By the turn of the century it is predicted that automated voting and plebiscites, and home facsimile printing of newspapers and magazines will be with us.

Not only are the various technical hardware sub-systems available, but there are many social indicators that show we are quite ready for information utilities. Many of our readers use terminals daily to communicate with computerized information banks. Some of our children are being educated by computers that instruct by two-way communication. We spend time in hotels where we can individually select movies in our rooms. Radio and television open-line programs where two-way communication is common-place are growing. Two-way, closed-circuit T.V. announces our arrival at a friend's apartment building. Governments and private enterprise are studying the economics and long-range effects of information utilities. There are even trial information utilities in operation in both the United States and Canada (Vancouver and Montreal).

Being able to communicate back down the line with your T.V. set offers many interesting possibilities. Individual television program selection, remote shopping, reservation serv-

ices, banking at home, interactive instruction, library searches, stock-market quotations could be a few of the individual services available from your easy-chair, using your keyboard and T.V. screen. And on a community, or even national level, we can see using the information utility to disseminate information on social services and even obtain direct opinion response on local and national issues.

Business could use such utilities for opinion polling, market research, direct marketing, credit checks, meter readings, audience ratings and so on. To government the utilities offer opinion responses, traffic control, crowd control, conferences, education, pollution monitoring — even tax collection!

By now you may feel apprehensive — and concerns about "big brother" and "invasion of privacy" may pass through your mind. And these are valid concerns, the subjects of much debate and of many words, in newspapers, books and articles. Some of the questions raised are:

- What is the public interest in information utilities?
- What are the distinctions between public and private information?
- Who sets standards and evaluates information utilities, and how will they do it?
- Will the eerie prediction that all things are numbers come true with the advent of information utilities?
- What effect will these utilities have on the democratic process? . . . on individual intelligence and attitudes?
- What are our safeguards from a "great terminal robbery" masterminded by a technology-oriented criminal group?

Generally speaking, legislation in both the United States and Canada covers some aspects of computing, broadcast programming, and communications networks. There is no legislation to cover the marriage of computers and CATV networks, and

the social, economic and perhaps political implications of this mating. However, both governments are studying the issue.

Information utilities offer many opportunities in the near future for the Canadian businessman. The technology is ready. A great number of potential customers are ready and forecasters predict that the information utility will soon be with us, ready or not. Perhaps our concern should lie in the area of our very limited knowledge of customer behaviour and the potential social change in an environment so massively computerized.



Bibliography — This article is meant solely as an introduction to the topic and thus generalizes — in particular on some of the technology. The following reading list, and the references you will find in the books and papers mentioned here, will provide much more in-depth information:

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"How Cable Television May Change Our Lives" by Martin V. Jones, and "30 Services That Two-Way Television Can Produce" by Paul Baran — *The Futurist*, October 1973



Trade Lines

Australian trade centre

The State Government of Victoria has commissioned a study of a proposed world trade centre complex in Melbourne's central business district. The plan is sponsored by the Melbourne Harbour Trust, which owns the 14-acre water front site, and the Melbourne Chamber of Commerce. The trade centre on the Yarra River would promote international and interstate trade. Preliminary plans include a series of low-profile buildings housing several authorities, organizations and companies with interests in trade and transport. It would include the head office of the Harbour Trust, a multi-level car park, office space, a trade mart, a marina and possibly hotel and shopping facilities — Melbourne.

Brazilian mining ventures

The Brazilian government's mining company, CVRD, plans to set up three affiliate ventures for the exploration of minerals in the Tapira and Salitre regions near the towns of Araxa and Patrocinio in Minas Gerais State, where geological surveys have shown evidence of substantial deposits of phosphate, titanium, niobium and rare earths. According to CVRD's Chairman, Fernando Roquete Reis, invest-

ments will total about \$360 million, with anticipated sales of \$356 million by 1979. The venture will create about 1,550 new jobs.

The three new ventures will be Vale do Paraiba S.A. (VALEP), concerned with mining; Valefertil, which will produce basic fertilizers; and Valetitanio, which will produce titanium pigments — Brasilia.

