

importantly, to keep those imports coming in to keep the factories and the industrial complex of Japan running and running smoothly. Very different from the sort of real aggressive export basis because most of the Japanese manufacturers eventually do the exporting not the trading companies.

Question - So if you are setting up a trading house, not in-house or countertrade operation, but a trading house maybe the Japanese trading house might be the one to emulate?

Answer: It would not. If you were going to a US corporation or Canadian corporation my view is that you would never want to emulate or set it up that way even if you could, even if you had all the resources to establish that network because the basic cost structure in the system that they operate under isn't attractive plus we talked about the network in terms of the one side also have another domestic network that ties back all of the associations with financial institutions and manufacturing institutions in Japan and I don't think we really have time to get into this but all I have to say is the US and Canada's companies aren't structured that way, they don't have that kind of potential ties.

To summarize, it would be too costly to set it up in terms of the actual investment, the experienced people that you would have to get and then once you had it set up you would probably be competing against them and if you are competing against them, they are going to set some of the margins and those margins are going to be at a level that it's going to be very difficult to be competitive. In order to compete well against Japanese trading companies you have to pick little niches of products or businesses or areas that they are not as good at.