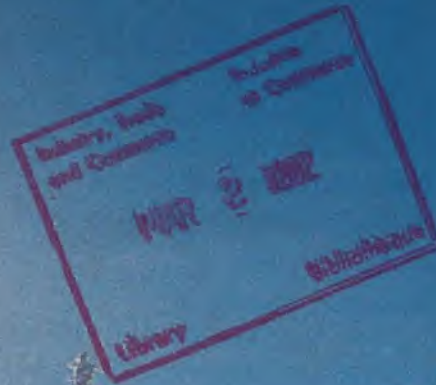


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A Business for Pleasure — Page 12

Shop Canadian: Update '81 — Page 6

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Editorially Speaking:

Did you shop Canadian this Christmas? When gifts are being opened around your real Canadian Christmas tree — or the no-trouble, re-usable artificial one dragged up from basement storage — how many will bear the "Shop Canadian" tag? Just thought we'd ask. Not that we would wish to have a mild flush of guilt darken any reader's cheek: The "Shop Canadian" campaign could have considerable impact on the Canadian economy and it is the subject of an article by Doug Fyfe in this issue (page 6).

Trees and gifts for Christmas, but for year-round consumption a versatile Canadian-developed oilseed called Canola is proving both nutritionally and financially beneficial to peoples throughout the world. Altogether a rewarding example of Canadian research justifying the investment (page 1).

Speaking of investment, our Economists' Corner (page 14) examines the various motivations for capital investment, how and why the reasons differ, and the effects these differences have on corporations and the Canadian economy.

There's lots more — but we'll allow the following pages to speak for themselves while we take a brief break for the Christmas season and wish all our readers prosperity in the New Year!

D.E.W.

Canola, an oilseed, is one of Canada's most important agricultural exports, second only to wheat. Surprised? Well, you're not alone. And yet, Canola, a derivative of rapeseed, is a strictly Canadian development that is as good as, if not better than, most other oilseeds. Its end-products of edible vegetable oil and protein meal are already in wide use in Canada and gaining growing acceptance on world markets. It is a Canadian success story. . . .

Canola – An Oilseed with a Future

by John C. Hughson



Canada is well known as one of the world's major bread-baskets with wheat as its number one agricultural export. What is not so well known is that Canada's second most important agricultural export is Canola. Canada is the world's largest producer and exporter.

So what is Canola?

Basically, Canola is an oilseed with end products of edible oil (the largest percentage of cooking oil and margarine sold in Canada is made of Canola oil) and protein meal (meal used in feeding livestock — poultry, cattle, swine, sheep). Canola is a development from rapeseed that today is giving its closest oilseed competitor, soybean, considerable competition in both quality and cost.

Exports of Canola products grew considerably in the five-year period of 1976-1980. Oil exports increased from 42,501,000 tonnes worth \$23,081,000 in 1976 to 172,686,000 tonnes worth \$118,783,000 in 1980. At the same time, oilcake and meal exports increased to 206,956,000 tonnes worth \$37,447,000 in 1980 from 51,573,000 tonnes worth \$6,089,000 in 1976.

At the official announcement of the agreement, the Honourable Ed Lumley, Minister of State for Trade, said: "Canada has pioneered the development of Canola and is the largest producer and exporter

of Canola in the world" and he foresaw the possibility of similar long-term agreements to be signed with other countries in the near future.

According to Senator Hazen Argue, Minister of State for the Canadian Wheat Board and Chairman of the Grains Group, "the agreement, which provides for possible extension of two additional years of 100,000 tonnes per year with a total value of \$140 million, demonstrates the excellent trading relationship with Algeria as well as the prospects for a long-term market for Western producers."

In the search for new markets, the Oilseeds Division, in conjunction with individual firms and industry organizations, has played and continues to play an extremely important role. Briefly, the task, with regard to Canola, is to educate potential foreign markets to the benefits of Canola, promote actual sales and follow up with regular "servicing" visits to established Canola markets.

Education and Promotion

For example, the scenario of education and promotion in any potential market might go as follows:

The Oilseeds Division in conjunction with the Market Development Committee of the Canola Council of Canada will establish market priorities. Individual

markets are researched in depth by division officers with regard to oilseed needs, methods of procurement and the immediate supply situation (have they already filled their needs for the year from other sources? are they in a position to purchase? etc.), reports from the IT&C trade commissioners on-site, interest and capabilities of Canadian suppliers, plus many other significant factors.

If, after sifting through this type of information, the Oilseeds Division, with industry input, decides the country is a good prospect, the educational process begins. This is important because in many parts of the world there is not only considerable resistance to anything related to rapeseed but also a lack of knowledge of Canola.

A list of proposed seminars or missions is submitted to the Trade, Fairs and Missions Branch of IT&C annually for approval. The various bureaus within the branch will assist in financing and co-ordinating regional seminars and associated visits within particular countries.

The Oilseeds Division organizes a highly qualified team of Canadians to participate in the seminars. Tailored to the needs of the country in question, the team might include experts from federal and provincial governments, universities, Canola growers and processors so that everything a country may need to know, from plant breeding through end-product use, can be covered.

The seminars are usually in two sections. The first is devoted to technical papers, lectures and discussions. For the remaining time, the Canadians will tour the country, studying its oilseed needs and capabilities, recommending, advising and generally promoting Canola on a more personal basis than in the formal lecture hall.

Rapeseed has been grown in Canada commercially since the Second World War. However, ordinary rapeseed contains high levels of the substances erucic acid and, particularly in the meal, glucosinolates. For some years this was not considered much of a problem but, in the early 1970s, research indicated that both might be harmful to humans or animals.

Successful Effort

Canola is the result of a concerted effort by Canadian plant breeders and researchers to improve on rapeseed and

overcome the disadvantages of high erucic acid and glucosinolate levels. The name of "Canola" was given this new rapeseed derivative to mark the advent of essentially a new product with different and improved qualities.

Today, Canola compares favourably with other oilseeds in protein quality, flavour stability (oil), cooking properties (oil), feed properties (meal) and, most important, economically in growing, processing and marketing costs. The oil and meal have also been shown to have considerable economic advantages over the products of other oilseeds such as sunflower seed.

There are several varieties of Canola, each with variations of the low erucic, low glucosinolate properties (the so-called "double O" varieties), and research and development is an ongoing process to improve an already high-quality product.

Objectives of continuing research include: for seed — increased crop yield, larger seed size, higher oil and protein content, lower fibre content; in oil quality — even lower erucic and linolenic acid content, higher linoleic acid content; in meal quality — further reductions in glucosinolate and fibre content, higher protein content.



To quote from Siegfried Mielke, editor of *Oil World*: "With the new double-zero Canola varieties, the quality of rapeseed oil and meal has become so good that their usage can be expanded at virtually any reasonable rate. Apart from the size of supplies, it depends largely on the selling policy of Canadian growers and Canada's logistical ability to move supplies to consumers."

The marketing area is one in which the Oilseeds Division of IT&C's Grain Marketing Office enters the picture, in cooperation with Agriculture Canada, the Canola Council of Canada and the Canola Crushers of Western Canada and, most importantly, with the exporting companies themselves.

New Markets Vital

With Canola becoming an increasingly important crop and, domestically, taking over much of the market previously held by soybeans (much of which must be imported), new markets abroad for Canola are vital.

And they are being found! This summer Algeria contracted to purchase 96,000 tonnes of Canola oil in 12 shipments over the next year at a total value of \$66 million. The first shipment of 8,400 tonnes left Quebec City early in October.

The agreement is the culmination of a year's market development activity by the Oilseed Division and the Canola crushers. The Canadian Commercial Corporation was instrumental in enabling finalization of the sale.

This seminar process will be carried out as often as is necessary or requested by the target country and will be followed in some instances by reciprocal missions to Canada to study the Canadian Canola industry. Some of these incoming missions are prepared to defray their own expenses. During their stay in Canada, the Oilseeds Division provides coordination and liaison with industry and participates directly in the visit program. Other missions will visit Canada under the Incoming Buyers Program.



Trial Operations

Trial operations, in the target country, may be set up by the division if requested so that Canola oil, meal and seed (crushing trials) can be properly tested under specific conditions. Consignments of oil have been shipped for food product testing; of meal for feeding trials on local livestock; and of seed for crushing and processing trials.

To further the educational and promotional process, other countries are encouraged to send personnel to Canada for special training courses in which they will study first-hand and in depth Canadian growing, processing, crushing, refining and end-use methods. Opportunities are also available for "hands-on" training in Canadian Canola crushing/refining facilities.

Education and promotion, then, are major components of the Oilseeds Division's Canola program. But they are by no means its only activities.

Where appropriate the division pursues the provision of substantial financial sup-

port to ongoing research and development, either through the Program for Export Market Development (PEMD) or directly under the Canola Utilization Assistance Program (CUAP) to the Research and Technical Committee of the Canola Council of Canada. Universities, private companies, crushers — anyone involved in the Canola industry — are encouraged to carry out research.

Marketing Information

The division also acts as a marketing information bureau. It is a two-way street with Canadian companies requesting information on potential markets and how to deal with them, and with the division supplying information on such things as tenders for oilseed product sales contracts, tariffs and non-tariff barriers. In return, industry supplies technical assistance and information and participates in technical seminars.

For example, tenders for contracts to supply vegetable oils, oilseed or meal will be called by a country. Pertinent information on the tenders is sent by IT&C's trade commissioners on-site to the Oilseeds Division which, in turn, forwards that information to interested Canadian suppliers. These companies submit their bids and, if successful, negotiate contracts, all with help from the division if required.

This is, generally, how the Algerian agreement was worked out following the comprehensive educational and promotional program described above.

Even after the sales are made, the division follows a regular servicing operation. Every year countries that have become established Canola markets (such as India) are visited by members of the Canola trade along with a representative of the Oilseeds Division. Their task is to ensure the buyer of the continuing interest of the seller.

Marketing Pays Off

All of this is paying off! While the export market is still relatively small in terms of world oilseed trade, it is growing steadily and Canada remains the largest (and as yet only) producer and exporter of Canola products. As the Canadian marketing programs make their impact, more countries are learning that Canola is a viable alternative to soybean and other oilseeds.

Canola has already captured the largest portion of the domestic market for vegetable oils. By 1980 it had 47 per cent of that market; 52 per cent by mid-1981; and is expected to have 60 per cent within the next three years. Canola meal has approximately 27 per cent of the domestic market.

Statistics Canada projections based on conditions on or about September 15, 1981, show that 1,448,000 hectares (3,578,000 acres) of Canola were planted with an expected yield of 1,782,000 tonnes. These figures are expected to increase substantially in the years ahead.

Canola is a product of growing world importance — a quality Canadian product that Canadians are working hard to improve even further — a Canadian product that ultimately cannot help but benefit all Canadians.

For further information, please contact:

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Department of Industry, Trade and Commerce
Ottawa, Ontario
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Strict Control Produces Quality

Canola — Canada's answer to other oilseeds for vegetable oils and protein meal — is governed by extremely stringent quality control in all stages through plant breeding, production and processing.

A highly improved derivative of rapeseed, Canola today is gaining world recognition as a viable alternative to other oilseeds. Its products compare favourably, for example, with those of soybean in protein quality, flavour stability, cooking properties (oil), feed properties (meal) and, most important, in cost.

The quality control starts as far back as the seed development stage for the various varieties of Canola.

Plant breeders, of whom there are only a few in Canada, develop the different strains of seed under rigidly controlled conditions. It was at this stage that older rapeseed varieties were improved upon reducing the high levels of erucic acid in the oil and glucosinolates in the meal. In the resultant Canola varieties, these substances have been reduced to levels at which they no longer constitute a hazard.

