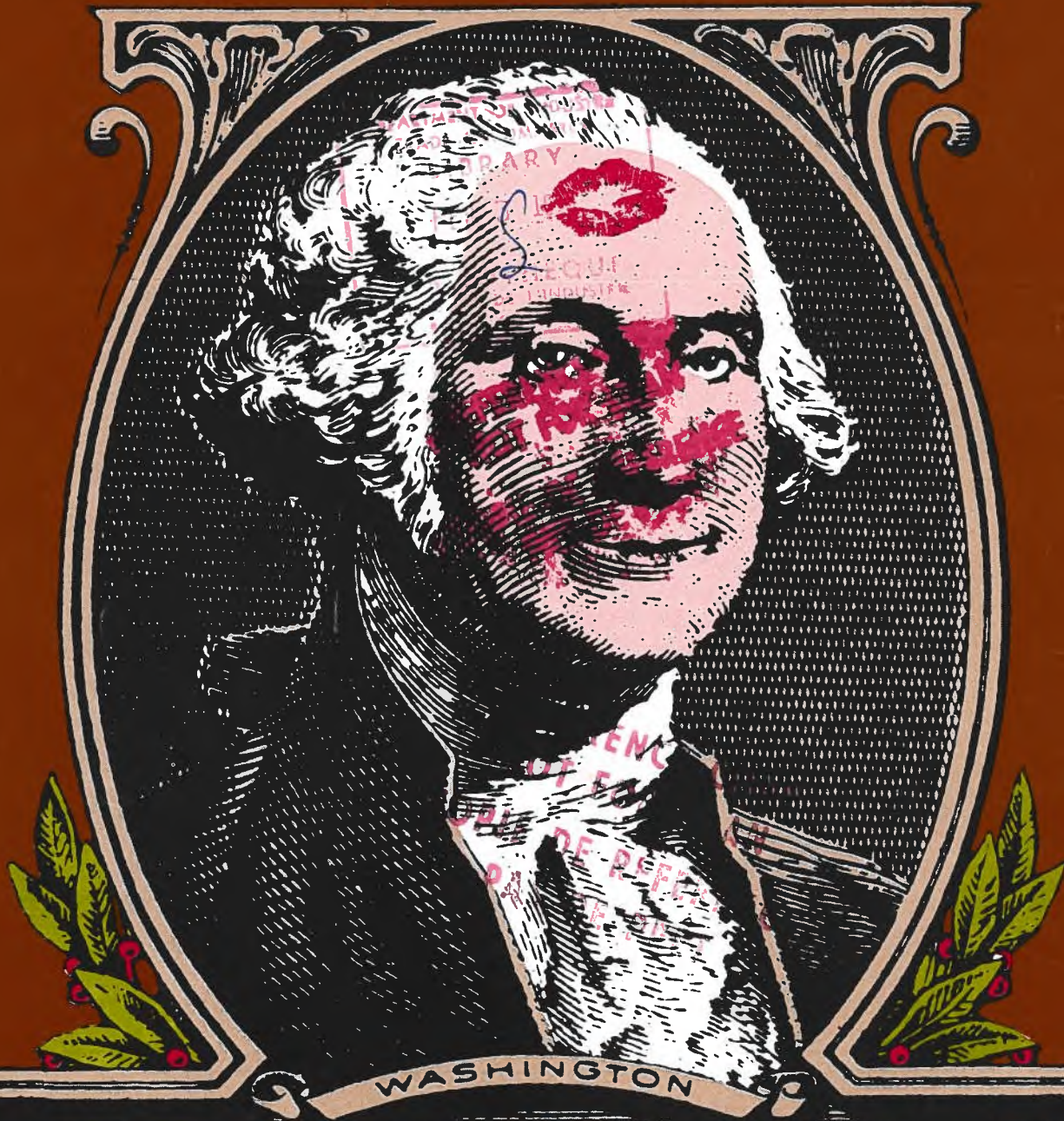


Canada Commerce

January 1976

Canada's Commercial Officers
Industrial Heart of South America
A Conserver Society

*Having
a Birthday*



ONE DOLLAR

Is there a long egg in your future?

If the gentlemen in the photograph seem somewhat bemused perhaps it is because they are pondering what sort of chicken would be needed to produce that tubular white object. It is what is known, for lack of a better description, as a "long egg".

The machinery in the background is a clue to the real source of this wondrous edible. The egg is made from natural eggs with a little mechanical assistance. The photo was taken at a Danish processing plant which uses equipment manufactured by SANOVO.

Messrs. Dixon, Mackenzie Hall and Guichon visited the plant while attending the International Egg Commission's Annual Production and Marketing Conference in Copenhagen. They were told the new equipment will ultimately turn out 10,000 long eggs a day.

Long eggs are not exactly a new idea. They are produced in several countries, including Canada. Highland Produce Ltd. of Two Hills, Alberta, makes two hard-boiled "models" — an eight-ouncer containing six regular eggs and a 16-ouncer containing an even dozen eggs. The long egg has gained wide acceptance by commercial food operations because it slices in perfect circles with the yolks always dead-centre and hence is ideal for garnishing such goodies as canapés.

Left to right: R.P. Dixon, Product Development Commissioner, Alberta Department of Agriculture; W. Mackenzie Hall, Commercial Counsellor, Canadian Embassy, Copenhagen; D.A. Guichon, General Manager, Alberta Egg and Fowl Marketing Board.



In This Issue

The US Mid-Atlantic States	Canadians are welcome.	3
Canada's Commercial Officers	Meet the people who act as the Trade Commissioner's right hand.	24
Sao Paulo: Industrial heart of South America	The facts may surprise you.	28
Something to Think About: A conserver society	Exploring some alternatives to our present way of doing things.	31
Spotlight on Design		34
Update		35
Editor	David Magee	
French Language Editor	Martine Bugeaud-Pelletier	
Design	Stephen Shewchuk	
Copyright	Material appearing in this magazine may be reprinted with credit to "Canada Commerce"	
Address correspondence to:	Editor "Canada Commerce", Department of Industry, Trade and Commerce	

Subscription

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

"Canada Commerce" is published monthly by the Department of Industry, Trade and Commerce. Established 1904.

Donald C. Jamieson, Minister
O.G. Stoner, Deputy Minister



The US Mid-Atlantic Market

Few Canadians realize that Philadelphia was the first capital of the United States, and today is the fourth largest city in the country. Philadelphia was an influential trade and manufacturing centre long before the revolution. These Bicentennial is being celebrated this year, and I seem to think that Canada will lead off its New Year with fear and trembling.

Philadelphia is a major transportation hub, and is a major center for trade. It is almost in Philadelphia point out that within 500 miles of the Pennsylvania border are more than half the total population of the US, more than 60 percent of total net corporate income, more than 45 percent of total manufacturing income, nearly half the total manufacturing employment, more than 40 percent of total wholesale trade

and more than 40 percent of total disposable personal income. Philadelphia is the heart of this large market.

The following articles outline business conditions and high-potential sectors where Canadians can be especially competitive. I & O officers in Philadelphia, Governor of Delaware, Maryland, New Jersey, and other states, and the District of Columbia and East and West Virginia. For more information write phone to: Trade Consul and Senior Trade Commissioner, Canadian Consulate, 3 Parkway Building, Suite 1310, Philadelphia, Pennsylvania 19102, telephone 215-581-1750, telex 00845266 DOM CAN PHA.

Philadelphia, with Schuylkill River and Independence Museum of Art in foreground.

Gaining a foothold

HOWARD E. CAMPBELL, Consul & Senior Trade Commissioner, Philadelphia

Business in Philadelphia and the Mid-Atlantic States is emerging from the doldrums of the past year or so. Recovery is expected to be slow but for Canadian firms able to supply the requirements of the hospitals, food chains, defence supply agencies, department stores and numerous industries concentrated in this part of the United States, there are plenty of sales opportunities.

Within the territory covered by our office in Philadelphia (Southern New Jersey, Eastern Pennsylvania, Delaware, Maryland, Virginia, and the District of Columbia) live 18 million people with an estimated annual disposable income of \$156 billion — roughly five times the value of Canada's total exports. These people are buying increasing quantities of Canadian apparel, footwear, sporting equipment, foodstuffs, pleasure craft and household furnishings. Industry accounts for even larger purchases.

Historically, Pennsylvania has been the centre of the nation's steel, chemical and metal working industries. In recent years, this broad industrial base has been expanded to include transportation equipment, medical supplies, electronics, aerospace equipment and many other sophisticated products, and now the region's industrial strength lies in its high degree of diversification. At present, more than \$2 billion worth of Canadian products enter the region annually — they include newsprint, lumber, electronic components, asbestos, iron ore, other industrial supplies and a wide range of consumer goods.

Selling the Mid-Atlantic States

Assuming you are successfully marketing your products in Canada and have decided to expand your sales, how do you go about it? Since American buyers are accustomed to receiving at their doorsteps the merchandise they order, you must work out the cost of transporting your products to the nearest US Customs port(s) of entry and onward from there to Philadelphia,

Baltimore, and Washington, DC. This can be done with the help of the local representative of the trucking, railway, and air transport companies operating between Canada and this part of the United States.

After determining the cost of shipping your products to the main centres in the Mid-Atlantic States, find out what US duties will apply on them when they cross the border. You can do this best by enlisting the help of the US Division of the Department of Industry, Trade and Commerce in Ottawa.

After working out the delivered (duty-paid) price from the factory to Philadelphia, Baltimore and Washington, DC, send six or seven pieces of your sales literature and export price list, showing a breakdown of f.o.b. price, freight, duty, etc., to the Canadian Consulate in Philadelphia, with a covering letter indicating whether you would prefer to sell directly to department stores, or through a commission agent or wholesale distributor. Upon receipt of your literature and prices, we will try to interest local agents (or buyers in the department store chains) in your line. If the results are encouraging, we will inform you and suggest you plan to spend a week in our area, calling on prospective customers with the

agent of your choice or by yourself.

Like most businessmen, buyers in the Mid-Atlantic States are keenly interested in meeting prospective suppliers face to face. They will be impressed by your travelling to meet with them — especially if you have arranged an appointment beforehand through our Consulate. Such appointments will normally be made for you with the senior buyer or director of purchasing, who will sometimes call in one or more specialists on his staff for the discussions. In the course of your conversations with prospective customers, you will probably discern the big difference between selling in the United States and in Canada. Buyers in the Mid-Atlantic States are conscious of their position as customers and raise all the questions their more demanding customers ask them. In short, they expect to be "sold" and expect you to tell them why they should buy your product rather than that of someone else. After a sale has been made and terms and delivery agreed upon, US buyers assume you will live up to the agreement. If something happens to slow down delivery (and you should try to insure this doesn't happen) the US buyer expects to be informed of the circumstances immediately so he can decide whether to wait for later de-



livery or obtain his requirements from someone else.

Since US buyers are accustomed to more attention from their suppliers than is customary in most parts of Canada, it is often worthwhile to employ a manufacturer's representative. Commissions paid to such agents (or representatives) range from 3.3 percent, on net sales for ladies undergarments and hosiery, to 8.4 percent for industrial machinery and equipment. Of course, a manufacturer's representative is only as strong as the support he gets from his principals. To enable the representative of your choice to market your products successfully, you must provide full information on your merchandising methods and give advance warning of changes contemplated in your

line. Make a point of accompanying your representative on initial calls to larger customers and plan to make the rounds at least once a year thereafter.

Promotion

After appointing an agent or obtaining a first order, start thinking about ways in which you can promote the sale of your products in this part of the United States. One very effective way to bring your product to the attention of prospective buyers is to participate in trade shows held in this area. The more important shows and conventions to be held in the area are shown in the accompanying list. Some US trade shows attract buyers from all over the world and are recommended by the Department of In-

dustry, Trade and Commerce. The Department often assists Canadian companies in trade fair participation and you should talk with the people running the Program for Export Market Development in Ottawa to see if you qualify for this help.

Another way of promoting your sales in the Mid-Atlantic States is to advise the Department of Industry, Trade and Commerce in Ottawa of your interest in meeting with buyers from this area who visit Canada as members of trade missions or to attend specialized trade shows. Some provincial Departments of Industry and Commerce organize trade missions to the United States and you should indicate your interest in participating in such missions.

Trade Shows of Interest — 1976

February		
7-14	Eastern Sports, Boat, Camping & Outdoor Show	Harrisburg, Pa.
28-Mar 1	East — South Restaurant Convention & Expo	Washington, DC
March		
10-14	Music Educators National Conference	Philadelphia, Pa.
April		
26-30	Society of Plastic Engineers Spring Technical Conference	Atlantic City, NJ
May		
3-7	American Ceramic Society Expo	Washington, DC
3-7	International Tool & Manufacturing Expo	Philadelphia, Pa.
10-13	American Psychiatric Association	Atlantic City, NJ
June		
6-9	Mid-Year China Glass Housewares & Accessories Show	Atlantic City, NJ
14-16	International Communications Conference	Philadelphia, Pa.
21-23	Construction Specifications Convention & Exhibition	Philadelphia, Pa.
August		
15-20	Mid-Year China Glass Housewares & Accessories Show	Atlantic City, NJ
September		
23-Oct 3	State Fair of Virginia	Richmond, Va.
26-29	Atlantic City Stationery Gift & Jewelry Show	Atlantic City, NJ
October		
1-3	American Society of Civil Engineers Convention & Expo	Philadelphia, Pa.
7-10	Vending & Food Service Management Convention & Exhibition	Philadelphia, Pa.
18-21	Association of Official Analytical Chemists Meeting	Washington, DC
28-30	Paint Industries Show	Washington, DC
November		
15-19	Federation of Analytical Chemistry & Spectroscopy Societies	Philadelphia, Pa.

Automotive after-market strong

PIERRE L. DUSCHASTEL, Consul & Trade Commissioner
SIMON L. LUPIEN, Vice-Consul & Asst. Trade Commissioner, Philadelphia

"You would not believe it but this year has been our busiest ever," one after-market parts representative in Philadelphia said recently. A preliminary analysis shows that this success in the auto parts after-market is the result of two factors: 1) the increasing price of new cars forces the driver to keep his car longer than he used to; 2) energy conservation policies, along with sky-rocketing prices of gasoline and other oil products invite car owners to get better mileage per gallon through better care and maintenance of their vehicles.

No stabilization of the situation is in sight: American car manufacturers have raised the price of their 1976 models by an average of 6 percent over 1975. Economic forecasts call for a steady increase in the price of oil products and observers agree that gasoline will sell for \$1.00 a gallon in the near future. One consequence of this will be the booming of the auto parts after-market business. Canadian manufacturers should be aware of the tremendous potential offered by the American market and realize that there are many opportunities for them in the Mid-Atlantic States.

The market

More than 90 million automobiles are now registered in the United States. As a result, there is a demand for about \$28 billion worth of after-market parts. From 1965 to 1973 this figure went from \$14 to \$26 billion and the upward trend is continuing. Estimated potential in the territory covered by our office is around \$3 billion.

The marketplace is divided into two distinctive segments: 1) the automotive dealers and 2), the replacement market — through service centres, garages and the do-it-yourselfer. It is estimated that the automotive dealer still does up to 35 percent of the after-market business.

Products on the move

Products in the after-market field run the full gamut from engine and chassis parts, batteries, tires, shock





absorbers, to exhaust systems, electrical parts, brake, fuel and oil systems.

