

AMERICAN BRAKESLOK CANADA  
FIVE-YEAR STRATEGIC PLAN  
SUMMARY



INTRODUCTION

For the past several years the Canadian operation has been relatively static, and while advances have been made in certain sectors, growth has been inhibited by the size of the total market, the difficulty of innovation, and the uncertainty regarding the future of the Automotive Free Trade Agreement. While this Agreement has not yet been extended to cover replacement parts, opinion is growing that despite opposition in some quarters on both sides of the border, this will ultimately happen. In the meantime, the new Anti-Dumping Act recently enacted in Canada makes it easier to import into Canada at lower prices than before, because the imposition of dumping duty is no longer automatic, and requires a complaint by an injured party before a penalty may be imposed. In other words, the selling price to the purchaser in Canada need no longer be the same as the Fair Market Value in the country of origin, although Fair Market Value remains the basis of customs duty.

With this partial lowering of the tariff barrier in mind, plus the probability of its complete disappearance, we have prepared alternative summaries of the Five-Year Strategic Plan and will ultimately submit two alternative plans.

The Basic Plan is predicated on no change in the Automotive Trade Agreement, and will be submitted complete with numbers. The Alternative Plan will assume an early abolition of tariff barriers and will propose some very far-reaching changes. Because of its radical nature we are unable to include numbers, but at a later date we will have gathered sufficient information to complete a projection.

Basic Plan

(a) Statement of Objectives

- (1) Achieve 3.5 million dollars in shipments from AB3 Canada in 1974. Normal growth would yield 2.8 million. However by penetration of the U.S. bonded shoe exchange market we expect to obtain additional sales

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