Only small amounts of seed are produced by the plant breeder which, if they are to become commercial crops, must be multiplied while maintaining the original quality.

Carefully selected farmers are given the seed for "multiplication" purposes, under well controlled conditions, into "foundation" and then further multiplied into "certified" seed. These steps increase the amount of high quality seed to volumes sufficient for commercial production.

At present, the bulk of the production and processing of Canola is carried out in the Prairie Provinces. However, the province of Ontario has announced a grant toward the construction of a plant in Hamilton capable of processing Canola seed from 81,000 hectares (200,000 acres), worth about \$30 million annually. The new plant is expected to come into operation by 1982.

The processing of raw Canola seed into oil and meal is in three overall stages:

- Primary Processing — comprehensive seed cleaning to remove foreign matter; crushing and oil extraction to produce crude oil and meal; degumming to remove "lecithin" gums that can cause serious refining losses.
- Secondary Processing of Degummed Crude Oil — refining to remove impurities; bleaching to remove other impurities and stabilize the colour; hydrogenation which helps prepare the oil for further processing; deodorizing to remove unwanted odours or tastes and to help stabilize the flavour.
- Final Processing — the refined oil resulting from the above is used as cooking or salad oil while further processing will produce such products as margarine, shortenings, salad dressings, mayonnaises, etc.

At all stages strict quality control ensures the best possible product.

In its refined form, Canola oil is a frying or salad oil; it is a principal lipid in shortenings, salad dressings and mayonnaises; and in peanut butter it is a reliable emulsion stabilizer. It easily passes the key sensory tests that make foods appealing. As a cooking or salad oil, it gains high marks for flavour, attractive colour, clarity (either warm or chilled) and lightness.

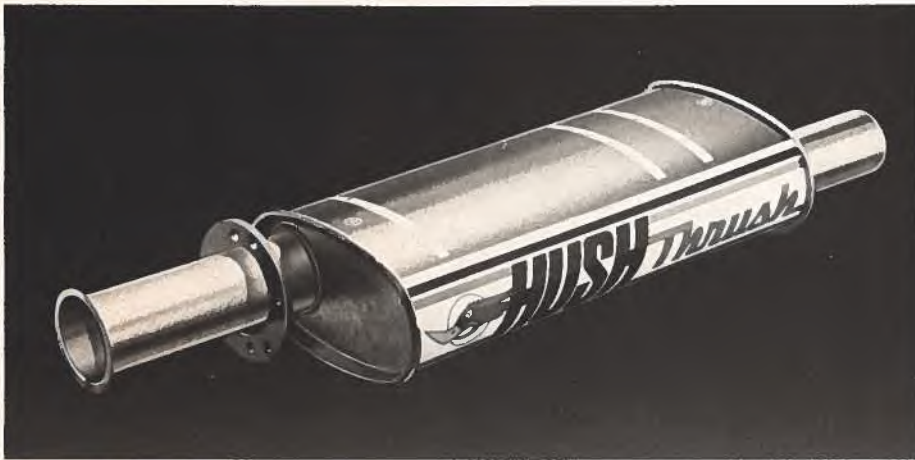
In comparison with other edible vegetable oils, Canola oil has a smoke point that is as good as or better than corn or peanut oil and definitely better than olive oil. It is less viscous than soybean oil; has flavour stability as good, if not better than soybean oil; and is less light sensitive than soybean oil while equal to it in heat stability.

High in protein and of excellent nutritional value for animals, Canola meal is a product of the crushing process and is gaining increasing acceptance as high protein feed ingredient.



Thrush: An Idea that took Wing

by Shirley Plowman



At Speedy you may be a somebody — but Thrush Incorporated is warbling its own proud song.

The Canadian company has just received the Sears Symbol of Excellence Award for its high quality performance muffler. And it's apparently the first award of its kind to go to a Canadian automotive parts supplier.

Back in 1965, the founders of Thrush (formerly Gidon Industries) — Don Kirsch and Peter Wright — conceived and designed the Thrush Line of Performance Mufflers for the performance improvement market.

Built to tough quality standards and engineered to create a distinctive sound, the specialized Thrush muffler outperformed all other performance mufflers on the market. It also had the distinction of being the first muffler to utilize a conventional louvre and baffle design that made the use of fibreglass unnecessary.

This design feature revolutionized performance mufflers. Until then fibreglass had shortened the life of performance mufflers, which burnt out or packed it in during a short life span.

Utilizing high-powered four-colour ads in car enthusiast magazines and working closely with performance warehouse distributors on promoting the product, Thrush flapped its fledgling wings and soared.

"The success of the program was astonishing," says Don Kirsch, chair-

man of Thrush Incorporated. "In a little more than a year the Thrush muffler attained the same unit sales as the replacement muffler business, making it necessary for us to move to larger quarters."

By the fall of 1966, Gidon was housed in a 3,716 m² (40,000-square-foot) factory in Rexdale. And by 1969 another 3,716 m² (40,000 square feet) had to be added to the Rexdale facility to handle the rapidly expanding business.

Spurred on by the success of the Thrush Muffler Program, the company added a number of new performance products under the Thrush banner. Today the complete line of exhaust products include: Thrush Header Mufflers, Hush Thrush Mufflers and Header Mufflers, Outsiders, Sidekicks, Twisters, Phantom side exhaust systems, dual exhaust conversion kits, Thrush Stacks, Thrush TurboPower and Importurbo mufflers, Big "G" Exhaust Systems and Professional Line Mufflers for Installers.

The Pro-Line of mufflers for muffler shops, using benders, was another successful new product entry. With 24 part numbers for domestic and 17 import car mufflers, the Pro-Line fits more than 95 per cent of vehicle applications. Pro-Line featured aluminum-killed nipples for easy expansion, and quality construction features that quickly gained a sizeable share of the independent muffler shop business.

"The whole automotive aftermarket has changed radically in the last 15 years," said Don Kirsch. "In the U.S. seven years ago there were 220,000 service stations, but it's expected that by 1985 that number will have dropped to under 120,000."

Added Thrush President Peter Wright: "There's also the do-it-yourself market, which has grown tremendously and now makes up about 30 per cent of the aftermarket. The shortage of qualified mechanics and the cost of labour are two important contributing factors to the success of this market."

Thrush sells to the traditional automotive aftermarket, to every major mass merchandizer and discount outlet in the U.S. and Canada, and to 104 of the 106 high performance warehouses in North America.

Continued Peter Wright: "In 19 years we've grown to a size where we employ 310 people at our two major manufacturing and warehouse facilities in Toronto, and last year because of the overwhelming success of the Thrush products we changed our company name from Gidon to Thrush Incorporated."

The Sears presentation was made at Thrush's head office in Rexdale.

"Our relationship with Thrush is one of the smoothest running I've experienced in all my years of buying," said Fred Andelbrat, the high performance exhaust buyer for Sears, Roebuck and Co. "The award was developed to recognize outstanding achievements of suppliers like Thrush in the areas of product, adherence to shipping schedules and service to Sears and its customers."

The award is not only a salute to those suppliers who have made significant contributions to Sears reputation for quality merchandise, explained Andelbrat, "It's also a recognition of individual employee contributions towards the smooth performance of the plant — from shipping goods on schedule to developing new and improved merchandise."

Thrush is in select company. Only about 5 per cent of Sears' 12,000 suppliers receive the annual award.

The national advertising campaign launched in November to continue the "Shop Canadian" Program has been clearly visible to manufacturers and consumers alike. The impact of that particular effort on the pre-Christmas buying season is yet to be determined: The long-term benefits of the Program to the entire Canadian economy could be immeasurable — if more manufacturers would lend a sufficiently attentive ear to the Program's message, and consumers were encouraged to expand their already evident interest.



Update '81: Shop Canadian by Doug Fyfe Director, Public Information, IT&C

In April 1981, 1,298 people were surveyed. Seventy-two per cent said that they sometimes check to see whether an item is made in Canada or in some other country when shopping. A group almost as large, 70 per cent, claimed they choose an item because it is made in Canada rather than choosing a similar item made in some other country.

If you are a manufacturer, are you taking advantage of that consumer preference?

In that same survey the respondents were asked if they would try to buy more Canadian products next year. The results: 8 per cent didn't know, 15 per cent said no, and **77 per cent said yes.**

Will they be able to identify your product?

When the Shop Canadian Program was launched it set out to increase consumer

awareness of the importance of shopping for Canadian goods. That goal has been accomplished. The consumer is aware of the value. But the consumer continues to point out that the major obstacle to the increased purchase of Canadian goods is the failure of manufacturers to identify their products as Canadian.

Until April 1981, manufacturers did not have a Shop Canadian standard against which to judge their products and perhaps could be excused for neglecting product identification. That changed with the publication of **IDENTIFICATION OF SHOP CANADIAN PRODUCTS** by the Canadian General Standards Board. The issue for manufacturers now is effort, not availability.

The standard is a voluntary one, partly in the belief that those who take the initiative will be those who benefit.

While we often denigrate the committee approach to problem-solving, it does have advantages. In this case, the private sector, through their associations, the federal government, consumers, and provincial governments arrived at a decision through consensus. The resulting standard is one that is acceptable to all those involved: a situation preferable to a standard imposed without universal agreement.

At first, an accountant's approach seemed the best way to proceed but examination quickly indicated the variety of problems this presented. First, one would have to establish how much of the product was to be included in the definition. Packaging? Profit? Promotion? Even if that were achieved then the question would be to establish a percentage for qualification. Would it be 100, 90,

Surrounded by mock-ups of the pre-Christmas national advertising campaign, the Hon. Herb Gray, Minister of Industry, Trade and Commerce, describes various aspects of the federal government's Shop Canadian Program at an Ottawa press conference.



60, 51? Given both the variety of industry averages as well as the range even among similar products, it is unlikely that any single number could have been selected.

That took the Committee back to the intent of the Program which was to encourage consumers to include Canadian goods in their shopping in the belief that they would find them fully competitive. A consequence would be the increased purchase of Canadian goods with the natural follow-on of economic benefit to the country. Given that as a premise, the definition was achieved. It reads:

THE 'SHOP CANADIAN' IDENTIFICATION MAY BE APPLIED TO ANY CONSUMER PRODUCT IN THE PRODUCTION OF WHICH THE LAST SUBSTANTIAL OPERATION WAS PERFORMED IN CANADA, ADDING SIGNIFICANT CANADIAN VALUE, IN AN UNDERTAKING EQUIPPED FOR THE PURPOSE, RESULTING IN A NEW PRODUCT AND REPRESENTING AN IMPORTANT STAGE OF MANUFACTURE.

The various elements of the definition are explained in detail in the Canadian General Standards Board Publication* and examples are provided to illustrate products that do and do not qualify. Of these elements two are particularly worth noting:

- A) **SUBSTANTIAL OPERATION** — An operation that contributes significantly to the production of the final product and without which the product could not fulfill the function for which it is being sold. (While making a product from generic material would qualify, painting a chair would not.)
- B) **RESULTING IN A NEW PRODUCT** — This term is intended to denote that inputs have been converted into another product which, collectively, services a different function from those served by the component inputs separately. (It does not denote the assembly of imported constituent parts especially designed for a pre-determined end product. Simply assembling imported parts would not qualify.)

***Identification of Shop Canadian Products (Can2-147.1-81) Canadian General Standards Board, Ottawa, Canada K1A 1G6**

The Standards Board publication notes that industries vary from one to another and so do products and it concludes that

Before you buy, read the big print.



the application of the terms to individual products will require judgement by manufacturers.

To further aid those manufacturers who recognize the value of marking their products and wish to participate in the program, the publication provides artwork examples of the symbol and a description of its elements.