Although reports vary from state to state, brake, chassis and electrical parts sales, as well as fuel and oil systems sales, have been stronger than other segments of the industry. One of the major auto parts centres in Philadelphia reported a 50 percent increase in turnover for March and April 1975, over 1974. Their battery business was triple that of 1974 but their big increase was in tuneups, brake jobs and front-end work.

Hal Smith, President of Miley & Brown of Springfield, Pennsylvania, reported that his repair business was up by 25 percent. "People prefer to put \$400 into fixing up an old car because they cannot afford payments on a new one." However, the Motor Equipment Manufacturers Association (MEMA) reported that some products (tires, batteries, shock absorbers and exhaust systems) had not met sales targets as yet.

Getting into the market

Canadian firms intending to enter the Mid-Atlantic auto parts market should bear in mind two important points before even thinking of doing business in this area, or anywhere in the US:

- 1) They must insure that they have sufficient production capacity to supply on a permanent basis. In other words, manufacturers should not seek a one-shot sale to dispose of an excess in production at one given time but rather should be able to provide a continuous supply;

- 2) The second important factor that also applies to any commodity that one wishes to export to the US concerns the pricing pattern. The American importer will be more interested in representing your product line if the information submitted is given in US funds, c.i.f. point of delivery, duty-paid prices, etc.

Correct invoicing procedures are vital, otherwise extra duty may be paid. More information on this is available from: US Division, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5.

Too many Canadian companies do not realize the importance of this fact and only quote prices in Canadian dollars f.o.b. warehouse. Such a procedure, although very simple for the Canadian exporter, is not simple for the potential importer. The latter is interested in knowing his actual cost and does not want to figure out the exchange rate, the customs duty, and on and on.

Experience has proven that Canadian firms already suc-

cessfully operating in this area are represented by either a manufacturers' representative or a company salesman. Representatives call on wholesalers, jobbers, retail outlets and large auto dealers. Normally these people carry a given product line, have a sales force, represent various companies and work on a commission basis. One of the clear advantages of this marketing method is that it doesn't cost anything to the Canadian manufacturer until the actual sales take place. In the auto parts field, commissions paid to manufacturers' representatives average 9 percent although this is always subject to negotiations between the parties involved.

The second alternative, the company salesman, is of course more reliable and could also be more effective — but it is obviously more expensive. This approach requires one of your company's salesmen to visit potential customers fairly often at the beginning and on a regular basis once an account has been opened.

Now a word about the customers. They include companies like Penn-Jersey Auto Stores (120 stores in five states), Pep Boys (132 stores in eight states), Sears (purchases for 16 stores in three states), Wanamaker's and other department store "auto centres".

Due to the highly competitive nature of the automotive industry, the factors of interest to the buyer are price, quality and packaging. The first two are readily understood but in order to gain acceptance here, you must have a packaging strategy which will give you the edge on the competition. If you take an oil filter as an example, the colour of your product may be your worst enemy. When introducing yourself to the market you might wish to choose a colour and packaging scheme which could be identified closely with an original equipment manufacturer (OEM) part. Since there are no propriety rights on the colour of the product but only on the label, you should be able to get onto the shelf side-by-

side with your competitors.

In order to be properly represented here, your agent should be located in the immediate vicinity of the above outlets and/or buying centres. Weekly, if not daily, contact between your representative and their centres is a definite plus. But non-stocking representatives may even cover areas such as Wilmington, Delaware and Baltimore, Maryland, as well as Washington, DC, from Philadelphia or vice-versa. Another possibility is finding a stocking distributor for your product and this applies particularly for states like Virginia where a large element of the population is not concentrated in one urban centre.

The ideal representative is, of course, one who is well known in the market and has an annual turnover somewhere between 1½ million and \$3 million a year.

Future potential

Hopefully some of the following indicators will incite you to act now:

- (a) Statistics have shown that turnpike driving since February has been up throughout the country by 25 percent.

- (b) After-market suppliers are about to reap the harvest of Detroit's record sales years in 1972 and 1973. In 1975, the number of two-to-eight-year old cars, the prime candidates for parts and services, jumped by 5.3 percent to about 60 million cars, of which 6,000,000 are estimated to be in the mid-Atlantic states.

- (c) Another boost could come from the US Transportation Department, which for years has been mulling over the need for national minimum car inspection standards. For example, the states of Pennsylvania and New Jersey already have compulsory semi-annual inspection schemes.

TABLE 1 — CAR REGISTRATION, MID-ATLANTIC STATES, 1974

Sources: Depts. of Transportation in each state.

Eastern Pennsylvania	4,131,343
Southern New Jersey	791,231
Maryland	1,749,403
Washington, DC	224,901
Virginia	2,099,428
Delaware	282,159
TOTAL	9,278,465

TABLE 2 — VEHICLE REGISTRATION BY AREA

	Pleasure	Commercial	Motorcycles	Trailers
DELAWARE				
1974	282,159	51,327	7,290	30,568
1973	274,529	47,107	6,050	28,919
1972	266,923	43,215	5,126	26,806
1971	261,286	47,011	5,934	24,883
1970	260,621	43,835	4,828	24,093
MARYLAND				
1974	1,749,403	280,857	49,771	105,593
1973	1,680,351	262,582	34,017	95,179
1972	1,576,712	257,189	28,827	93,512
1971	1,613,774	248,251	26,638	91,510
1970	1,551,797	233,470	21,173	83,872
WASHINGTON, DC				
1974	224,901	13,527	4,045	1,758
1973	224,928	14,355	3,729	2,026
1972	220,704	14,554	3,510	1,957
1971	216,837	14,844	3,507	1,891
1970	220,333	16,605	3,138	2,005
VIRGINIA				
	Passenger	Miscellaneous		
1974	2,099,428	682,262		

After-market seminars

As part of its program to encourage greater Canadian efforts in the US automotive after-market, IT&C held a marketing seminar at the Consulate General in Chicago. A score of representatives from Canadian manufacturers heard advice from some top American importers and were able to have discussions with these people, as well as with Canadian Trade Commissioners working in major US centres.

IT&C plans for the future include an exploratory mission to Los Angeles and San Francisco. In addition, Canadian firms will be encouraged to participate in a number of trade fairs, including:

PAS/IASA Show, San Francisco; Southern Auto Show, Dallas; Pacific Auto Show, Los Angeles; and the New England Auto Show, Boston. Next September, Trade Commissioners in the US will return to Canada for a round of meetings with department and industry people to assess development.

For more information: **K.R. Burgess**, Chief, Automotive Parts Division, Transportation Industries Branch; **E.C.H. Shelly**, Acting Chief, US Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa, Ontario, K1A 0H5.

Buy American policy no obstacle in medical market

EILEEN M. WOLF, Commercial Officer, Philadelphia

The United States Bicentennial Celebration is underway and Philadelphia, with all its historical significance, plans to highlight a number of local contributions to US history. One aspect of this which apparently has been overlooked is Philadelphia's position as one of the leading medical centres in the US, indeed the world.

Philadelphia had the first hospital in the United States — the Pennsylvania Hospital, founded in 1751. The city also had the first hospital in the US exclusively devoted to children — the Children's Hospital of Philadelphia. And the Hospital of the University of Pennsylvania was the first in the US to be built by a university to provide bedside teaching for its medical school.



Children's Hospital





The Pennsylvania Hospital.



Numerous other "firsts" could be added to the list, but it is the size and strength of the medical community that makes it predominant. Within the city limits, there are five major medical schools, 67 hospitals and more than 20 professional nursing schools. Hundreds of research projects are in progress at many of the hospitals, through funding from the US government, private foundations and health societies. The Hospital of the University of Pennsylvania, for example, has more than 400 such research programs under its aus-

pices, with a total annual expenditure of about \$26 million.

This concentration of medical facilities offers a ready market for any Canadian manufacturer with new or unique medical or scientific equipment, or supplies. To make life simpler, the foreign manufacturer meets little resistance in the form of "Buy America" policies, especially if he can arrange for reliable servicing of his equipment.

In surveying the top purchasing people of many of the hospitals, we learned several things which Canadian manufacturers should keep in

mind. Most hospitals prefer to buy directly from the manufacturer. To further strengthen their purchasing power, particularly for items ordered in quantities, the majority of city hospitals, along with a few suburban hospitals, have formed Hospital Purchasing Service of Pennsylvania (HPS).

This company, classified as a distributor of medical and hospital equipment, handles almost any product used in hospitals — sheets, lightbulbs, furniture, even some foods. With two interior designers on its 11-man staff, it is now equipped to do complete design and outfitting of hospitals. This organization, owned jointly by the participating hospitals, is a non-profit business which directly benefits its owners through savings in group purchasing. Last year, the firm had annual sales of almost \$7 million.

The city's Catholic hospitals also subscribe to a similar type of program run by the Archdiocese of Philadelphia — Institutional Procurement Service (IPS). This group purchases for all diocesan institutions, including schools, homes for the elderly and so on. The larger hospitals, for the most part, support the group-buying premise but generally only a small portion of their purchasing budgets go to group buying.

Local distributors are the next source for purchasing agents to approach if they cannot buy directly or through their group purchasing service. The bulk of a distributor's business is in franchised lines or lower-end cost items. The highest-priced item carried by local distributors polled cost \$4,000; their lines ranged downward to sponges and included some 20,000 items from 300 lines. A word of caution here — distributors normally do little direct selling of a particular product brand name but rely on volume for their profits. If a company uses a local distributor, it should also have a sales organization to promote its products via calls, advertising and/or show participation.

There are a number of publications which are common references



in this field; *Modern Hospital* (McGraw Hill, Chicago, Ill.), *Hospitals — Journal of the American Hospital Association* (American Hospital Association, Chicago, Ill.), *Hospital Topics for Department Head Supervisors* (Hospital Topics, Chicago, Ill.) *Health Care Products News* (Market Publications Incorporated, New Canaan, C.), *Laboratory Equipment* (Gordon Publications, Incorporated, Morristown, N.J.) and *MPS — Medical Product Salesman* (McKnight Medical Communications Incorporated, Northfield, Ill.). One of the more widely circulated local publications is *Pennsylvania Medicine*, published by the Pennsylvania Medical Society.

The more important shows attended by hospital purchasing agents are organized by groups such as the American Society of Hospital Purchasing Agents, the American Health Congress and the International Hospital Federation.

Another avenue worth exploring by a Canadian firm seeking to enter this market, would be to connect with an established manufacturer of medical or hospital equipment and

sell products on a royalty basis. Many US manufacturers are looking for new products to fill out their lines and/or utilize their sales forces more effectively. A Canadian firm interested in this approach would do well to consult *The Medical & Health Care Marketplace Guide*, published by International Bio-Medical Information Service, Incorporated, Acton, Massachusetts, for information on firms producing complementary lines. With this type of arrangement the US company, familiar with the marketplace, bears the burden of the marketing activities and will only take on products with which it feels can be successful.

In our study aimed at finding the most productive ways for a Canadian manufacturer to reach this market, we also came across a marketing service, called "Product Alert", which is a spin-off of the *Journal of the American Hospital Association* in Chicago. For more information on this service, write the American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

Although this article focuses primarily on the Philadelphia area, hospitals proliferate throughout the Mid-Atlantic States, along with such top-notch medical schools and research centres as Johns Hopkins, the University of Maryland (Baltimore, Md.) Walter Reed Army Medical Center, St. Elizabeth's Hospital, Georgetown University Medical Complex (Washington, DC), National Institutes of Health-Biomedical Clinical Research Center and the Naval Medical Center (Bethesda, Md.).

Many countries are finding this to be an excellent marketplace for their medical products and we would like to see more Canadian firms in this competition. For more information on contacting individual hospitals or organizing a sales trip to this area, contact your Regional Office and write to: Consul and Senior Trade Commissioner, Canadian Consulate, 3 Parkway Bldg., Suite 1310, Philadelphia, Pennsylvania 19102.



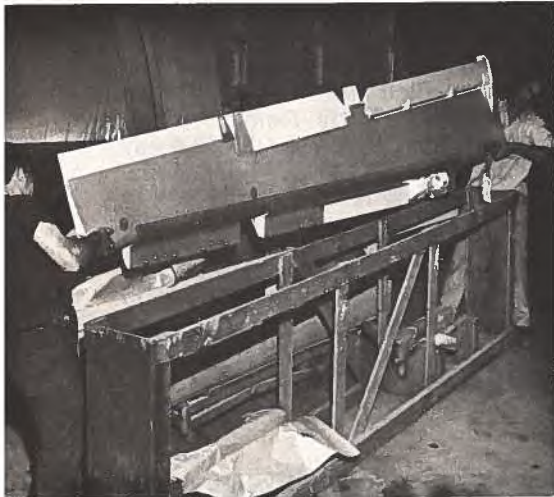
Health big business

In Pennsylvania, employment in health-care and pharmaceutical industries grew 89 percent between 1963 and 1973. In 1973, pharmaceutical businesses purchased more than \$95 million worth of goods and services within Pennsylvania and paid nearly \$188 million in salaries.

Between 1968 and 1973, pharmaceutical and medical equipment industries invested \$600 million in plant and equipment, and value of property owned rose 113 percent to a total worth of \$1.1 billion at the end of 1973.

The US Mid-Atlantic States

Fleet Industries of Fort Erie, Ontario, manufactures a variety of components for Boeing and Lockheed.



Selling defence-related products

WALTER D. STAPLES, Consul & Trade Commissioner, Philadelphia

The defence market holds several hazards that should be kept in mind. These include its cyclical nature due to economic and political factors, both local and world-wide; strong competition from entrenched local suppliers; low-volume production in some cases (over-production can be as much a problem); and the need to meet various military specifications, which can be troublesome for the beginner.

Despite the hazards and uncertainties, dozens of Canadian firms have been successful in penetrating the US defence-related market in the territory assigned to our Philadelphia Consulate. Fleet Industries of Fort Erie, Ontario, is one example of a diversified Canadian manufacturer with numerous sales successes in the US. In our territory, Fleet is producing components for Lockheed Electronics of Plainfield, New Jersey, for the MK-86 Gunfire Control System. These items include two bonded, fibreglass honeycomb antennas, fibreglass sub-dish and 16 electronic cabinets.

Fleet's other capabilities, including honeycomb structures and metal-to-metal bonding, are of continuing interest to local aerospace firms such as Boeing-Vertol, which is competing for the US Army utility tactical transport (UTTAS) helicopter. Fleet also fabricates bonded assemblies for DC-9, L-1011, 707 and 747 SP aircraft for both commercial and military use.

Other notable Canadian successes in the US market include aircraft crash position indicators and accident data recorders (CPI/ADR's) from Leigh Instruments of Carleton Place, airborne doppler and radar sensors from Canadian Marconi of Montreal, and projected map displays from Computing Devices of Canada in Ottawa.

Electronics

In this Consulate's territory the sector that probably holds the most promise for defence-related goods is the electronics industry. Others that look good include shipbuilding, aircraft fabrication

and ordnance.

