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**Nova Scotia on Verge
of New Growth — Page 4**

**The Foreign Sector
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The Honourable Herb Gray
Minister of Industry, Trade and Commerce

The Honourable Charles Lapointe
Minister of State
for Small Businesses

The Honourable Edward C. Lumley
Minister of State
for Trade

Editor:

Anna Hibberd

Contributing editors:

Don Wight
Bob McDonell
Shirley Plowman

Designer:

Stephen Shewchuk

Correspondence to:

Canada Commerce (98)
Department of Industry, Trade and
Commerce
Ottawa, Ontario. K1A 0H5

Telephone:

(613) 995-7489

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Editorially speaking. . . .

Halifax, which appears in high profile in this issue, also received honourable mention in January's **Commerce** as the first stop, and a highly successful one, in the trade commissioners' tour of Canada that followed the Pacific Rim Opportunities Conference. That initial success evidently stayed with the group of 12 as it made its way back across Canada to Vancouver.

There were seven trade commissioners who are currently posted in Pacific Rim countries and five representatives of the Bureau of Asian and Pacific Affairs at IT&C. They visited all 10 provinces and met many hundreds of Canadian businessmen through seminars and/or private interviews to discuss general opportunities for trade development in Pacific Rim countries and specific product opportunities.

So positive has been the feedback from business communities and provincial government contacts that it is clear there is a great deal of support for a regular tour program of this kind by trade commissioners from particular regions of the world.

No matter how effective we try to be using other means of communication, there is no substitute for personal discussions on a one-to-one basis.

Nevertheless since this is not always possible we offer you the following pages of **Canada Commerce** for your perusal and perhaps edification.

A.H.

**Please note that Canada Commerce is
available free of charge in Canada
only to interested Canadian manufac-
turers and business persons.**

Publié aussi en français

Thailand — Land of Smiles and Opportunity

In addition to opportunities for direct sales of Canadian goods and services, Thailand offers excellent potential for joint ventures, with the Canadian partner bringing technology and/or financing in return for an equity position in the Thai company. The Commerce series of articles concerning countries of the Pacific Rim continues with the following. . . .

Report from Bangkok

by William J. Roberts

First Secretary (Commercial) and Consul, Canadian Embassy



William J. Roberts



Thailand, the land of a million smiles, is a land where climate and geography have combined to provide an agricultural wealth that has enabled Thais to maintain social and agricultural traditions long lost in other less fortunate countries. A Thai saying which promises that there will always be fish in the canals and rice in the paddy has an indisputable ring of truth, from the teak forests in the north, through the rice paddies around Bangkok, to the rubber plantations in the south.

The combination of a benevolent tropical climate and rich soil has produced an agricultural base — rice, tapioca, pineapple, citrus fruits, maize, sugar, rubber, many varieties of fresh and saltwater seafood — which employs more than two-thirds of Thailand's labour force.

In addition to being self-sufficient in food production, Thailand is unique among South-east Asian nations in never having been subjected to imperial domination. This has allowed the Buddhist-centred Thai culture to flourish under a constitutional monarchy, preserving social values lost long ago in other parts of the world. Although the traffic congestion on a Bangkok thor-

oughfare may test the patience of the most placid person, a turn along a side lane or a trip on one of the many canals within metropolitan Bangkok will reveal the tranquil nature of life in Thailand.

The tranquility, along with associated cultural practices, carries over into business activities, making a local agent or associate a necessity for any Canadian businessman wishing to pursue the numerous business opportunities in this developing country. With a population of 45 million, commercial opportunities abound.

Business Conditions

Under the capable leadership of



Deputy Prime Minister for Economic Affairs, Mr. Boonchu Rojanasthien, Thai government policies have focused on the concept of Thailand Incorporated, with the stated objective of fostering free enterprise involvement in economic development, emulating the success stories of Singapore and South Korea. Boonchu has lifted the restrictions on private sector foreign involvement in mineral resources, energy development and basic industry and has promised to expedite government approvals for joint ventures in industrial development. As Thai government policies had already swung from emphasis on import substitution to export promotion, Thailand Inc. offers attractive prospects for Canadian participation in Thailand's economic growth.

Prospects are excellent for continued growth in the Thai economy. The real growth in GNP was 5.9 per cent in 1979, down slightly from the 7 per cent that had become the norm in recent years. The drop in the rate of growth was primarily due to the increased cost for imported fuel as Thailand at present depends on imports for all its gas and most of its petroleum. Recent discoveries of large natural gas deposits in the Gulf of Thailand should reduce energy import costs substantially when the gas comes ashore in 1982. In 1978, for example, 78 per cent of Thailand's electric power was generated from imported fuel oil but by 1988, it is expected that fuel oil will



account for only 6 per cent of the total production of thermal electricity. In addition to reducing energy import costs (which will rise to 40 per cent of export earnings in 1980), the natural gas is a type that will provide the feedstock for a petrochemical industry in Thailand.

Canadian exports to Thailand have grown from \$7.1 million in 1968 to \$87.2 million in 1979 and, by the end of August, 1980, had reached \$81 million. Major items are aluminum, steel, asbestos, synthetic fibres, wood pulp, polyethylene resins, zinc, medicines and power boilers. Canadian imports from Thailand have also increased from \$2 million in 1968 to \$31.7 million in 1979, and stood at \$17 million as of August 1980. The main items were clothing, pineapple, tex-



tile fabrics, raw sugar, fish products, tin, lumber, veneer and gems.

Thailand's three most important trading partners were respectively Japan, the EEC and the United States. Canada supplied 1.2 per cent of Thai imports in 1979, and purchased 0.6 per cent of Thai exports.

Business Opportunities

Thailand offers business opportunities in many sectors. Long a major tin producer, Thailand up to now has not felt the need to define or develop other mineral resources. However a major airborne geophysical survey financed by the Asian Development Bank will be undertaken over the next three years, and will hopefully indicate the location of new deposits of mineral resources in addition to the presently undeveloped uranium, potash and oil shale.

The agricultural sector, on the other hand, continues to use traditional techniques on smaller landholdings, and possesses the obvious potential for the application of new



technology from seed stock through cultivation and material handling equipment to food processing equipment.

As the Thai economy grows, telecommunications and transportation networks and the electric power generation/transmission/distribution systems will need to keep pace, and it is expected that the electrical generation capacity will increase

three-fold to 6900 Megawatts by 1990. Container handling equipment is being incorporated in the development of the railway and the deepsea port at Sattahip to handle the increase in export traffic.

In addition to the opportunities for direct sales of Canadian goods and services, Thailand offers excellent potential for joint ventures, with the Canadian partner bringing technology and/or financing in return for an equity position in the Thai company. With a large, well-educated labour force (84 per cent literacy rate, and 87 per cent enrollment in elementary school), a stable business-oriented government, good access to the growing markets of the ASEAN countries and the Pacific Rim, and minimal currency exchange controls, Thailand has considerable potential as a site for joint ventures.

The Board of Investment offers a variety of incentives for foreign firms wishing to invest in Thailand, including tax incentives and exemptions from restrictions on landownership. As well, discussions have begun on a double taxation agreement and an investment insurance agreement between Canada and Thailand.

A visitor need only travel a few blocks in Bangkok to feel the tremendous confidence of local investors. In the downtown core, office space is at a premium with high-rise buildings growing at a brisk pace, led by the 33-storey Bangkok Bank. A short distance away, condominium residential units sell out within weeks of project announcement.

The missing ingredient in this buoyant situation is a flow of Canadian businessmen pursuing the broad variety of opportunities in Thailand.

The Commercial Division of the Canadian Embassy welcomes inquiries from Canadian businessmen on market opportunities and local conditions in Thailand. For further information, please write:

**Commercial Division
Canadian Embassy
P.O. Box 2090
Bangkok, Thailand**

MAJOR CANADIAN EXPORTS TO THAILAND

(\$'000s)	1978	1979	1980 (Jan-August)
Aluminum pigs ingots, shot slabs	16,027	21,519	20,617
Steel plate	4,252	12,192	6,174
Asbestos	4,155	7,966	6,684
Man-made fibres n.e.s.	2,462	4,985	3,849
Wood pulp	6,376	4,485	7,785
Polyethylene resins	1,041	4,245	810
Zinc blocks, pigs and slabs	3,286	3,806	2,846
Medicines	1,031	2,685	1,991
Power boilers, equipment and parts	147	2,653	2,862
Commercial telecommunications eqpmt.	170	2,515	679
Construction machinery and eqpmt.	1,214	2,375	542
Files and rasps	1,782	2,286	1,081
Skim milk powder	4,514	2,030	2,641
Aircraft engines, assemblies, pts.	431	1,270	337
Newsprint	3,415	817	429
Groundwood printing paper n.e.s.	553	756	—
Woodland log handling eqpmt.	—	749	11
Card punch sort tab computers and pts.	228	686	367
Plastic and Synthetic rubber not shaped	22	681	68
Sub-Total of	51,106	78,701	59,780
Total	66,215	87,248	81,089



Industry, Trade and Commerce Deputy Minister Robert Johnstone (left) and Ed Coolen, IT&C's Regional Director General in Halifax.

Traditionally regarded as a "have-not" province, Nova Scotia — to those of us not in the know — has a few surprises up its industrial/economic sleeve! Despite inflation, high interest rates and the oft-used "regional disparity" issue, the province, through meticulous planning strategies, could be on the road to self-sufficiency. Indeed, indications are that Nova Scotia is on the verge of a new round of growth!

Human Resources: The Key to a Favourable Future

A Report from Halifax

By Don Wight

No two individuals always see eye-to-eye. Nor do federal and provincial governments.

Yet, despite differences of opinion there can still exist an extremely close bond and an excellent working relationship.

The same can be said of Industry, Trade and Commerce and the close, co-operative relationship its Halifax Regional Office has with provincial government departments and agencies.

Perhaps a clue to this happy and prospering affiliation can be found in a statement from E.A. (Ed) Coolen, IT&C's Regional Director General in Halifax:

"We must promote the feeling we are part of a team. We are not interested only in what is good for IT&C, but what is good for Nova Scotia and its companies. We work equally (with provincial departments and agencies) as partners."

IT&C's Halifax Regional Office is among the largest in Canada, being fifth or sixth in terms of size. Three years ago, there were six employees. Now there are 23 members, 14 officers and nine support staff, including personnel in the Canadian Government Office of Tourism (which is responsible for Atlantic Canada) and the Business Information Centre.

It's a busy office — its growth alone attests to that — and one that is responsible for providing assistance and guidance to companies and industries that are located throughout the (55, 490 km²) 21,425 square miles that comprise Nova Scotia. Distances are hard to imagine and most travel, except to major points, has to be done by car.

And, with some 1,200 firms in the industrial sector alone, there are many points that are less than "major", yet which still may require a visit or assistance — perhaps through IT&C's Enterprise Development Program (EDP) or through its Program for Export Market Develop-

ment (PEMD). There are also approximately 200 fish processors scattered along the province's coast — not to mention numerous small- to medium-size businesses throughout the area.

No small task, considering the distances involved.

"But we are fortunate in Nova Scotia," says Ed Coolen, **"because the Nova Scotia Department of Development has 11 sub or field offices throughout the province. We can use that network."**

The same type of network or mutual co-operation exists with, among others, the Department of Tourism; Energy, Mines and Resources (EMR); the Department of Regional Economic Expansion (DREE); and the Department of Fisheries and Oceans. Each month there is an ADM (Assistant Deputy Minister) or equivalent level meeting to discuss mutual problems, programs and the like. Whether of a federal or provincial need, the participants are looking for the best dollar value.

And what are some of the federally-funded projects for which the best dollar value is sought?

Well, prior to decentralization, no programs were delivered through Halifax Regional Office. Now, as is the case with regional offices throughout Canada, the Nova Scotia Board for the Enterprise Development Program can approve projects in which the government share does not exceed \$200,000 for companies with sales of less than \$5,000,000.

To date, under EDP in Nova Scotia there have been 12 loan insurance deals of more than \$1,000,000 and 21 grants provided for innovative projects, also valued in excess of \$1,000,000. The Central Board in Ottawa approved seven applications for approximately \$3,100,000. Total funding through EDP amounts to approximately \$6,000,000 — and the projects have run the gamut from high technology firms to a company that makes orchard ladders!

"All in all, Nova Scotia is performing a shade above the national average."



For example, there is Internav Ltd. of Sydney which, says Coolen, **"is a very aggressive, high technology company that we were able to support. The company today is growing at a very acceptable rate."**

(An innovative electronics company successfully engaged in advanced areas of high technology, Internav is growing at such an "acceptable rate" it is now one of six companies world-wide competing for \$4 billion in orders to equip airports with a new microwave landing system!)

Then there's the Loran C navigational equipment produced by Internav Ltd. which is expanding its line to include a small boat radar package that is expected to have a very large market; or Surrette Battery Limited in Springhill which is producing a high-quality maintenance-free battery; or Covey Island Boatworks Ltd., which was assisted in its effort to design an improved fishing vessel that will run easier through the water. It's a faster boat, requiring less power and less energy. It, too, should garner quite a share of the market in these energy-conscious times.

