

distinctively Canadian forms and styles may be brought into all markets.

"If I seem to place emphasis on form and appearance, let me assure you I appreciate that design should begin at the initial stage of product development. Isn't one of the main problems to ensure that competent designers are made full partners in the entire product plan? It's not good enough to call in the designer at the end to deal with shape, finish and decoration.

DESIGN AS CAPITAL INVESTMENT

"I've been told that manufacturers sometimes shy away from design, because they are concerned that this will add substantially to the cost of production and put them in an unfavourable price position. Unquestionably, design costs money, but it is just as essential a capital investment as the money that goes into plant, equipment and skilled personnel. But design need not raise costs appreciably. Design which fails to take account of the possibilities and limitations of the material and the availability of machines and tools is surely not good design or, at least, not realistic design.

"I see product development as a team effort with all the elements of production and marketing taken into account, as well as the costs that will be incurred all along the line. This calls for a forward-looking attitude. In manufacturing, as in so many fields, one always has a greater feeling of security with old and tried methods. But without flexibility and a certain risk, without at least some disposition for adventure, nothing original and commanding will emerge.

"I am confident that, with your help, my Department will be able to give practical and realistic aid to Canadian industry. The benefits from improved design will extend to everyone in the country. The public will derive no less satisfaction than the industrial interest from a wider choice of goods superior in performance and pleasing to live with. We must keep superior design before the public, see that the designer plays a bigger part and help him to improve his qualifications and his technique. The matter is urgent. The world is growing increasingly more competitive. If we in Canada are hesitant, we shall let market opportunities both at home and abroad go by default -- without even putting up a fight -- to the products of other countries where more importance is given to function of design.

"Because the matter is urgent, I will not intrude further on your time, but wish you well in your deliberations which, I assure you, I will follow with the greatest of interest".

CONSUMER PRICE INDEX

The consumer price index remained unchanged at 129.1 between the beginning of August and the beginning of September 1961. All components except food were higher, largely as a result of the introduction of a 3.0 per cent sales tax in Ontario. However, these increases were offset by a substantial decline in the food component due to seasonally lower prices for most fresh fruits and vegetables.

The food index decreased 1.7 per cent to 123.2 from 125.3, as prices sharply lower were reported for apples, peaches, grapes, potatoes, tomatoes, celery and carrots. Lower prices also occurred for canned and frozen vegetables, canned fruits, chicken, turkey, lamb and veal. Beef and pork prices were generally higher, and price increases were also recorded for eggs, citrus fruits, coffee, tea and flour.

The housing component rose 0.5 per cent to 133.5 from 132.9, as the shelter index rose a fractional 0.1 per cent and the household-operation index increased 0.8 per cent. In shelter, the rent index was unchanged, while the home-ownership index edged up 0.1 per cent. The increase in the household-operation index reflected both the effect of the sales tax and price increases for coal and some items of furniture, floor coverings, textiles and utensils and equipment.

The clothing index increased 0.9 per cent to 113.1 from 112.1. Most of this movement was due to the effect of the sales tax which offset sale prices for men's clothing. Price increases occurred for laundry, dry cleaning and shoe repairs.

The transportation index rose 0.7 per cent to 140.0 from 139.0. In automobile operation, higher prices were reported for repairs and servicing and some price increases were in evidence on year-end 1961 passenger cars. Prices for automobile tires were lower. The local-transportation index increased as a result of higher bus fares in two Ontario cities.

The component for health and personal care increased 0.3 per cent to 155.0 from 154.6, the recreation and reading index 0.9 per cent to 146.7 from 145.4, and the tobacco and alcohol index 1.0 per cent to 117.3 from 116.1. The increases in all three indexes resulted from the direct impact of the Ontario sales tax on items included in the groups.

EXPORTERS OFFER LONG-TERM CREDIT

Canadian exporters can now compete equally with foreign suppliers from any country when it comes to giving their customers abroad extended credit terms, according to a folder on *Government Export Financing* published recently by the Export Credits Insurance Corporation.

The Corporation is the Federal Government's financing agency for export credit transactions, operating under Section 21A of the Export Credits Insurance Act. Through its special Export Finance Division, the Corporation deals directly with the Canadian exporter. It is the exporter himself who develops the foreign business and negotiates the financing arrangements with the Corporation. Payments for the equipment are made direct by the Corporation to the exporter, just as if the foreign buyer had made a cash purchase.

Government financing is reserved for export sales of capital goods requiring credit terms of longer than five years. The period involved can be as long as 15 years or more, if this is necessary to enable the Canadian exporter to compete successfully for foreign business. Such long-term financing for exports is not available from the banks or other commercial sources.

The new folder outlines the type of transactions financed, the terms of credit, financing costs, how to negotiate transactions, eligibility for financing, and how to apply.