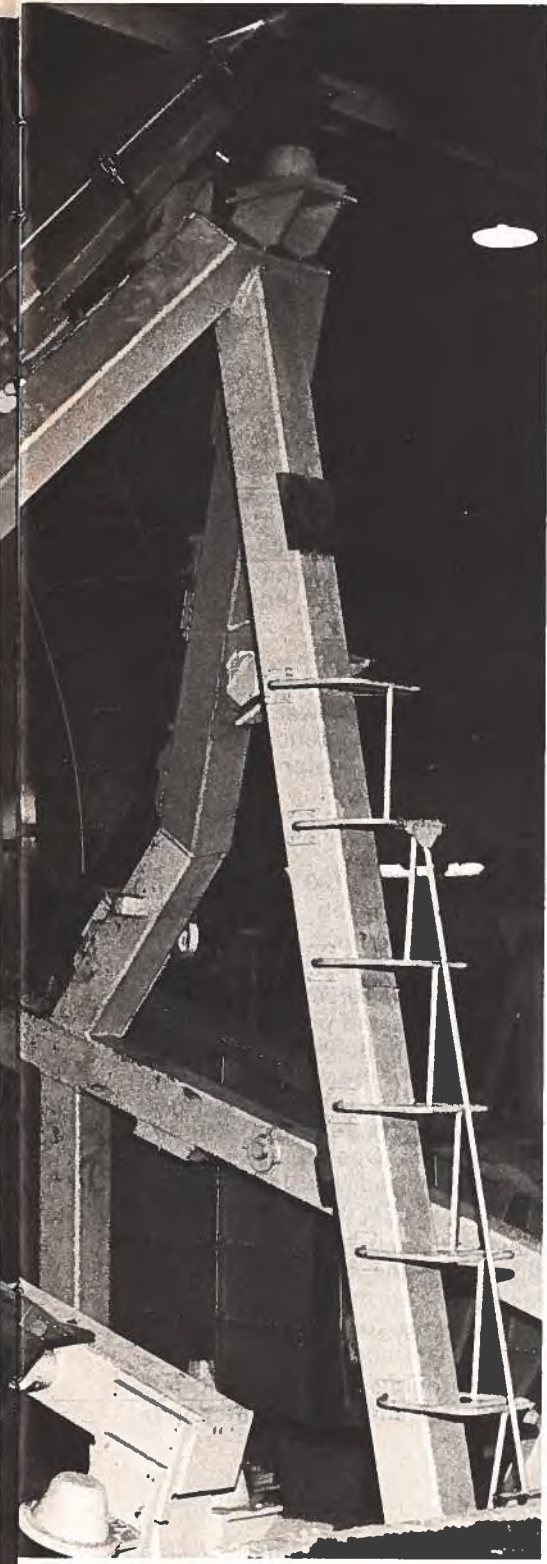
General Electric, ITT, RCA, Singer, and Westinghouse, all have local divisions doing defence work. These firms buy electric sub-systems and components of every description directly from Canadian firms on a duty-free entry basis, including printed circuit boards, transformers, chokes, capacitors, resistors, microcircuits, investment castings, cable assemblies, edgelite panels, cabinetry and screw machine parts.

All contracts between Canadian and US industry are negotiated solely on a commercial basis. The Canadian firm takes full responsibility for all aspects of the agreement. But the bidding procedure is somewhat different when selling to a US defence agency.

US defence agencies

The US Department of Defence has several defence supply agencies and military bases throughout the United States that procure defence-related material and equipment. Canadian industry bids through the Canadian Commercial Corporation, an arm of the Department of Supply and Services, Ottawa. This agency acts as the prime contractor and provides the same contractual services for the US government that it does for the Canadian government. But Canadian firms, can benefit from working closely with the Canadian Consulate in order to be aware of bid openings, price history and other key factors. Periodic visits should also be made to the agency in question to ensure that your product meets the requirements of the user and to show continued interest in the business.

The entry of Canadian defence products into the United States is made relatively simple due to the US-Canada Defence Production Sharing program, a bilateral trade arrangement on which guidance to US buyers is provided in the US Armed Services Procurement Regulations. This arrangement waives the "Buy America" act and permits duty-free entry for most



defence material and supplies from Canada. This program recognizes that Canada historically buys most of its defence-related equipment from the United States, thus enabling a rough trade balance to be achieved over the long term.

We believe opportunities are here and we encourage interested Canadian companies to contact us directly at the Consulate. We can assist you in all aspects of penetrating this substantial market, including market research, setting up appointments with potential customers and helping you to select suitable representatives or distributors.

DEFENCE-RELATED COMPANIES IN PHILADELPHIA TERRITORY

Bendix

Headquarters — Southfield, Michigan

Electronic sales — \$729,122,000 (1974)

Major facilities in our territory:

Communications Division,
East Joppa Road,
Baltimore, Md. 21204

Products: communications, radar, target detection devices, air traffic control, microelectronics, electronic warfare and test equipment.

Flight Systems Division,
43 Williams Avenue,
Teterboro, NJ 07608

Products: accelerometers, air data computers, altitude warning systems, gyro compasses, analog and digital computers, flight director and guidance systems, fuel management systems, altitude heading and rate gyros, head-up displays.

Electric and Fluid Power Division,
Eatontown, NJ 07724

Products: AC and DC electric power generating and control systems, static power conversion equipment, stator generators, circuit breakers.

Burroughs

Headquarters — Detroit, Michigan

Electronic Sales — \$1,065,164,000

Major facilities in our territory:

Federal and Special Systems Group,
Paoli, Pa. 19301

Products: designs, manufactures and markets custom systems and products including communications equipment, digital computers, memory systems, input/output equipment, data encoding products, recording and display equipment. Operates five plants in Pennsylvania and New Jersey.

General Electric

Headquarters — Fairfield, Connecticut

Electronic Sales — \$3,370,725,000

Major facilities in our territory:

Re-Entry and Environmental Systems Division,
Philadelphia, Pa. 19101

Products: missile and guidance equipment; pollution control and abatement equipment

Space Division,
Valley Forge Space Center,
Philadelphia, Pa. 19101

Products: satellites and space systems

ITT

Headquarters — New York, N.Y.
 Electronic sales — \$3,051,298,800
 Major facilities in our territory:

Avionics Division,
 Nutley, NJ 07110
 Products: aerospace and navigation electronic communication equipment and systems

Communications Division,
 Nutley, NJ 07110
 Products: defence-related communications equipment and systems

RCA

Headquarters — New York, N.Y.
 Electronic sales — \$2,354,884,800
 Major facilities in our territory:

Astro-Electronics Division,
 Princeton, NJ 08540
 Products: satellite systems of environmental, meteorological earth resources, navigational, communications and exploratory varieties; spacecraft technology

Missile and Surface Radar Division,
 Moorestown, NJ 08057
 Products: surface-based, air and spaceborne early warning, spacetrack and intelligence radars, surface-based air and missile defence systems

Government Communications and Automated Systems Division,
 Camden, NJ 08102
 Products: development and production of communications, transmission and terminal equipment and systems for submarine, shipboard, manpack, vehicular, aircraft, missile, space and ground applications

The Singer Company

Headquarters — New York, NY
 Electronic sales — \$653,000,000
 Major facilities in our territory:

Aerospace Systems, Kearfott Division,
 Little Falls, NJ 07424
 Products: airborne inertial, doppler and hybrid navigation and guidance systems, aircraft control display panels, microwave landing systems, analog-digital computers

US GOVERNMENT DEFENCE AGENCIES

Defense Industrial Supply Center (DISC)

700 Robbins Avenue, Philadelphia, Pennsylvania 19111
 Industrial: hardware, metal bars, sheets, shapes, blocks, tackle, rigging, fiber rope, cordage twine bearings, chain, wire rope, cable fittings, electrical wire and cable.

Defense Personnel Support Center (DPSC)

2800 South 20th Street, Philadelphia, Pennsylvania 19101

Clothing/ Textiles: clothing, individual equipment, textiles, leather, furs, household furnishings, boots, shoes, flags, bedding, tents, tarpaulins.

Medical/ Dental: medical, dental, veterinary equipment, supplies, drugs, medicines, surgical equipment, chemical analysis instruments, biologicals, hospital furniture, X-ray equipment, laboratory equipment.

Defense General Supply Center (DGSC)

Richmond, Virginia 23219
 General: service and trade equipment, furniture, food preparation equipment, recreation and athletic equipment, office machines.

US Army Electronics Command (ECOM)

Fort Monmouth, New Jersey
 Procurement: provides the US Army with a great array of electronic equipment and systems for use by troops in the field, covering the complete life cycle.

Research and Development: The Directorate of Research, Development and Engineering consists of seven laboratories and supporting organizations. These include Atmospheric Sciences, whose major activities are at White Sands Missile Range, New Mexico; Combat Surveillance and Target Acquisition; Electronics Technology and Devices; Electronic Warfare; Night Vision, at Fort Belvoir, Virginia; Avionics; and Communications/Automatic Data Processing.

Put that unused capacity to work

STANLEY A. COHAN, Commercial Officer, Philadelphia

We are all familiar with the serious problems which United States and Canadian defence contractors have faced as a result of reductions in defence spending. The question is, how can a firm that has been geared to serving the defence industry make a successful transition to non-military production? While not intending to offer a panacea, it is hoped this article can stimulate Canadian businessmen affected by this problem into exploring the myriad of possibilities.

Can an aerospace company which in 1971 had revenues of more than \$3,000,000,000 find happiness building light rail vehicles? This is exactly what the Boeing-Vertol Division in suburban Philadelphia is doing.

Vertol was one of the Philadelphia area's largest employers a few years ago when more than 13,000 workers turned out Chinook helicopters. But its military business has been drying up, employment is down drastically and it appears it will be a long time before every suburban house has a heliport on the roof.

However, adversity is nothing new to the aerospace industry. Boeing-Vertol's top management team tightened their collective belt, put their heads together and sailed into the mass transit market. Their imagination and drive were rewarded when they were given a contract by the United States Department of Transportation. The rest is transit history.

Carl Weiland, former Director of Vertol's Surface Transportation Systems Department, when asked why his firm risked entering a field so foreign answered: "Boeing and Vertol have ample experience as prime contractors for sophisticated projects; they know how to keep tabs on sub-contractors, and there is a wealth of engineering talent at their disposal."

Your initial reaction might be, "How can this example apply to me; I have neither the funding nor the vast engineering resources available to Boeing?" This is true, but there are certain guidelines appli-

cable to both the industrial giant and the small business. Among others there are these:

- 1) Experience in handling sophisticated projects;
- 2) Taking advantage of in-house engineering talent;
- 3) A desire to expand one's market

Litton Industries has a small division in Williamsport, Pennsylvania. For years, it made highly sophisticated radar components for the United States Armed Forces. But military spending cutbacks and the resulting unused capacity prompted Litton to look to the civilian market. Electronic ovens for the home was the answer. Employment is up and the future looks bright for this division — which, until this transition, had no experience in the home appliance field.

The path to success is studded with obstacles and, as you might expect, many firms have fallen by the wayside. There are many problems. To help us in focusing on the myriad difficulties awaiting the un-initiated, we turned for help to a respected manufacturers' representative in Philadelphia with whom we have worked closely for several years. The results of our conversation can be listed in point form:

- 1) As a supplier of equipment to United States defence agencies, you generally came under the shelter of the Canada-US Defence Production Sharing Program. Therefore, your shipments entered the United States duty-free. Non-defence producers are not entitled to this privilege and tariffs will now play an important role in your pricing structures.

- 2) Generally speaking, you must now sink or swim with your initial price submission. Be cautious! Pennies per unit may now make the difference as to whether your bid is successful.

- 3) Do not over-engineer a part. The extremely tight tolerance expected of you by the military is generally not applicable. An over-zealous quality-control program can send costs sky-rocketing.

- 4) You must in some cases completely revise your thinking as to what constitutes a volume run — e.g. a 1,000,000-unit fuse contract may have kept your shop humming for a full year, but now it will not be unusual for you to be asked to quote quantities of 500.

- 5) Many sub-contractors deal directly with the prime contractor, negating the need for a representative or, if an agent was employed, he was generally a man who serviced only defence accounts. We strongly recommend that you seek the services of a reputable man oriented to commercial marketing.

Now let us explore some of the ways in which the Department of Industry, Trade and Commerce can offer you assistance:

- 1) Specialists in Ottawa are prepared to supply you with information on US customs tariffs and procedures.

- 2) The Consulates in the field have their fingers on the pulse of the industry in their area of responsibility. (In the case of the Philadelphia office, the area includes eastern Pennsylvania, southern New Jersey, Maryland, Delaware and Virginia). We maintain a constant liaison with firms and government agencies in our area and generally know when they are looking for new sources of supply.

- 3) Another of our responsibilities is to know about those companies seeking firms offshore to manufacture a proprietary item on a licensee basis.

- 4) If you develop a product that you feel has a commercial application, let us conduct a market survey on your behalf to determine if it is saleable and what price would be acceptable (we might mention here that all pricing should be c.i.f. Philadelphia, US funds, duty-paid).

- 5) As mentioned earlier, we strongly suggest that you employ the services of a manufacturers' representative — allow us to help you find the right man. We maintain an extensive file of reputable agents who have expressed an interest in Canadian lines. These people have the product knowledge

Canadian food processors welcome

BARBARA GREY WEST, Commercial Officer, Philadelphia

and contacts to aid you in establishing a market.

6) Let us assume that all of the aforementioned steps have been taken and you are prepared to enter the market. Showroom facilities and/or office space are generally available at most Canadian Consulates in the United States. Appointments with interested parties can be made on your behalf and these facilities may be used to make your presentation.

7) Until such time that you appoint an agent, we would be pleased to follow-up quotes on your behalf, where it is practical.

"Philadelphia ranks as one of the toughest markets in which to sell grocery products. The city and surrounding area comprise the fourth largest concentrated market in the United States and, geographically stands right at the point where product from the South meets competitive product from the North — and from imported goods". So said the vice-president for procurement of the largest supermarket chain in the mid-Atlantic States. They sound like pretty discouraging words.

But, consider another statement made by a buyer with the same chain. "If Canadian processors, particularly seafood canners, ever decided to make a strong, well-organized promotional effort in this area, they could capture three to five times the market they now have". Faith that Canadians can compete in the Philadelphia market is also expressed by brokers here who constantly state their interest in representing Canadian firms able to compete on the basis of price, packaging, quality, consistency of supply.

From the Canadian standpoint, is the effort worth making? Let's look at the statistics. The 13-county Philadelphia primary market has a total population of about 5,700,000 people, with a total effective buying income of over \$26 billion. Households number 1,900,000, each with a buying income of more than \$14,000 a year.

How do Philadelphians spend their money? Total retail sales consume more than one half the effective buying income, i.e., almost \$14 billion — with supermarket and restaurant sales taking approximately \$4 billion of that amount.

In addition, within the territory covered by our consulate there are actually two marketing areas, the second centred in Baltimore, Maryland. This second area has a total population of almost 10,000,000 people and in one county alone the per-capita income exceeds \$18,000 a year. Thus, grocery sales for our territory add up to a grand total of \$10 billion.



(photo courtesy Food Trade News.)

Both the Philadelphia and the Baltimore trading centres are broker-oriented and the tendency is not to buy direct from the processor. Brokers in the Philadelphia territory fairly blanket the 14 county area. Baltimore brokers cover the Maryland-Virginia divisions of major Philadelphia based supermarkets, as well as such giants as Safeway, Grand Union, B. Green (which serves the independent IGA) and Giant Food Inc, none of which have retail outlets in Philadelphia. Philadelphia/Baltimore brokers and affiliates range as far northeast as New York, as far south as Virginia and west through West Virginia. Some distribution firms claim their trucks deliver to a territory that includes Maine to Florida West to the Mississippi River.

'Behind these enticing facts, however, stands stiff competition from local and national manufacturers as well as from European and Japanese producers who also recognize the sales potential of the market.

The fact that Canadian food processors are welcomed by food brokers here and are successfully competing in this market is old news. News worth headlining would be the revelation that Canadian food processors were living up to

the expectations of buyers who are convinced Canada could capture three to five times the market it has.