Egyptian/Sudanese rail line

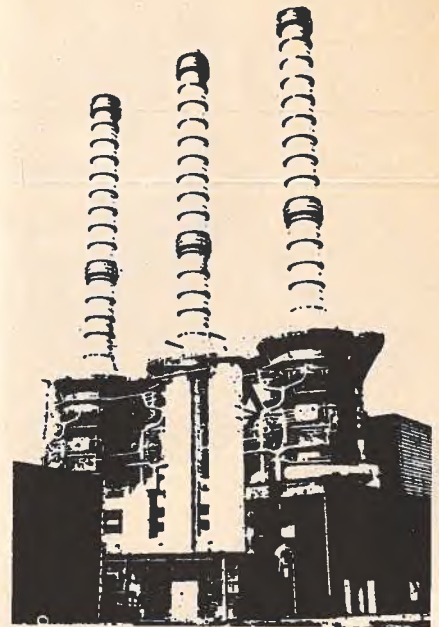
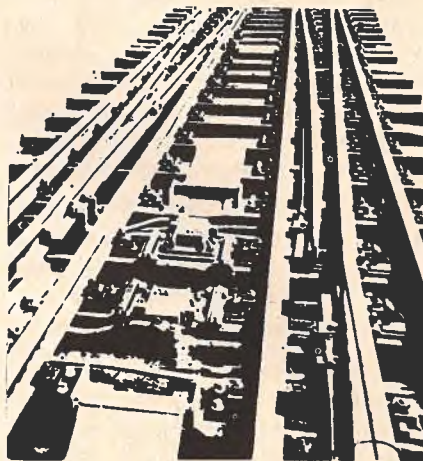
The Egyptian and Sudanese Governments have reached agreement on building a railway link between the Aswan High Dam and Wadi Halfa running along the eastern shore of Lake Nasser. The new line will be about 200 miles long and will for the first time permit continuous rail travel between the Mediterranean and the southern Sudan. It symbolizes the fairly recent but growing list of economic and commercial ties between the two countries. Agreement has also been reached on developing communication links by satellite and land cable and constructing a coastal road on the Red Sea between Berdeis and Port Sudan — Cairo.

Indonesian mining

The production sharing system applied in oil and natural gas exploitation will also be introduced in non-petroleum mining activities in Indonesia.

Reviewing the mining results achieved in the past year, and considering the current year's prospects, Minister of Mines Moh. Sadli said his ministry has prepared a draft bill making possible the introduction of the production sharing contract system into non-petroleum mining activities and operations in this country.

The government is currently having discussions with Shell Mijnbouw Maatschappij on an agreement for coal mining in South Sumatra — Jakarta.



Moroccan cement plant

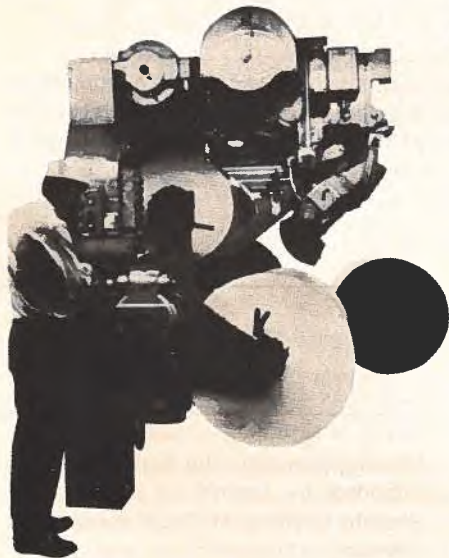
It is planned to construct a cement mill near Marrakech with an annual production capacity of 400,000 metric tons. This is the first operation to be promoted and financed by the Société nationale d'Investissement (S.N.I.) through its holding company, OHIO, and it is expected to go on stream some time in 1976 — Madrid.

Spanish pulp and paper

At a recent meeting, the Permanent Commission of the Spanish Association of Pulp, Paper and Cardboard Manufacturers stressed the need for higher investment in the sector if Spain is eventually to become self-sufficient in these commodities. It is estimated that the annual per capita paper consumption in this country will have reached 120 kilos by 1985, requiring a total availability of approximately 4.5 million tons.