The federal government has undertaken a \$1.5 million direct advertising campaign in support of the Program because we believe in its value to manufacturers and to our economy.

The Honourable Herb Gray when at a news conference announcing the program for this year said, "We have a Standard and a recognizable symbol. We have a demonstrated consumer preference for Canadian goods. The federal government has undertaken a \$1.5 million direct advertising campaign in support of the Program because we believe in its value to manufacturers and to our economy. I urge manufacturers to take advantage of the opportunity presented to them."

The advertising program this year is more sector specific than previous campaigns. Also, while television and radio spots will again be used they are at a reduced level. This year a major portion of the budget is directed at print and par-

ticularly toward magazines. It was noted, after considering the research on previous campaigns, that while consumers continued to have the desired attitude toward purchasing Canadian products, they continued to complain that they had difficulty locating Canadian products, and they also had a low level of awareness of what sectors were likely to contain a high percentage of Canadian products.

Given that information, it was decided to shape the campaign to reach consumers with specific suggestions as to sectors with that high Canadian content. Particularly those that would be likely areas for shoppers making their Christmas purchases. It was felt that being direct would help consumers to locate products of Canadian origin and would begin to establish a buying pattern if the products were competitive. This pattern, once established, would be transferable to other sectors. Of course, other sectors

can become the subject for future advertising campaigns as well.

The major product groups selected for this initial effort were: sporting goods; appliances; clothing and footwear; and tools. These product lines seemed likely to match the Christmas buying pattern and they have a significant number of Canadian manufacturers.

A complementary thrust of the campaign is one aimed directly at manufacturers to encourage their participation in the Program. The message is carried in print advertising in the trade and business press that is directed toward this group.

The consumer portion of the campaign is complemented by shopping mall posters.

While recognizing that selecting specific sectors could lead to the charge that everyone was not being treated equally, it was felt that manufacturers would recognize both the impossibility of promoting every sector in one campaign and the identified need to become more specific if an audience impact was to be achieved. As well the spin-over benefit, if a buying pattern was established, would assist all manufacturers who identify their products with the Shop Canadian logo.

The Program, while not to the point where as the song says, "We're leaving it up to you," has progressed to where manufacturers must respond to the opportunity if a major benefit is to occur. The symbol, the standard, the consumer preference and an advertising campaign to maintain it, are all there.

If your product is Canadian, tell your customers!

The 38th annual meeting of the Canadian Export Association reflected the growing importance of exports to the Canadian economy and the many conflicting demands on the export community as it faces increased competition in world markets. Bob McDonell of Canada Commerce summarizes the highlights of the meeting.

Canadian Export Association Eager to Meet Challenges

"Despite difficult circumstances our export performance has been good", CEA chairman, Hugh Whalen, told some 300 delegates.

"In the past five years real growth in exports has more than doubled the rate of growth of real GNP, and it bothers me that we have a tendency to belittle our export achievements.

"For example, we tend to attach undue importance to negative statistics such as the fact that Canada's total share of world trade has dropped from 4.2 per cent in 1972 to 3.4 per cent in 1979 — disregarding the fact that all industrialized countries have experienced similar declines because of OPEC and the tremendous changes that have taken place in the same decade in the international trade in oil.

"In fact, of the major countries that belong to OCED, figures for the last half of the '70s show that Canada outperformed the Benelux countries, the Scandinavian countries, the United Kingdom and Germany while matching the U.S. in terms of percentage growth in exports. Only France and Japan, of the more important exporting nations, did better. The reasons for Japan's performance are well known and, in France, the government supports exports to a degree that few countries match."

For the future, Mr. Whalen foresees greater competition. To meet the challenge, Canadian exporters will have to innovate and employ all their imagination and initiative to maintain and increase their business.

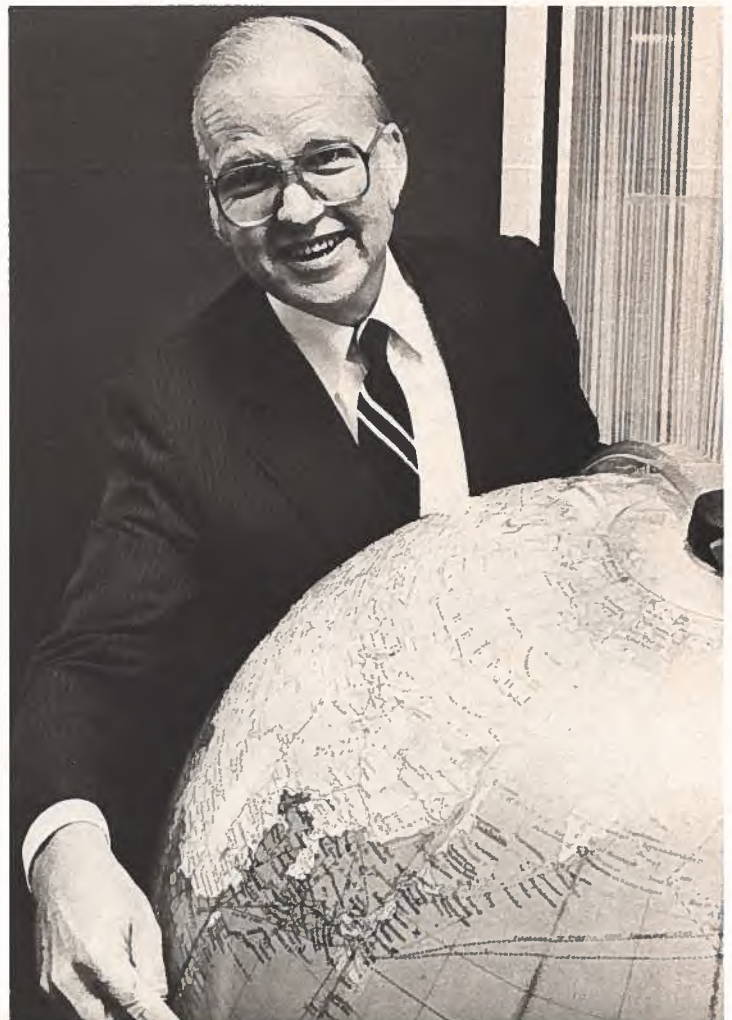
"We shall have to be on the alert for

actions which CEA can take which will be beneficial to Canadian export interests," Tom Burns, association president, told delegates.

"The year ahead", he continued, "with its unpromising economic outlook of slow economic growth in Canada's principal markets will bring on protectionist pressures. Suggestions and new ideas to offset the negative results of these pressures are always welcome."

In addition to the standing committees, the association was involved in a number of initiatives which resulted in the formation of a legal group to study and recommend action on the complexities of law surrounding export transactions. Also established was a commodity group to act as a focus for association members involved in bulk commodities such as forestry, mining, chemical, fertilizer and agricultural producers.

Other topics addressed by CEA included Western Canadian rail transportation, the upcoming amendments to Canada's competition policy, customs



The whole world is our market, indicates J. Hugh Whalen, Canadian Export Association chairman.

problems and ocean shipping. The association also organized a series of seminars focussed on export financing and Canada's international trade.

Throughout the annual meeting new initiatives of the federal government in the export field were explained by departmental and agency officials. Many of these initiatives, in particular those of the Export Development Corporation and the Canadian Commercial Corporation, will be covered in greater detail in coming issues of Canada Commerce.



limiting export credit subsidization. Such subsidization, particularly of financing costs, was recognized as a major problem to freer international trade, giving those countries that employed it an unfair trade advantage.

Until more of these consensus agreements could be achieved, the committee was encouraged by the government's decision to make available a "credit mixte" program to be used in selective cases on a matching basis when it is clear that our international competitors in other countries are resorting to this form of export aid.

The Committee welcomed a number of initiatives taken by EDC over the year in respect of its insurance program — including the announcement during the convention by the President of EDC, Mr. Sylvain Cloutier, of the introduction of global and selective political risk insurance programs. It also noted the introduction of the EDC forfeiting program for medium term lending, and the expansion of EDC's lines of credit.



One initiative of government that received universal commendation was the formation of the Export Trade Development Board announced earlier this year by Minister of State for Trade Ed Lumley. (See Canada Commerce story in November issue). In his address to delegates Mr. Lumley reaffirmed the government's commitment to exports and promised new initiatives in the coming year.

Among the various CEA committees reports were:

Export Financing

Major items discussed and acted upon during the year included work with the government on OECD attempts to seek a more effective "consensus agreement"

Liaison with the Trade Commissioner Service

While skepticism of the effects of integration of senior Trade Commissioners with those of External Affairs still exists in the export community, the committee outlined a series of recommendations they felt would alleviate their concern.

These initiatives, outlined before the Royal Commission Investigating Foreign Service conditions, include:

- The need for a clear statement from the highest level, that a primary role for the Foreign Service is greater and more effective support for Canadian exports,
- To the extent that foreign service officers without prior training in commercial activities will be assigned to com-

mercial functions abroad, that they will be given extensive training in advance of such assignments,

- That a formal review of the whole consolidation program be undertaken in three to four years time to determine if it is achieving its objectives.

Trading Houses

The Association, based on a recent survey of its members, reiterated its opposition to the formation of a national trading corporation as proposed by the special Parliamentary Committee on the establishment of such a corporation.

Instead, the committee favoured the strengthening of existing trading companies through the provision of more competitive financing, a competitive taxation environment, an updated trading house directory to assist suppliers locate suitable trading firms and the extension of government support programs to the trading house community.

Future Direction of CEA

In concluding the convention, Chairman J. Hugh Whalen outlined the Association's priorities for the coming year:

- Development of communications with the new Export Trade Development Board in order to ensure that ETDB has systematic input from a broad range of exporters on the current issues on their agenda.
- Preparation and follow-up of new initiatives to ensure that export financing facilities available in Canada are competitive.
- A review of export education in Canada with the objective of determining what needs to be done to improve the flow of properly qualified export personnel to business.
- Consideration of ways and means to raise public awareness of the importance of exports to the economy so as to foster the creation of conditions which will encourage export growth.
- Ways and means of easing current tensions in Canada/U.S. relations.

The strong 500-member Canadian Export Association is a national private non-profit organization that works for the enhancement and promotion of Canadian exports. The membership is composed of firms from all sectors of the economy such as large and small manufacturers, primary producers, consulting firms, trading houses, freight forwarders, banks and other financial institutions and insurance companies.

For more information on the CEA, contact:

The Canadian Export Association
Suite 250, 99 Bank St.
Ottawa, Ontario K1P 6B9
(613) 238-8888 Telex 053-4888

The spotlight was focussed on small business in Canada October 25-31, 1981. That's when thousands of small business owners, managers and people thinking of starting a business, took part in a wide range of events to mark Canada's second national Small Business Week. The following was prepared by the Federal Business Development Bank.

Small Business Week Big Event Across Canada

Sponsored by the Federal Business Development Bank (FBDB) in conjunction with the Canadian Chamber of Commerce and local Boards of Trade and Chambers of Commerce across the country, the week drew national attention to the important contributions made by the small business community and provided small business people with information about the variety of government programs designed to assist them. In Alberta, the initiative was spearheaded by the province.



"Small business is somewhat of a sleeping giant," Charles Lapointe, Minister of State for Small Business and Tourism said at a reception to launch the week in Montreal. "Though we seldom stop to think about it — large corporations and big business news tend to dominate the headlines and, consequently, public attention — Canada is truly a country created by, and made up of, small enterprises."

Of the more than one million Canadian businesses, some 97 per cent are in the small business category. Collectively they employ 2.5 million people or about 42 per cent of the commercial labour force. They are relatively labour-intensive and are a major source of new employ-

ment. Small businesses account for more than 25 per cent of all business sales and for one-quarter of our Gross National Product.