On the premise that this development is only a matter of time and determination, since the expertise is there, the Grocery Products Division of the Department of Industry, Trade and Commerce, with the support of the Philadelphia Consulate, will be sponsoring a Canadian Processed Foods Exhibition and Sales Meeting in the latter part of September, in Philadelphia.

The exhibition and sales meeting is planned for late afternoon and early evening and to this will be invited buyers and top executives from the supermarket chains, co-ops and voluntary groups, brokers, and distributors in both the Philadelphia and Baltimore distribution centres. Because many of these brokers and distributors do a large part of their business with the restaurant and institutional trade (we estimate over one third), we strongly recommend all firms catering to this trade consider participating.

As part of the program, seminar sessions are planned for participating Canadian manufacturers in conjunction with the faculty and trade sponsors of the Academy of Food Marketing, Saint Joseph's College,

Philadelphia. The Academy is recognized as one of the finest in the United States. It was founded in 1962 with extensive support from the American food industry, including major food producers, developers, distributors, retailers and advertisers. It offers a Bachelor of Science degree in Food Marketing in a curriculum which covers marketing, planning principles, management, theory, physical distribution, research and development, advertising and communications as well as other marketing-oriented topics.

Since the headquarters for US Department of Agriculture inspection personnel covering all entry ports in the northeast quadrant of the United States is located in Philadelphia, as well as an FDA office, it is hoped we will be able to obtain helpful information and direction from these sources as part of the program.

Participating Canadian firms should send product information to the Consulate well in advance of the exhibition. This information will be used for advance publicity in local trade papers. Rates will be made available for those firms wishing to advertise their participation in the exhibition.

The success of the exhibition and sales meeting depends directly upon the interest and enthusiasm expressed by Canadian food processors, and the greater the number and diversity of exhibits, the greater will be the number of buyers and brokers interested in attending. In making your plans remember that this event will be held in the fall of the US Bicentennial Year and will coincide with holiday buying, particularly of specialty and gourmet foods.

The Grocery Products Division, Agriculture, Fisheries and Food Products Branch, IT&C Ottawa, has available a report dealing with the Philadelphia market which details the best ways to become established, as well as providing data on leading food brokers and retailers.

(photo courtesy Food Trade News.)



ESTIMATED SALES VOLUME OF CHAINS, CO-OPS AND OTHERS

Chains	No. of Stores	Average Unit Dollar Value	Percentage of Sales
Acme Markets, Inc.			25
Acme Super Markets	131	4,333,000	
Super Saver	35	6,212,000	
A&P Tea Co., Inc.			13
A&P WEO Markets	150	2,720,000	
Food Fair Stores, Inc.			14
Food Fair	1	2,545,000	
Pantry Pride	81	5,396,000	
Penn Fruit Co., Inc.			7
Penn Fruit Stores	32	4,300,000	
Dale's Farm Centers	14	4,680,000	
Consumers' Wholesale	3	5,670,000	
Pathmark	23	9,829,000	7.2
7-11 Stores	253	298,000	2.4
Co-operatives		NA	
Frankford-Quaker	850		10.0
Shop'n'Bag Supermarkets, Unity Supermarkets, Unity- Frankford Stores, Quaker Stores, Penn Mutual Stores			
Voluntaries		NA	
Thriftway Foods, Inc.	435		12.6
Thriftway Supermarkets, Pioneer, Liberty, American Family, Genuardi, Holiday, Clemens, Mr. Grocer, WaWa, Shopping Cart, Pickwell, Giant, King's, Carlisle Markets			
Perloff Bros., Inc.	425		
Great Scot, Two Guys, Garden, Fairlawn, Cumber- land Farms, Red Robin			
Shop-Rite Market	22		4.0
Others	1,400	NA	1.1
TOTAL STORES	3,855		
TOTAL SALES	\$3,140,000,000		

Source: The Evening & Sunday Bulletin, Philadelphia; prepared from US government statistics

An updated fish story

BARBARA GRAY WEST

Modern marketing methods are rapidly imposing their imperatives on every segment of the economy, including that last stronghold of rugged individualism, the fishing industry.

Now the name of the game is distribution and sales, through attractive convenience packaging and promotional campaigns. Packaged frozen seafood counters outdistance the fresh trays in length and sales for very simple reasons: increased consumer acceptance, less spoilage and increased profits for the supermarkets.

Those who have tried it, like it. Ask Philadelphia's largest processor of seafood which currently holds about 27 percent of the US market in fish sticks and portions. Not only is its product appealingly boxed, but in addition to the usual advertising allowances, the company also runs commercials on major radio stations.

Ask the buying executives of the stores, the seafood distribution centres, and the brokers. We did and found convenience packaging to be the prime consideration in buying fish — after price. Good quality is simply expected.

Individually quick frozen (IQF) portions and 10 x 5 lb. cellowrap masters are the key to sales, according to these executives. We might add that neither package type carries the duty which is imposed on the breaded or battered product. Yet both can do the job that is wanted in the supermarkets and in the restaurant and institution trade.

To date, some Canadian firms are doing an excellent job in the polybagged IQF fillet and whole round categories. One Canadian firm is preferred in this market, according to one buyer, not only because its package is color-coded to the type of fish fillet within, which aids in stock control, but also because each 12-ounce bag contains six individual, quick-frozen, 2-ounce fillets. This form of portion control is a big convenience feature for the housewife planning her menu.

A leading Ontario exporter also gets top marks for its polybagged

whole round IQF fresh water smelts. Depending upon the size of the family and its appetite, as many smelts as wanted can be removed from the polybag and the rest returned to the freezer. This is a decided asset for single cooks and senior citizens who usually want only one serving. Scotland and Brazil also polybag their IQF scallops and of course almost all shrimp are prepared for sale in this manner.

Also competing with the breaded and battered product on a duty-free basis is the dressed IQF fish and fillets packed on styrofoam meat trays and then poly over-wrapped at the fish plant. The store then weighs and prices each tray, affixing its own in-house label.

Small crabs from Maryland are currently being sold by supermarkets packaged six to a 16-ounce polybag. Red Crab from Maine, cooked whole and frozen is being sold one to a styrofoam meat tray with poly overwrap. This may well be a good opportunity for Canadian suppliers, as one buyer has asserted he could use trailer truckloads of Canadian Rock Crab on styrofoam trays. The difference between sale and non-sale — the competitive edge — is the package.

Another aspect of the crab market, particularly popular during the winter is the canned pasteurized product. At present, Venezuela is processing via this method. While the buyers admit the product does not have the taste of the regular canned or fresh-frozen product, their main interest and concern is the fact that its refrigerated shelf life is at least six months, and loss due to spoilage is minimal.

Restaurants and institutions, the Philadelphia Seafood Distribution Center's largest customers, prefer the 10 x 5lb. Cellowrap pack, which means each piece is individually wrapped in cellophane, then frozen. The layer pack (wax paper separating layers of fish) runs a respectable second. These types of packaging are handled by firms in the Distribution Center, along with fresh ice-packed local products. The reason

fresh frozen packs constitute the bulk of the business, whether the fish be dressed or filleted, is the fact that restaurants and institutions want the convenience of easily separated product.

The market for frozen blocks increasingly is being limited to the major processors. Low-priced product from the Far East, however, tends to limit the volume Canada can generate in this commodity.

In addition to the growing demand for good packaging and advertising incentives, look also for an increasing trend toward supermarkets demanding terms. Some of the large US seafood processors are giving 1 percent or 2 percent discounts for payment within 10 days, net 30 days, putting those processors wanting cash-on-delivery at a disadvantage. Of course, the cost of the credit terms is built into the price, but they do represent the little extra that sharpens some firms' marketing edge over competitors.

Canadian seafood processors wishing a copy of the *Profile of the Philadelphia Fish Market* which details the buying habits, product requirements, and quantities used of supermarkets, firms in the Seafood Distribution Center, food brokers, and processors should write: H.E. Campbell, Consul and Senior Trade Commissioner, the Canadian Consulate, Suite 1310, Three Parkway, Philadelphia, PA 19102.

You should plan to visit the Philadelphia market soon. We will be most happy to arrange appointments and itineraries, given at least two weeks' notice.

Contract furniture: High growth rate expected

JAMES P. HUGHES, Commercial Officer, New York City

Furniture and furnishings is a multi-billion dollar industry in the United States. The total market in 1977 is expected to reach \$8.7 billion, a 37 percent increase over 1972. What is more, by 1982 the base is expected to be 82 percent greater than that of 1972 (\$6.35 billion).

Metropolitan New York represents the single biggest demographic marketing area in the United States. The population exceeds 20 million, with that figure considerably higher if Greater Boston and Philadelphia are included, and the regional market for imported goods and services is simply overwhelming.

Canada is in a good position to take advantage of these opportunities. The concentration of most of our major furniture producers in Ontario and Quebec makes for easy access to the major metropolitan centres of the United States. The fastest growing segment of the market is contract furniture.

Canadian firms have been showing an increasing interest in contract sales and these are some of the most frequently asked questions:

Will the contract market continue to grow?

Since projections indicate a doubling of the contract market by 1982, those who design space and specify products must, of necessity, anticipate a healthy, vigorous growth in this time frame.

Manufacturers must be aware and ready for this projected growth by efficient long-range planning. Open-plan design in the US, for example, accounted in 1972 for \$200 million worth of furniture and furnishings specifications. By 1982, according to a leading market research consultant, this amount will escalate impressively to \$900 million. In effect, the 1972 market is less than one quarter of what the 1982 market could be.

Who does the buying in the contract market?

The Canadian exporter will find

the purchasing practices in this country similar to those in Canada.

The buyers are: dealers; designer/specifiers, who do design work for fees and in some instances act as their client's purchasing agent; and clients, who approach dealers or manufacturers with their specifications.

How do I, as a Canadian manufacturer establish a marketing strategy?

Attitude and enthusiasm, as has been said before, are the two most important ingredients for success. The manufacturer contemplating export to the US should:

- 1) Personally visit the marketplace to obtain all information available in order to define his position and that of his competition (a good time is "Designer's Saturday" when designers, architects and specifiers from across the United States visit the various showrooms);

- 2) Ensure that his plant's capabilities are adequate to supply the market on long-term basis and be prepared to modify his designs, to suit US tastes.

Becoming established in this market will take time and effort, and it may be at least two years before results are seen. But the results can justify the effort. As elsewhere, good designs, prompt delivery and complete service are the keys to success.

Because the contract market is composed of various segments, a worthwhile approach is to limit your initial sales effort to a few lines and obtain small contracts in order to become familiar with the market, before going after larger jobs.

Promotional literature is especially important and should be attractive, designed for easy reference and contain pricing information. Architects and designers prefer brochures with extra tear sheets for making paste-ups.

Distribution

The next step is to decide on the channel of distribution. The usual procedure is to find a manufac-

turers' representative or agent, or to appoint a stocking dealer who calls on the designer/specifier. There is a less common procedure — usually undertaken after the company has been established — and that is to appoint your own salesman and open your own showroom. But whatever route is chosen, the manufacturer should be prepared to visit the market frequently to ensure high agent motivation and to provide advice and assistance.

As obvious as it sounds, a careful check should be made of the financial background of prospective agents, dealers or clients and the sales insurance service offered by the Export Development Corporation should not be overlooked.

Trade shows

Participation in trade shows is particularly useful in the contract field. The important ones are:

- 1) NEOCON - Chicago Merchandise Mart (annual);

- 2) American Association of School Administrators Show — Atlantic City, New Jersey (annual);

- 3) National Office Products Association (NOPA) Show, Chicago (annual);

- 4) National Hotel and Motel Exposition Show, New York City (annual);

- 5) Designer's Saturday — showrooms in New York City (annual);

- 6) Contract Marketplace, New York City (annual).

The federal and provincial governments have also provided incentives for the Canadian manufacturer. Many Canadian companies are not familiar with these programs and should investigate them further.

For more information get in touch with your Regional Office and remember that in New York, as in other Canadian Consulates in the US, a permanent display area (the Canada Room) is available and could be very useful in promoting your products.

The Commercial Officer: Trade Commissioner's Best Friend?

Someone not familiar with the workings of IT&C's 88 Trade Commissioner Service offices abroad might suppose a Commercial Officer is something the same as a Trade Commissioner. Not so. Trade Commissioners who are Canadians and usually career foreign service officers, come and go, rotating every few years, from posting to posting or back to Headquarters. Commercial Officers are not nomadic. They are hired locally for their intimate knowledge of the local business scene and to provide a valuable element of continuity to the post's operations. Nick Decrinis, for example, is an Austrian citizen who has been with the Commercial Division of the Canadian Embassy in Vienna for 17 years. Like Nick, many of our other 167 Commercial Officers speak two or more languages and are highly qualified in other ways.

Commercial Officers nine times out of ten are local people hired by the post for their intimate knowledge of local business conditions and practices. Many of them speak two or more languages and are highly qualified in other ways.

To give you an idea of the kind of person IT&C looks for, several Commercial Officers were interviewed for *Canada Commerce*. John Hill, now Commercial Secretary in Bangkok but formerly in Havana, filed the following report on Nicasio Lorenzo:

"With the retirement of Nick Lorenzo, another page has been written in the history of the people who promote Canadian trade abroad. Nick's career spanned more than three decades and when he retired he had long since established himself among Canadian business people as a friend and colleague whose good advice and gentle humour were much-sought during trips to the Cuban capital.

"Nick joined the staff of the embassy in 1938 and began his direct involvement in commercial affairs in 1941. His intelligence and quick assimilation of the requirements of Canadian business people were soon demonstrated, and his highly productive career was launched. He

easily mastered the intricacies of Canadian trade with Cuba — the movement of salted cod from the Maritimes, newsprint from Quebec and malting barley from Ontario. After office hours, Nick was active in amateur theatre and vaudeville groups.

"As a result of Canadian government spending cutbacks in the early Sixties, we no longer had a Trade Commissioner resident in Cuba and for the next decade Nick was truly our man in Havana. The government of Premier Fidel Castro introduced far-reaching social and economic reforms affecting virtually every phase of Cuban life. Trading patterns and practices were profoundly changed, and the knowledge, commodities and business contacts Nick had amassed became of diminishing relevance. But during this period he maintained the operations of the Commercial Division. The flow of correspondence with Canadian exporters continued uninterrupted; Cuban plans and priorities were carefully recorded and the responsibilities of the new state buying organizations were noted.

"Recognizing the increasing trade potential of the Cuban market, IT&C began in 1970 an active program of trade promotion and Trade Commissioners once again were posted to Havana. For a man with nearly 30 years of experience and a decade of working virtually on his own, the prospect of coping with another generation of young, impatient and demanding Trade Commissioners cannot have had too much appeal. Nick had already seen a large number of what he described as 'young bucks and whippersnappers' pass through the Embassy. In the case of Ken Brown — a bright, young External Affairs Second Secretary in Havana in the early Fifties — the process went full circle and in 1970 Nick was on hand to welcome him back as our new Ambassador.

"The full measure of Nick's loyalty, enthusiasm and capacity perhaps was demonstrated best in his last four working years. Cuba's developing economy opened a market for new products and ser-

vices. Trade missions of Cuban buyers to Canada, a flow of business visitors and government officials to Havana, and new programs and personalities in the expanded Department of Industry, Trade and Commerce, all created new demands and challenges in those working years when most men have a chance to apply the lessons, experience and contacts accumulated during their careers.