Not to belabour the point, but to illustrate the diversity of developments taking place in Nova Scotia, there was also the EDP Adjustment Assistance Loan to Scotia Ladders Limited.

"The loan to Scotia Ladders," says Coolen, **"enables the company to supply orchard ladders to the United States. The ladders are built here and shipped to their markets in Florida."**

Such variety — especially surprising to this writer who has always thought of Nova Scotia in terms of fish, apples and breath-taking scenery!

Scenery and tourist attractions the province has in abundance — both of which are real lodestones to the tourist trade which ranks as perhaps Nova Scotia's third most important industry.

More than 1,200,000 non-residents visited the province in 1980, spending in excess of \$110,400,000. It is estimated that the travel industry as a whole grossed about \$450,000,000 — higher than the previous year's total by more than the level of inflation.

As well, there was a noticeable shift from automobile to bus travel and, for the first time, the province hosted several bus tours from Europe. With the possible start this summer of CP Air service between Halifax and Amsterdam, this European trend could have growing importance. Plans are also in the works to increase tourist promotion in Britain and continental Europe as well as in Japan — a country whose citizens and business persons are visiting Canada in ever increasing numbers.

The fisheries industry is generally acknowledged to be Nova Scotia's most promising resource sector. This promise has been confirmed by results in the years since 1977, when Canada's (322 km) 200-mile exclusive management zone was declared. In general, catches have improved and prices have been strong, causing an overall improvement in incomes which, in many cases, has been dramatic. However, the "boom" has now levelled off and the outlook for 1981 is for a decline in production and prices.

The significance of the role the fisheries industry plays in the economy of Nova Scotia can best be exemplified by such facts as: the 1979 landed value of Nova Scotia's fishery represented 48 per cent of the Atlantic Region and approximately 27 per cent of the Canadian total value of landings. Further, fisheries products exports represented 33.5 per cent of all exports from Nova Scotia during 1979.

Catch improvements cannot be sustained beyond the medium term, and already year-to-year increases are tending to drop. As for prices, the very large gains of the recent past were attributable to a number of factors

"While Nova Scotia has been a have-not province for a good period of time, it now seems the prospects for the future are very bright indeed."



(devaluation of the Canadian dollar, relatively high priced protein substitutes such as meat, market disruptions caused by declaration of (322 km) 200-mile limits and stock collapses in key fisheries), which are unlikely to be repeated in similar combination. Therefore, like other resources, the fishery must not be viewed as a panacea.

Thorny issues face this industry, which directly or indirectly involve Industry, Trade and Commerce. Jurisdictional disputes, stock levels and consequent levels of fishing activity (allowable catches), foreign fishing activity, development of improved and new products and markets, achievement of better international image and reputation for Canadian fisheries product, resolutions of conflicting interests within the industry, combined with the ongoing services the Regional Office provides this industry, clearly indicate the challenges that lie ahead. The Regional Office looks forward to working with industry and other areas of government to meet this challenge.

"Despite our being a major fisheries province," Coolen says, "we don't provide much fisheries hardware. Much of the hardware has been imported primarily from Norway and the United Kingdom. So we are definitely aiming at trying to encourage companies to fill this gap. The Regional Office and the province are tackling the problem through an active import replacement program."

For example, at present, steel balls used to weigh down fishing nets are imported from the UK, but a program is now being developed with one company to perfect an extrusion process to produce a device using scrap rubber (injected molded process). It is hoped that this will do the same job as the steel ball — and sell for one-third less!

Fisheries and fisheries-related industries are also

being assisted by IT&C's Program for Export Market Development (PEMD).

In the last 12 months, 95 PEMD applications were approved by the Halifax office for a total of approximately \$0.25 million. A fair share is divided between market identification and trade fair participation.

"The Regional Office is very attentive to getting companies to participate in trade fairs," says Coolen. "For example, 11 Nova Scotia companies participated in the recent Fish Expo in Boston. The response was very positive."

Under the Trade Fairs and Missions heading, the office is constantly bringing in major buyers — especially in the fish and food sectors. These have come from Germany, Spain, Britain and Japan.

In addition to fisheries, Nova Scotia also has valuable resources in agriculture, forestry and mining.

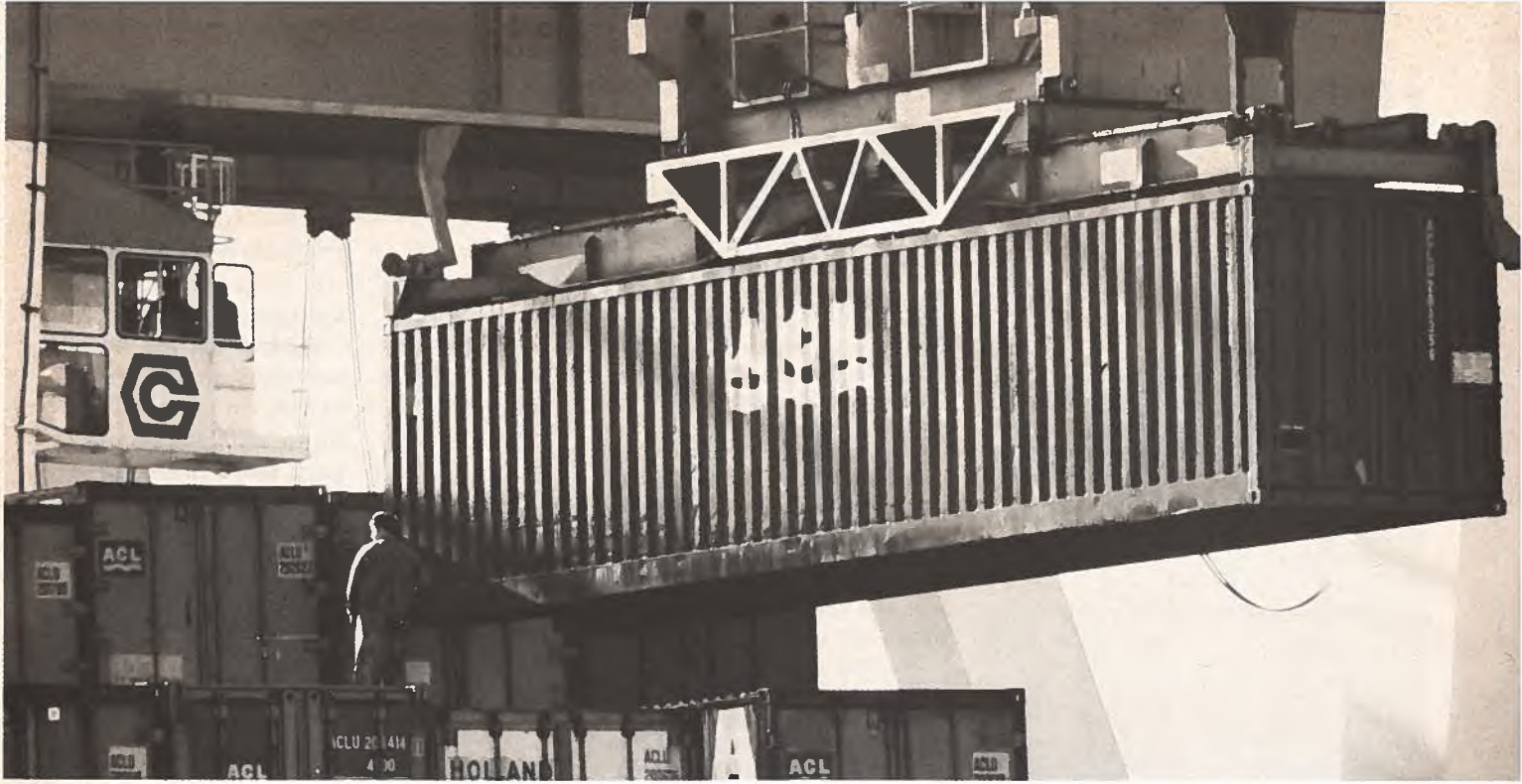
"Mines are having a new lease on life," notes Coolen. "We just resurrected a gold mine the other day," he casually remarks. "And there are billions of tons of coal, with reserves into hundreds of years."

Lower prices are affecting the mining industry, but the outlook is for continued, and possible expanded, production. Other than coal and the resurrected gold, there are resources in lead, zinc, tin, uranium and base metals. Exploration is brisk and the Sable Island gas reserves could hold one important key to Nova Scotia's future economic/industrial development.

The pulp and paper industry produced to near capacity during most of 1980 and lumber producers maintained a high level of output — mostly by switching exports from the depressed U.S. housing market to markets in Western Europe.

Ocean industries, in which IT&C is also actively involved, is seen as an area of increased growth.

"The Federal Government," says Coolen, "should



soon sign with the province the Ocean Industries Sub-Agreement to control and develop the whole ocean industries sector. It is co-ordinated to keep pace with the growth of offshore and ocean industry development expansion (gas, oil and offshore minerals)."

The Ocean Industries Sub-Agreement, in which IT&C has provided a lot of input, has been in the making for two-and-one-half years. It is a project in the \$35,000,000 area.

And the province makes a concerted effort to find new investment and to establish new companies in Nova Scotia. Michelin is an example.

Indeed, about \$175,000,000 of the \$400,000,000 committed by Michelin Tires Canada Limited will be spent this year. Existing plants at Granton and Bridgewater are being expanded and a new one is scheduled to open at Watervale early in 1982.

"The most recent new company," says Coolen, **"is Remington-Rand Corporation with an initial investment of some \$1,000,000 to establish a new plant. This means the creation of 50 jobs which should grow to approximately 100 or more. The product is a single-element, electric typewriter to service domestic and US markets."**

With so much going for Nova Scotia — and apparently for IT&C's Regional Office and staff — are there any other areas on which he would like to comment?

Ed Coolen, who previously served as a Trade Commissioner in Belgium and Ohio, said he finds his present position to be both interesting and challenging. He offered a few general observations.

On Nova Scotia and Regional Office Role:
"Nova Scotia is not a consumer province (popula-

tion 850,000; employment level 358,000) so we have to export to improve our standard of living."

"There is a need for a more effective role for small enterprises. We must stress industries which are strong and performing well and use these as a basis."

"We must attempt to be more responsive to small companies in Nova Scotia. But we must temper that judgement so that taxpayers' interests are protected."

"We are trying to improve our export base, to encourage companies which have potential and capacity for sustained exporting to get into export markets. But we have to be very careful. We don't want to overextend. . . or to fail."

"There is often a problem of survival for small and medium size businesses. There is a definite need to strengthen middle management."

On Regional Office and Ottawa Connection:

"We are looking for more decentralization in terms of authority and are making definite efforts to reduce red tape."

Noting the close co-operation that exists between senior federal and provincial counterparts, Coolen is confident of a promising future for Nova Scotia. He mentions the Nova Scotia Department of Development's Green Paper **"Toward An Economic Development Strategy For Nova Scotia,"** stating that it outlines **"the substantial direction the province is taking. It should be a road map for the future development of the province."**

Any differences or obstacles that exist are certain to be resolved in a mutually beneficial way. How can it be otherwise, given the belief of provincial officers and Ed Coolen:

"It's people that make things work."

Halifax Hosts Tourism's \$BIG\$ Business Event



Tourism in Canada is \$BIG\$ business — and there is more to it than just attracting holiday-makers to Canada or encouraging Canadians to “see (and spend the greenback in) Canada first!”

A very important — not to mention lucrative — adjunct to tourism in the strict sense is Rendez-vous Canada, a concentrated international travel marketplace for the buying and selling of Canadian tourism facilities and services.

In this its fifth year, Rendez-vous Canada will be held in Halifax, May 17-20, 1981. It is estimated that business transactions will run to the tune of \$60,000,000 — a not unlikely figure considering that, since its inception in 1977, the popular event has totalled — in sales volume written, placed or projected — more than \$150,000,000.

And Halifax seems an appropriate locale, for it is here, through Industry, Trade and Commerce's Regional Office, that the Canadian Government Office of Tourism (CGOT) promotes the industry throughout Atlantic Canada.

Rod Fraser, Manager, Tourism Marketing for Atlantic Canada, says “Rendez-vous Canada is designed to increase the number and range of Canadian tour packages actively promoted and sold in international markets.”

Sponsored annually by CGOT, the provincial, territorial and municipal governments of Canada, transportation and

accommodation companies, and national and local Canadian travel industry associations, the event is expected to attract more than 700 delegates, including 200 buying organizations from 16 international travel markets. More than 270 Canadian selling organizations are also slated to participate.

“It is the one marketplace,” says Rod, “where Canadian suppliers of commissionable tours and tour components, and promoters of Canadian destinations, can do business with a variety of buyers under one roof — and at a fraction of the cost of sales trips to all parts of the world.”

Planning and arrangements for Rendez-vous Canada are virtually complete and are as detailed and precise as they would be for any marketing strategy designed to entice tourists to Canada.

Geared to facilitate and guarantee optimum sales, there will be computerized appointment scheduling to allow Canadian sellers to meet individually with selected buyers.

Computer matching of buyers and sellers has been planned on the basis of 50, 12-minute appointments scheduled within a series of 15-minute time blocks. There will also be free time for sellers to market their services and facilities outside the pre-scheduled business sessions.