To further underline the importance of the week, some 300 municipalities across the country gave their endorsement by issuing proclamations. Eight provincial governments, as well as the Yukon Territorial council, added their support.

As for the events themselves, attendance was at record levels and planners for next year's celebration are already discussing the need for larger premises and an expanded roster of activities.

One of the most popular events during the week was the Business Fair, some 21 of which were held in larger centres across the country.

The Business Fair brought together, in one location, representatives of government departments and agencies (federal, provincial and municipal) concerned with small business. The day-long fairs were open to the public, free of charge, and gave people one-to-one access to as many representatives of government business assistance programs as possible.

The fairs were modelled after a pilot project held earlier this year in Saskatoon. The success of Saskatoon was repeated over and over again across the country. Reaction from both fronts — exhibitors and visitors — was excellent.

Planning and pre-publicity for the fairs did much to attract a select audience of business people keenly interested in finding out about government services available to them. Whether they were already in business or were contemplating starting a new operation, answers were available at the Business Fair.

Information about the broad range of assistance programs available from all three levels of government was presented by FBDB representatives and others at 178 free Information Sessions held across the country.

The sessions, each lasting a couple of hours, were held at convenient times and locations to allow as many small business operators as possible to attend. While many of the sessions were of a general nature, some provided more specific information such as for manufacturers or

those interested in exporting. Unprecedented attendance levels were set at sessions in all provinces.

In addition to the Business Fairs and Information Sessions, some 33 Workshops on topics of interest to small business people were held. Topics ranged from franchising to understanding excise taxes, the role of computers, and starting a small business. Again, the events proved to be highly popular among the small business community.

Exhibits of interest to small business operators were set up across the country in some 22 high traffic locations, such as shopping malls and other public centres.

A Speakers' Program was organized with more than 100 representatives from the FBDB and other organizations, addressing business and community groups on small business topics. This, combined with hundreds of media appearances during the week, drew public attention to the small business sector.

To give added recognition to the importance of small business, a Business Management Award was presented to the small enterprise in each province that had benefitted most significantly from the FBDB's counselling program, CASE (Counselling Assistance to Small Enterprises). The award was first presented last year during Small Business Week in British Columbia and this year was made available across the country.

Recipients represented a diverse range of industries: Zilbert Brothers Ltd., of Sydney, Nova Scotia, a Cape Breton grocery store chain; Delpro Corp., a printing firm in Pointe Claire, Quebec; Stockwoods Inc., a metal shelving distributor in Winnipeg, Manitoba; Robdon Industries Ltd., a manufacturer of agriculture chemical trailers in North Battleford, Saskatchewan; Uniteck Manufacturing Inc., a manufacturer of stainless steel and aluminum tanks for pleasure boats in Woodstock, Ontario; Burin Cinema Ltd., a movie theatre in Burin, Newfoundland; Island Fibreglass Reg'd., a fibreglass fabricator in Charlottetown, Prince Edward Island; K & W Quality Meats Ltd., a retail meat operation in Oromocto, New Brunswick; and Speedy Fork Lift Ltd., a refabricator of fork lifts in North Vancouver, British Columbia.

They all had one thing in common: Advice about an aspect of their business had resulted in a significant improvement in their operations.



Stanley C. Roberts, left, President of the Canadian Chamber of Commerce, Charles Lapointe, centre, Minister of State for Small Business and Tourism, and Guy Lavigueur, President of the Federal Business Development Bank, give their views on small business at a press briefing held at FBDB's head office in Montreal.



Thousands of people took part in the numerous activities that made up Small Business Week 1981. Though it is not possible to list every event, here are some of the highlights:

- The national launch took place in Montreal. A press briefing session was given by Charles Lapointe, Minister of State for Small Business and Tourism, Guy A. Lavigueur, President of the Federal Business Development Bank, and Stanley C. Roberts, President of the Canadian Chamber of Commerce;
- In St. John's, more than 360 people attended a Business Fair where 23 government agencies were represented;
- In Fredericton, 250 people turned out for the Business Fair;
- The Prince Edward Island Business Management Award was presented at the Charlottetown Chamber of Com-

merce Annual Fall Dinner. Eric Scott, Executive Vice-President, FBDB, was guest speaker;

- In Halifax, some 70 delegates attended a small business conference presented in conjunction with the International Symposium on Small Business held the previous week in Ottawa;
- In Quebec City, an Information Session for manufacturers attracted a record crowd of 450; a radio open-line show was repeated because of interest generated about the topic — small business;
- In Montreal, the week was inaugurated at the Stock Exchange following the day's trading. Participants included senior representatives of the Stock Exchange; the Montreal Chamber of Commerce; the City of Montreal; FBDB; and owners of small businesses which are listed on the Stock Exchange;

- In Toronto, 3,000 people visited the Business Information Fair which was held over a two-day period. Presented in conjunction with the fair were 19 workshops. One of the most popular, put on by the Department of Industry, Trade and Commerce, dealt with programs for Canadian manufacturers;
- Across the Prairie provinces, Business Fairs attracted large crowds: 800 in Winnipeg; 700 in Brandon; 1,400 in Saskatoon; 1,500 in Edmonton and 800 in Calgary. Record numbers of people attended each of the dozen Information Sessions;
- In Yellowknife, business clubs were addressed and a seminar on marketing was held for local business people;
- In Vancouver, 235 members of the Chinese community attended an Information Session presented in Cantonese. A spokesman, dubbed the "Small Business Person", appeared on radio and TV to promote the week. Twenty local groups, including the retailers association, the business licensing authority and the local library, were represented at a major shopping mall exhibit;
- In Whitehorse, a radio open-line show proved popular, as did a general Information Session.

Small Business Week met its objectives: To pay tribute to this important economic sector and to provide information to assist small business operators run successful enterprises.

The hundreds of newspaper articles, radio and television interviews and the thousands of small business people who attended the events of the week attest to its success!

'Tis the Season. . . .

The brightly-decorated Christmas tree — a silent but super star performer in the jollity surrounding the festive season — is also the basis of a fairly lucrative industry. This is true particularly in Atlantic Canada where some of the finest trees are cultivated and harvested for export to markets throughout North America and the Caribbean. Shirley Plowman of Canada Commerce sees the Christmas tree industry as. . . .

A Business for Pleasure



If the North Pole personifies St. Nick and his herd of high-flying reindeer, Atlantic Canada with its cool moist climate conjures up the image of the beautifully shaped aromatic Christmas tree.

Canada's Christmas tree industry, although limited to a brief, bright moment near the end of December, is a booming business that keeps tree growers on the hop most of the year. It brings in an annual \$8 million in exports.

As with everything else in life, the Christmas tree industry has its good news and its bad.

The United States is the top consumer of Canadian-produced trees — a fact that adds a challenge for Canadian tree growers. With the encouragement of U.S. apartment by-laws, about 30 per cent of all U.S. Christmas trees are now artificial and this cuts a large slice out of the annual Canadian Christmas tree profits.

On the bright flip side there is a growing trend among young marrieds in their twenties and thirties to return to crafts and nature. When their thoughts turn to Yuletide, they gravitate to a tree that looks and smells like a Christmas tree should.

The trees are planted in the fall and spring. They come in various shapes, sizes and species — among them, White Spruce, Scotch, Virginia and White Pine, and from the Fir family, Fraser, White, Noble and Balsam.

Ecologists who might worry about forest regeneration need not give a thought to the felling of Christmas trees. They are planted for one purpose — to yield a harvest that can be sold like any other crop.

Atlantic Canada's Christmas tree crop covers less than 40,470 hectares (100,000 acres) — about one-tenth of one per cent of the forested land in the Atlantic Provinces, not including Labrador. Much of the land is made up of abandoned fields or cutover forests that were often a jumble of weeds. Cultivation of continuous crops of trees help to improve the quality of the soil, and man-made ponds add protection against fire.

From late October to early December, the Christmas tree grower is fully occupied with the harvest. Before the cutting, trees are selected and marked. After they are felled, they are baled, loaded and delivered to buyers. For ease and speed of handling, protection against breakage and for saving space in transit, trees are usually compressed by some type of baling operation before being shipped long distances.

Nova Scotia is justifiably proud of its long history of excellence in the Christmas tree industry. Its trees are shipped to the New England and Middle Atlantic Regions including such large cities as Boston, New York, Philadelphia and Washington, D.C. Areas in the U.S. form the prime market for Nova Scotia's Christmas trees — especially its high quality Balsam fir. Some trees travel as far south as Miami, west to Chicago and southwest to Texas; others are destined for the Caribbean and South America.

Competition, though, is fierce.

British Columbia exports to the Mid and South West United States and Mexico, bringing in about half a million dollars annually in export sales.

Quebec, Ontario, New Brunswick, Maine, Vermont and New Hampshire produce the popular balsam fir — first choice for many Christmas tree buyers. Nova Scotia must compete with the Eastern United States market.

Despite the competition, Nova Scotia producers receive about \$5 million a year in export sales.

The production of quality Christmas trees in the Atlantic region is a serious business. Producer-formed associations work on improving production methods and tree quality. These associations also provide a forum to discuss the most recent developments in Christmas tree operation and act as co-operative marketing agencies. As well, they make a valuable contribution to ongoing federal and provincial government research programs aimed at developing better production techniques.

The quality of a Christmas tree is its biggest selling feature and determines the seller's profit. Atlantic Canada's tree farmers, with their specialized skills, crop management techniques and ability, have no trouble providing high quality trees that meet the exacting requirements of the U.S. market.

Trees are classified according to density, taper, balance, condition of foliage and presence or absence of defects. Foliage density is based on the amount of visible stem between the lowest and uppermost branches.

After being separated into foliage density classifications, general appearance is most important to the grading.

Cone spikes and lichens may be present as they are natural characteristics.

A non-profit organization, the Maritime Lumber Bureau acts as the grading agency for the industry and is responsible for its administration. The Atlantic Canada Grade has been adopted by the Christmas tree industry and is supported by each of the Atlantic provincial governments.

After the grading, the trees are marked with coloured Atlantic Canada Grade tags denoting density and tree symmetry. Besides providing a standard for tree quality, it is descriptive, giving the dealer and the consumer a good idea of the appearance of the tree once it has been hauled home from the lot.

Like a Miss Canada bathing beauty, the Atlantic Canada Grade Select (Centre) tree has to look good from every angle but since most buyers prefer to place the tree in a corner, the Atlantic Canada Grade Select (Corner) tree need only look great from three angles and sport not more than two blemishes on its corner side. Centre and Corner Selects are of the highest quality heavy density; Fancy and Choice are medium density.

Roadside sales bring in another \$1.5 million to Atlantic Canada. Provincial residents receive the bulk of this money as direct income in the form of wages and salaries and net income for producers. With consumer spending, more than \$2 million in direct income is created for provincial residents.

The remainder of the revenue from Christmas tree sales — about \$200,000 — is spent on basic inputs such as fertilizers and saws, thus creating income indirectly for other industries.

There is scarcely an industry that has not been affected by rising energy costs and the Christmas tree industry is no exception. Especially the "choose and cut" operational arm of the industry. Excursions into the country "to bring home the tree" started about 15 years ago, when oil and gasoline were cheap and plentiful.

Some "choose and cut" suppliers in recent years have found it more profitable to hire a lot in the nearest town so that prospective buyers will not have to travel far to get a tree.



Says G. Myron Gwinner, a Hermann, Missouri retailer: "For all Christmas tree growers, the next few years may well be critical and only those who are well prepared and adjustable in their operations may be able to ride out these years. The energy situation is not likely to go away and it has the potential to become critical upon very short notice."

