

Now the other aspect of that in terms of the real tough issues that companies face is whether it's a profit centre or a cost centre. And I think that those who have been most successful have tried to avoid that issue as much as humanly possible and when the trading company is involved, it tries to push as much of the profit and the credit for the profit back to the divisions as possible. Basically, the corporation is interested in getting the transaction made and getting the transaction made on an effective basis rather than spreading the profits. As a result, a lot of trading companies don't look all that profitable on a corporate basis but many of them aren't set up as profit centres anyway. They're set up as service centre and that may be one way to break through the mentality or the difficulties in a particular company.

Question - You commented that the Japanese trading house wasn't the one that we should be emulating and I wonder if you could comment a bit on that particularly because their international network is something that is keeping them going and if you want a trading house to market your goods in areas where you don't have a lot of volume or a lot of presence isn't that the way one should be going?

Answer: There is a difference between trying to emulate a Japanese trading company and trying to use a Japanese trading company. You may have as a corporation want to use a Japanese trading company. My point was that if you are forming a trading company as a corporation you would never want to emulate or try and build on the Japanese model. First of all because of that complex international network that is so extensive, that creating it would take an enormous amount of investment in a business that inherently is low investment. If you are talking about high capital cost