The 225 booths, representing the more than 270 Canadian selling organizations, will be located on the marketplace floor, with each booth identified by an exhibit number and the name of the organization.

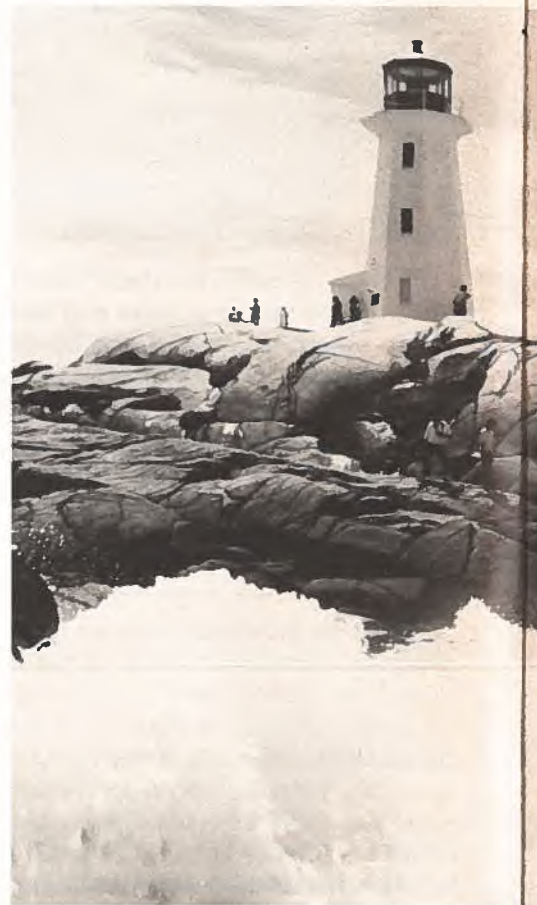
Sellers will include: hotel chains; recreational vehicle operators; motorcoach operators; resort operators; attraction operators; regional tourism offices, municipal tourism offices, CGOT headquarters and field personnel; provincial tourism departments; national tourism organizations; reception agents/operators; outfitters; cruise ship operators; wholesalers; and regional and national carriers.

Initially held in Toronto in 1977, Rendez-vous Canada has also been centred in Vancouver, Montreal and Winnipeg. The 1982 location will be Calgary.

As Rod points out, “Rendez-vous Canada is a major function and we are happy that it is being held in Halifax.” He is also pleased to note that, of all the Canadian selling organizations, “there are 27 from Atlantic Canada.”

Despite its being “a highly successful exercise,” says Rod, there is more to CGOT's Halifax operation than planning a successful Rendez-vous Canada.

Canadians prefer to travel in their home province, according to the quarterly findings of the Canadian Travel Survey (CTS). Of 110,914,000 trips taken within Canada during a 12-month period ending June 30, 1980, 87 per cent were made within the province of origin.



Tourism ranks third among Nova Scotia's industries and between June and October some 1,200,000 non-residents visited the province, spending in excess of \$110,400,000. So it's an important industry and CGOT Halifax staff sees as one of its many roles the need to develop provincial and regional tourism strategies and programs to further encourage the tourist trade.

One such strategy is the Atlantic Canada Tourism Program (ACTP) which is, essentially, a consortium where tourism officers of all four Atlantic provinces consult and devise programs to help boost tourism throughout the Atlantic region in the areas of marketing, development and research.

"All of the provinces," emphasizes Anne Thompson, CGOT's senior representative for Atlantic Canada, **"have been able to grow from this regional approach, benefitting from the strengths of the other provinces."**

For instance, Nova Scotia's tourism strengths could include the Annapolis Valley, the Cabot Trail, Fort Anne, Port Royal or Fortress Louisburg — magnetic tourist attractions of which, say, the Japanese (whose primary interest seems to be Prince Edward Island's Anne of Green Gables) may not be aware. So, once Japanese tourists visit P.E.I., they could then be enticed to visit Nova Scotia or other areas of Atlantic Canada.

"The overview," says Anne, **"is to provide the tourism infra-structure which will attract people into the area and provide them with the satisfaction and value which will encourage them to extend their stay and come back again."**

In addition to working closely and cooperatively with such associations as the Tourism Industry Association of Nova Scotia (TIANS), the Innkeepers Guild and the Restaurant Association, CGOT is also involved in the federal/provincial cost-shared Tourism Development Sub-Agreement.

In co-operation with the province and the Department of Regional Economic

Expansion (DREE), CGOT provides valuable input into the Sub-Agreement which, dealing primarily with major capital projects, will see some \$14,000,000 pumped into the province between 1977 and 1982.

One major project is the development of an international class botanical garden in the Annapolis Valley. Not only is it designed to attract tourists, it is also meant to hold visitors in Nova Scotia for a longer period of time.

CGOT's Halifax staff is also involved in: the formulation of a provincial Tourism Development Strategy; the Tourism Sector Committee of Voluntary Planning, a private-sector group sponsored by the provincial government which convenes to provide industry input to government planning; and the conducting of planning studies based on seven tourism regions in the province.

Each of these three activities are presently proceeding in parallel. Says David Collins, Manager, Tourism Development, **"Nova Scotia is the only province in Atlantic Canada where these thrusts are proceeding simultaneously — with all interested parties able to make a contribution."**



While concerned primarily with the growth of tourism in the Atlantic Region, CGOT Halifax is involved with the development of tourism throughout Canada as well.

While keeping headquarters (Ottawa) aware of the priorities of the province, CGOT Halifax also exchanges information with, and keeps informed about, the strategies and programs being given priority by the CGOT offices in Quebec, Montreal, Toronto, Winnipeg, Edmonton, Vancouver and Victoria.

It's virtually a cross-Canada network — there are also offices throughout the world — of specialists taking tourism's pulse, diagnosing any disorders and prescribing, in appropriate doses, the medication that makes for a healthier industry.

And, while "The Sea" is Nova Scotia's tourism theme for 1981, the national and on-going promotional ad still holds true: **"Canada So much to go for"**



Ontario was the main destination of more than 34 per cent of domestic trips taken during the 1979-80 one-year period. Quebec was the second province most visited (23 per cent) followed by Alberta (12 per cent) and British Columbia (10 per cent).

Netting Profits in Home Waters Scotia Twines Limited Shows the Way

This relatively young Halifax company relies on the manufacture of leadlines as its bread-and-butter commodity but also produces twisted and braided ropes (for tow lines), cords and complete seines for use by fishermen in Atlantic Canada, the West Coast and — to an increasing degree — by fishermen in the north-eastern United States.

That these items are now produced locally is significant. Ironic as it may seem in an area that is noted internationally for its fisheries industry, manufactured goods related to the industry have always, as a matter of tradition, been imported from other parts of Canada or from abroad.

With the devaluation of the Canadian dollar, the repeated increases in import costs and the high inventories incurred by many companies, it became evident to one man that, with a ready-made market and his years of know-how, these items could be produced locally — and at equivalent or lower cost than many of the imports.

Quentin Moore, founder and president

of Scotia Twines, gained his experience as a distributor and manager of operations involving netting and fishing gear. While on a visit to Holland he toured a facility manufacturing many of the products he had been selling! With his previous high import costs in mind, he decided there was no reason why a Nova Scotia company could not also compete in the field.

The idea was beginning to germinate.

In 1978 he set up shop in a spacious building that once echoed the sounds of enthusiastic bowling teams. Now what is heard is the constant, sometimes deafening, whirr of several machines — each with some 20-odd spools — automatically spinning, twisting and braiding fathoms of lines, ropes, cords and the like for markets in the fisheries industry.

"Today," says Mr. Moore with justifiable pride, "**Scotia Twines is the only manufacturer of twisted rope in the province. It has the largest rope braiding machinery in Canada and its leadline equipment is as modern as there is anywhere.**"



David Moore, secretary-treasurer of Scotia Twines, explains part of the company's rope-braiding operation to IT&C representatives (l to r): Bernie Williams, Don Wight and Ed Coolen.

But establishing a company whose leadlines alone are now valued at something like \$1,000,000 a year is not as easy as it sounds.

While Mr. Moore has invested a substantial amount of private money into the deal — making him even more determined to produce superior-quality products at competitive prices while at the same time aiming to make his company profitable — he is also the first to acknowledge the co-operation and assistance he has received from various government agencies.

He admits that "**starting without the help of government agencies would have been virtually impossible.**"

A venture that would have been financially impractical without PEMD assistance.

In addition to receiving assistance from the Department of Industry, Trade and Commerce through its Enterprise Development Program (EDP) and, later, through its Program for Export Market Development (PEMD), other agencies instrumental in getting the company off the ground were Industrial Estates Limited, the Department of Regional Economic Expansion and the Federal Business Development Bank (FBDB).

The assistance provided by PEMD was mostly in the form of market identification studies and in attending such trade shows as Fish Expo in Boston and another in Seattle, Washington.

David Moore, Quentin's son and secretary-treasurer of Scotia Twines, found attending trade shows — a venture that would have been financially impractical without PEMD assistance — to be extremely helpful.

"We got to meet a lot of the people in the business and had a first-hand look at what the competition had to offer," he said. "And, more importantly," he added "we were able to establish some distributorships."

Scotia Twines is a small company (18 employees) that is flexible and easy to control. And the prospects are good. Mr. Moore anticipates a seven-day-per-week, 24-hour operation. Its associated net-making operation in Pubnico — which markets directly to wholesalers — is also flourishing.

As to getting started, David says: "**Don't be afraid. Go ahead when you see the opportunity.**"

Although not one to rush blindly into uncharted waters, Quentin, too, sees opportunity. As the senior Mr. Moore says: "**After we consolidate what we have now, we will definitely be looking at expansion. The offshore drilling industry is one area where we see potential for future products.**"

You might say Scotia Twines is out to net a big and profitable catch!

As reported in *Canada Commerce* last month, Forintek Canada Corp. was a major force in the development of the waferboard industry in Canada. This article explores the many-faceted activities of this non-profit organization dedicated to the improvement of all phases of the forestry industry. . . .

Canada's Leader in Wood Products Research and Development

By Jean Bridge
Forintek Canada Corp.

Research and Development for the vast forest products industry in Canada and throughout the world requires work in more than a dozen scientific disciplines. Forintek Canada Corp. draws upon more than 65 years of experience as the Canadian government wood products research agency, to create and develop new products and processes for the following industry sectors: sawmilling, plywood and wood composites, housing, furniture and secondary manufacturing, packaging, treating, wood chemicals and adhesives. Now a private non-profit corporation, Forintek employs a staff of 250. Many of its scientists and engineers are renowned leaders in their fields. The team includes biologists, microbiologists, entomologists, chemists, physicists, engineers, machinists, electricians, statisticians and economists. In Forintek's Ottawa and Vancouver laboratories, the combination of impressive facilities and expertise provides the means for innovation in the multi-faceted wood products industry.

Forintek's Origins

Forintek's history of service to the wood products industry began in 1913 when the Eastern Forest Products Laboratory was established at McGill University in Montreal. In 1918, the Western Forest Products Laboratory began its work in Vancouver. The laboratories have, through their long histories, geared their programs to the changing needs of government and an expanding forest products industry. The Western laboratory in its earliest days devoted much of its efforts to testing Sitka spruce for use in the manufacture of aircraft for the fledgling Royal Air Force. Through the depression and the Second World War, the laboratories expanded and diversified their activities, becoming involved in such areas as the development of new



and improved grades of plywood and the development of glue laminated railway crossties. Facilities were expanded in the 1950s when the Eastern Laboratory was moved to Ottawa. The two laboratories were brought under the jurisdiction of the federal Department of Forests in 1960. Forintek Canada Corp. was established in April 1979 when the legal and management responsibility for the Eastern and Western Laboratories was transferred to its auspices. The Board of Directors includes high-level representatives from both industry and government. The company's research programs comprise a healthy mix of long and medium term basic research. Shorter term problem-solving services are provided for industry on a contract basis. Each laboratory's program is monitored by a

program review committee made up of representatives from industry and government and universities.

Optimum Resource Utilization a Goal

A fundamental motivation in Forintek's research programs is optimum resource utilization. In Canada, as well as in many other countries with substantial forest resources, appropriate and economical means of utilization are essential to the industry's prosperity. Effective utilization must take into account the constraints imposed by the characteristics of the resource and the market. In Canada and abroad, Forintek has carried out important laboratory and commercial studies relating to utilization. These have included resource evaluation, development of new products and manufacturing processes and product testing.

Sugar Cane Rind Makes Building Materials

All of these aspects of utilization came into play during a project Forintek recently undertook for the Canadian International Development Agency in Barbados. Forintek established process parameters for making composite panels and lumber from sugar cane rind. Various panel and lumber products made in the laboratory and in plant trials were tested and evaluated. Also included in this project were the development of compatible systems for protection of the finished product against bio-deterioration and the development of suitable surface coatings. Forintek supervised the construction of two specially designed experimental houses in Barbados made entirely from sugar cane rind building materials. These houses have, so far, withstood the rigors of hurricane Alan without damage. By extension, Forintek researchers are excited about the application of composites

technology to other fibrous resources. If successful building materials can be made from sugar cane rind, why not from rice husks, peanut shells or bamboo?