"For Nick it was a brand-new ball game and he responded with the dash and enthusiasm of old. Once again he mastered his craft and soon he was able to discuss with authority a host of subjects — the generic characteristics the Holstein-Fresian, the tear strength of wood pulp, soil requirements for seed potatoes, or the intricacies of assembling tobacco harvesters and rock pickers. His ability to provide simultaneous translation on a wide variety of technical subjects was extraordinary and his enthusiasm without limit.

"He accompanied a succession of Canadians through breeding farms, government buying offices and industrial installation. On one occasion he followed a keen Canadian salesman and was seen disappearing under the chassis of a piece of heavy equipment, all the time providing a continuing, technical translation relating to the virtues of reinforcing members. Later in the day he arranged entrance to hospital for the same salesman, who was half his age but suffering from over-exertion.

"A quick wit, a ready smile and a warm spirit, Nick is fondly remembered by all those with whom he worked — *Te saludamos Nicasio.*"

Obviously, it is difficult to find people to replace Commercial Officers of Nicasio Lorenzo's calibre. But IT&C continues to have great success. For one thing, candidates are carefully screened and for another, Canada's reputation abroad seems to help in attracting good people.

Bogdan Janczewski's case is a fine example. He is our Commercial Officer in Warsaw, Poland. He admits he was more curious than anything else when he heard that

"It's my belief, based on experience in Rome, Milan, New York and Prague that Canada is lucky to have local officers of very high quality working in its commercial offices abroad. The people I worked with were talented and dedicated, and without them my job as Trade Commissioner would have been much more difficult." *D.T. Wismer, Trade Commissioner Service, on IT&C's Commercial Officers.*

the job was open and filled out an application. But Mr. Janczewski has impressive academic qualifications and varied work experience. Furthermore, he not only speaks English and Polish but also Russian and some German, French and Spanish. He sailed through three or four interviews and the job was his. That was just over four years ago.

Mr. Janczewski told Canada Commerce that one of the big problems in trade relations between Canada and Poland, at that time, was the Canadian image. He said Canadians attempting to deal with Poland were very much hampered by their "hewers of wood" image and immediately saw that his biggest chore would be to help change that situation. Now, he said, Poles don't think so much of forests and snow and hockey when they think of Canada — these days they are much more aware of our technological and industrial capabilities.

But right from the start, Mr. Janczewski had an understanding of the Commercial Officer's purpose in life and this was mainly because of his previous experience. He often refers to himself as a jack-of-all-trades and it is not a bad description. He received his MA in international economics in 1961 and then worked for a while with the Polish Chamber of Foreign Trade. This was followed by "an interesting proposal from the Ministry of Foreign Affairs to take on a two-year assignment with a United Nations group in Vietnam."

It was during the UN assignment that Mr. Janczewski first met Canadians and he told *Canada Commerce* this first favourable impression influenced his decision to work with IT&C in Warsaw. At any rate, Vietnam was followed by a stint with the Ministry of Foreign Trade back in Poland, during which he was deeply involved in both the preparatory work and the proceedings of the first United Nations conference on international trade and development.

By this time, Mr. Janczewski had developed a hankering for research work and the next step was post-graduate research on the problems of international economics at the

Central School of Planning and Statistics in Warsaw. In the meantime, he said, he had been to the United States for about six weeks to study organization management and related subjects. By 1968 he was ready for more work in foreign trade and joined one of Poland's big trading corporations as a manager responsible for fairs and exhibitions. Later, he was involved in licensing activities and "industrial co-operation" (joint ventures).

Mr. Janczewski frankly admits his job had become "dull and routine" when he learned that Canada was opening a Commercial Division at its embassy in Warsaw. "I thought it was quite an interesting proposal," he said, "because it was something new, you know, and I knew a little bit about Canada and the structure of its trade with my country. I thought it would be interesting to try to help bring about some changes."

Asked how this was achieved, Mr. Janczewski said; "A Commercial Officer, first of all, ensures continuity at a post. Commercial Counsellors change after several years, but if the Commercial Officer is happy with the job he stays for a much longer period. Maintaining continuity is important, particularly in a country like Poland."

The second thing, he said, is that as a Pole he has good contacts in the various state enterprises and for him it is easier to obtain information. "Furthermore," he said, "I can follow press reports, study economic literature and gather other information useful in promoting Canadian products and services."

Last but not least, said Mr. Janczewski, when it comes to discussions and negotiations, "the professional knowledge of the Commercial Officer, coupled with his abilities in Polish and English, can be used for proper — and I emphasize the word proper — interpretation and translation."

To be able to translate and interpret "properly" is probably as much a talent as it is a skill and also involves a considerable degree of diplomacy. Erich Schulz is talented, skilled and very much a diplomat,

according to those who know him. Mr. Schulz recently retired after a 19-year career as our senior Commercial Officer in Hamburg, West Germany. He was interviewed by Consul and Trade Commissioner Wayne McQuinn:

What led you to become a Commercial Officer?

It was a combination of coincidence and confidence. In 1946, I was working as a liaison officer between the German authorities and the regional food team of the British forces. At that time, Bruce Marshall (*now Commercial Counsellor in Wellington, New Zealand*) was a control officer for livestock attached to the British team. I met him then and kept up the acquaintance by correspondence. As a result, when E.H. Maguire was asked in 1956 to open the Canadian Consulate in Hamburg, Mr. Marshall wrote him, advising that he get in touch with me if he needed assistance, either in opening the office or making contacts in the agricultural and food industries. The call from Mr. Maguire conveniently coincided with the decision of the Dutch firm with which I was working to close its Hamburg subsidiary. After I had helped him to find office space and staff, I let it be known that I was available, at least on a temporary basis, to work as a Commercial Officer. Out of what was to be temporary work has come 19 years of enjoyable service.

That was the coincidence part of the story. I was confident I could do the job because during my correspondence with Mr. Marshall I had been keeping him up-to-date on developments in German agriculture and he had been using this information in the publication *Agriculture Abroad*. During this time I had also made many contacts in the German food and agriculture industries.

What led you to stay with the Canadian government for 19 years?

Well, I very quickly became aware of the match-making aspects of the job and for me this was very easy because I had made so many con-

tacts in Northern Germany while helping in the rebuilding of food processing plants, distilleries, fish canneries and so on. And I liked working with Canadians. They are pleasant people and I have found the Trade Commissioners to be alert, quick-minded and well-informed. In fact, I have often heard it said that the Canadian Trade Commissioner Service is among the best. And of course, Canada is very popular in Germany.

But one thing bothers me. I miss a little bit the pioneering spirit I had expected to see in more Canadians. What I had read about Canada and what I saw in my earlier days had led me to believe that the spirit that built the trans-Canada railway was something especially Canadian, that showed Canadians could build something from scratch. I think perhaps this has to be re-kindled if Canada hopes to further develop its industries.



What have been some of the memorable events of your career?

It was most gratifying to see the arrival in Hamburg or Bremen of the first ships loaded with lumber, grain or newsprint. More recently, there have been container-loads of food products such as fancy meats,

herring and blueberries. We're looking forward to the first shipments of alfalfa and it won't be long before we see the hundredth container of honey in retail packages.

Then I remember the claims. Sometimes a nasty business but most of these situations had an amicable ending and I enjoyed my job of peace-maker. However, diplomacy didn't always work. One of my favourite lines of poetry says, "There is nothing either good or bad, but thinking makes it so," but that philosophy failed me a short while ago when we had a problem with a shipment of frozen eels. They were to be smoked but the manager of the firm demanded our presence when his employees began gutting the eels and discovered some of them were rotten. What could I say? The stench took your breath away.

Could you give us some idea of the number of Canadian firms you have assisted over the years?

I've only been to Canada twice on business but I've probably been involved one way or the other with half the companies in the department's directory of exporters. A tremendous number of Canadian business people have been through our Hamburg office because of this area's importance in the German market.

What is it like dealing with Canadians?

I have found them pleasant to work with — patient and frank. But many tend to be a bit overwhelmed by the market, particularly when we visit trade fairs. When they see the array of products available some seem to give up hope of selling here.

But having a look at this market can also have beneficial effects if it stimulates these people into making greater efforts. I think perhaps exports are not all that important to a great number of Canadian firms. Many of them are small family companies that tend not to want to expand. They seem reluctant to run the risk of buying trouble, as it were.



Do you feel the services offered by IT&C through its offices around the world are adequate?

I think sometimes there is too much service. I would not be surprised to discover that more than half the Canadian companies with which we deal discard the information we supply. I have the feeling that efforts at this end are often wasted. We can provide many services to firms, on an individual basis, but we need to know more about them and we need to know more about their plans. Sometimes it is difficult to get that information.

How do you feel about Canada's future in Europe?

Probably 50 percent of Canada's exports to West Germany are handled by firms within a 15-minute walk of our office. I have been able to observe closely the tremendous growth of Canadian exports to West Germany and I believe that this, combined with the fact I was involved in the rebuilding of German industry after both world wars, qualifies me to comment. I think Canada is a great country with many capabilities and the potential is enormous.

But I have never been able to understand why Canadians don't work harder at exporting more finished products. For example, with their country controlling, I think, some 60 percent of the world's nickel supplies, why have more Canadian companies not taken advantage of that fact to supply the world with specialized valves, fittings and other industrial

Commercial Officer in Prague sees opportunities for Canadians

products? As I said before, Canada's early development was based on a strong pioneering spirit and I think it is going to take a rekindling of that spirit for Canadians to take advantage of their unique position in the world.



Miroslav Hudec is our Commercial Officer in Prague, Czechoslovakia. Before joining the Embassy staff he had been a Czechoslovakian Trade Commissioner in the Republic of Ireland and has also worked with one of the big Czechoslovak trading firms. He has never met Erich Schulz (see preceding article) but he would probably agree with some of Mr. Schulz's comments.

Mr. Hudec told *Canada Commerce* that Canadians perhaps have had something of a soft touch, with a huge market only a border-crossing away. He said that, in general, he finds Canadians tend to be a bit inexperienced in doing business in other parts of the world and reiterated a point made many times before in the pages of this magazine — when working in Eastern Europe you need patience and determination. But once deals are made, he said, they often involve greater quantities than are normal in the West.

For Canadians, he said, there are opportunities in many industry sectors, including: agricultural machinery, components for Czechoslovakia's highly-developed electronics industry, and joint ventures in third countries. High-level technology in many fields is of great interest, he said.

But one obstacle, said Mr. Hudec, is that Czechoslovakians still have a lot to learn about Canadian capabilities and we have to promote ourselves more vigorously if we hope to compete. "Canadians," he said, "are often too impatient. They write to Czechoslovakian firms, don't get an immediate reply and lose interest.

"The trouble is," he said, "that may be just when the Czechoslovakian trading organization is getting interested. But if the Canadian company hasn't persisted in sending brochures and other information, it will not receive consideration when the Czechoslovakians start thinking about making purchases. Product information is not thrown in the wastebasket here. It's kept on file."

Asked about business visits, Mr. Hudec said they are important — but not at the start. "Send the literature," he said, "and do your homework first. Use our facilities to make contacts. Then, when interest is shown, a followup visit can be made."

Mr. Hudec again stressed a point that cannot be made too many times: "Don't expect immediate results. Things just don't work like that in Czechoslovakia. Start a correspondence and maintain it. Continually remind the Czechoslovakian firm of your existence. Let it be known about changes in your product line or in prices. Don't interpret lack of response as a 'no' and don't forget about our services at the Commercial Division of the Embassy."

(Editor's note: Mr. Hudec was interviewed in Prague but he was visiting Canadian firms as this issue went to press. This is part of our Trade Commissioner Service's policy of keeping officers abroad, both locally-engaged and Canada based, in touch with developments in Canada.)

Sao Paulo: Industrial heart of South America

AXEL H. CONRADI, Vice Consul and Asst. Trade Commissioner, Sao Paulo

You are in a shopping centre. On your left, the finest leather coats. On your right, an array of beautifully styled shoes of every colour. In front of you, a deeply bronzed, bikini-clad girl beckoning you to try the latest in eau de cologne for men. Too bad she's a poster! Behind you two young girls in animated conversation unable to make up their minds which of the hundreds of printed T-shirts to choose from. All around you, the soft sounds of music putting your mind at ease. Everywhere you look, goods, goods and more goods. Abundance. Overchoice. This must be Canada. Wrong — Welcome to Sao Paulo!

The city that never stops — the driving force behind the Brazilian miracle. Sao Paulo is all of this and more. With more than 11 million inhabitants and growing at a rate of 5 to 6 percent a year, a recent United Nations study predicts that by the year 2000, Greater Sao Paulo will be transformed into the largest and most populous city in the world — a metropolis of 40 to 50 million people from the four corners of the world, who together have succeeded in creating the most important, most diversified industrial centre of Latin America. Fueled by a per capita income of more than \$2,000 in its industrial suburbs, the consumer society is alive and well in Sao Paulo.

Typical of, and in many respects responsible for, this wealth is the automobile. With 1.2 million cars in its streets and with 500 new ones joining the traffic every day, one out of every ten Paulistas has a car. The odds are that more than 95 percent of these vehicles have been made right in the Sao Paulo area. Volkswagen, General Motors, Ford, Chrysler, Mercedes Benz and Scania all manufacture within the limits of Greater Sao Paulo. Since its creation in 1957, the Sao Paulo automobile industry had, by June 1975, produced 5,882,361 units, with 1975 production alone expected to be almost 1 million vehicles.



Parking lot at Volkswagen do Brasil, Greater Sao Paulo. Brazil has more Volkswagens on its roads than does West Germany.





In Greater Sao Paulo more than 70,000 factories produce everything from nails to steel to motors and high-technology machinery; from dinky toys to rolling stock and airplanes — little wonder then, that 51 percent of Brazil's economically active population lives within its confines, thereby accounting for over one third of all the income tax collected in the country.

Such size and such dizzying growth is not without problems and for this very reason, the Sao Paulo state government has embarked on a policy of economic de-centralization. As a result, the city of Sao Paulo continues to grow but the interior of the State of Sao Paulo has posted significant economic gains as well.

ABC Industrial Zone, Greater Sao Paulo.



Embraer Airplane Factory, Sao Jose dos Campos, Sao Paulo.



Even as early as 1970 (the last year for which census figures are available), the Sao Paulo interior accounted for 59 percent of the state's industrial establishments, 50 percent of its industrial employees, 56 percent of the value of production and 52 percent of the value added in production. New industry tends to go where transportation, electricity and ready means of communication are available and already more than 400 kilometres of auto routes lead in all directions out of the city to such important and growing industrial centres in the interior as Campinas, Sorocaba, Santos and San Jose dos Campos. In all, there are 10,000 kilometres of paved highway, with an additional 5,000 kilometres planned for the next two years.

The interior accounts for 52.1 percent of the state's power consumption, an important fact when it is recalled that the State of Sao Paulo consumes over one half of all Brazil's power and can draw on the state's immense Ilha Solteira hydro complex, the largest in South America and capable of supplying 4.6 million KW (soon to be increased to 5.6 million KW). More than one million of Brazil's 2.2 million telephones are located within the borders of Sao Paulo, making telecommunications among the best in South America.

Exports from the interior of Sao Paulo State include motor vehicles and parts, office equipment, textiles, sewing machines, shoes, integrated circuits, electronic equipment, agricultural machinery, paper, cartons, sugar refining equipment and aircraft. Domestically-designed aircraft are coming off the Embraer assembly line at the rate of 10 a month. Sao Paulo's industrial base accounts for roughly 60 percent of all of Brazil's manufacturing output.