As an example, he cited the Christmas season of 1973 and the oil embargo, when Washington cut off all Christmas tree and seasonal lighting to conserve energy. "Tree sales dipped badly as our customers decided that with no lights, why have a tree?"

And yet, despite good times or bad, the Christmas tree and the Christmas tree industry will survive — as a symbol of warmth, love and goodwill. It will endure as long as there is roast turkey, plum pudding and tiny tots whose eyes light up to match a brightly baubled tree.



Economists' Corner

Why Canadian Industry Invests

One of the topical issues in current debates on the economy is the need for more capital investment in Canada. This is usually discussed in general terms, without much attention being given to the fact that capital investments are made for a variety of purposes, which may differ both in motivation and in their effect on the corporation or the economy.

Some types of capital spending may be socially desirable but not financially beneficial to the company, such as provisions to satisfy emission control or health and safety regulations. Conversely, investment for cost reduction and higher productivity may be good for the company but create, for a time at least, a measure of technological unemployment.

The spreading use of NC (numerically controlled) and CNC (computer numerically controlled) equipment and the introduction of robots in the automotive and other industries make it desirable to distinguish between capital expenditures mainly undertaken to cut costs and those primarily prompted by the need to meet rising demand.

Capital projects for expansion of output are in principle beneficial for the enterprise and the economy, but ill-conceived or highly leveraged undertakings can cause problems for both. So can a cluster of large, basically valid projects blossoming out together after a spell of wait-and-see. A syndicated Canadian business columnist recently drew a parallel between the rush into railroads in the early part of this century and the possibility of concurrent future overinvestment in non-conventional oil. Far-fetched maybe, at this point, but not entirely inconceivable.

Clearly, it is important to make, at least conceptually, a distinction between these various types of capital investment, even if it must be recognized that there is overlapping between them. The Economic Council of Canada has recognized this aspect in some of its work (cf. "Medium-Term Capital Investment Survey 1970"). The Department of Industry, Trade and Commerce, which co-operated in this study, decided in 1977 to gather some information about this subject on a regular basis during its bi-annual Capital Investment Intentions Surveys among large corporations. In this particular aspect of the survey, some 200 firms have consistently co-operated from 1977 to 1980. This article analyzes some of the results. For starters, to give readers a benchmark, it should be mentioned that total capital expenditures for the "200" were \$11.5 billion in 1980.



Research and Development

Government, industry and the scientific establishment agree on the importance of promoting industrial research and development in Canada. In the IT&C survey, about one out of five firms consistently reported capital expenditures for R&D in each of the four years surveyed, with the total rising from less than \$80 million to some \$170 million. For 1980, this represents 1.5 per cent of all capital outlays of the 200 large firms participating in the survey.

Industries which in 1980 had a high percentage of spending on R&D assets in relation to total capital outlays were the mining industry (3 per cent), the oil and natural gas companies (2.5 per cent) and the chemical industry (2 per cent). A modal average for the electrical or electronics industry would be just over 2 per cent, but one large corporation in this field stands apart with a higher ratio of spending on R&D assets to total capital spending.

Obviously, the need for R&D has a great deal to do with the nature of the industry. In some cases, complete absence of R&D assets in the budget may well be compatible with ultra-modern operations, for the results of research can be bought. Canada's chartered banks, for instance, have up-to-date, highly computerized operations.

Finally, it should be noted that R&D is a highly labour-intensive activity. Capital outlays for R&D may be only a small part of a company's total R&D effort. If salaries and other current expenses are

included, the total cost of R&D may be 10 or 20 times as much as the spending on capital assets alone.

Pollution Abatement

One out of every three firms regularly reported capital expenditures for protection of the environment, with aggregate outlays of almost \$240 million in 1977, rising by about half to \$350 million in 1980. For all firms together, the 1980 figure works out at just over 3 per cent of total capital expenditures.

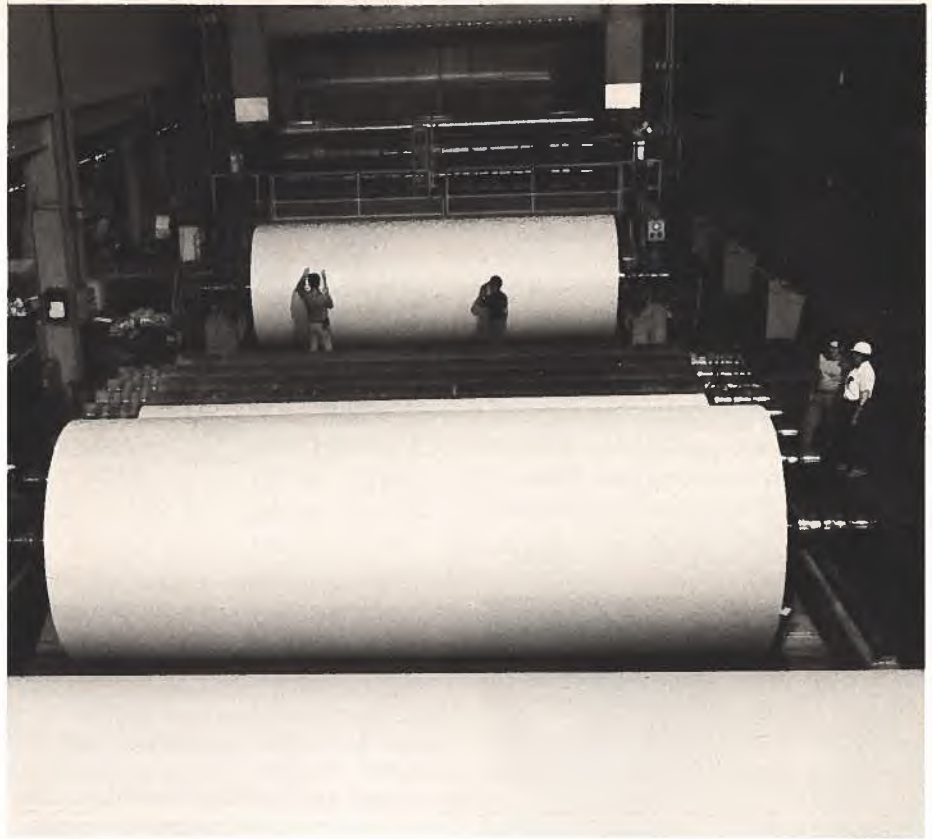
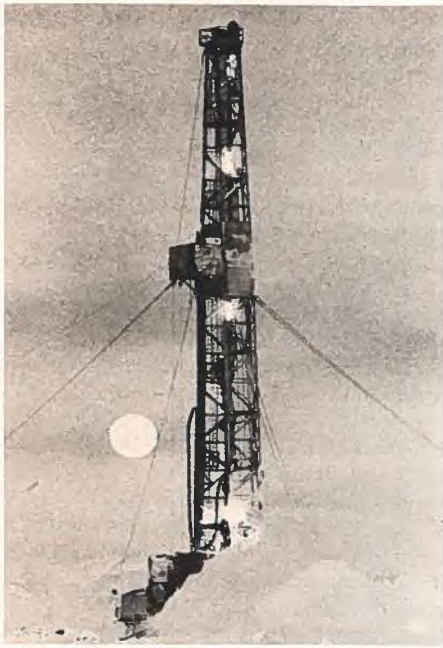
In manufacturing, the forest products sector has a high ratio of pollution-oriented to total capital outlays; for 1980, it was 11 per cent. Primary metals and chemicals, with ratios of 8 and 7 per cent respectively, were also above the 5 per cent manufacturing average.

The non-manufacturing sector in our sample includes goods producing as well as service industries, such as pipelines, communications, financial institutions and retailers. The operations of the latter groups have little impact on the biosphere and this explains why the non-manufacturing sector as a whole has a low average ratio of spending on emission control equipment compared to total capital outlays.

In the mining sector, on the other hand, pollution control equipment takes nearly 5 per cent of the total capital budget and in the oil and gas companies 3 per cent.

Working Environment

The emergence of Japan as one of the world's leading industrial powers (which



may have created pollution problems) has nevertheless alerted North American business to the importance of a congenial working environment for job satisfaction, worker co-operation, productivity and product quality ("fit and finish"). While industrial harmony depends to a large extent on often intangible social and psychological factors varying from country to

country, health and safety are generally considered basic non-wage elements of a satisfactory work situation. It includes such aspects as noise reduction and dust control.

Capital expenditures of all firms for provisions of such kind were below one per cent of total capital outlays over the period and amounted to \$85 million in

1980. In some industries, notably forestry, transportation and storage, the percentage was higher, over 1.5 per cent of total capital spending by these sectors in 1980.

In evaluating these data, one should consider that safety is often a matter of procedures as much as of equipment; as such, its cost is labour time, a current expense.

Expansion versus Modernization and Replacement of Capital Assets

In the years under review, by far the largest volume of capital spending has been devoted to meeting growth in demand for output through expansion at new or existing sites. This accounted in 1980 for about 55 per cent of all capital spending of the nearly 200 participating firms, or about \$6.25 billion.

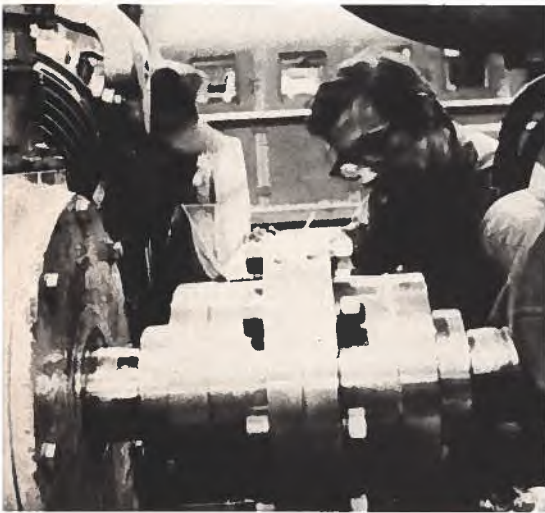
Modernization and replacement of existing facilities, which includes capital spending primarily motivated by a desire to reduce costs or improve productivity, accounted in 1980 for nearly 30 per cent of total capital outlays of all firms surveyed or about \$3.4 billion.

Among **manufacturing firms**, capital spending for expansion of facilities has declined from over half of total capital spending in the first year under review (1977) to just over one-third in 1980. Investments to modernize and replace existing facilities, primarily related to cost-reduction or productivity improvement, were 30 per cent of total in 1977 and 40 per cent in 1980.



Looking at individual industrial sectors, the **forest products** industry in 1980 devoted as much as 70 per cent of its capital program to modernization and replacement of facilities and less than 15 per cent to expansion. In the first year of the survey (1977), these percentages were around 45 per cent for modernization and close to 40 per cent for expansion. Hence a significant switch towards modernization and replacement has occurred in this sector. The modernization process has been aided by government.

Expansion of facilities at new sites has been highest in the primary metals industry, particularly in the first year of the survey period when it was 30 per cent of total capital expenditures (1977); by 1980 it had dropped to about one-fifth.



In all other manufacturing sectors, capital spending for expansion of facilities at new sites had become relatively small by 1980; the typical figure was five per cent or less of total fixed investments.

It is no surprise to find a much higher proportion of new sites expansion in the **non-manufacturing sector**, where green fields projects typically account for one-third or more of total capital outlays.

Electric utilities literally break new ground most often; about two-thirds of their total capital spending falls in this category.

New sites expansion in the oil and gas companies took 40 to 55 per cent of total fixed investment; the oil and gas pipelines, presumably because of "looping", had a lower ratio (20 to 35 per cent).