Resource Evaluation

Many wood-producing countries are aware of the increasing value of their forest resource. As a result, Forintek is involved in a number of important projects which are contributing to better utilization of existing or potential resources. Forintek's work starts with the evaluation of the resource. Studies have been carried out on the utilization of high density Canadian hardwoods like red maple, white birch and beech. These species represent a valuable, largely untapped resource. They make up substantial portions of the eastern Canadian mixed forest stands which predominate in southern locations close to established transportation and markets. Forintek has studied the use of these species in the manufacture of waferboard. These intolerant hardwoods can be used in combination with poplar (the conventional raw material for waferboard manufacture) in proportions up to 60 per cent without any adverse effects on processing conditions or product properties.

Poplar has undergone study and evaluation at Forintek, particularly the new fast-growing clones developed in genetic and silviculture research programs of the Ontario Ministry of Natural Resources. Forintek's research on the utilization of hybrid poplar has included study of the wood quality and basic physical characteristics; composite board manufacture; veneer and plywood manufacture; and heating value for energy generation.

Resource evaluation has also included assessment of timber attacked by fire,



flood and insects. In a recent study, Forintek determined that timber attacked by spruce budworm could be used for lumber and the manufacture of composites. Forintek is equipped to analyze and make recommendations on the utilization of a wide range of species from many different regions of the world. A tropical woods collection has been established at the Eastern Laboratory for this purpose.

Productivity Boosted

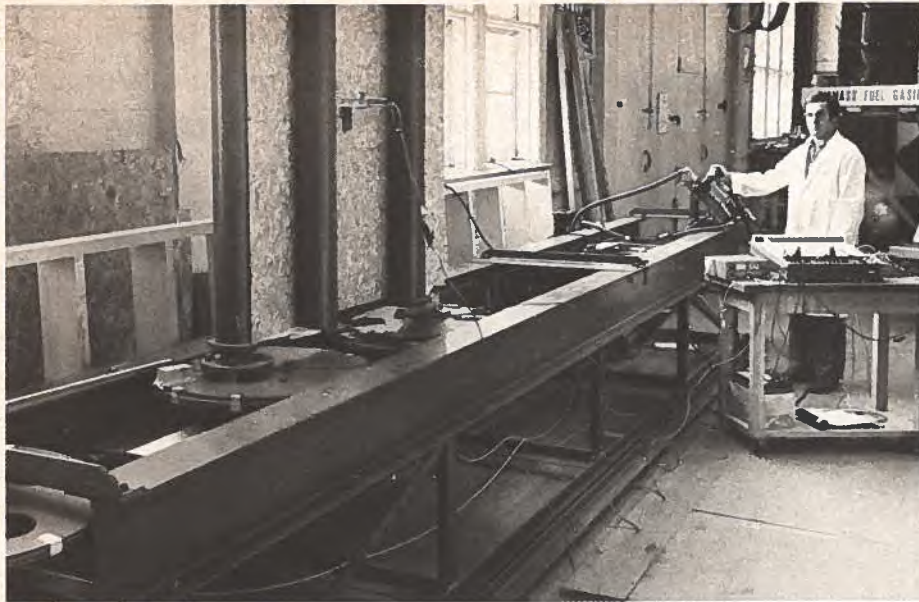
Improving productivity in primary manufacturing is an important way to optimize resource utilization. Forintek offers a Sawmill Improvement Program for hardwood and softwood mills. The program is designed to help identify how sawmills can be operated at greater efficiency especially when processing shorter, smaller diameter logs. Forintek provides an unbiased team of specialists

trained in every aspect of sawmilling to evaluate log production systems and to perform input-output studies. The team determines productivity in the various production centres in the mill, identifies factors which cause downtime and recommends ways to eliminate them. Finally, the Sawmill Improvement Program includes evaluation of the effects of log sorting on recovery and production and the evaluation of computer-controlled sawing.

Processing Innovation

New and improved manufacturing processes developed at Forintek result in greater productivity and consequently in better resource utilization. It has, for instance, pioneered a novel system for cutting lumber with a knife blade rather than a saw. The lumber slicer, as it is called, is operated with the application of lateral pressure on the wood opposite





the knife allowing the knife to slice the wood without splitting or bending. This system has a number of advantages, the most important being the elimination of sawdust. This loss due to sawdust amounts to between 3 and 10 per cent of lumber production. The lumber slicer is currently undergoing commercial trials. Another new development which will increase productivity in primary manufacturing is a thickness gauge which will monitor the dimensional accuracy of sawn lumber on a continuous basis.

Lignin Adhesives

Particleboard and waferboard are stunning examples of efficient resource utilization. Forintek has played an active role in the establishment of this industry by developing new or improved manufacturing processes and in product testing and evaluation. As a result of adhe-

sives research at Forintek, composite products can now be made using newly developed lignin adhesives which are derived from pulpmill wastes. Lignin is the substance in wood which binds the fibres together. It is extracted in the kraft and sulfite pulping processes. Kraft lignin adhesives developed at Forintek can replace up to 70 per cent of the petrochemical glues used in waferboard manufacture. Other work is currently underway to develop adhesives from the acidic sulfite pulping process. These spent sulfite liquors have the potential to completely replace petroleum-based phenol-formaldehyde glues. The development of these wood-based adhesives is a major breakthrough in achieving self-sufficiency for the wood products industry.

Wood-based Energy

Energy self-sufficiency is another impor-

tant aspect of utilization in which Forintek is actively involved. The company is studying a variety of processes for converting wood to gas and liquid fuels, in order to make wood-based energy more efficient and economical. The rising cost of oil is constantly adding to the economic viability of wood-based energy systems. And, as more efficient means of generating energy from forest biomass are established, energy self-sufficiency in the wood products industry comes closer to reality. Forintek researchers are working on gasification/pyrolysis technologies that produce low and medium BTU gas which can also be used as a synthesis gas for the production of methanol. In Forintek's microbiology and chemistry sections, researchers are investigating conversion of wood cellulose to glucose for fermentation to ethyl alcohol. These methods include hydrolysis of wood to glucose. Other investigations in this field are aimed at developing a one-stage conversion of pretreated wood cellulose to ethanol using anaerobic microorganisms.

Materials Testing

The product testing and evaluation services provided by Forintek are vital in securing a place in domestic and international markets for new wood products. Forintek carries out standard testing procedures for manufacturers and for codes and standards agencies. These testing services are valuable to countries wishing to export their manufactured wood products. Forintek staff are members of Canadian, American and other national and international technical committees of product standards agencies helping to set internationally accepted standards of performance for wood products.

Technology Transfer

Developing, as well as improving, resource utilization is a multi-faceted endeavour. At Forintek Canada Corp. it involves the efforts of research scientists in every aspect of product manufacture. These efforts help to transfer technology to the governments and industries responsible for the management of one of our most precious resources, the forest.

For further information concerning services offered by Forintek, contact:

Peter B. Macfarlane
President, Forintek Canada Corp.

6620 N.W. Marine Drive
Vancouver, B.C. V6T 1X2
Tel: (604) 224-3221

OR

F.G. Hurtubise
Executive Vice-President
Forintek Canada Corp.

800 Montreal Road
Ottawa, Ont. K1G 3Z5
Tel: (613) 744-0963



A common aim of Canadian trade offices in posts throughout the world is to promote the sale of Canadian goods and services in the areas they cover. Programs and methods used must vary according to the conditions and cultures which prevail locally. In a country as large and important to Canada as the United States, where there is Canadian Government trade representation in 14 major centres, these methods and programs may vary considerably from one post to another. Take Philadelphia, for example. This post covers territory in five states — a massive market of the Eastern Seaboard. One very successful campaign which this post has undertaken is explained in the following report from Philadelphia. . . .

Canada Visits Mid-Atlantic U.S.A.

by George A.H. Wright
Consul and Trade Commissioner

George A.H. Wright



Canadians have recognized the United States as our largest export market and best trading partner for a long time. This awareness

stems from Canada's reliance on foreign trade. In the United States, where the economy is based primarily on domestic sales, less attention is focused on exports and trading partners. Consequently, few Americans know Canada is their largest trading partner!

On the premise that business could not be expanded unless existing trade was fully understood on both sides of the border, the Philadelphia post developed the "Canada Visits" program. This was intended to focus attention on the two-way flow of business and on those responsible for it — the private sector. In addition, "Canada Visits," which was run on a state-by-state basis (within the Philadelphia post territory), enabled us to improve contact with the many Canadian firms doing business in this territory, the U.S. firms with operations in Canada, industry-related organizations, as well as the various city, state and provincial governments.



During the "Canada Visits" programs, G.D. Clark (left) addressed audiences in New Jersey and Pennsylvania, while H.E. Wyatt spoke in Virginia and Maryland. Both gentlemen are senior representatives of the Canadian Chamber of Commerce.

Realizing that business was done on a company-to-company basis between Canada and the Mid-Atlantic region, keynote speakers at each of the "Canada Visits" programs were highly respected spokesmen for the Canadian private sector. They were Mr. Hal E. Wyatt and Mr. G. Denton Clark — both representing the Canadian Chamber of Commerce in their capacities as Vice-Chairman, and later Chairman. Both spoke to audiences in Virginia and Maryland (Mr. Wyatt) and in New Jersey and Pennsylvania (Mr. Clark) about Canada-U.S. relations, Canadian industrial policy, Canadian industrial capabilities and direction,

as well as the activities and interests of the Canadian Chamber of Commerce.

The first — and as such, still experimental — program in the series, "Canada Visits Virginia," was held in Richmond in May, 1979. Canadian participation was limited to those firms and provincial governments with offices in the Mid-Atlantic region covering Virginia.

The program included a working breakfast hosted by the Virginia State Chamber of Commerce, corporate calls and meetings planned individually by the participating companies, and a reception and dinner at Richmond's Commonwealth



Club hosted by Canada's Ambassador to the U.S. and the Governor of Virginia.

Attention was drawn to on-going business, tourism and industrial development by focusing media coverage on the commercial calls made by the various Canadian companies and on a travel industry **"Market Place,"** organized by the Canadian Government Office of Tourism's Washington office. Canadians further emphasized their commercial ties to the state by inviting their Virginia-based representatives and clients to the closing dinner. The entire event was organized jointly by the Industrial Development Division of the Governor's Office and the Philadelphia Consulate.

Since the Virginia program had worked well, a similar format was followed for **"Canada Visits New Jersey"** in November, 1979. This time the program was developed in conjunction with the New York Consulate General (which covers northern New Jersey) and, again, with assistance from the state.

As well as highlighting the two-way flow of business the New Jersey program illustrated Canadian capabilities in the manufacture of mass transportation equipment. This attention later assisted Bombardier

when they bid for — and won — a commuter car contract worth more than \$US100M.

After New Jersey, we moved south for **"Canada Meets Maryland"** (September, 1980). The program was similar to the two previous events. As with New Jersey, the Maryland program was even larger than its predecessor. More than 160 government and business executives participated in the program which had been expanded to include a reception hosted by the Greater Baltimore Committee at Baltimore's World Trade Center.

The final program was held in Philadelphia in November, 1980, in Canadian Pacific's new Franklin Plaza Hotel. This event attracted the largest number of participants to date. The attendance reflected the natural attraction of the largest single market in the post territory as well as the significant interest shown in Canada by the Delaware Valley (Philadelphia area) business community. More than 100 Canadian participants represented Canadian banks, manufacturers, provinces, and cities. Two hundred executives from the Greater Philadelphia area attended the closing dinner (100 as guests of the Canadians, 100 paying their own way).

"Canada Visits Greater Philadelphia" was the best attended and the most extensive program. Following a reception, the Greater Philadelphia Partnership (one of the program organizers) held a half-day seminar on the Greater Philadelphia business community for the Canadians. This was followed by a luncheon hosted by the Greater Philadelphia Chamber of Commerce and another half-day seminar organized by the International Business Forum (a privately-backed forum for international business interests in Pennsylvania) called **"Doing Business with Canada."** This seminar highlighted the benefits of doing business with and investing in Canada to an audience of Eastern Pennsylvania-based executives. Finally, more than 300 attended the dinner, hosted by Canadian Ambassador to the U.S., Peter M. Towe, Philadelphia Mayor Bill Green and Pennsylvania Governor Dick Thornburgh.

Hopefully, with the help of programs such as **"Canada Visits,"** neither country will lose sight of the benefits of the two-way flow of tourism, trade, and industry.

Canadian Consulate
3 Parkway Building, Suite 1310
Philadelphia, Pennsylvania 19102
Tel: (215) 561-1750

On the foregoing pages, IT&C's post in Philadelphia describes one type of initiative taken to promote Canadian/U.S. trade. Here is the tale of yet another approach, this time originating in Cleveland. . . .

Pulling Together Pays Off!

When you have a good product, do you ever wish you could bring in a whole plane-load of eager, prospective buyers from another country? Several Quebec furniture manufacturers had this wish come true. Here's how it came about:

A long journey begins with a single step. In this particular instance, the first step was initiated by IT&C's post in Cleveland which approached the U.S. Bureau, Trade Development (USTD) with a unique idea for a joint venture. Much of the success of the venture would depend on Continental Office Furniture, a well-known and reputable firm in the Columbus area. But the end result would be to promote Canadian business furniture in Ohio — with special emphasis on Quebec manufacturers.