As part of an effort to retain its position as the industrial leader of Brazil, the Sao Paulo state government will, over the next few years, increase the production of its COSIPA steel mill at Cubatao from 2.3 to 3.5 million tons a year — a

program that will cost more than \$820 million. FEPASA, the Sao Paulo state railway, figures prominently in Brazil's railroad expansion plans, with funds set aside for modernization and growth.

Major investments are also anticipated for a 17-kilometre extension of the Sao Paulo Metro (civil works have already begun) and in the construction of a new super airport for Sao Paulo. Brazil's recently signed nuclear technology agreement with West Germany has opened the door for Sao Paulo industry to enter the nuclear age.

If you are a supplier of capital goods, have technology for sale or are interested in joining the hundreds of foreign investors who, every year, put one billion dollars of new direct investment into Brazil, then you should be having a good hard look at Sao Paulo. Many others have, with the result that between 1969 and 1973 about 50 percent of all foreign investment coming to Brazil settled in Sao Paulo. Why not settle down here yourself? In doing so you would have some familiar Canadian neighbours, including Alcan, Massey-Ferguson, Moore Corporation, The Royal Bank of Canada, Connaught Laboratories, The Bank of Montreal, The Canadian Imperial Bank of Commerce, The Toronto Dominion Bank and Stelco, all of whose Brazilian operations have headquarters in Sao Paulo.

Brazil is on the move. For more than six years its annual real growth in gross domestic product has exceeded 9 percent. In the process, Brazil's 1974 GDP reached \$74.3 billion, putting it within striking distance of its stated per-capita-income goal of \$1000 by 1980. Sao Paulo State is the industrial might behind this growth and its population of 19 million offers a market almost equivalent in size to that of Canada. Accounting for more than 60 percent of Brazil's industrial output and with roughly 40 percent of Brazil's GDP estimated to come from its fields and its factories, Sao Paulo State's gross production in 1973 was approximately

\$20.3 billion, an output that in all of Latin America was surpassed only by Argentina, Mexico and the rest of Brazil.

The Sao Paulo Consulate and the Western Hemisphere Bureau, Latin America Division of the Department of Industry, Trade and Commerce in Ottawa would be more than pleased to provide further information on how to establish yourself in this important and dynamic region of Latin America. Visit your Regional Office or write: **The Canadian Consulate**, Caixa Postal 6034, Edificio Scarpa, Avenida Paulista, 1765, 9 Andar, Sao Paulo, Brazil; **Latin America Division**, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa, Ontario K1A 0H5.

Something to Think About: A conserver society

E.C. BUTTON, Assistant Director, Creative Services, IT&C Ottawa

A Conserver Society. Now just what is that? Our thoughts precisely, and probably yours. Some material on the Conserver Society crossed our desk from the Science Council of Canada, and during a few quiet moments over our afternoon coffee we read. At first glance it seemed quite unrelated to the readers of *Canada Commerce*. But, reading on, and thinking about it for a few days, there appear in the concept of the Conserver Society some far-reaching implications for our readers. Another "something to think about."

What is a Conserver Society? The Science Council feels there should be a move in that direction, and in fact has substantiated the fact that we are already moving. Such a society would be concerned with doing more with less, would look for reductions in the demand on resources, would stress re-use of resources, would question our conspicuously growing consumption — in other words would become more aware of the service-supply system we live in.

Which means that those of you involved in managing different sectors of this service-supply cycle are going to be dealing with an increasingly more aware, more demanding and more skeptical customer as time goes by.

Now for some examples. Walk down the street. Read newspapers. Look at TV. All of us are aware of the change in automobile demands. We are in the era of the small, efficient car. Another example — millions of North Americans are growing and preserving their own food — which led to the great canning lid crisis of 1975 when the supply-service system did not meet the sudden new demand.

Oil company advertising stresses the idea of saving gas — demarketing not marketing! Recycling projects make the news daily. Utility companies, in formal ad campaigns, call for reduced energy use. Reusable containers are being demanded, even at various government levels and any industry that

abuses natural resources is quickly criticized — by the media, by citizen groups, even by governments.

Almost daily we read about some project somewhere related to the Conserver Society concept — propane cars, electric cars, solar power, wind power, recycling and so on. We hear of plans to use garbage as heating fuel. We read of companies instituting commuter services for employees. We read of technological changes that reduce the quantity of raw materials needed in certain products. And directly or indirectly, most of these projects are funded by some level of government.

On the humorous side is the Moo-brick — a UCLA experiment in making building brick out of cow manure! Seriously, the product is in use, and is apparently stronger and lighter than ordinary bricks. But they do not mention if there are any problems with Moo-brick walls in the hot sun after a thundershower!

Alternative means are being explored, in many cases in response to demand. Many governments are supporting research and experiments with solar energy. Our Science Council estimates that solar energy could supply 40 percent of our residential heating and cooling — and that is based on present technology. CMHC apparently estimates that solar heating systems could pay for themselves over the 50-80 year lifespan of a house. In the US, the federal government spent more than \$50 million last year and will spend \$70 million in 1976 on solar energy research. In France, the village of Mejanne-le-Cap, near Nimes, will be the first village with a central solar heating system, sometime this year. In Prince Edward Island there is Project Ark — a closed-circuit food production chain — from fishpond to greenhouse, to recycling facilities, with wind and solar power — all under one roof, in addition to living quarters. In Amsterdam, the Netherlands, there is an experiment with a windmill generator system for small two-passenger electric

cars. A number of our own federal government departments are involved in alternative-means research.

So how does all this affect the readers of *Canada Commerce*? Well, you are facing the problem that the conspicuous consumer of the Fifties and Sixties is a vanishing breed — being replaced by a more conservation-minded, more demanding, more quality-conscious and harder-to-reach customer. This customer will be the product of a low or no-growth economy and will have less money to spend more carefully. Consumers will be exploring new ways of doing things. They will learn to examine our 'throw-away-society' and question it. They will gravitate toward the 5R's of environmental awareness: 1) Reject — excess packaging, and energy and resource-wasting disposables; 2) Reuse — pop bottles, plastic bags, etc; 3) Repair — slightly damaged appliances, clothes, furniture; 4) Recycle — minerals, glass, wood; 5) Redesign — transit systems, wasteful packaging, etc.

Philosophies of marketing will have to change. Demand patterns will change. New products will emerge. Others will phase out. We are in a changing world. Be ready for it.

A reading list...

CS Notes, Science Council of Canada: Dr. J.A. Potworowski, Science Adviser, Science Council of Canada, 150 Kent Street, 7th Floor, Ottawa, Ontario, K1P 5P4; *Canada's Energy Opportunities—Report No. 23*, Science Council of Canada: Information Canada; *Energy Conservation—Background Study No. 33*, F.H. Knelman, Science Council of Canada: Information Canada; *Program Outline for R&D in Solar Energy*, Office of Energy R&D: Department of Energy, Mines and Resources, 580 Booth Street, Ottawa, Ontario, K1A 0E4; *List of 10 companies in Canada manufacturing solar equipment*: Building Services, Division of

Building Research, M-24, National Research Council of Canada, Montreal Road, Ottawa, Ontario, K1A 0R6;

National Plan for Solar Heating and Cooling—Interim Report (March 1975): ERDA Technical Information Center, PO Box 62, Oak Ridge, Tennessee 37830, United States of America (Order document No. ERDA-23); "Marketing When the Growth Slows," *Business Week*, April 14, 1975.

... and for the serious reader ...

Tentative Blueprints for a Conserver Society in Canada, K. Valaskakis, P.S. Sindell, J. Graham Smith, GAMMA, July 1975: Departement d'Economie, Université de Montréal, CP 6128, Montréal, Québec



TELECOM 75: Showcase for Canadian capabilities

Canada had the world's first and longest operational domestic microwave and communications satellite network. As a result, our claims to leadership in the telecommunications field are easily substantiated and people in other countries are more than willing to listen to our story.

There is little doubt the Canadian telecommunications industry made a significant impact at TELECOM 75 in Geneva, Switzerland. Sixteen Canadian companies took part in an IT&C-sponsored exhibit, among them Telesat Canada, the corporation that operates our national communications network. And all the other companies had a hand in building the system.

The Geneva show, sponsored by the International Telecommunications Union, is held every four years and this year 37 countries participated. Concurrent with the show were technological seminars sponsored by various international technical associations, including Canada's Society of Electrical Engineers. Of 12 Canadian papers offered for presentation by their authors, 11 were accepted — proof of our standing in the international telecommunications industry.

Buying missions from the Middle East, Africa and Latin America were particularly interested in our national network and it was reported that a number of Canadian firms began sales negotiations at the show.

Standardization of international systems is being stressed and Canada's lead in this field puts our firms in an excellent position to take advantage of world market which, it is estimated will be worth about \$30 billion by 1980 (telephone and telegraph, \$18 billion; data communications, \$5.5 billion; radio communications, \$3 billion; others, the remainder). Currently, we have about 5 percent of the world market.

In his remarks at the opening of TELECOM 75, Robert W. Sarnoff, President of RCA Corporation, advocated establishment of a coordinated world network for instantaneous urgent communications between governments in the event of an international crisis. He also urged setting up a fund of \$1 billion to support establishment of regional telecommunications networks in developing countries.

Should these proposals be accepted, there would be many opportunities for Canadian firms. Mr. Sarnoff pointed out that, to date, Canada, the United States and the Soviet Union are the only countries with operational domestic satellite networks. It is also worth noting that RCA Ltd. of Montreal has already engineered world-wide earth stations and satellite telecommunications networks.

In 1974, Canada's electronics production reached \$874 million, of which telecommunications equipment of all types accounted for \$760 million. Exports totalled \$650 million, while imports came to \$183 million. The apparent domestic market is about \$900 million at present. Canada's largest producer and exporter of telecommunications gear is Northern Electric, whose 1974 sales reached more than \$1 billion, including production from its plants in the United States, Ireland and Turkey.



Spotlight on Design

The Alpine Skidoo

Bombardier Limited calls it the "pick-up truck version" of its popular snowmobile. The Alpine Skidoo is a compact, twin-tracked work vehicle with advanced engineering features. The company is promoting the new Skidoo as a vest-pocket cargo carrier for northern climates. It was designed by Bombardier's Recreational Products R & D Group at Valcourt, Quebec.



UPDATE

IT&C's Regional Offices
Market Facts for decision makers
Wanted Manufacturers
Foreign Tariffs and Trade Regulations
International Projects
Export Opportunities



IT&C's Regional Offices

The Department's Regional Offices are under the direction of the Regional Offices Branch, headed by D.G. Laplante, with offices at headquarters in Ottawa. The Eastern Ontario Regional Office is also in Ottawa and is run by D.J. Packman, telephone 613-996-1216.

Newfoundland Region

F.A.D. Blair
Director,
210 Water Street,
St. John's Newfoundland A1C 1A9
Telephone: 709-722-6074

Nova Scotia Region

C.P. McPherson,
Director,
Suite 1124, Duke Tower,
5251 Duke Street, Scotia Square,
Halifax, Nova Scotia B3J 1N9
Telephone: 902-426-3851

New Brunswick and Prince Edward Island Region

F.D. Grimmer,
Director,
Suite 642, 440 King Street,
Fredericton, New Brunswick
E3B 5H8
Telephone: 506-454-9707

Québec City Office

Suite 620, 2 Place Québec,
Québec, Québec G1R 2B5
Telephone: 418-694-4726

Québec Region

P.M. Audette,
Director,
Room 2124, Place Victoria
PO Box 257, Tour de la Bourse,
Montréal, Québec H4Z 1J5
Telephone: 514-283-6254

Ontario Region

L.D. Robinson,
Director,
Commerce Court West, 51st Floor,
PO Box 325,
Toronto, Ontario M5L 1G1
Telephone: 416-369-3711

Manitoba Region

G.A. Gillespie,
Director,
Suite 1104, Royal Bank Building,
220 Portage Avenue,
Winnipeg, Manitoba R3C 0A5
Telephone: 204-985-2381

Saskatchewan Region

G.A. Cooper,
Director,
Room 980
2002 Victoria Avenue,
Regina, Saskatchewan S4P 0R7
Telephone: 306-569-5020

Alberta and Northwest Territories Region

C.G. Bullis,
Director,
500 Macdonald Place
9939 Jasper Avenue,
Edmonton, Alberta T5J 2W8
Telephone: 403-425-6330

British Columbia and Yukon Region

J.F. Murray,
Director,
PO Box 49178, Suite 2743
Bentall Centre, Tower "III",
595 Burrard Street,
Vancouver, British Columbia
V7X 1K8
Telephone: 604-666-1434

CALA V

The Canadian Association for Latin America (CALA) is holding its fifth conference, CALA V, "Canada and Latin America—The Implementation of the Partnership," in Caracas, Venezuela, at the end of the month.

This is the first time a Canadian conference has been held in Latin America and marks a great step forward for CALA — the one specialized, private institution in Canada dealing with Latin America. It is active in developing relations in all respects, but particularly in business.

Probably CALA's most successful and effective achievement has been the organization of four previous conferences. CALA I and CALA II, held in Canada in 1970 and 1971, were short introductions of a Canadian audience to the economies of Latin America. The speakers included the President of the Inter-American Development Bank, the Secretary-General of the OAS, the Executive Secretary of the Economic Commission for Latin America and others of similar calibre.

CALA III in 1972 brought a group of distinguished Latin Americans to tell CALA members about trends in their countries and what forms of collaboration were being sought from countries such as Canada. At CALA IV in 1974 the process was reversed and a much larger group of Canadian businessmen told an equally large group of Latin Americans about Canada's development process and experience, and the resulting specialized skills and products. This was so successful, that it was decided to undertake what had for long been in mind — a conference in Latin America.

It is hoped that CALA V, "...The Implementation of the Partnership," will define more precisely what Latin America seeks, what Canada can best offer for the mutual good of both, and how to make the partnership a practical reality. It was expected that the conference would be attended by about 60 Latin Americans and 150 Canadians.

Offshore exploration contract with India

IT&C officers in India report that the Asamera Group, comprising Asamera Oil Corporation, Canadian Superior Oil and North Canadian Oil, has signed a contract with the Indian Petroleum and Chemicals Ministry for offshore oil exploration.

The contract calls for a joint exploration by Asamera

and the Indian Oil and Natural Gas Commission, of an area of the Cauvery Basin off Tamil Nadu. Signs of oil in Sri Lanka's portion of the Basin as well as development of the Bombay High oilfield make for a promising outlook.

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
60-75	423-37	Polystyrene resins	Oct. to Dec. 1974
61-75	546-16) 546-99)	Cattle feeders and oilers	July to Sept. 1974
62-75	381-09) 383-99) 788-99) 846-45) 846-59)	Non-woven fabrics	Oct. to Dec. 1974
63-75	402-99	Inorganic bases and metallic oxides hydroxides and peroxides	Jan. to Mar. 1975
64-75	441-99	Ferro-alloys	Jan. to Mar. 1975
65-75	459-79	Non-ferrous metals	Jan. to Mar. 1975
66-75	473-65	Glass tubes and tubing	April to June 1974
67-75	850-63	Glass and crystal stemware and tumblers	April to June 1974
68-75	950-44	Paper bags and multiwall sacks	Sept. to Nov. 1974
69-75	655-19) 655-83)	Refrigeration condensers	Oct. to Dec. 1974
70-75	513-15	Truck-mounted knuckle and telescoping cranes	Oct. to Dec. 1974
71-75	449-34	Stainless steel wire	Oct. to Dec. 1974
72-75	850-52	Stainless steel cutlery	Jan. to Mar. 1975
73-75	421-59) 421-79) 421-99)	Non-animal glues and adhesives	Oct. to Dec. 1974
74-75	473-08) 473-11) 473-13)	Plate glass	Oct. to Dec. 1974

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.