The number of new mines developed in Canada in any given year is usually small in relation to the continuing development of existing mines and the figures reported bear this out. Expansion at new sites took 10 per cent or less of their total capital budget.

Replacement and modernization in the non-manufacturing sector show that mining companies typically allocate 40



to 50 per cent of their capital budget to this purpose; this is understandable, for their machinery, equipment and installations are subject to heavy wear and tear.

Transportation and storage companies spent well over half of their capital budget for modernized and replaced facilities.

Oil and gas pipelines listed about one-third of their capital budgets under this category, the oil and gas companies 10 to 15 per cent.

On the whole, modernization and replacement stands for a fairly steady one-fourth or less of the total capital budget in non-manufacturing firms. This compares with a wider range of 30 to 45 per cent in manufacturing, where the ratio appears to be on a rising slope in this period.

Some Caveats

First, there is overlapping. A pulp and paper company, for instance, may decide to modernize outdated equipment partly to reduce water pollution in a tourist area, partly to substantially improve labour productivity, partly to achieve some expansion of its production capacity. The weight given to these various factors remains a matter of executive judgment.

Also, the individual firms in an industry group may differ widely in the weight attached to several possible reasons for capital appropriations because of variances in their product mix, the age of their plants, their financial position, the extent of government support or the force of regulations. Even within a company, an average ratio may be misleading. A firm may spend little on R&D for mature products sold in the domestic market only, but a great deal on new products in the development stage for which export prospects exist, perhaps through a world mandate.

For these reasons, and others noted in the text, the findings of this analysis should be considered approximations;

they have been intentionally so reported to avoid spurious accuracy.

Final Observations

The systematic classification of capital expenditures by purpose, undertaken by IT&C's Capital Expenditures Group in 1977, is a first attempt to throw some light on aspects of capital investment which had not been sufficiently illuminated in Canada before.

The earlier work of the Economic Council of Canada and the long-established surveys by prestigious overseas institutes such as the IFO Institute for Economic and Business Research in West Germany, testify to the validity of distinguishing between the various purposes of capital expenditures with their different motivations and effects.

The figures, with their limitations, offer a rough benchmark enabling individual firms to compare their own capital spending objectives with the major industry classification to which they belong. However, the survey is a fact-finding exercise, in no way intended to imply standards.

Governments at various levels might also receive new insights in the reasons for business decisions through this approach. For instance, the IT&C surveys so far have shown in manufacturing a relative decline in green fields expansion, in favour of on-site expansion or modernization. Industry specialists of IT&C and sources in the private sector attribute this in part to the fact that advanced machinery or modernization (speed-up) of existing equipment makes it possible in several industries to achieve a higher production within the same or even smaller factory space. The newsprint industry and lumber mills are striking examples. The chemical industry tends to move to new sites in search of burgeoning markets or to be closer to feedstock, but prefers to stick to the same site as long as it is possible to expand capacity there by widening bottlenecks in an often continuous manufacturing process.

Industrial and regional development programs and labour mobility policies at various levels of government are among those which would presumably wish to take account of the reasons for such relative decline in "green fields" expansion.

Above all, the survey may make the general public more aware of the fact that various capital spending projects have different, although often overlapping, objectives and consequently different effects on the firms and on the economy.

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New and Up-Dated Publications

MARKET STUDIES OF UNITED STATES ON BOARD FISHING VESSEL EQUIPMENT: ACCESSING U.S. WEST COAST MARKETS:

A 32-page market study published in English and French for Industry, Trade and Commerce by Frank Orth and Associates, Inc. of Bellevue, Washington.
Tel: Mr. L.H. Brown — (613) 593-5467

IT&C ANNUAL REPORT:

The Department of Industry, Trade and Commerce report for the fiscal year 1979/80 published in English and French.
Tel: Ms Martha Hancock — (613) 593-6028

REPORT ON THE COMMERCIAL STRATEGY FOR THE WHOLESALE AND RETAIL INDUSTRIES OF THE 1980s

OTTAWA, CANADA, FEBRUARY, 1981:

A 26-page study of the distribution trades published in English and French contains past performance statistics and short studies of channels, investment, foreign ownership and medium-term outlook.
Tel: Mr. John Inns — (613) 593-7981

CONSULTING ENGINEERING IN CANADA: AN UPDATE:

An update of a 1978 study of the industrial sector prepared by Peter Barnard Associates for the Department of Industry, Trade and Commerce which contains market projections for the next five years, descriptions of past industrial and governmental solutions to problems of the industry, and proposals for the future — 100 pages published in English and French.
Tel: Mrs. S. Brearton — (613) 996-7085

REPORT ON THE CANADIAN FERROUS FORGING INDUSTRY — 1980 NATIONAL SURVEY

OTTAWA, CANADA, 1981:
A 32-page summary published in English and French of data accumulated in 1980 by the Metals and Minerals Group, Metal Fabricating Industries Division, Department of Industry, Trade and Commerce, from 20 companies engaged in closed impression die forging operations.
Tel: Mr. D. Peplinski — (613) 996-0763

FIRST CHOICE URBAN TRANSIT SOLUTIONS:

A 112-page promotional directory published in English by First Choice magazine with the co-operation of Industry, Trade and Commerce on Urban Transportation Equipment and Services from Canada.
Tel: Ms Martha Hancock — (613) 593-6028

MARKET STUDIES OF THE UNITED STATES: THE MARKET POTENTIAL FOR SELECTED CANADIAN MANUFACTURED WOOD PRODUCTS IN SOUTHERN CALIFORNIA — MARCH 1981:

A 128-page report prepared by Peter Louch & Associates for the Department of Industry, Trade and Commerce in March of 1981 and published in English and French. It contains information that will assist Canadian companies to compete successfully in several important market areas of California, including Los Angeles, and covers the following product categories: dimensioned lumber, standard millwork, doors, kitchen cabinets and bathroom vanities (knock-down and do-it-yourself), furniture components.
Tel: Mr. L.H. Brown — (613) 593-5467

A SURVEY OF THE FOOD MARKET IN THE ARABIAN PENINSULA: SAUDI ARABIA, KUWAIT, UNITED ARAB EMIRATES:

A 27-page study prepared by Industry, Trade and Commerce based on information gathered from food importers, retailers, Chambers of Commerce, the department's trade posts in Kuwait and Jeddah, and other information sources is published in English and French and contains useful suggestions for exporters conducting business in the Middle East.
Tel: Mr. G.C. Parsons — (613) 995-8107

THE CATALOG:

A directory of the corporate members of the Canadian Advanced Technology Association detailing their structure, products and services, published by the association in English — 128 pages.
Tel: Ms Martha Hancock — (613) 593-6028

Correspondence may be addressed to:

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Anuga Sees Canada Reap Rewards

A highly successful Canadian participation in the world's largest food exhibition — Anuga '81 in Cologne, Federal Republic of Germany, October 10 to 15 — was reported by the 31 official food and fisheries products processors represented in the Canadian exhibit.

Anuga '81 attracted about 6,000 exhibitors from 80 countries. An estimated 200,000 visitors came to the Canadian exhibit.

Canada really scored at Anuga '81 — the world's largest food exhibition. Some 31 Canadian companies officially participated, reporting on-site sales of approximately \$15,000,000.

Paris. Contacts made and their continued presence at these shows helped establish them firmly in European and world markets. It even helped them in Canadian markets — representatives of major Canadian food chains were at Anuga and sales were made.

The Canadian companies represented fish products and non-fish products processors and covered a wide spectrum: fresh, smoked, frozen and canned Pacific salmon and frozen Atlantic salmon; lobster, shrimp, crabs, cod and many other seafoods; canned and processed meats; vegetable and fruit juices;

"I would like to take this opportunity to congratulate you and your organization (the IT&C team at Anuga) for the success of the Canadian participation at Anuga. The organization was superb and I believe all the exhibitors were more than satisfied," comments Andre Arseneault, director of sales for the **Quebec United Fishermen of Montreal, Quebec.**

"This was an excellent show," says Bob Royce, marketing manager, Europe, for **Fisheries Products Ltd.** of St. John's, Newfoundland. "It would be difficult to improve upon the Canadian effort."



Canadian on-site sales totalled approximately \$15,000,000 — with projected sales over the next 12 months estimated at \$507,000,000. There were 17 agents and exhibitors engaged during the show.

Anuga '81 was an unqualified success in the opinion of the exhibitors. All expressed the firm desire to return, particularly under the umbrella of the Canadian stand — sponsored by the Department of Industry, Trade and Commerce.

Exhibitors stressed the importance of returning to such shows as Anuga and its sister exhibition, SIAL, in

frozen vegetables and berries; frozen pizza crusts; dessert toppings; honey; vegetable oil products; margarines and shortenings; and much more.

Comments from the exhibitors:

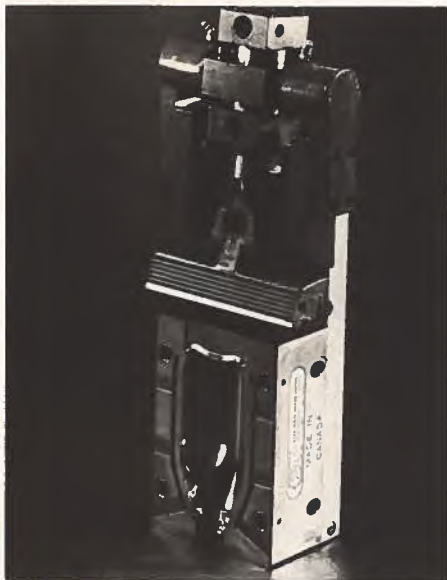
G.A. McIntyre, vice-president, marketing and sales, for **Canbra Foods Ltd.** of Lethbridge, Alberta: "The opportunity to meet current customers, reaffirming personal contacts established at SIAL in 1980, has been a very valuable plus. Also, the attendance of current Canadian customers has been surprising and very valuable in visibly establishing our presence in a major fair."

"I was impressed with the support we got from IT&C," says Peter Browne, chairman of the **British Columbia Seafood Exporters' Association of Vancouver, British Columbia.**

One company, **Caesar Canning Ltd.** of Richmond, British Columbia, served samples of its specialty juices to more than 15,000 persons.

Several other Canadian companies — who exhibited on their own at Anuga — indicated they would like to exhibit under IT&C sponsorship at subsequent shows. All recognized the value of exhibiting collectively.

Interplas '81 — Canada Makes Sales



Exhibiting at Interplas '81, where it acquired a sole representative for the U.K., Ryka Blow Molds specializes in the design and manufacture of quality blow molds and injection blow mold tooling. The Mississauga, Ontario, company has extensive export experience in the United States, Europe and South America.

Interplas '81, the International Plastics and Rubber Exhibition, saw 11 Canadian companies display their products and capabilities at the National Exhibition Centre, Birmingham, England, September 1981.

While more detailed articles on participating companies will follow in future issues of Canada Commerce, it is already known that, for many, the show was a success. On-site sales amounted to \$650,000. Follow-on sales are expected to reach \$10,230,000.

Corma Inc. of Concord, Ontario, displayed its newly designed pipe corrugator, capable of adjusting thickness and patterns during operation.

President of Corma, Gerd Lupke, noted: "Response was overwhelming. If only one-quarter of the serious inquiries received during the fair produce sales, our production capability will have to be increased considerably."

System Molds Inc., Mississauga, Ontario, estimated that sales of its specialized injection molds could exceed \$2,000,000 in 12 months and Michael Ryan, President of Ryka Blow Molds Limited, also of Mississauga, succeeded, in only the third day of the show, in acquiring his first and sole representative for the United Kingdom.

"The agreement was the result of one-and-one-half years of negotiations," said Mr. Ryan.