During the past decade Spain's paper production rose by 240 per cent from approximately 0.5 million to 1.7 million metric tons. In spite of this, and the notable success obtained in concentrating the industry into larger production units, output levels are still not comparable with those of EEC countries and remain far below those of Scandinavia, the United States and Canada.

Spanish officials believe that the need to attain self-sufficiency becomes all the more pressing when considering a recent FAO report which predicts a world-wide paper and paper products shortage involving at least 16 million tons by 1980 — Madrid.



Spanish shipbuilding

Construnaves has presented its provisional report on the 1974 activities of Spanish shipyards. New orders, received in 1974, were down sharply; there was also slightly less keel laying and fewer launchings, and only deliveries managed to show a slight increase over 1973. The drop in orders and the cancellation of some VLCCs have shortened the order book, a situation which is expected to continue to worsen in coming months. The shipyards are attempting to switch to oil drilling platforms and drilling ships in order to replace lost business in traditional lines. The total value of shipyards production in Spain in 1974 is estimated at just under \$1 billion with an additional \$100 million for repair work — Madrid.



Spanish / USSR trade agreement

Spain and the USSR have signed an agreement involving trade worth approximately \$158 million. Under this agreement Spanish imports from Russia will include 1 million tons of petroleum, 25,000 tons of sunflower seed oil and equipment for a complete sawmill to be installed by Russian technicians near Bilbao. Spain will export 120 million litres of unbottled ordinary wines, 6.7 million tons of unbottled brandy and 20,000 tons of oranges — Madrid.

Turkish cement plant

The European Investment Bank (EIB) has provided a loan of \$7.7 million for the construction of a cement mill in Yozgat, Central Anatolia. By doing so, it supports a scheme through which thousands of Turkish workers in western Europe are enabled to invest their savings in the industrial development of their own country.

The cement mill is being established by Yozgat Isci Birligi Insaat Malzemeleri Ticaret ve Sanayi A.S. (YIBITAS), a joint stock company formed in 1973, especially to provide a means by which Turkish workers originally from Yozgat area, but now employed abroad, could channel their savings into productive investments in their home district.

At present, there are about 7,000 shareholders, but the number is expected to grow to 10,000. This type of venture is particularly encouraged by the Turkish government. After careful studies of different possibilities for industrial development in Yozgat, YIBITAS decided to construct a cement mill which would use local raw materials, and lignite mined in Turkey as its fuel.

Capacity will be 500,000 tons of Portland cement a year and production is scheduled to start in 1977. The works will provide employment for 250 people. The project, which will cost about \$25 million, is in line with Turkey's development plan, one aim of which is to increase output of cement to meet the rapidly growing home demand — Ankara.

Market Facts for Decision Makers

Analyses of Canadian imports of a variety of products are available free of charge from the Import Analysis Division, Department of Industry, Trade and Commerce, Ottawa K1A 0H5. The following is a list of the latest available. If

you would like the Branch to prepare an analysis for you, write to its Chief, or to the Industry Sector Branch that handles the product in which you are interested.

Report No.	Class No.	Subject	Period
1-75	375-19	Rayon broad woven fabrics	Sept. 1973 & March 1974
2-75	844-59	Rugs, mats and runners	April to June 1974
3-75	351-99) 352-49) 354-45) 359-99)	Paper	Oct. to Dec. 1973
4-75	338-79	Softwood, plywood	April to June 1974
5-75	403-38	Calcium hypochlorite	July to Dec. 1973
6-75	445-16) 445-95)	Plate, sheet and strip	March to June 1974
7-75	784-99	Knitted outerwear	September 1973 & March 1974
8-75	411-52) 429-79)	Surface active agents	March to April 1974
9-75	449-34	Stainless steel wire	April to June 1974
10-75	65-49	Noodles	May 1974
11-75	463-52	Woven wire screening	April to June 1974

Telecopier installed at IT&C HQ

ITC's Telecommunications Section recently completed installation of Xerox 410 telecopier equipment at the Department's headquarters in Ottawa. This means IT&C is now able to send and receive facsimiles of documents and other important material which cannot be transmitted by conventional Telex facilities. Readers of *Canada Com-*

merce whose organizations have compatible equipment are invited to take advantage of the new facilities. The number to dial is (613) 997-3573. The equipment is in operation 24 hours a day.

