

EXEMPT  
15(1)

c) Technological Factors

- in general, the level of basic technology in place in Canada is comparable to that in the U.S. and other major producer countries, except for economies of scale.
- Canadian and U.S. producers source production equipment from European manufacturers in the main, with some from Japan and U.S.
- U.S. producers, especially the major ones, are considered better able to afford to stay abreast of production equipment developments and refinements of the basic technology.
- many U.S. producers have pursued effective cost reduction via capital investment in the 1973-1983 period.

d) Other Factors

- relatively higher costs for imported production equipment (vis-à-vis U.S. producers), usually sold in U.S. funds, result from the relatively weaker Canadian dollar.
- the currency exchange premium affords the principal protection for Canadian domestic producers against U.S. container imports to Canada.
- the highly competitive domestic market with its high "service" requirement on delivery imposes a substantial inventory obligation on many producers, especially in Ontario and Quebec.
- fluctuating interest rates on bank loans financing the inventory requirement are claimed by producers to have serious adverse effect on earnings.
- the highly competitive nature of the market restricts the ability of container producers to recover the rising costs of the major raw material used-board.