"At Interplas '77 we could have had a U.K. agent but they did not meet the standards we have set. We were looking for a representative who could speak intelligently about our products and service; one who fully understands the business and will best represent our interest. We feel we have found it in Apollo Machinery Sales Limited."

Interplas, one of the largest shows of its kind, is held once every four years — always in Birmingham. This year's show attracted exhibitors from more than 30 countries.

Loans Show Increase

Preliminary figures for the Small Businesses Loans Act show that between January 1 and June 30, 1981, there were 8,894 loans registered for a total value of \$253,063,568, according to the Honourable Charles Lapointe, Minister of State for Small Business and Tourism.

This represents a 23.3 per cent increase in value over the same period a year ago when 7,215 loans worth \$170,306,235, were registered.

Under the Small Businesses Loans Act, a small business enterprise in Canada whose gross revenue does not exceed \$1.5 million per year may obtain loans from chartered banks and other designated lenders. The loans, guaranteed by the Canadian government, are to be used to purchase fixed or moveable equipment, purchase or build new premises, modernize existing facilities or purchase land for operation of a business, including the purchase of buildings.

Loans must be secured and may be repayable over a period of up to 10 years. The maximum of all loans outstanding to any one borrower at any one time cannot exceed \$100,000. The maximum interest rate charged on these loans is bank prime plus 1 per cent. The rate fluctuates with the bank prime for the term of the loan.

TECHNOMART '82 — High Tech Show in Pittsburgh

TECHNOMART '82, the International Congress on Technology and Technology Exchange will be held in Pittsburgh, Pennsylvania, May 3 to 6, 1982. Considered a significant exposition of technology and technology related products and services, TECHNOMART '82 is sponsored by the International Technology Institute, The Engineers' Society of Western Pennsylvania and the U.S. Department of Commerce. Further information may be obtained from: **TECHNOMART '82**, 7125 Saltsburg Road, Pittsburgh, PA 15235, U.S.A.; Tel: (412) 795-5300.

Multilateral Project Opportunities

The following list of multilateral project opportunities has been prepared by the Bureau of Pacific, Asian, African and Middle Eastern Affairs (PAM), a merger of the former Office of Overseas Projects, the Bureau of Asian and Pacific Affairs and the Bureau of African and Middle Eastern Affairs. The objective of this list is to inform Canadian companies of the projects being considered or already approved for financing by the international financing institutions such as the World Bank, the Asian Development Bank and the Inter-American Development Bank.

Projects Under Consideration

Due to a reorganization in the Department, certain names and telephone numbers are subject to change. Sorry for any inconvenience this may cause.

The Bureau of Pacific, Asian, African and Middle Eastern Affairs is prepared to assist companies in formulating their bids, and to suggest the appropriate contacts for companies interested in obtaining insurance, bonds and performance guarantees which are often required as part of tender specifications.

In addition, our Trade Commissioners abroad are ready to assist you in pursuing business, such as arranging meet-

PLEASE NOTE that further information is available on approved projects only and may be obtained from the respective geographical divisions of PAM listed below.

In order to capitalize on these export opportunities, experience has shown that getting in on the ground floor by advance marketing activities or use of local agents has increased the probability of success. Smaller companies may wish to consider participating as sub-suppliers or as part of a consortium bidding on equipment packages.

ings with personnel at the executing agencies. The Department also maintains liaison officers in Washington and Manila, who are prepared to undertake enquiries on your behalf. However, we recommend that you initially contact the appropriate officer listed below.

If any of the approved projects interest you, contact: **The Bureau of Pacific, Asian, African and Middle Eastern Affairs (PAM)**, Department of Industry, Trade and Commerce, 235 Queen Street, 9th Floor East, Ottawa, Ontario K1A 0H5, or call the telephone numbers which are listed.

Under consideration

AFRICA (613) 996-8188

BURUNDI

Contact: *R. Bélanger*

Education III

World Bank (IDA) — \$20.0 M (approx.)

Technical Assistance

World Bank (IDA) — \$6.0 M

DFC II (Artisan Centers)

World Bank (IDA) — \$8.0 M (approx.)

Agriculture Muyinga

World Bank (IDA) — \$20.0 M (approx.)

COMOROS

Contact: *R. Bélanger*

DFC I

World Bank (IDA) — \$2.0 M (approx.)

GHANA

Contact: *P. McLachlan*

Export Rehabilitation Credit

World Bank (IDA) — Amount to be determined

GUINEA

Contact: *J. Desjardins*

Highways III

World Bank (IDA) — \$15.0 M

KENYA

Contact: *S.A. Reid*

Agriculture Technical Assistance

World Bank (IDA) — \$5.0 M

MADAGASCAR

Contact: *R. Bélanger*

Cotton

World Bank (IDA) — \$10.0 M (approx.)

DFC II

World Bank (IDA) — \$15.0 M (approx.)

MALAWI

Contact: *S.A. Reid*

Highways V

World Bank (IBRD) — \$46.0 (approx.)

MALI

Contact: *J. Desjardins*

Mali Sud II

World Bank (IDA) — \$17.7 M

NIGERIA

Contact: *P. McLachlan*

Gari Irrigation

World Bank (IBRD) — \$50.0 M

Sokoto Health

World Bank (IBRD) — \$60.0 M

SENEGAL

Contact: *J. Desjardins*

Irrigation IV

World Bank (IBRD) — \$25.0 M; (IDA) — \$10.0 M

TUNISIA

Contact: *R. Bilodeau*

Central Tunisia Irrigation Project

World Bank (IBRD) — Amount to be determined

Rehabilitation and expansion of sewerage system

World Bank (IBRD) — Amount to be determined

UGANDA

Contact: S.A. Reid
 Education III
 World Bank (IDA) — \$40.0 M

ZAIRE

Contact: R. Bélanger
 N.E. Zaire Ituri II
 World Bank (IDA) — \$10.0 M (approx.)

DFC VI

World Bank (IDA) — \$10.0 M (approx.)

Agricultural Technical Assistance

World Bank (IDA) — \$5.0 M (approx.)

ZAMBIA

Contact: S.A. Reid
 DFC III
 World Bank (IBRD) — \$18.0 M

ZIMBABWE

Contact: S.A. Reid
 Program Loan in manufacturing sector
 World Bank (IBRD) — \$45.0 M (approx.)

DFC I

World Bank (IBRD) — \$30.0 M (approx.)

Urban I

World Bank (IBRD-IDA) — \$20.0 M (approx.)

ASIA (613) 996-9195**BANGLADESH**

Contact: N. Barber
 Urban Development of Dacca (T.A.)
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Power System Master Plan (T.A.)
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Second Tubewell Development
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Second Greater Dacca Gas Transmission and Distribution
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Second Chittagong Port Development
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Seeds Improvement
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Deep Tubewells II
 World Bank (IDA) — \$60.0 M (approx.)

Agricultural Research II
 World Bank (IDA) — \$30.0 M (approx.)

Feeder Roads
 World Bank (IDA) — \$35.0 (approx.)

BURMA

Contact: N. Barber
 Crop Intensification
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Yenwe Multipurpose (TA Loan)
 Asian Development Bank (AsDB) — \$4.0 M (approx.)
 Consultants will be required.

Wood Industries II
 World Bank (IDA) — \$50.0 M (approx.)

Rubber Rehabilitation II
 World Bank (IDA) — \$15.0 M (approx.)

INDIA

Contact: M. Vandenhoff
 Andhra Pradesh Extension
 World Bank (IDA) — \$10.0 M

KOREA, REP OF

Contact: A. Pacher
 Seventh Small and Medium Industry Bank
 Asian Development Bank (AsDB) — \$40.0 M
 No consultants required.

Third Incheon Port Development
 Asian Development Bank (AsDB) — \$60.0 M (approx.)
 Consultants will be required.

Energy Conservation Sector
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Rural Roads
 World Bank (IBRD) — \$100.0 M

NEPAL

Contact: M. Vandenhoff
 Mulghat Hydropower Development
 Asian Development Bank (AsDB) — Amount to be determined
 No decision made whether consultants will be required.

Second Hill Irrigation
 Asian Development Bank (AsDB) — Amount to be determined
 No decision made whether consultants will be required.

Hetauda Cement (Supplementary Loan)
 Asian Development Bank (AsDB) — Amount to be determined
 Previously engaged consultants expected to continue.

Transport III
 World Bank (IDA) — Amount to be determined

Telecommunications IV
 World Bank (IDA) — Amount to be determined

PAKISTAN

Contact: N. Barber
 Baluchistan Fisheries
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Sind Livestock
 Asian Development Bank (AsDB) — Amount to be determined
 No decision made whether consultants will be required.

Khairwala Drainage (T.A.)
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be recruited by the Bank.

Second Health and Population
 Asian Development Bank (AsDB) — Amount to be determined
 Consultants will be required.

Population
 World Bank (IDA) — \$30.0 M (approx.)

SRI LANKA, DEM SOC REP

Contact: *N. Barber*

Health and Population

Asian Development Bank (AsDB) — \$5.7 M

No decision made whether consultants will be required.

Drug Production and Distribution (T.A.)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be recruited by the Bank.

Ratnapura Integrated Rural Development (T.A.)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be recruited by the Bank.

Graphite Mining

Asian Development Bank (AsDB) — Amount to be determined

No decision made whether consultants will be required.

A credit line to National Development Bank

World Bank (IDA) — \$23.0 M (approx.)

SOUTH EAST ASIA (613) 996-8661

INDONESIA

Contact: *J. Brenchley*

Surabaya Power Distribution

Asian Development Bank (AsDB) — \$42.0 M

No decision made whether consultants will be required.

Rural Water Supply Sector (T.A.)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be recruited by the Bank.

Domestic Airport

Asian Development Bank (AsDB) — \$55.0 M (approx.)

Consultants will be required.

Second Irian Jaya Fisheries Development

Asian Development Bank (AsDB) — Amount to be determined

No decision made whether consultants will be required.

Sixth Road

Asian Development Bank (AsDB) — \$70.0 M (approx.)

Consultants will be required.

Brackishwater Aquaculture

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be required.

Nucleus Estates VII

World Bank (IBRD) — \$150.0 M

Nucleus Estates Sugar

World Bank (IBRD) — \$130.0 M

Health I

World Bank (IBRD) — \$90.0 M

Power XII

World Bank (IBRD) — \$200.0 M

Irrigation XVIII

World Bank (IBRD) — \$80.0 M

MALAYSIA

Contact: *P.A. Rolland*

Farmers' Organization Support Services

Asian Development Bank (AsDB) — \$20.0 M (approx.)

No decision made whether consultants will be required.

Saribas Integrated Agricultural Development

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be required.

Low-cost housing

Asian Development Bank (AsDB) — Amount to be determined
Consultants will be required.

Mini Hydropower

Asian Development Bank (AsDB) — \$25.0 M (approx.)

No decision made whether consultants will be required.

East-West Highway (Phase II)

Asian Development Bank (AsDB) — Amount to be determined

No decision made whether consultants will be required.

PHILIPPINES

Contact: *J. MacLeod*

Manila Domestic Container Terminal

Asian Development Bank (AsDB) — \$30.0 M (approx.)

Consultants will be required.

Third Davao Irrigation

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be recruited by the Executing Agency.

Mineral Resources Development

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be required.

Cotton Development

Asian Development Bank (AsDB) — Amount to be determined

No decision made whether consultants will be required.

THAILAND

Contact: *T. Greenberg*

Cattle Production

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be required.