Organic waste treatment system

American company offers under licence the Canadian manufacturing rights to an organic waste treatment system for the home. This self-contained system, which was developed in Sweden, decomposes toilet wastes and organic kitchen garbage by composting in a large fiberglass tank installed either in the basement or outside. The humus which results is claimed to provide a safe, effective fertilizer. The system does not require water, chemicals or heat; therefore, plumbing and water hookups are unnecessary. Capacity of the largest units is 10-12 persons which is sufficient for regular homes, vacation

homes and small industrial facilities. A vent pipe carries away odours, carbon dioxide and water vapour. Literature available. **Item 3260**

Water treatment plant controls

Finish firm is offering the Canadian manufacturing rights to its range of instruments for the automation and control of waste water treatment plants. This range of electronic measuring, control and sampling instruments includes liquid level indicators and transmitters, flow meters and total flow counters, pH controllers and transmitters, automatic samplers, etc. A complete line of instrument acces-

sories is also available. Literature available. **Item 3261**

Settling tank

Czechoslovakian state licensing agency seeks to licence a Canadian company to manufacture its settling tank for multistage continuous sedimentation of solid impurities from liquids. The equipment operates both as a settling tank and as a hydrodynamic classifier of solids. The contaminated liquid is passed through a succession of stages operated under a common hydraulic pressure. The liquid follows an inclined path and passes alternately through laminar flow areas where settling of solids takes place, and

through turbulent flow areas where agglomerating of finer particles occurs. This process is designed for municipal waste treatment and for use in the paper, food, pharmaceutical, ceramic, chemical and other industries. Literature available. **Item 3262**

Water quality controller

Japanese firm seeks to licence a Canadian company to manufacture its water quality controller for waste disposal systems. This device measures and controls water quality in waste disposal by means of a pH amplifier and recorder. It is claimed to be simple to operate, to require very little space, and to provide considerable savings in production costs compared to conventional devices. Literature available. **Item 3263**

Water purification unit

German firm is offering the rights for manufacturing under licence in Canada its portable pressure filter unit for purifying drinking water. This purification unit does not employ chemical additives. It is actuated by hand and is claimed to supply bacteria free and tasty drinking water from all natural water sources, including contaminated muddy water. The filter container has a capacity of 0.88 pint and incorporates two disposable filters. Literature available. **Item 3264**

Bark humus

Swedish firm seeks a joint venture or a licensing arrangement with a Canadian company for the manufacture of its organic biologic fertilizing and soil improving material comprised of coniferous bark composted with the addition of minerals. The product is manufactured in two grades of fertilizing capacity for varying soil conditions and is produced in an easily manageable pelletized form. In addition to acting as a fertilizer, bark humus is claimed to be capable of restricting the growth of weeds and disease and to have a long lasting effect. Literature available. **Item 3265**

Exercise device

Swiss inventor wishes to licence a Canadian manufacturer to produce his compact physiotherapy device for exercising the muscles in the chest, neck, arms, shoulders and back. The equipment consists of a pillar about two metres high, with an adjustable seat at the foot of the

pillar and two adjustable sliding arms in the upper part. Three different models, each adjustable for use by both adults and children, are available for use in the home and in schools, gymnasiums, hospitals and other institutions. Literature available. **Item 3266**

Remote system of ECG recording

Finnish firm seeks to licence a Canadian company to manufacture its teletransmission-receiving system for taping electrocardiograms over a telephone or radio. The system is based on ECG signal transmission over a standard telephone network. The electrodes fixed to a patient's skin pass signals to a transmitter which converts them to audio signals. When telephone contact has been made with the receiving end, an automatic receiver records the signals transmitted. The system is claimed to be reliable, economical, and simple to operate. Literature available. **Item 3267**

Anti-corrosion fluid

German firm is offering the Canadian manufacturing rights to its anti-corrosion fluid. This underbody sealing agent is designed primarily for motor vehicles, both new and used, but also has many industrial and marine industry applications. It is non poisonous, non explosive and highly abrasion-resistant. The Canadian licensee should be well connected with the automotive industry and preferably be a manufacturer of paints or other protective coatings. Literature available. **Item 3268**

Emulsifiers for food industry

Danish firm seeks a joint venture or licensing arrangement with a Canadian company for the production of its emulsifiers and emulsifier blends for the food industry. The line of products includes mono and diglycerides, polyglycerol fatty acid esters, calcium stearoyl-2-lactylates, other esters based on fatty acids, mixes of emulsifiers, and mixes of emulsifiers and stabilizers. These products are used in the production of margarine, shortening, related fat products, ice cream, frozen desserts, dairy products, bakery products, etc. Literature available. **Item 3269**

Compaction roller

Austrian firm seeks to licence a Canadian company to manufacture its road roller designed for the com-

paction of sub-base materials as well as for compaction and finishing of asphalt surfaces. The roller is equipped with 3 axles, two for rubber-tired wheels mounted over a swivel link and the third for a smooth steel drum roller. Shifting of the swivel link allows for three operating positions so that either the rubber tires or the smooth roller drums, or both together, may be utilized. This combination allows the roller to be used as a rubber-tired pneumatic roller as well as a smooth drum, vibratory compacting roller. Literature available. **Item 3270**

Container carrier

Australian company offers for manufacture under licence in Canada its straddle carrier designed primarily for use in container terminals. This equipment is capable of handling containers of up to 40 feet in length and of travelling over a three-high container stack when empty. It incorporates a special spreader to handle over-height containers with cargo protruding above the container top. Designed for 24-hour operation, this eight-wheeled machine can handle loads up to 9.1 tons per wheel, raise a 30-ton load at 30 feet per minute, and travel at 15 miles per hour. It has an inside turning radius of only 10 feet. Literature available. **Item 3271**

Articulated undercarriage

Canadian inventor offers under licence the Canadian manufacturing rights to his articulated undercarriage for moving heavy loads quickly and smoothly over rough terrain. This patented undercarriage consists of two pairs of wheels, each pair independently mounted for transverse pivotal action upon one end of a beam which in turn is pivoted for longitudinal movement to the frame. This system is claimed to supply full articulation to the undercarriage assembly while reducing the effects of rough or uneven terrain on the load carried. It is also claimed to provide an evenly distributed load to all the wheels on soft ground. Literature available. **Item 3272**

Vehicle axle load indicator

New Zealand firm seeks to licence a Canadian company to manufacture its axle load indicating system. This system is designed for heavy transport vehicles to indicate to the operator the loading on each axle. A sensor mounted above each axle

sends a signal proportional to the load on that axle to a console mounted on the cab. Up to eight sensors can be installed, all controlled from one console. Claimed advantages include highway preservation, balanced loading and optimum vehicle utilization without fear of overload fines. Literature available. **Item 3273**

Height gauge

German firm is offering the rights for manufacturing under licence in Canada its new height gauge. With this device accurate measurements of height can be obtained more quickly and easily than with conventional gauge blocks. The instrument incorporates a number of stacked identical precision gauge blocks. A micrometer is inserted between the gauge blocks nearest the height to be measured and the actual height determined by micrometer adjustment. It is claimed that linear dimensions can be measured to at least four significant decimal digits in a matter of seconds. Literature available. **Item 3274**

Deep water mooring

British firm is offering the rights for manufacturing under licence in Canada its range of subsea single point mooring and storage systems for offshore tanker and bulk carrier loading/discharging. This new technology is based upon a unique surge control head which is capable of internally absorbing energy while remaining an effective static structure. It is claimed to prevent pollution and to be unaffected by wind or wave action. No underwater piling or anchors are required and instal-

lation time is minimal. It also offers a cheaper alternative to pipelining offshore, particularly for exposed deep water oilfields. Literature available. **Item 3278**

Measuring instrument

Czechoslovakian state licensing agency is offering the rights for manufacturing under licence in Canada a device for precise position measurement and for guiding objects along predetermined straight or curved paths. The principle is based on high precision measurements of transverse distances with regard to optical reference straight lines, while the influence of ambient illumination upon the accuracy of the measurement is eliminated. Compared to laser systems, the device is claimed to have higher accuracy, better stability, a longer service life and a lower investment cost. It measures distances up to 350 metres with an accuracy of ± 0.3 mm and distances up to 10 metres with ± 0.01 mm accuracy. Fields of application include the construction industry, surveying, metallurgy, power engineering, and mechanical engineering. Literature available. **Item 3279**

INVENTIONS

The following manufacturing opportunities represent products and processes that have not been commercially proven. In some cases, prototypes have been developed.

Portable door lock

Canadian inventor is offering under licence the rights to manufacture in Canada his portable safety door lock. This simple locking device can

be quickly and easily installed from the inside in the latch recess of any standard door jamb with no part accessible from the outside. Once in place, the device is claimed to render the standard door latch inoperative and to securely lock the door from the inside. Literature available. **Item 3275**

Air bed

Canadian firm offers under licence the Canadian manufacturing rights to its air bed designed for persons with back or sleeping problems. Patented air beams enclosed in an outer air chamber are claimed to give complete and total natural support to every part of the body. Firmness is adjustable from soft to extra firm. In all models, except the single size, each half of the mattress is independently pressure adjustable. Literature available. **Item 3276**

Garbage bag holder

Austrian inventor is seeking a licensing arrangement with a Canadian firm for the manufacture of his plastic garbage bag holder. The holder consists of two frames, one of which is rigidly fixed to a pedal. The two frames are held together by a tension spring. Each frame has a clip at its top end to which a plastic garbage bag is attached. Pressing the foot pedal causes the frames to separate, thereby opening the top of the bag to permit the introduction of garbage. When pressure on the foot pedal is released the tension spring causes the bag to close. A free standing unit is available as well as one designed for installation in a cabinet. Literature available. **Item 3277**

Foreign Tariffs and Trade Regulations

Brazil

The Brazilian authorities have announced a further minidevaluation of the cruzeiro effective September 23, 1975. The new buying rate for US dollar is 8.47 Cruzeiros and the selling rate is 8.52 Cruzeiros. So far this year the Cruzeiro has been devalued by 14.537 percent.

● The Customs Policy Council has announced the following tariff changes:

Resolution 2524 of August 12, 1975 reduces the duty from 30% to 10% for six months on vinyl chloride (chloroethylene) (tariff heading 29.02.12.00)

Resolution 2525 of August 12, 1975 exempts from duty for one year ethylenediamine (tariff heading 29.22.28.00).

Resolution 2539 reduces the duty from 55% to 10% of polypropylene copolymer, with a content of plus or minus 93% of propylene, plus or minus 7% of ethylene and an index of fluidity test of 0.4 to 0.905 for use exclusively in the production of plates with honeycomb construction or corrugated plastic (tariff heading 29.02.02.12).

Resolution 2535 of August 26, 1975 raises the duty from 30% to 50% for

one year on methanol (methyl alcohol) (tariff heading 29.04.13.00).

Resolution 2536 of August 26, 1975 raises the duty from 37% to 67% on catgut and other suture materials except surgical suture material for microsurgery consisting of thread up to 7-0 diameter with needle up to 11 mm (tariff heading 30.05.01.00) and from 0 to 30% on unsterilized surgical catgut (tariff heading 42.06.01.00).

Resolution 2550 of September 10, 1975 exempts from duty a quota of 6000 tons of skimmed milk powder, excluding milk modified for use as

infant food, containing less than 26% of fat, when imported by COBAL.

● On October 9, the Brazilian authorities announced new austerity measures including further import restrictions. Import duties are to be increased by 100 percent on non-essential goods and 30 percent on intermediary products. Government agencies and state owned companies will have to import 15 percent less in 1976 than in 1975. In addition, government agencies must give preference to Brazilian-made capital goods and the Special Financing Agency (FINAME) will be given additional resources to finance long term purchases of locally manufactured equipment.

The list of tariff increases includes 1,645 items but commodities which have been negotiated with LAFTA or GATT member countries are exempt from the regulations and the agreed-upon tariffs prevail. Information on specific rates of duty may be obtained from the Latin America Division, Western Hemisphere Bureau, IT&C Ottawa.

West Malaysia

Importers are hereby notified that effective September 11, 1975, the importation of the below classified goods into the principal customs area of the States of Malaya

and into Penang Island from all countries is subjected to specific licensing and quantitative restriction (quota):

Heading no.	Description of Goods	Country
73.10	Bars and rod (incl. wire rod) of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished:	
	Wire Rod:	
190	other	All countries
	Other:	
	round:	
929	other	All countries
73.15	Bars and rod (including wire rod) of alloy steel and high carbon steel:	
	Wire rod:	
419	of high carbon steel	All countries
	Other:	
	of alloy steel:	
429	other	All countries
	Bars and rod:	
	of high carbon steel:	
519	other	All countries
	of alloy steel:	
529	other	All countries

Britain

The British government recently announced that it is introducing a system of import surveillance licensing on imported colour TV sets and colour TV tubes. The arrangement will require British importers to obtain individual import licences to cover importation of such products. The British Department of Trade will issue licences freely, without restriction as to quantity, subject to the provision of information about relative contracts and orders. These surveillance licences will be valid for a period of three months.

Peru

As of September 29, 1975 the Foreign Exchange Transactions Board of the private sector has revoked the previous requirement that all imports be made on a letter of credit basis or covered by a letter of guarantee when goods were imported on a consignment basis.

The above does not alter the requirement that all imports of the private sector be financed abroad for

the periods previously established by the Board, i.e. two years and over for capital goods with an f.o.b. value of US \$10,000 or more-not less than 90 or 120 days in all other cases.

● On September 26, the Ministry of Economy and Finance announced a single exchange rate of 45.00 Soles to the US dollar for both the Certificate Market which was at 38.70 to the US dollar and the Draft Market previously at 43.38 Soles to the US dollar. The Certificate Market applies to all trade transactions and certain non-trade transactions, including principal capital movements. The Draft Market applies to services and most other non-trade transactions.

Zaire

The government of Zaire has placed an embargo on imports of: rapeseed oil, wax textiles, synthetic textiles used for men's clothing and men's suits.

International Projects

HAITIAN PORT EXPANSION

The Inter-American Bank has approved a \$7.5 million loan to help Haiti expand and improve port installations in Port-au-Prince, the country's capital and major port. The project includes construction of:

- A reinforced concrete wharf with berthing facilities for two vessels.

- Two 84,000-square-foot cargo warehouses parallel to the new wharf;

- A port administration building with 10,000 square feet of floor area;

- Approximately 2,600 lineal feet of a gravel fill dike to enclose an area of 1,652 feet by 480 feet to the north of the new wharf, to be used later as a cargo storage area.

The project also includes the dredging of an access channel to the new wharf for medium-draft vessels with a capacity of up to 52,000 tons, the installation of an electric power and supplementary systems and the purchase and installation of cargo-handling equipment, including a mobile crane and 10 self-loaders with wooden pallets.

Implementing organization: Administration Portuaire de Port-au-Prince (APP), Port-au-Prince.

Procurement: International public bidding among eligible member countries of the Bank on the civil engineering works and the goods imported with the restricted resources of the Bank loans.