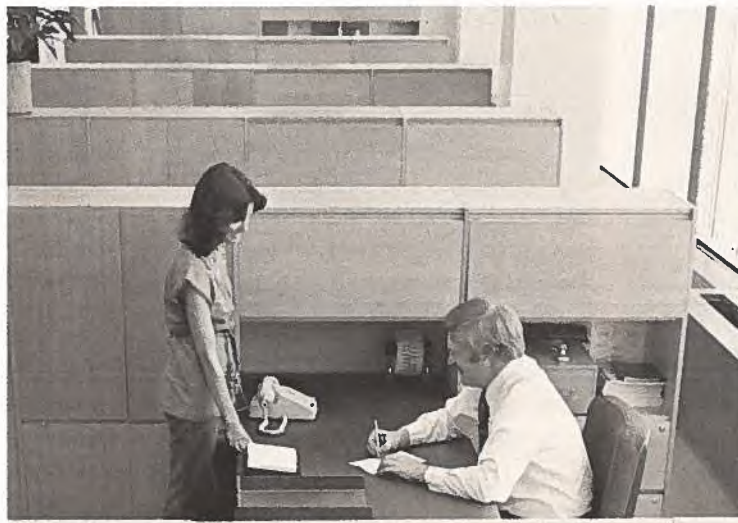
Initially it was proposed that the Canadian Government pay the air fare of some 100 buyers, specifiers, architects and designers from Columbus, Ohio, to Montreal so that they could view the products and manufacturing facilities of seven Quebec-based contract furniture manufacturers. All the necessary arrangements were in the hands of Continental Office Furniture which would be picking up the tab for hotel accommodation, meals and receptions.

But how do you justify spending \$27,500 — the price of air fare to transport 100 persons from Columbus to Montreal return? There was also the potentially frustrating logistics of controlling 100 people through a change of planes between Columbus and Montreal and ensur-

ing each passage through customs.

Everyone agreed, however, that it was a not-to-be-missed opportunity to assist a section of the Quebec economy that could benefit from additional exposure in the United States.

Consultations with various parts of the Department indicated strong support for the project. IT&C's Furniture and Leisure Products Division, Industry Sector Branch, was enthusiastic and offered to accompany the



group; the Regional Office indicated support, and of course, the post was very much in favour. The Quebec Provincial Government, too, endorsed the undertaking, suggesting other firms that might be visited.

The Cleveland post then investigated the possibility of chartering an aircraft. This would certainly avoid the difficulties of 100 people changing planes and going through Canadian customs on an individual unaccompanied basis. The expectation of a relatively trouble-free trip would also assist in the recruiting of buyers and specifiers. Fortunately, the Canadian carrier, Nordair, was prepared to make available a Boe-

ing 737 (seating for 119 people) for a fixed fee of \$22,500 Canadian. As this solved many of the logistics problems and reduced the cost by some \$5,000, it appeared to offer a very satisfactory solution.

To ensure the Canadian Government received value for its \$22,500, it agreed to pay transportation costs of \$225 per buyer to a maximum of \$22,500. This way the Government was protected against paying \$22,500 for a plane only half full.

Everything was beginning to fit smoothly into place. The Nordair plane rolled off the Columbus runway on October 22 with 102 buyers and specifiers aboard. They visited the showroom or manufacturing facilities of eight contract furniture firms in the Montreal area and had the opportunity to tour the permanent showrooms of many other com-

panies in Montreal's Place Bonaventure.

To date, firm orders of \$550,000 have been placed as a direct result of the event and the companies visited have placed bids on an additional \$1 million of business in the Columbus area.

"This is a sizeable amount and unusual for such a short period of time, especially under the present economic conditions and the usual lengthy lead times for

this type of procurement," says John Rooke, IT&C's Furniture Division.

Promotion of this kind has pushed Canada's furniture into the big league in the export field. In 1979, office furniture alone brought in \$88.5 million. For 1980, indications point to sales of \$100 million.

Enthused Deputy Minister Robert Johnstone: **"The project is an excellent example of the pulling together by USTD of all the players — entrepreneur, post, ISB, Regional Office, Provincial Government, industry association, industry itself, ending up with the objective being met — increased export sales to the United States."**

As part of its extensive services to small businesses throughout Canada, the Federal Business Development Bank is making available to Canada Commerce readers a series of articles designed to help these enterprises improve management practices and methods of doing business. This, the fourth in the series, admonishes the beginner to:

Do Your Homework Well

Small businesses constitute one of Canada's most valuable economic resources. There are 900,000 of them across the country, employing some 2,500,000 people and accounting for 25 per cent of the Gross National Product. Their number is growing every day.

The desire for independence, to have control of one's own working life and income, is the prime motivation for any small business owner and that can be an almost irresistible temptation.

Unfortunately, just being good at what a person does often is not enough. The secret is not in knowing how to make a product or provide a service, but in knowing how to make money from that product or service.

Most business failures in Canada are the result of management problems so anyone starting or buying a small business must recognize his or her strengths and weaknesses, to be able to capitalize on the former and compensate for the latter.

Basic to success is a commitment to hard work — and a willingness to take some risks.

These risks include psychological failure, with subsequent loss of self-confidence; career interruption, with disappearance of job security and seniority; the straining of family relationships since operating a small business demands much in time, energy and emotion.

There are rewards, too: The satisfaction a person derives in doing his own thing; being an important part of the economic structure; making a significant contribution to the community; and the financial gains that will follow proper planning and execution.

Factors that must be studied in advance include location (market, competition, growth potential, costs, services, availability of labor and supplies); marketing (objectives, customer profile, pricing, distribution, promotion); and financing (forecast with informed estimates after analysis of income and expenses, identification of both short- and long-term needs and possible sources).

There is, however, no checklist that can guarantee success or make failure an impossibility. But if planning has been careful and thorough, the would-be entrepreneur has an excellent chance of succeeding, of finding great personal satisfaction, and of becoming a part of a business community of greater strength and diversity all across Canada.

Obtaining that needed loan

Small businesses, which normally can't sell stock to the public or ask a parent company for help, are more dependent on lending institutions than are large corporations, which can draw on such things as the international money markets and commercial paper borrowings.

Many small businesses do not know how to present their story to a lender or the criteria on which loans are based. They approach lending institutions with a good idea, but with no background information or very little financial preparation.

Risks in lending to small business are perceived as being extremely high and lenders are interested in knowing as much as possible about the business involved.

But, as mentioned before, management problems are the reason for the overwhelming majority of small busi-

ness failures in Canada, so even before the loans officer considers such factors as profitability and repayment ability, he will be assessing the capabilities of management.

Lending institutions are prepared to assist in the compilation of all required information for a loan application, among which would be:

(1) The backgrounds, experience and personal net worth of management and resumés of all senior personnel, since great importance is placed by the lender on expertise.

(2) A description of the purpose of the loan, the proposal for start-up or expansion, including cost estimates for the program with quotes from contractors or suppliers.

(3) An outline of the proposed financing, detailing sources of funds for the program, remembering that the lending institution is more likely to provide support if some of the capital is coming from the business or its owners.

(4) A statement of expected profits, shown in an operating forecast and including a pro-forma balance sheet along with statements for the latest fiscal year. These will show the financial position after the financing and will project results to be generated by the program. Estimates should be realistic and supporting documents should be provided, including research such as market surveys.

(5) A description of the assets available as security, including a cash flow statement. This should be prepared on a monthly basis to show that there are sufficient funds to meet liabilities, and is particularly important for any business affected by seasonal factors.

All of that takes considerable preparation but if the story is presented in an organized way, a lending institution can make a loan to a small business more easily than to a large one.

Economists' Corner

The Foreign Sector in the Canadian Economy

The economic health of Canada has always been associated with her performance in the world economy. In international transactions, a country's performance is measured by its payments and receipts for goods and services called the current account, together with short- and long-term capital transfers called the capital account. An important element in the Department's mandate is concerned with international trade between Canada and other countries involving merchandise exports and imports, as well as expenditures by foreign tourists in Canada and those by Canadian tourists abroad. This note is concerned with the current account.

Typically, Canada has had a deficit in its current account, with such deficits generally offset by net inflows of capital. Over the years, the pattern for the current account has generally shown a surplus in merchandise trade and a deficit on transactions in services (e.g. travel, interest and dividends, shipping, etc.) in association with a typical surplus for net transfers, the third but minor component of the account.

CANADA'S BALANCE OF INTERNATIONAL PAYMENTS

(Millions of Dollars)

	1970	1975	1979	First 3 Quarters	
				1979	1980
Current Account	1,106	-4,757	-5,098	-3,780	-1,666
Merchandise Trade	3,052	-451	3,972	2,379	4,925
Service Transactions	-2,099	-4,686	-9,732	-6,623	-7,474
Net Transfers	153	380	662	464	883
Capital Account	811	5,555	10,684	7,924	2,604
Long-term	1,007	3,935	2,838	3,181	2,595
Short-term	-196	1,620	7,846	4,743	9
Balance on Current & Capital Accounts	1,917	798	5,586	4,144	938
Net Errors & Omissions	-387	-1,203	-3,897	-1,937	-1,443
Allocation of Special Drawing Rights	133	—	219	219	217
Net Official Monetary Movements	1,663	-405	1,908	2,426	-288

There has been considerable improvement in Canada's current account balance in the past year and a half, with a dramatic improvement in the third quarter of 1980. It would appear when the books are closed the current account deficit for the full year 1980 should not exceed \$2 billion* — well below the forecasts, and a significant improvement over the deficits of \$5 billion for both 1978 and 1979.

*Estimates for 1980 are based on data available for the first three quarters, except for trade estimates which are based on data for the first 11 months.

While concern is often expressed about the size of the current account deficit, the large deficits of just more than \$5 billion in both 1978 and 1979 represented only some 2 per cent of Gross National Expenditures (GNE). However, the current account deficit averaged 2.7 per cent of GNE during the fifties — as high as 4 per cent or more in 1957 and 1959 — 1.4 per cent during the sixties, 0.1 per cent from 1970 to 1974 and more than 2 per cent after 1975. For 1980, the expected deficit should be less than 1 per cent of GNE.

Merchandise Account

The merchandise trade sector accounts for the

largest portion of the current account balance. Although the merchandise balance was usually in a deficit position in the fifties — mainly 1955 to 1960 — it has been positive since 1961, with the exception of 1975. The deficits in the mid-fifties were associated with an investment boom in the resource sector. In a way these deficits were not so bad in that, while they were caused largely by increased imports of producers' equipment, they in turn led to increased productive capacity in Canada. The deficit in 1975 was the result of imports outpacing exports as Canada's principal trading partners suffered from a recession whereas economic activity in Canada slowed but did not decline.

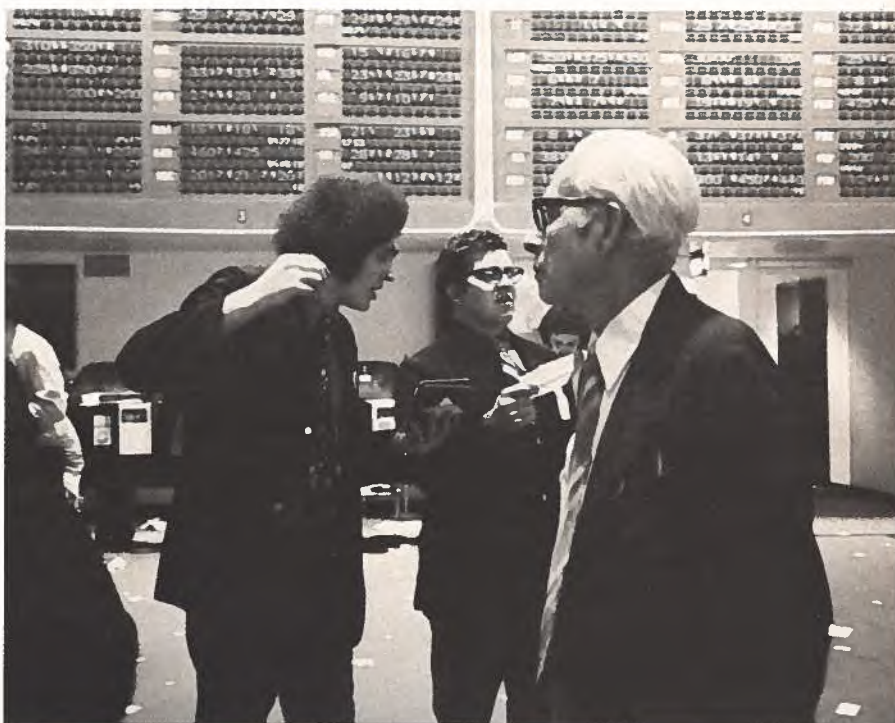
A major bright spot on the Canadian economic scene in recent years has been the merchandise trade sector where extremely large surpluses of \$3.6 billion and \$4.0 billion, respectively, were posted in 1978 and 1979. For 1980 it is estimated that Canada should post an **all-time record merchandise trade surplus in excess of \$7½ billion.**

The geographic pattern of Canadian trade has changed over the years, with the United States becoming more important. While imports from the United States moved upward slightly from some 67 per cent at the beginning of the sixties to around 70 per cent in recent years, the share of exports to the United States rose from some 56 per cent to around 70 per cent. The other major change was the relative decline in Canada's trade with the United Kingdom and the emergence of Japan as our second major trading partner in the early seventies.