Power Sector II

World Bank (IBRD) — \$130.0 M

Agriculture Credit II

World Bank (IBRD) — \$73.0 M

Eastern Seaboard Engineering

World Bank (IBRD) — \$10.0 M

JAPAN & SOUTH PACIFIC (613) 995-7752

TONGA

Contact: *R. Beare*

Second Multiproject Loan

Asian Development Bank (AsDB) — \$1.5 M

MIDDLE EAST (613) 593-4362

TURKEY

Contact: *B. Budny*

Completion of ongoing irrigation and on-farm works

World Bank (IBRD) — Amount to be determined

Rehabilitation and Strengthening of part of the Trans-

Turkey Highway

World Bank (IBRD) — Amount to be determined

Development of selected lignite field(s)

World Bank (IBRD) — Amount to be determined

BUREAU OF LATIN AMERICA & CARIBBEAN AFFAIRS (613) 996-5357

ARGENTINA

Contact: *J.G. Carson*

Rural potable water program stage V
Inter-American Development Bank (IDB) — \$70.0 M

Oil and Gas Development II
World Bank (IBRD) — \$100.0 M

BARBADOS

Contact: *F. Spoke*

Scotland District soils conservation project
Inter-American Development Bank (IDB) — \$4.5 M

Stage II student revolving loan fund
Inter-American Development Bank (IDB) — \$1.3 M

BRAZIL

Contact: *J.G. Carson*

Water Supply and Sewerage
World Bank (IBRD) — \$200.0 M

Bahia Rural Development II
World Bank (IBRD) — \$30.0 M

Forestry Development
World Bank (IBRD) — \$70.0 M (approx.)

COLOMBIA

Contact: *F. Spoke*

Socioeconomic study of Lower Sinu Valley
Inter-American Development Bank (IDB) — \$0.07 M

Credit for microenterprises in Bogota
Inter-American Development Bank (IDB) — \$0.5 M

Basic Rural Education
World Bank (IBRD) — \$15.0 M

Rio Grande Hydropower
World Bank (IBRD) — \$50.0 M (approx.)

CVC Calima, Distribution/Transmission/Control
World Bank (IBRD) — \$62.5 M (approx.)

COSTA RICA

Contact: *F.R. Harris*

Industrial Free Port Project
Inter-American Development Bank (IDB) — \$15.0 M

Third stage of preinvestment program
Inter-American Development Bank (IDB) — \$5.6 M

Livestock
Inter-American Development Bank (IDB) — \$50.0 M

ECUADOR

Contact: *F. Spoke*

Community and agricultural development
Inter-American Development Bank (IDB) — \$11.6 M

EL SALVADOR

Contact: *F.R. Harris*

Stage II of rural works program
Inter-American Development Bank (IDB) — \$13.0 M

JAMAICA

Contact: *F. Spoke*

Industrial rehabilitation
Inter-American Development Bank (IDB) — \$35.0 M

MEXICO

Contact: *J.A. Pearce*

Water Supply and Sewerage
World Bank (IBRD) — \$200.0 M

NICARAGUA

Contact: *F.R. Harris*

Support for INPESCA (TC)
Inter-American Development Bank (IDB) — Amount to be determined

PANAMA

Contact: *F.R. Harris*

Farm Credit
Inter-American Development Bank (IDB) — \$28.6 M

Small irrigation project
Inter-American Development Bank (IDB) — \$8.67 M

Rural Development
Inter-American Development Bank (IDB) — \$0.21 M

Cerro Colorado Engineering Studies
World Bank (IBRD) — \$10.0 M

PARAGUAY

Contact: *J.G. Carson*

Urban Development
World Bank (IBRD) — Amount to be determined

Agricultural Development
World Bank (IBRD) — Amount to be determined

PERU

Contact: *F. Spoke*

Second stage of farm credit program
Inter-American Development Bank (IDB) — \$25.0 M

Agricultural Sector Program
Inter-American Development Bank (IDB) — \$80.0 M

Emergency rehabilitation of road infrastructure
Inter-American Development Bank (IDB) — \$9.5 M

Approved Projects

AFRICA (613) 996-5357

BENIN

Contact: *J. Desjardins*

Cotonou Water-Sanitation Engineering
World Bank (IDA) — \$5.0 M

BURUNDI

Contact: *R. Bélanger*

Kirimiro Rural Development
World Bank (IDA) — \$19.3 M

CAMEROON

Contact: *J. Desjardins*

Second Technical Co-operation for Fifth Development Plan
(1981-86)
World Bank (IDA) — \$10.0 M

EGYPT

Contact: *R.J. Rutherford*

Technical Assistance in the Irrigation and Land Reclamation Areas
World Bank (IDA) — \$6.9 M

GHANA

Contact: *P. McLachlan*
Railway Rehabilitation
World Bank (IDA) — \$29.0 M

MADAGASCAR

Contact: *R. Bélanger*
Second Mangoro Forestry
World Bank (IDA) — \$20.0 M

NIGERIA

Contact: *P. McLachlan*
Anambra Water Supply and Sanitation
World Bank (IBRD) — \$67.0 M

SENEGAL

Contact: *J. Desjardins*
SEFICS Rail Transport
World Bank (IBRD) — \$19.3 M

TOGO

Contact: *J. Desjardins*
Study of Phosphate Fertilizer
World Bank (IDA) — \$5.7 M

UPPER VOLTA

Contact: *J. Desjardins*
Fourth Highway
World Bank (IDA) — \$46.0 M

ASIA (613) 992-0356**BURMA**

Contact: *N. Barber*
Pump Irrigation and Area Development Project
Asian Development Bank (AsDB) — \$20.0 M (SF)

CHINA

Contact: *N. Mailhot*
University Development
World Bank (IDA) — \$100.0 M

INDIA

Contact: *M. Vandenhoff*
Second Korba Thermal Power
World Bank (IDA) — \$400.0 M

KOREA

Contact: *A. Pacher*
Small & Medium Industry Management and Technology
Institute Project
Asian Development Bank (AsDB) — \$13.0 M (OC)

MALDIVES

Contact: *M. Vandenhoff*
Inter-island Transport Project
Asian Development Bank (AsDB) — \$1.0 M (SF)

PAKISTAN

Contact: *N. Barber*
Pipri II Thermal Generation Project
Asian Development Bank (AsDB) — \$55.0 M (SF)

On-Farm Management

World Bank (IDA) — \$41.0 M

SRI LANKA, REP OF

Contact: *N. Barber*
Village Irrigation Rehabilitation
World Bank (IDA) — \$30.0 M

Mahaweli Ganga Development Project III
World Bank (IDA) — \$90.0 M

SOUTH EAST ASIA (613) 996-8661**INDONESIA**

Contact: *J. Brenchley*
Nucleus Estate and Smallholder Cotton (S. Sulawesi)
Asian Development Bank (AsDB) — \$23.0 M (OC)

Wadalintang Multipurpose Project
Asian Development Bank (AsDB) — \$87.7 M (OC)

MALAYSIA

Contact: *P.A. Rolland*
Felcra I
World Bank (IBRD) — \$37.0 M

THAILAND

Contact: *T. Greenberg*
Provincial Roads
World Bank (IBRD) — \$35.0 M

Irrigation XII
World Bank (IBRD) — \$57.0 M

**BUREAU OF LATIN AMERICA
& CARIBBEAN AFFAIRS (613) 996-5357****ARGENTINA**

Contact: *J.G. Carson*
Refinery Conversion
World Bank (IBRD) — \$200.0 M

BRAZIL

Contact: *J.G. Carson*
Piaui Rural Development
World Bank (IBRD) — \$29.0 M

COSTA RICA

Contact: *F.R. Harris*
For exploration and evaluation of country's petroleum
resources
World Bank (IBRD) — \$3.0 M

JAMAICA

Contact: *F. Spoke*
Petroleum Exploration (hydrocarbon potential)
World Bank (IBRD) — \$7.5 M

NICARAGUA

Contact: *F.R. Harris*
Industrial Rehabilitation credit aimed at assisting industrial
and mining enterprises
World Bank (IBRD) — \$30.0 M

PANAMA

Contact: *F.R. Harris*
Road Rehabilitation
World Bank (IBRD) — \$19.0 M

PARAGUAY

Contact: *J.G. Carson*
Second Rural Water Supply & Sanitation
World Bank (IBRD) — \$11.8 M

PERU

Contact: F. Spoke
Power Engineering Project
World Bank (IBRD) — \$25.0 M

Capital Projects Inventory Aid to Canadian Suppliers

Two hundred and thirty-five megaprojects* representing a total investment of \$256 billion could be undertaken or started in Canada during the 1980s, according to an inventory just published by the Department of Industry, Trade and Commerce.

The new "Major Capital Projects Inventory" is a necessary starting point and an indispensable tool for Canadian suppliers wishing to take advantage of megaproject opportunities.

It lists and describes each project and provides other basic information such as the name of the project sponsor, the expected investment and the estimated start and completion dates. Projects are classified by industry sector, investment value and province.

A separate listing of all sponsors and their addresses makes it easier for would-be suppliers to contact appropriate sponsors with a new view to being included on their procurement lists.

The inventory is the first major information aid produced by IT&C's new Office of Industrial and Regional Benefits. Minister Herb Gray announced establishment of the Office on August 27, 1981 along with other government initiatives designed to increase the benefits to Canadian industry and regional economies from megaproject activity in Canada.

As part of its mandate, the Office is investigating a range of systems to improve the exchange of timely information between megaproject sponsors and potential suppliers so that Canadian companies will have an equal chance to bid, in fair competition, with foreign suppliers, on megaproject contracts.

*Projects in which minimum investment must be at least \$100 million.

Copies of the new inventory may be obtained from:
G.P. Cosgrove
Office of Industrial and Regional Benefits (56)
Department of Industry, Trade and Commerce
Telephone: (613) 593-5295

URUGUAY

Contact: J.G. Carson
Telecommunications
World Bank (IBRD) — \$40.0 M

Twin Otter for Kenya



de Havilland's Twin Otter has been selected by Geosurvey International for aerial surveying in Kenya following successful use of the same type of aircraft for this purpose in China.


The aircraft for Kenya and China are fitted with the Scintrex Tridem airborne electromagnetic system that simultaneously measures three widely separated frequencies transmitted from one wingtip pod and received by the other pod. This system, developed by Scintrex of Concord, Ontario is used for base metal exploration and for location of sand and gravel deposits, selection of routes for roads and pipelines, and surface water prospecting and quality analysis.

The Tridem system comprises three transmitter coils in the righthand wingtip pod and three receiver coils in the lefthand pod. Transmissions are made at 500, 2,000 and 8,000 HZ (cycles a second), with preamplifiers, drivers and tuning capacitors for each frequency. An electronic console is installed in the aircraft cabin for data processing, recording and monitoring by observers.

Other equipment carried includes a proton magnetometer in a nose boom, a V.L.F. electromagnetic system in the forward baggage compartment, and a radiometric spectrometer sensor in the rear baggage compartment. The magnetometer measures variation in the Earth's magnetic field for geological mapping, oil and gas exploration, and location of deposits of iron, copper, nickel, lead, zinc, gold, asbestos, diamonds and chromium. The nose boom is interchangeable with the standard weather radar installation. In geophysical surveying, V.L.F. frequencies are monitored to observe distortions in the signals which are caused by changes in the Earth's conductivity. The gamma-ray spectrometer is used to detect uranium, potassium and thorium.

The Twin Otter's forward cabin also contains a continuous strip camera to position the airborne survey run and synchronize with geophysical data traces. A Doppler navigation system gives accurate ground speed and drift angle without reference to any ground installation.

If undelivered return to:
"Canada Commerce"
Dept. Industry, Trade and Commerce
Ottawa, Canada K1A 0H5

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K1A 0H5 OTTAWA		

Next Month:

**Next Month:
Focus on Tourism**



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