HONG KONG SEWAGE TREATMENT

The Asian Development Bank has approved a \$20 million loan to Hong Kong for a sewage treatment project in Sha Tin — one of the city's new satellite towns. The loan, from the Bank's ordinary capital resources, will be used to finance the

foreign exchange costs of equipment and machinery for the Sha Tin Sewage Treatment Project. Sha Tin, situated some 10 kilometers north of the heavily overcrowded district of Kowloon, is one of three new towns to be developed by the Government of Hong Kong to relieve congestion in its urban areas. It is intended to be completely self-contained, with modern structures and good communications with the business districts, new employment opportunities, and all communal facilities for a projected population of about 500,000 by 1983. The Project will provide sewage treatment facilities for a population of 226,000 in the first stage, and for an industrial pollution load of 100,000 population equivalent.

Implementing organization: Public Works Department of Government of Hong Kong

Procurement: 1) Procurement to be financed out of the proceeds of the loan comprises of (i) valves and penstocks; (ii) screening plant; (iii) mechanical scrapers; (iv) diffused airequipment; (v) centrifugal pumps; (vi) air compressors; (vii) surplus sludge dewatering plant; (viii) sludge pumps; (ix) generation plant; (x) sludge digestion plant; (xi) sludge disposal facilities; (xii) pumps and ancillary equipment for main pumping station; (xiii) rising mains; (xiv) material for outfall (joints, coatings, etc.); and (xv) electrical equipment.

2) Procurement to be financed out of the proceeds of the loan will be in accordance with the Bank's Guidelines for Procurement. Contracts involving estimated expenditure of equivalent of \$100,000 or more will be awarded on the basis of international competitive bidding. Contracts involving estimated

expenditure of less than the equivalent of \$100,000 will be awarded on the basis of international shopping.

3) Procurement was tentatively scheduled to commence in early 1976.

Consultants: Messrs. Watson (Hong Kong) for design and project supervision and Messrs. Maunsell Consultants Asia for design and supervision of Sha Tin New Town Development Program have been employed by the Borrower.

NICARAGUAN RURAL ELECTRIFICATION

The Inter-American Bank has approved a \$16.5 million loan to finance a rural electrification project in Nicaragua. The loan, which was extended to the Republic of Nicaragua, will be used by the Empresa Nacional de Luz y Fuerza (ENALUF), the government-owned power company in Nicaragua, to help carry out the first stage of the Second National Rural Electrification Program. Within 10 years of operation, the program is expected to supply electric power to an estimated 21,600 consumers in a 1,776-square-mile area comprising 70,000 inhabitants in the Departments of Matagalpa and Zelaya.

Implementing organization: Empresa Nacional de Luz y Fuerza (ENALUF), Managua, D.N., Nicaragua.

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

Export Opportunities

The inquiries listed come from several sources, including various Branches of IT&C and the Trade Commissioner Service abroad. However, the Department cannot assume any responsibility for trade negotiations that any firm may enter into on the basis of information obtained from these inquiries.

Equipment and Machinery

GREECE — Canadian suppliers of machinery suitable for making small wooden sticks for ice cream bars: Commercial Counsellor, Canadian Embassy, 4 Ioannou

Ghennadiou Street, Athens 140, Greece.

NETHERLANDS — Medium-sized steel design and construction firm interested in manufacturing under

licence from Canadian companies; special interest in any new developments in steel building: Limoveld BV, 7 Industrieterrein, Helden-Panningen, Netherlands.

Materials

SINGAPORE — Gasket shellac compound suitable for use in general assembly work on gaskets of paper, felt, cardboard, rubber and metal, resistant to gasoline, kerosene, greases, oils, water and anti-freeze; suitable for temperature range -65° to 350°F: Commercial Secretary, Canadian High Commission, PO Box 845, Faber House, 7 & 8 Floors, 230/236 Orchard Road, Singapore 9, Singapore.

Miscellaneous

SWITZERLAND — Firms interested in: Torula yeast, texturized carpet yarn; polyamid fibres; biological preparations or reagents and enzymes; glassware for households; plastic household goods; chinaware; semi-conductors; psychotronic instruments; electroen-

cephalograph; feedback myograph; feedback encephalograph; feedback thermoter; per psychogalvan reflex instruments; minicomputers; terminals; interfaces; modules; building parts; components for electronic data processing; general industrial electronics; measuring and control equipment and systems; technical books and magazines, mainly hobby, small scale construction technical toys, small scale trains, cars, ships, airplanes and accessories, electronic components for toys: Commercial Secretary, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Representation

WEST GERMANY — A Canadian agent or distributor is wanted by a

West German company specializing in manufacturing gears for materials handling and lifting technology: extra light mitre spur gears — range of reduction 11.2 to 45:1, range of torque 220 to 1800 daNm with or without return stop (hollow shaft and adjusting spring groove, or hollow shaft and shrink disk, or power take-off shaft: mounted gears — one and two stage, range of reduction 13 to 1800 daNm, with or without return stop.

● West German manufacturer of cosmetics offers the exclusive sales rights for a systemized line of cosmetics for Canada. Line will be continuously improved: Canadian-German Chamber of Industry and Commerce Inc., 2015 Peel Street, Suite 1110, Montréal, Québec H3A 1T8, for both inquiries.

Correction

A couple of errors cropped up in L.D. Burke's article "Swiss Industrial Concerns and Insurance Companies", which appeared in the October issue of *Canada Commerce*. On page 25, in a section on Sandoz Ltd., the figure of \$18 billion was mentioned. This should have been \$180 million. And on page 27 there was a reference to "new" annual revenues for tourism. It should have been *net* annual revenues.

Cooper Furniture Expands

The Winnipeg firm of Cooper Furniture Ltd. (*Canada Commerce*, July/August 1975) is establishing a new plant three times the size of its old one. Company President John Cooper says 1974 sales totalled about \$400,000 and he expects to break the million-dollar mark in 1976.

The company is adding hide-a-beds, cushions and other products to its line of upholstered swivel rockers. The new plant has 24,000 square feet of working space and will ultimately employ more than 50 people.

First international conference on Physics in Industry Dublin, Ireland, March 9-13, 1976

The conference is being sponsored by the International Union of Pure and Applied Physics and will deal with techniques, energy, communication and data processing, biological aspects, social dimensions and the education of physicists. For more information write: Organizing Secretary, Physics in Industry Conference, Royal Irish Academy, 19 Dawson Street, Dublin 2, Ireland.

Trade with Republic of South Vietnam

IT&C's officers in Peking report that the new Republic of South Vietnam is in the process of setting up an administration to supervise foreign trade. In the interim, Canadian firms are advised to establish contact by writing to:

1) Nguyen Van Tien, Special Representative of the Provisional Revolutionary Government of the Republic of South Vietnam, Mai Ba Trung Street, Hanoi, Democratic Republic of Vietnam;

2) Saigon Chamber of Commerce, c/o Chamber of Commerce of the Democratic Republic of Vietnam, Hanoi, Democratic Republic of Vietnam.

The authorities of the Republic of South Vietnam have stated publicly that they are ready to resume contact with companies which had contracts with the previous regime for prospecting exploitation of natural resources in South Vietnam. The authorities are ready to begin discussions on re-negotiation of these contracts.

From the Bulletin of the Canadian Conference of the Arts:

"We have it on good authority that an international study was once commissioned on the subject of elephants, with the results as follows: The Germans wrote a definitive 20-volume study of the elephant. The French wrote a brief but logical study of the love life of the elephant. The Russians wrote about socialism and the elephant, with particular emphasis on how well the beast had adapted to collectivization. The Canadians wrote a paper entitled *The Elephant: Is it a Federal or Provincial Responsibility?*"

More on British offshore exploration

The following table represents an analysis of orders placed by offshore companies in 1974 and was prepared by the British Offshore Supplies Office:

		Value of orders placed (£ '000)		
		Total	British content	British %
Capital goods	<i>Fabrications</i>			
	Production platforms — concrete	161	60	37
	Production platforms — steel	87	56	64
	Modules and other fabrications	187	94	50
	<i>Production plant</i>			
	Power generation equipment	22.4	18.5	83
	Pumps	5.8	5.1	88
	Compressors	8.5	3.5	41
	Process plant and equipment	11.9	9.5	80
	<i>Pipe and fittings</i>			
	Pipe	85	6.1	7
	Pipe coating	25.8	23.3	90
	Pipe fittings	18.5	9.0	49
	Casing	26.7	11.7	44
	<i>Miscellaneous</i>			
Communications equipment	8.0	6.8	85	
Wellhead and completion equipment	8.7	5.3	61	
Safety equipment	3.8	3.6	95	
Total for Capital goods	660	312	47	
Services	<i>Exploration and drilling</i>			
	Rig hire	146	37	25
	Surveys	14	11	79
	Drilling tools and equipment	13.3	6.3	47
	<i>General Services</i>			
	Pipe laying	127	22.7	18
	Installation operations	123	7.7	6
	Diving	7.4	3.1	42
	Helicopter and air services	13.4	8.0	60
	Marine transport	21.2	11.7	55
	Mud logging and well testing	9.7	6.0	62
	Barites and mud chemicals	6.6	4.2	64
	Cementing services	3.2	1.9	59
	Inspection testing and maintenance	6.7	4.6	69
	Other services	42.3	28.8	68
	Total for services	534	153	29
	Engineering	Design and consultancy	85	51
Total		1279	516	40
<i>Less</i>				
Value of orders placed in areas where there is little current British capability		481	74	15
Performance in areas of British capability	798	442	55	

The above analysis is based on returns from operators who placed orders in excess of £ 5 million during the year. The total values quoted represent 96 percent of the orders placed in 1974. The rate of ordering for modules during the year outstripped British production capacity but this has recently increased. British industry currently has no capacity for producing large diameter sub-sea pipe. A world shortage of well casing in 1973 and early 1974 caused companies to buy world-wide. The British supply position was affected by

the energy crisis in the first quarter of 1974 but this has since improved considerably, according to British officials, and casing production capacity is being further increased. The Offshore Supplies Office is exerting pressure on companies to buy British and according to IT&C officers based in London, this pressure is likely to be increased. See the September issue of *Canada Commerce* for K.P. Scott's feature article on British offshore oil and gas.

AIA show set for Calgary

Last year's AIA Automotive Trade Show was the largest automotive after-market show ever held in Canada. More than 11,000 service trade, distributor, wholesaler, manufacturer and export representatives attended the event, which was staged in Toronto in March.

This year the show moves to the Calgary Stampede Grounds for May 19, 20 and 21. On display will be all types of Canadian automotive products for both domestic and export markets. This is the third such AIA show. The initial venture took place in Montreal in 1974.

The Department of Industry, Trade and Commerce took an active interest in the Montreal show and assisted in locating potential foreign buyers of Canadian automotive products. As part of the promotion effort, an export lounge was set up at the show and special arrangements were made for a Japanese trade delegation to visit Montreal.

If you are interested in the 1976 event, get in touch with the Show Manager, AIA Automotive Trade Show, 109 Vanderhoof Avenue, Toronto, Ontario M4G 2J2 (telephone 416-425-1427).



Automotive Building, Exhibition Park, Toronto, during the 1975 AIA show.

21st Tokyo Motor Show

Seven Canadian manufacturing firms took part in the only national exhibit at the 1975 Tokyo Motor Show. Most of the firms reported that they expected to make significant sales and /or local agent /distributor arrangements as a result of their participation. The Japanese Crown Prince visited the Canadian exhibit where our Ambassador presented him with a set of Olympic coins. The exhibit received considerable promotion in the Japanese trade press. Total attendance at the motor show was estimated at about one million.



Survey of spending

An IT&C survey of some 300 large corporations shows that these firms plan to spend \$17.6 billion in 1976, an advance of 28 percent from the level of outlays attained in 1975. In contrast, an increase of 30 percent was reported during a survey carried out in October of 1975. About one-half of the advance this year and last is accounted for by rising costs. The highlights of the survey were made public by Don Jamieson, Minister of Industry, Trade and Commerce.

Extensive expansion is planned for 1976 by mining firms and by oil and gas companies and pipelines, as business planners respond favourably to recent changes in federal tax policies in this area. But such expansion obscures some reduction in the rate of growth in other sectors. Apart from the extractive industries, rates of increase in outlays reported in 1975 are smaller, and firms in the transportation and storage sector are planning to reduce investment in 1976 below the level attained in 1975.

The slowing down in the rate of growth in 1976 reflects some softening in the current short-run outlook for sales and business conditions in general, while investment costs continue to advance. However, while the rate of gain in spending plans for the next year has decelerated, the reported level of outlays of the 300 large firms at \$17.6 billion still contains substantial growth, and the outlook for the immediate years following 1976 is by and large favourable. Interviews of senior managers of large corporations in the survey panel were in progress when the wage and price guidelines were announced. Thus the survey does not reflect the impact of the new policy.

SNC co-operation with IT&C pays off

According to an article in the *Montreal Star*, officials of the SNC Group give credit to federal government support in landing a contract for the largest Canadian project ever undertaken in Cuba. The firm's Regional Director for Latin America, André Gilbert, was quoted as saying that IT&C missions to Cuba and a high-level Cuban mission to Canada during the fall both helped pave the way for the agreement.

The project is a 50,000 ton-a-year steel mill on which work has already begun. The mill is expected to have a capital value of about \$150 million. It is believed to be the first contract for services signed by a Canadian firm in Cuba.

The mill is expected to be in operation by the end of 1979 and most of the laminated stainless steel produced will be destined for export. Cuba is among the world's five lead-

ing producers of nickel and the mill will make full use of the country's reserves of this ore.

The *Star* reported that SNC expects much of the equipment for the mill will be manufactured in Canada. In addition, the services of about 200 Canadian engineers will be required.

BOAT 76

This month Canada is receiving a tremendous promotional boost at one of the world's most important boat shows. The show is BOAT 76 at Duesseldorf, West Germany, and its theme this year revolves around the Olympic Games and Canada.

The Olympic symbol and the maple leaf are much in evidence all over the fair grounds, while at the main hall a 15 by 20-foot model of the Montreal Olympics site is the big attraction. Olympic hostesses provide running commentary and a continuous slide show features the special facilities built at Kingston, Ontario, for the Olympic boating events. In addition, there are mobiles and banners displaying the Olympic symbol and maple leaf.

The on-site promotion has been reinforced by an extensive advertising campaign in the European media. As part of this activity, Radio Luxembourg is sponsoring a contest with a first prize of two weeks in Montreal and tickets for the Kingston events. Radio Luxembourg, heard all over Europe, is also doing a special show on Canada from BOAT 76. All promotion is being co-ordinated by the Canadian Consulate General in Duesseldorf.



Oops!

Several errors cropped up in the Trade Commissioner directory published in our November issue. A.B. Brodie is the Consul and Trade Commissioner in Glasgow, not A. Romaguera. M.B. Bursey is the Consul in Detroit. In addition, the address of our Brussels post was printed

incorrectly. It should be: Commercial Division, Canadian Embassy, rue de Loxum, 6, B-1000, Brussels, Belgium; telephone 513.79.40. In addition, the telephone number in Boston, Massachusetts should be: 617-262-3760.

NEXT MONTH IN CANADA COMMERCE

Saudi Arabia's five-year plan
Metric practices
Building a better canoe

JANUARY 1976

If undelivered return to:
"Canada Commerce"
Dept. Industry, Trade and Commerce
Ottawa, Canada K1A 0H5

	Canada Post Postage paid	Postes Canada Port payé
Third class Troisième classe		
K1A 0H5 OTTAWA		



Industry, Trade
and Commerce

Industrie
et Commerce