The anticipated surplus of some \$6 billion in 1980, as in 1979, will be due to Canada's trade with so-called "overseas" countries (i.e. with all countries other than the United States). These recent surpluses reflect, in part, the weakness in imports stemming from slower growth in the Canadian economy. Similarly, slow growth and recession in the United States has meant weakness in Canadian exports to that market. Thus, the improvement was due to increased exports to overseas countries where economic activity continued buoyant until mid-1980. The recent slow growth in these countries in association with a renewal of the weakness in the United States economy does not bode well for Canadian exports in 1981.

The **value** of Canadian international trade has risen rapidly over the years. For instance, since 1971 the value of Canadian exports expanded from \$17.9 billion to \$65.2 billion in 1979 — or more than 3½ times — while

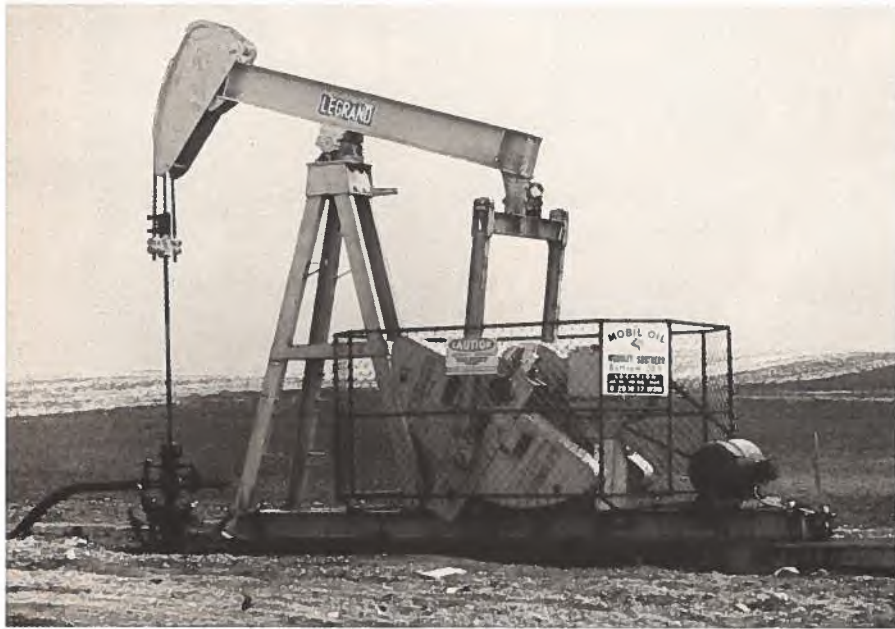
imports rose slightly faster, going from \$15.3 billion to \$61.2 billion — a fourfold increase. However, on a **volume** basis (i.e. in terms of constant 1971 dollars), imports increased by 74 per cent whereas exports went up only 47 per cent. As a sizeable proportion of Canadian exports are of a resource or resource-based product, and prices for such products are set in international markets — in terms of U.S. dollars — it is not surprising to find that export **prices** rose faster than those for imports.



For example, the export price index (1971=100) stood at 248.8 in 1979 whereas the index for imports was 229.2. At the same time, this meant an improvement in Canada's terms of trade (i.e. ratio of the export price index over that for imports). The slower volume growth for exports meant lower than anticipated industrial output in Canada, whereas the improvement in the terms of trade meant Canada was better able to meet her international payments.

It is estimated that the value of Canadian exports may expand by 16 per cent in 1980 to more than \$75 billion while imports may increase by 11 per cent to nearly \$68 billion. However, as a result of slow economic activity noted earlier, it is anticipated that the **volume** of exports may decline fractionally whereas imports may be nearly 5 per cent lower. This means that both export and import prices in 1980 would be some 16 per cent greater than in 1979, and showing a slight improvement in Canada's terms of trade.

Over the years exports of manufactured goods (using the proxy of inedible fabricated materials for primary manufactured goods plus inedible end products for finished manufactured goods) have represented an increasing share of total Canadian exports. Largely as a result of the Canada-United States Automotive Products Trade Agreement of 1965, the share of finished manufactured goods soared from less than 10 per cent in 1960, to represent about a third of the total after 1968. The rapid price increases for inedible crude materials (largely minerals, including petroleum and natural gas) in association with more moderate price changes for end products, prevented a further rise in the share of such manufactured goods. At the same time, the strong price increases for crude materials meant that these commodities were able to maintain their share at some 20 per cent of the total.



While Canada is a resource-rich country and commodities of a resource nature have always been important in our trade, their relative importance has declined. Thus the proportion of primary manufactured goods — which includes such traditional Canadian exports as lumber, newsprint and other forest products, as well as copper, nickel and other metals — fell from more than 50 per cent in 1960 to some 33 per cent in the seventies. Similarly, exports of wheat and other foodstuffs (i.e. food, feed, beverages and tobacco, including live animals) now represent only 10 per cent of the total compared with some 20 per cent in the early sixties. Canada is unique among industrialized countries in that it has a large surplus in its

overall trade in energy materials. While Canada has been a "net" importer of crude petroleum since 1975, exports of natural gas along with such commodities as propane, butane, electricity, uranium, etc., contribute to an overall surplus which in 1979 amounted to \$3.6 billion.

Similar, although not so marked, changes took place in the composition of Canadian imports. The share of finished manufactured goods rose from around 50 per cent of the total to some 60 per cent largely as a result of the Autopact. The proportions for both primary manufactured goods and foodstuffs declined, whereas the ratio for inedible crude materials remained virtually unchanged due to the large proportion of high-priced oil in crude materials.

The Service Account

While the merchandise account traditionally is in a surplus position — the small deficit in 1975 was the first since 1960 — the service account has been in a deficit position since the end of World War II. However, the size of the current account deficit has increased significantly since the late 1960s, especially since 1973. The principal reasons for this deterioration were the rising deficits in net interest and dividends since 1973 and in the travel account since 1974. While the deficit in the travel account has been improving since 1978 and freight and shipping moved into a surplus position in 1978, deficits in net interest and dividends along with other service transactions continue to worsen. It is estimated that the deficit in services will be around \$10½ billion in 1980 in comparison with \$9.7 billion in 1979.

Travel

For a number of reasons there was a rapid deterioration in the travel account deficit from 1975 to 1978. The travel surplus with the United States from 1962 to 1974 partially offset the increasing deficit with overseas countries. Then in 1975 the travel balance with the United States moved to a deficit position reaching a peak of some \$900 million by 1978, while the deficit with overseas countries moved above \$400 million in 1974, reaching a peak of nearly \$900 million by 1977. The Canadian dollar underwent a devaluation in relation to foreign currencies, especially with those of Western Europe and Japan, towards the end of 1976 and throughout most of 1977 and 1978. While this devaluation had little effect on the number of Canadians visiting for-

ign countries in 1977 and 1978, there was a reduction in the number of Canadian visitors to both the United States and overseas countries in 1979. However, there was a drop-off in the number of Americans visiting Canada after 1973 while visits by overseas residents have been rising, particularly since 1975. The devaluation of both the Canadian and United States dollars in relation to foreign currencies, in association with a rapid expansion of costs associated with tourism in overseas countries, has led to a marked increase in overseas residents visiting North America. There has been considerable improvement in the quarterly travel deficits since the end of 1978. Deficits of some \$1.7 billion were posted in the years 1977 and 1978 but these dropped to \$1.1 billion in 1979 and to an estimate of just under \$1 billion in 1980.

Interest and Dividends

Canada's net international indebtedness, including equity, more than doubled in the 1970s, whereas in the 1960s it increased by just over four-fifths. While total indebtedness rose from some \$28 billion in the early 1970s to only \$31 billion in 1973, there was a rapid escalation thereafter, especially in 1975 and 1976, to an estimated \$69 billion by 1979. At the same time, the net interest and dividend payments on this indebtedness rose from \$1.1 billion in the early 1970s to nearly \$1.3 billion in 1973 before escalating to \$5.3 billion in 1979. As noted earlier, the principal reason for the rising deficit in the service account was the growth of interest on foreign borrowing and of dividends to foreign direct investment. The out-

look is for the deficit in this sector to continue to expand. While a large proportion of the borrowing in 1975 and 1976 was by corporations and provincial agencies to finance new production capacity, a sizeable proportion was also borrowed by provinces to finance large operating deficits created by the 1974-75 recession, as well as for such things as the Olympic facilities. For instance, nearly \$8 billion in the form of net long-term capital flowed into Canada in 1976 — but only some \$100 million in net short-term inflows — and this was more than \$4 billion above the necessary capital to balance the current account deficit that year. There was also a sizeable net inflow of some \$4 billion in long-term capital in both 1975 and 1977. The bulk of Canadian borrowing continues to be in U.S. capital markets.

The interest on the foreign bond issues in the period 1975 to 1977, in association with new issues in other years, assures a steady increase in interest and dividend payments in future years. Interest and dividend payments in 1980 are estimated to amount to some \$5.6 billion compared with \$5.3 billion in 1979 and \$4.5 billion in 1978.

Other Service Transactions

Freight and shipping transactions involve sizeable amounts in respect to receipts and payments but the typical small balance has very little net impact on the overall service deficit. The net deficit for other service transactions has been rising steadily over the years and is the second largest deficit after interest and dividends. The major component in this account is business services and other transactions. Other components involve government (federal, provincial and foreign) and miscellaneous income associated with international banking and insurance operations, export credit, etc.

Information on withholding tax levied on income distribution and service payments to non-residents is shown separately under service payments although there is no effect on the service balance as it is offset by being included under transfer receipts. The overall balance for net transfers is generally in a small surplus position and includes estate inheritances by residents and non-residents along with migrants' funds.

James T.B. Kingston
Economic Intelligence Branch
Economic Policy and Analysis
 Industry, Trade and Commerce
 Tel: (613) 996-5871



Canada-Cuba Trade

The continuing trade dialogue between Canada and Cuba was helped along considerably last November during the third meeting of the Joint Committee on Economic and Trade Relations in Ottawa. The Cuban delegation was led by Paul Taladrid, Director of the Non-Socialist Developed Countries Division of the State Committee for Economic Collaboration, while the Canadian delegation was headed by J.L. MacNeil, Director General of the Western Hemisphere Bureau of the Department of Industry, Trade and Commerce. Canada Commerce reproduces here the Agreed Record of that meeting. . . .



Raul Taladrid, leader of the Cuban delegation (left) and Lindsay MacNeil, leader of the Canadian delegation, enjoy a light moment during the signing of the agreed text at the meeting in Ottawa of the Joint Committee on Economic and Trade Relations.

During the opening session each Chairman reviewed the economic bilateral relations which have unfolded since the 2nd ICETR in 1977 agreeing that Canada has become one of the principal, if not Cuba's major trading partner, amongst the developed market economy countries and that Cuba has become Canada's fourth largest export market in Latin America.

The Cuban side indicated their intention to consolidate the level of present economic relations and to expand this even more on the basis of mutual interest and respect. The Canadian side also expressed its satisfaction with the progress in bilateral relations and its interest in their further development.

Both parties agreed to continue their efforts to expand the knowledge of Canadian companies of the Cuban market and to support visits by businessmen's delegations from the different provinces and made special mention of the role played by CALA in this respect.

Each delegation proceeded to discuss in consecutive work groups the items of the agenda previously agreed upon: capital projects, new forms of collaboration, current trade and financing.

Capital Projects:

In the capital projects sector, the Cuban side made mention of two projects which because of their magnitude, feasibility and potential, could become an important link in the economic co-operation between the two countries. They were identified as investment developments in the field of tourism and work to be carried out in off-shore exploration for hydrocarbons.

In addition the following projects of interest to the Cuban side were mentioned as possibilities for participation by Canadian suppliers:

- supply of electrical sub-stations of 110KV.
- refurbishing of the nickel plant "Pedro Soto Alba" of Moa.

- refurbishing of the plant "René Ramos Latour" of Nicaro.
- supply of equipment for the nickel plant of Punta Gorda.
- spare parts plant.
- expansion of barbed wire plant.
- production line for pliofilm plastics for packaging.
- equipment for forming and gluing cartons, boxes.
- production line for manufacture of plastic strapping.
- production of multi wall Kraft paper bags.
- plant for manufacturing flat glass.
- terminal for unloading bulk ammonia.
- expansion of plant for manufacturing aluminum packaging containers.
- Delita gold mine, Isle of Youth.
- completion of the "Nico Lopez" refinery.
- completion of the Container Terminal of the Port of Havana.
- Citric processing plant — Ciego de Avila.
- Cobalt separator plant.
- production of moulds for cellulose trays.
- plant for manufacture of metal covers for containers.
- production of cellophane.