Costa Rica gets European loans

Credits totalling \$17 million are being made available to the Costa Rican Central Bank by European lending institutions. The loans were an outcome of a recent visit to Europe by

Central Bank President Bernal Jimenez and part of the money will be used to finance imports of machinery. The rest will go to the National Housing and Urban Institute for low-cost

housing projects. The funds are being provided by Lloyd's of London, the Societe General of France and West German institutions.

Why Canadians should start saving energy in 1975

NATURE has made us a gift of waterfalls, coal, natural gas, petroleum and uranium. But we're spendthrifts with our resources. We gobble them up. In all the world, only the United States uses more energy per person.

The Prime Minister is calling for a new conservation ethic across Canada. More self-discipline. Many share his view.



"Conservation is now an important part of Canada's overall energy policy."

"While we Canadians have enjoyed an exceptionally high standard of living, we have not been as careful in the use of energy resources as have many other countries. However, I do not think that we are alone in needing to absorb the hard lessons of prudence in the management of these resources. Threats to the global environment, and the dramatic increase in monetary costs of energy, are inducing a sobering recognition of the need for improved management of the world's energy resources.

"Conservation is now an important part of Canada's overall energy policy. I wish to make clear that this will be a permanent policy—not a contingency plan enacted in a crisis. We are developing a five-phase program to cope with these times of high-cost resources, to involve all Canadians in a program of energy conservation and to provide a stable energy future and high quality of life for all Canadians. I believe this program will be welcomed.

"I believe the Canadian public is in a mood to consider realistic options for the efficient use of energy.

"People are looking for guidance on how they can be less wasteful in the use of depleting resources, and are willing to accept minor changes in lifestyles now, rather than suffer a waning standard of living in the future."

*Hon. Donald S. Macdonald
Minister of Energy, Mines
and Resources*

How much energy should we save?

If we continue to consume at our present rate, we'll need twice as much in 12 years. That means our energy-producing capacity must also double in 12 years.

Economists calculate that to keep up with our appetite, capital costs will soar to over \$100 billion over the next 10 years. Money for new generators, dams, powerlines, uranium and coal mines, gas wells, oil wells and pipelines. It amounts to an investment of about \$20,000 for every

family in Canada.

There are dozens of thoughtless ways in which we waste energy—in our homes, industries, government and commercial buildings, and in transportation.

The savings can be achieved simply. Turn off the television set when your show is over. Walk to the corner store. Take public transit to work.

Keep your furnace clean. Insulate your home. Weatherstrip doors and windows. You can save from \$50 to \$100 right there—plus the energy.

If you are a leader of industry, an engineer, a housing developer, or an architectural planner, look into building designs which have lower requirements for heating and cooling. By introducing conservation measures in existing plants, industrial processes and offices you can also cut operating costs. *Remember when you save energy, you save money.*

A conservation plan for the '70s

The Canadian Government has already taken steps to put its own house in order. As part of an overall program the Department of National Defence recommended lowering building temperatures to 68 degrees during the day and 65 degrees at night. In a year they saved 5 million gallons of fuel oil worth over \$1 million.

A new computer program is "tuning" Government buildings for energy efficiency. And research has been stepped up on several fronts.

The Government is meeting with Provincial Governments to enlist their support and with industries, fuel producers and suppliers to explore ways of increasing energy efficiency in manufacturing and heating.

A program of energy conservation standards, guidelines, taxes and other measures is being designed and implemented to attack the causes of energy waste in our society.

Energy conservation will also play an important role in future transportation, urban and industrial policies.

For the Canadian public, the Government will be releasing a series of helpful, informative messages and information pamphlets. They will tell, in easy detail, how each of us can cut down on our use of energy—and save from \$25 to \$200 a year in the bargain.

By making modest energy savings now, we can improve our environment and way of life far into the future.



**Energy, Mines and
Resources Canada**

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