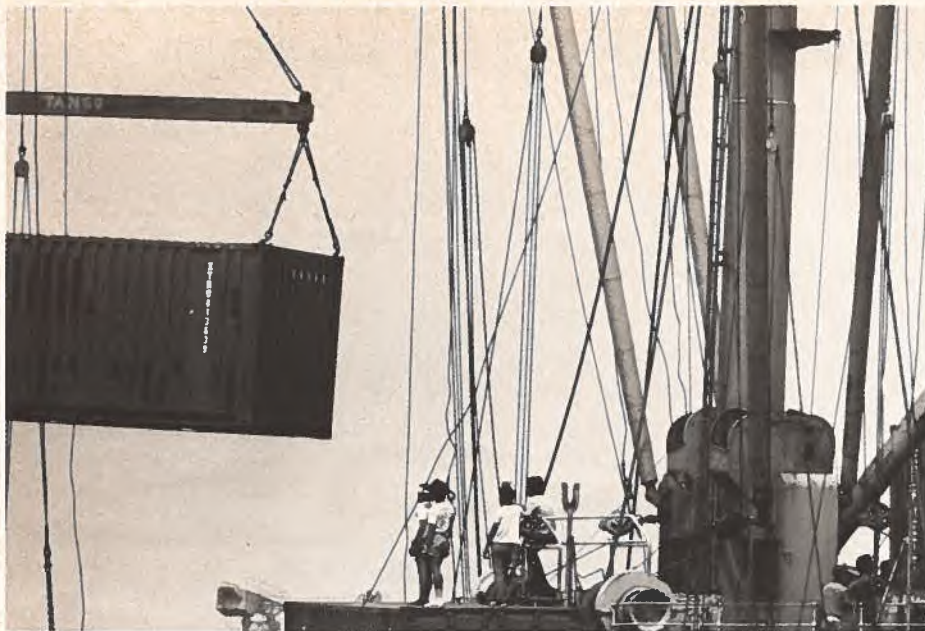
Some of these projects are currently under discussion with Canadian companies.

New Forms of Collaboration:

There was an interchange of views in relation to co-operative production. The Cuban side indicated their interest in joint production and marketing in order to take advantage of available production capacity in Cuba in the fields of metals, mechanical products and light industry. Some areas of available production capacity were mentioned.

The Cuban side introduced the subject of joint operations in third countries, emphasizing the need to select a project and country that would meet the interests of each party. The Canadian side took note of this interest, pointing out that the decision to participate in this kind of operation is entirely a matter for Canadian companies to make. The Cuban side suggested that the initiative in selection of projects should be taken by either the Cuban enterprises or Canadian companies.

Although the meeting was limited to economic and commercial themes, the Cuban delegation mentioned the subject of development assistance indicating that new commercial approaches could be examined in the context of a continuation of the successful program that expired in 1978. The Cuban side sug-



gested that by blending assistance into capital goods transactions, financial terms could be softened, which would result in a further increase in the growing commercial relationship and improve the competitiveness of offers made by Canadian companies.

Cuban and Canadian Exports:

The two parties reviewed the development of commercial relations between the two countries, pointed to the high level of trade achieved since the Second Joint Committee meeting, and reviewed the prospects for 1980.

The Cuban delegation mentioned the significant trade deficit and expressed its desire to balance this trade. For this reason it was necessary that Cuban exports have appropriate access to the Canadian market. Sugar, which is of great importance to the Cuban economy as an export product and an earner of foreign revenue, was particularly singled out. With this in mind, the Cuban side reiterated its request that Cuban sugar receive equal treatment to that received by products of other suppliers and pointed to their interest in continuing to export important tonnages to the Canadian market.

The Canadian delegation pointed out that Cuba was now Canada's number two supplier and provided some 35 per cent of Canadian imports. It noted that the margin of preference for imports from South Africa had been removed effective June, 1980 and that the margin of preference to Australia was provided for in a bilateral trade agreement with that country which was being renegotiated. The Canadian side added that, since the Canadian duty on sugar was specific and not ad valorem, its effect was less significant when sugar prices were high. The Cuban delegation emphasized the importance of the fluctua-

tions of world sugar prices and the disadvantages which this presented to exporters.

(The Cuban delegation reiterated its request for inclusion of certain products in the Canadian General System of Preferences (GSP), as well as a reduction in the General Preferential Tariff already applying to certain products.)

The Canadian delegation announced that the Canadian Tariff Board was studying the possibility of inclusion of additional items in the Canadian GSP and also possible changes in the rates on other items already included in the GSP. The Cuban authorities were invited to make representations to the Canadian Tariff Board concerning the products of interest to them.

The Cuban delegation expressed its interest in using the services of the Trade Facilitation Office as a contribution to the increase of bilateral trade and diversification of Cuban exports.

The Canadian delegation explained that the Trade Facilitation Office had limited resources and was concentrating them on aiding developing countries which had no official trade representatives in Canada and relatively little penetration of the Canadian import market. Nevertheless, the Cuban exporters are free to contact the Trade Facilitation Office.

Recent progress and future prospects for a wide range of Canadian exports were discussed. During the discussions on milk powder, poultry and pork meat, and lumber, the Canadian delegation outlined the benefits of forward buying, regular purchases and long-term contracts. These benefits are security of supply during shortages, fewer delays in negotiations, the possibility of product adaptation for the customer and lower prices through produc-

tion planning. The Cuban side noted these ideas and said that Cuban buying agencies would study them. It added that possible agreements such as had been discussed with the Canadian Wheat Board would be favourably received.

It was noted that there has been a good record concerning shipping between the two countries. However, the Canadian delegation mentioned that there had been some inconvenient shipping delays in 1980. The Cuban side replied that this situation did not have critical dimensions and requested that in future any difficulties in this respect be referred as soon as possible to the appropriate Cuban authorities with the purpose of finding satisfactory solutions.

Financing:

Both sides agreed that finance for capital projects would be analyzed on a case-by-case basis. The Canadian delegation foresees no difficulties with this procedure.

The Cuban side requested a line of credit for spare parts, machinery and equipment, which would undoubtedly increase Cuba's imports of finished products. The Canadian side took note of this request.

Other Subjects:

The two sides analysed, in a constructive spirit, difficulties which have arisen in the course of unsuccessful business negotiations and undertook to make major efforts to overcome such difficulties should they arise in the future.

The Cuban side referred to problems concerning Canadian legal restrictions and controls regarding exports from that country to Cuba by reason of the origin of the goods or technology. The Canadian side offered assurances in this regard and suggested that the Cuban enterprises bring to the attention of the Canadian authorities any difficulties encountered in this regard.

The two parties agreed to the importance of conducting intergovernmental meetings on a regular and periodic basis and considered the possibility of convening the Fourth Meeting in Havana in 1981. The date will be established through diplomatic channels.

Both sides expressed their satisfaction with the frank and friendly atmosphere which prevailed during the discussions.

For further information concerning Canada/Cuba trade relations please contact:

F. Veenema
Caribbean and Central America
Division
Western Hemisphere Bureau (29)
 Industry, Trade and Commerce
 Tel: (613) 992-0384

I.T.&C Promotional Projects Program

The following is a current list of trade fairs which will be sponsored during the period April 1 to June 30, 1981. The list is published to alert Canadian businessmen and women to opportunities for reviewing the current state of their industries as reflected in the exhibits. At some fairs, Canadian manufacturers are invited to participate. At others, a Canadian information booth is available for contacts with foreign buyers and as an information clearing house.

Canadian companies interested in participating in Department sponsored exhibits are encouraged to contact their nearest IT&C regional office so they may be added to the Department's list of exporters. While attendance at major fairs listed is encouraged, companies should bear in mind that participation is fixed 4-6 months before an event.

Trade Fairs. Europe, Middle East and Africa Division (613) 995-7334

'Internationaler Treffpunkt' Hanover Fair (Information Booth) Hanover, West Germany April 1-8, 1981

The Hanover Fair is a trade-oriented industrial exhibition displaying the latest state of the industrial arts from all countries. It is also a most important European exhibition for the electrical and the office machines industries.

5,136 exhibitors from 49 countries participated in 1980. An estimated 550,000 visited the fair.

19th Children's Book Fair Bologna, Italy April 2-5, 1981

The Children's Book Fair, an annual event, is an autonomous enterprise sponsored by the Fair authorities since 1964. It is a meeting place for publishers and editors to transact business with foreign firms from all continents.

The Fair occupies four exhibition pavilions for a total area of 12,000 square meters. In 1980, more than 800 exhibitors from 54 countries participated.

EuroShop '81 - Fitting, Advertising, Selling International Fair and Congress Dusseldorf, West Germany April 4-9, 1981

Held every three years at the Exhibition Centre, Dusseldorf Congress Centre, EuroShop is the international meeting place of all concerned with shop windows, display and publicity, building systems and trade fair stand construction systems, fittings and equipment, show and storage fittings, refrigerated display cases, invoicing and control systems.

In 1978, 560 exhibitors from 13 countries displayed their products and services to 56,000 visitors.

World Fabric Fair (Information Booth) Geneva, Switzerland April 7-10, 1981

Held for the first time in Spring 1981 to be followed by a second presentation in the Fall, the World Fabric Fair will be organized twice yearly in the future at the Palais des Expositions of Geneva. Only manufacturers of clothing textiles are eligible to participate.

Milan International Trade Fair (Information Booth) Milan, Italy April 14-23, 1981

The Milan International Trade Fair is the largest trade fair in Italy and in its 58th year in 1980 had 9,200 exhibitors (25 per cent from foreign countries) and 3 million visitors. As a horizontal fair open to the public, it can not be compared to more specialized events attended only by businessmen. However, it remains a major event in Italy's trade fair scene; it is widely used by Italian and foreign firms for both sales and public relations purposes.

Zimbabwe International Trade Fair (Information Booth) Bulawayo, Zimbabwe April 24 - May 3, 1981

This fair is the major event in Zimbabwe. It is open to domestic and foreign exhibitors giving them the opportunity to show their products as well as to examine goods manufactured in Zimbabwe.

The fair is open to the general public. However, the day before the official opening is set aside for the convenience of exhibitors and buyers only.

**29th Casablanca International Trade Fair
(Institutional Exhibit)
Casablanca, Morocco
April 29 - May 16, 1981**

The Casablanca International Trade Fair is a biennial General Samples Fair open to national producers, foreign countries and international organizations.

Approximately 1,000 Moroccan firms and 500 foreign companies from 35 countries participate.

**INTERSTOFF '81 – International Trade Fair for
Clothing Textiles
Frankfurt, West Germany
May 5-8, 1981
November 3-6, 1981**

Interstoff is one of the longest running exhibitions in West Germany, occurring twice each year in May and November. Only domestic and foreign manufacturers of fabrics for outerwear and lingerie, i.e. weavers, fabric printers, self-finishers, and suppliers of accessories to the textile industry are admitted at this show.

This event attracts some 800 exhibitors, half from foreign countries.

**INTERCLEAN '81 – 9th International Trade Fair
for Industrial Maintenance and Cleaning,
Municipal Refuse Processing and Recycling
Amsterdam, Holland
May 12-15, 1981**

INTERCLEAN is held at the RAI building in Amsterdam. It is a major world fair in the fields of maintenance and cleaning, refuse processing and municipal cleansing. The fair is open to all those concerned with industrial maintenance — systems and equipment; cleaning and restoration equipment for streets, parks, stadiums, etc.; cleaning of building facades and monuments; equipment for processing refuse.

With 25,000 square meters of space, the fair attracted more than 14,000 visitors from 44 countries in 1979. There were 220 exhibitors from 13 countries.

**SITEV '81 – 8th International Exhibition for the
Suppliers of the Vehicle Industry
Geneva, Switzerland
May 12-15, 1981**

SITEV, held annually since 1974 at the Palais des Expositions of Geneva, is sponsored by the Council of the Republic and Canton of Geneva. It is a place where manufacturers of automotive parts and accessories can meet the purchasing people of the car and truck factories. The fair is only for the original equipment market.

This event occupies 50,000 square meters of space and it attracted 1,400 exhibitors from 35 countries in 1980. Attendance for that year was estimated at 30,000. Major vehicle manufacturers in Europe maintain "contact offices" for the duration of the fair.

**INTERPACK '81 – 9th International Fair for
Packaging Machinery, Packaging Materials and
Confectionery Machinery
Dusseldorf, West Germany
May 14-20, 1981**

INTERPACK is a specialized vertical exhibition held every three years under the auspices of the Packaging and Confectionery Machinery Division of the Association of German Machine Manufacturers (VDMA) in conjunction with several other associations.

The fair brings together at one location every important packaging development in an operational, ready-to-use form. The equipment demonstrated represents every aspect of consumer and industrial packaging, including container fabricating machinery as well as measuring, weighing, counting, sorting, loading, packing, filling, capping and sealing equipment. All types of packaging materials are also demonstrated.

Total attendance at INTERPACK is 150,000 and 1,500 exhibitors occupy 95,000 square meters of space.

**34th Paris Air Show
Paris, France
June 4-14, 1981**

The Paris Air Show, held every second year, is a prestigious marketplace where aerospace companies throughout the world present the latest in equipment, systems and technology. Executives from the industry, officials of government and defence services, and others attend this event to compare products and services, open negotiations and sign contracts.

Some 600,000 visit the 600 plus exhibitors.

**Poznan International Fair
(Information Booth)
Poznan, Poland
June 14-23, 1981**

The Poznan fair program includes a number of events of which the central multibranch presentation — the International Fair — held annually in June, is the most important. It includes industrial plants, metallurgical products, machinery, electrical and electronic equipment, mineral raw materials, furniture and wood products, and other consumer goods and services.

**Royal Highland Agricultural Show
(Information Booth)
Ingliston, Edinburgh, Scotland
June 1981**

The Royal Highland Show is the major agricultural exhibition in Scotland with an attendance in the 120,000 range.

Western Hemisphere and Pacific Division (613) 995-8303

Royal Easter Show (Solo Presentation) Sydney, Australia April 10-21, 1981

The Royal Easter Show in Sydney, Australia, is organized and presented by the Royal Agricultural Society of New South Wales and its influence has become nationally and internationally recognized. The fair is similar to the Canadian National Exhibition in Toronto with the whole range of commercial, government and other displays, stalls, amusement attractions, etc., as against the rural side.

Space is difficult to obtain and the Department rents a structure for a solo presentation outside the cattle building area.

Federation of American Societies for Experimental Biologists (Institutional Presentation) Atlanta, Georgia, U.S.A. April 13-16, 1981

This event moves to a different city each year. In addition to the Federal American Society of Experimental Biologists it is co-attended by the American Physiological Society, the American Society of Pharmacology and Experimental Therapeutics, the American Society of Experimental Pathology and the American Institute of Nutrition. Products exhibited include: laboratory and research type instrumentation; glassware for laboratories; chemicals; reagents; biological products; diagnostics, etc.

Some 20,000 visitors see the products of more than 700 companies.



Varietal Cheese Show at CTC Tokyo, Japan April 13-18, 1981

The Department is occupying space in the World Import Mart in Tokyo, Japan. The Mart is part of a greater complex known as "Sunshine City" which includes a 1,000 room hotel (under construction), a 60-storey office tower, a culture centre building, museums, sports facilities and several stores and restaurants.

The Canada Trade Centre was officially opened with a Jewellery and Fur Show in January 1979. Many Canadian companies have since been invited to display their products, and this promotional program will continue during the fiscal year 1981/82.

FMI '81 – Food Marketing Institute Convention and Exhibition Dallas, Texas, U.S.A. May 3-6, 1981

The Supermarket Industry's Convention and Educational Exposition sponsored by the Food Marketing Institute is held at the Dallas Convention Center. It features all that is new and available in supermarketing — a showcase of grocery/perishable products, general merchandise, equipment, services.

In 1980, more than 630 leading suppliers, representing 846 product lines, build their exhibits around the industry's needs. Some 200 were international firms.

Canadian Medical Equipment Solo Show Caracas, Venezuela May 4-7, 1981

This activity is sponsored by the Department of Industry, Trade and Commerce at a hotel location in Caracas, Venezuela. It features hospital, medical and dental equipment. Officials from government health organizations, medical equipment distributors and other specialists are invited.

National Computer Conference and Exhibition (Information Booth) Chicago, Illinois, U.S.A. May 4-7, 1981

This event is the largest and most important exhibition for the U.S. computer industry. It features every area of data processing technology including hardware, software, systems and services.

13th Offshore Technology Conference and Exhibition

Houston, Texas, U.S.A.

May 5-8, 1981

The Offshore Technology Conference and Exhibition, held annually in Houston, Texas, is the world's foremost meeting on offshore resources. The show brings together leading engineers and scientists, as well as managers and government officials, to discuss latest developments in technology and to view the hardware and services available to meet the offshore challenge.

In 1980, more than 86,000 from 90 countries attended this event. Some 2,200 companies occupied the 480,000 square feet of space.

62nd NRA Restaurant, Hotel-Motel Show

Chicago, Illinois, U.S.A.

May 16-20, 1981

Held in Chicago's McCormick Place, this event is the total marketplace for the foodservice and lodging industry's product lines and marketing programs. Sponsored by the National Restaurant Association, the show features the latest developments in food items, consumer and commercial equipment, related services.

Some 1,000 exhibitors display their products at the show. Of the 80,000 visitors, 20,000 represent dealers and wholesalers from all countries.

Trade Missions

Departmental sponsored trade missions for the fiscal year ending March 31, 1982 are not yet finalized, but will be published in an upcoming issue of Canada Commerce.

Greek Accession to the European Communities

Greece became the tenth member of the European Communities (EC) on January 1, 1981. The Greek tariff and system of import controls will now be harmonized with that of the EC over the next five years. These changes will have both positive and negative effects on Canadian exports to Greece.

The major change to the Greek import regime will be the harmonization of the Greek tariff with the EC Common Customs Tariff (CCT). Under the terms of accession Greece has agreed to reduce the difference between the Greek tariff and the CCT according to the following schedule:

- **January 1, 1981, by 10 per cent**
- **January 1, 1982, by 10 per cent**
- **January 1, 1983, by 20 per cent**
- **January 1, 1984, by 20 per cent**
- **January 1, 1985, by 20 per cent**

In addition, import deposits and cash payments in force in Greece on December 31, 1980, will be progressively

ABA – American Booksellers' Association Convention and Trade Exhibit

Anaheim, California, U.S.A.

May 23-28, 1981

The American Booksellers' Association Convention and Trade Exhibit is held annually in a different city of the United States. This event gives booksellers, publishers, authors and librarians a broad outline of world publishing. It is an excellent venue to conduct international trading in the areas of translation and subsidiary rights.

Some 700 exhibitors from 20 countries participate.

Canadian Textiles Solo Show

Panama, Panama

June 7-14, 1981

This event is a solo presentation organized by the Department to assist Canadian manufacturers in maintaining a presence in the Central America market.

International Music and Sound Expo

Chicago, Illinois, U.S.A.

June 27-30, 1981

This event is sponsored by the National Association of Music Merchants in co-operation with several musical instruments associations. It is acknowledged to be the principal showcase for the United States musical industry. Any line of merchandise normally sold through retail music stores can be displayed, i.e.: instruments, sheet music, accessories, sound equipment, etc.

eliminated over a period of three years from January 1, 1981. All such deposits will, therefore, be abolished by January 1, 1984.

With reference to agricultural products covered by the EC Common Agricultural Policy, the EC variable levy will apply immediately on imports into Greece from all countries outside the EC. In certain cases a derogation from the full application of the variable levy will be permitted over the transitional period.

Further information on how these changes will affect specific Canadian exports may be obtained from

European Bureau

Department of Industry, Trade and Commerce,

235 Queen Street

Ottawa, Ontario

K1A 0H5

Telephone: (613) 996-6966

(613) 995-9401

International Business Scholarships

Eight graduate students in international business received scholarships recently at the University of Western Ontario.

The scholarships, valued at \$20,000, were presented by the Hon. Ed Lumley, Minister of State for Trade.

The students, two of whom are women, will attend the international business courses developed by the Centre for International Business Studies at the University's School of Business Administration.

The Centre is one of four supported by the Department of Industry, Trade and Commerce to offer courses in international business and to develop original research. The other centres are at the University of British Columbia, Montreal's L'Ecole des Hautes Etudes Commerciales (HEC) and Dalhousie University.

IT&C provides \$460,000 in the form of an eight-year grant to each of the universities. It also offers to each school of study the maximum annual amount of \$20,000 for scholarships to attract the highest calibre of student.

Mr. Lumley stressed that the principal objective of the Centre is to produce competent and motivated managers for Canadian industry. Businessmen in general, however, profit from knowledge developed at the four centres through pamphlets, publications and international conferences and seminars.

The Minister also praised the Centre for having initiated an annual three week course each spring in international management for practising executives. The course has special appeal for senior executives engaged in international activities.

Commercial Division Brings Changes

The opening last June of a Commercial Division in the Canadian Embassy in Yaoundé, Cameroon, has brought about certain changes effective January 1, 1981.

Yaoundé will cover **Cameroon, Gabon, Central African Republic, Chad, Equatorial Guinea** and the **Islands of Fernando Po, Sao Tomé and Príncipe**.

The Counsellor (Commercial) is J.N. Guérin who was posted to Yaoundé last August. The address is:

**Canadian Embassy
Commercial Division**

P.O. Box 572

Yaoundé, Cameroon

Cable: DOMCAN YAOUNDE

Telex: 8209 (DOMCAN 8209 KN)

Phone: 22-02-03, 22-29-22, 22-19-36

The Commercial Division at Kinshasa, **Republic of Zaire**, now covers **Zaire, People's Republic of Congo, Burundi, Rwanda** and **Angola** (formerly covered by Lagos).

F.J. Laberge was posted to Kinshasa in August as First Secretary (Commercial). The address remains the same.

Gremlin Goof-up

No doubt it was one of the Christmas gremlins in December's toy story (Toys Mean Serious Business) who was responsible for our omitting the name of the IT&C contact for those seeking further information. He's Bob McNally, Furniture and Leisure Products Division, Textiles and Consumer Products Branch (54), Department of Industry, Trade and Commerce, Ottawa, Ontario, K1A 0H5, (613) 992-1545.

New Delegation in Quito, Ecuador

Canada's economic interests in Ecuador resulted in the opening of a **Canadian Embassy in Quito** last October. Ecuador was formerly covered from Bogota, Columbia. The Ambassador is S.H. Nutting.

Last summer, J.G. Kneale was assigned to head the Commercial Division as First Secretary (Commercial). The address is:

Edificio Belmonte

146 Corea-Y-Amazonas

6th Floor

Quito, Ecuador

Postal address is Sucursal 11 CC1; Telex: 022223 or 02563 Quito, Ecuador; Telephone: 230300, 544600

Northern Telecom Wins Lucrative Contract

Final contract negotiations in Seoul, Korea may soon produce a \$90 million sales contract for a three-year supply from Canada of digital transmission systems to be made by Northern Telecom Canada in Winnipeg and near Ottawa. Here, John Taylor, left, general manager of the digital transmission division, E.H. Lee, a director general of Korea's communications ministry, center, and his deputy H.S. Kim, inspect printed circuit boards coming off an automatic wave soldering machine. These boards contain high technology circuits used in the systems produced at the plant in Aylmer, Quebec.

Department of Industry, Trade and Commerce

Regional Offices

NEWFOUNDLAND AND LABRADOR

B.W. (Brian) Holmes
Regional Director General
Newfoundland Region
127 Water Street
(2nd Floor)
P.O. Box 6148
St. John's, Newfoundland
A1C 5X8
Tel. (709) 737-5511

NOVA SCOTIA

E.A. (Ed) Coolen
Regional Director General
Nova Scotia Region
Suite 1124, Duke Tower
5251 Duke Street, Scotia Square
Halifax, Nova Scotia
B3J 1P3
Tel. (902) 426-7540

PRINCE EDWARD ISLAND

T.A. (Trevor) Charles
Regional Director General
Prince Edward Island Region
P.O. Box 2289
Dominion Building, 97 Queen Street
Charlottetown, Prince Edward Island
C1A 8C1
Tel. (902) 892-1211

NEW BRUNSWICK

J.B. (John) McLaren
Regional Director General
New Brunswick Region
Suite 642, 440 King Street
Fredericton, New Brunswick
E3B 5H8
Tel. (506) 452-3190

QUEBEC

J.R. (Jacques) Mercier
Regional Director General
Quebec Region
P.O. Box 1270
Station "B"
Suite 600
685 Cathcart Street
Montreal, Quebec
H3B 3K9
Tel. (514) 283-6254

G.P. (Gilles) Morin
Director
Quebec City Office
Suite 620, 2 Place Quebec
Quebec, Quebec
G1R 2B5
Tel. (418) 694-4726

ONTARIO

J.D. (John) Blackwood
Regional Director General
Ontario Region
1 First Canadian Place
Suite 4840
P.O. Box 98
Toronto, Ontario
M5X 1B1
Tel. (416) 369-4951

MANITOBA

G.G. (Gus) Rezek
Regional Director General
Manitoba Region
507 Manulife House
386 Broadway Avenue
Winnipeg, Manitoba
R3C 3R6
Tel. (204) 949-2381

SASKATCHEWAN

Geo. (George) Hazen
Regional Director General
Saskatchewan Region
Room 980, 2002 Victoria Avenue
Regina, Saskatchewan
S4P 0R7
Tel. (306) 569-5020

ALBERTA & NORTHWEST TERRITORIES

D.H.M. (Doug) Branion
Regional Director General
Alberta & Northwest Territories
Regions
500 Macdonald Place
9939 Jasper Avenue
Edmonton, Alberta
T5J 2W8
Tel. (403) 420-2944

BRITISH COLUMBIA & YUKON

R.M. (Bob) Dawson
Regional Director General
British Columbia & Yukon Regions
P.O. Box 49178, Suite 2743
Bentall Centre, Tower 'III'
595 Burrard Street
Vancouver, British Columbia
V7X 1K8
Tel. (604) 666-1434

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