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Focus on Tourism — page 12

Major Projects
Spell Major Opportunities — page 8

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Editorially speaking . . .

Getting the New Year off to a sunny start we take you to Trinidad and Tobago — areas in which several Canadian companies are actively and profitably engaged and where opportunities still exist for other enterprising Canadian firms.

Opportunities also exist closer to home — as revealed in Focus on Tourism (page 12). Concentrating primarily on IT&C's role in this field, the interview with the Assistant Deputy Minister provides an informative overview of this important industry.

And on page 8 appears an interview with Tony Reynolds, Director General of the new Office of Industrial and Regional Benefits. Mr. Reynolds discusses the Office and new federal government initiatives designed to help Canadian companies supply goods and services — **for major projects in Canada.**

If your business interests lie outside Canada, particularly the Pacific Rim, attendance at the Conference noted below could prove profitable.

D.E.W.

The Pacific Rim Opportunities Conference 2 is being held February 22, 23 and 24 at the Harbour Castle Hilton, Toronto. For further information, contact: Canadian Committee, Pacific Basin Economic Council, 99 Bank Street, Suite 848, Ottawa, Ontario K1P 6B9. Tel: (613) 238-6544.

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Publié aussi en français

Popular destinations for Canadian tourists, yes. . .but more than that, Trinidad and Tobago hold immense business opportunities for Canadian companies — especially those that are interested, capable and have competitive prices. In the following three articles, IT&C's man in Port of Spain reports that, in Trinidad and Tobago. . . . .

Business Abounds for Canadian Companies

by M.W. McQuinn, First Secretary (Commercial) Port of Spain, Trinidad

Raken Contracting completes $16,000,000 project.

Trinidad was first discovered by Christopher Columbus in 1498 and remained under Spanish domain for the next three hundred years. Through the influx of French settlers from territories in the region, sugar cane was introduced to the country. This became the island's chief crop and brought great wealth. In 1797, as a result of the war between Spain and England, Trinidad passed over to British hands.

Tobago, while only 33.8 km (21 miles) northeast of Trinidad, experienced a much more turbulent development. The English, Spanish, Dutch and French all tried to possess it and the resulting confusion was so great that, at one point, it was declared neutral territory. In 1762 the British invaded once and for all, cleaned out the various pirates' nests which had developed, and set the island on a path of stability. In 1889, following the collapse of world sugar markets which ruined the island's economy, Tobago was administratively united with Trinidad. The two islands have been united ever since.

In 1962, under the dynamic leadership of the late Dr. Eric Williams, Trinidad and Tobago achieved independence from Britain. Dr. Williams, as the leader of the popular People's National Movement party, remained in direct control of the country as Prime Minister until his sudden death in office in March 1981. His successor, Mr. George Chambers, has just finished taking the PNM through its most challenging election in the 26-year history of the party. He has come out with a greater majority than before — even in the face of a slick Madison Avenue-type election campaign by a new opposition party which highlighted the faulty and fragile infrastructure of the country, and questioned the Government's economic management.

New Oil Wealth

Thanks to its petroleum resources, Trinidad and Tobago has become a wealthy country. Although not a member of OPEC, it has quietly benefitted from the spiralling oil prices.

Oil is not new to Trinidad. The first oil well was drilled in 1857 and commercial oil production commenced in 1908. The nation first exported oil in 1910. The explosion of oil prices in 1973 had an immediate impact upon government revenues as a result of the country's production of 200,000 bpd. This, in turn, because of the relatively small population of 1.2 million, had a dramatic leverage on the economic wealth of the country.

The government's 1981 National Budget, in pursuing industrial and social development plans, reached a total of more than $3.5 billion. Of this budget, $1.5 billion has been assigned to 25 different development funds designed to tackle the most glaring embarrassments to the country, in housing, health, highways, telecommunications, water and electricity. Trinidad and Tobago's foreign reserves are quickly approaching $4 billion and international lending agencies are lining up to participate in the industrial plans of the government.

Hydrocarbon Sector

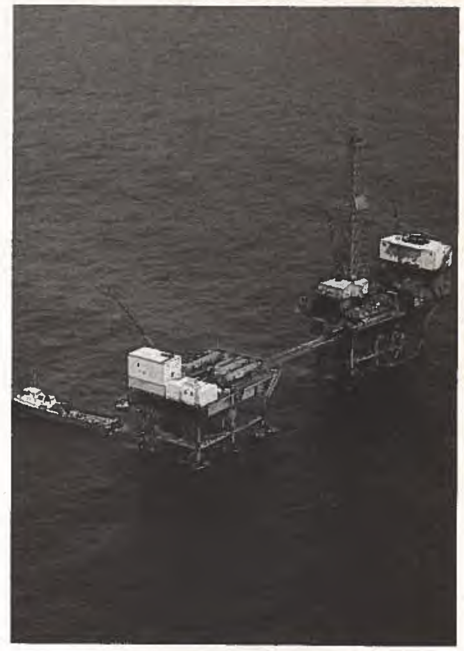
Trinidad and Tobago is currently producing 215,000 barrels of oil per day. This rate is 10 per cent lower than peak production in 1978, and is indicative of the anticipated production decline due to depletion of present reserves without new additions. Current forecasts give Trinidad and Tobago 10 years of reserves only. However, more sophisticated technology and additional exploratory work should be able to extend this horizon.

The major player in the oil sector is AMOCO. It raises 32° crude from its marine fields off the southeast coast of Trinidad and ships it directly to markets in the U.S.A. The other principal companies involved in the sector, namely Texaco, Trinidad Tesoro and the government's oil company TRINTOC (formerly Shell — bought by government in 1974) are producing heavier crude from land and offshore sectors in the southwest. The heavier crudes are processed in the country's two refineries. TRINTOC has a 100,000 bpd capacity refinery which produces bunker C and diesel fuel oil. This refinery is currently operating at 50 per cent capacity. The second refinery is owned by Texaco, has a world scale capacity of 350,000 bpd and is fed not only by crude from Trinidad but more so by imported crude

Mechanically harvesting sugarcane crop

Point Lisas. At the same time, agreement was reached in another joint venture, this time with Amoco, to establish a 571,523-metric ton (630,000-ton) ammonia plant called Fertilisers of Trinidad and Tobago — FERTRIN. This plant was commissioned in the fall of 1981.

Recognizing that steel is the basic fibre of any country's industrialization efforts, the Government of Trinidad and Tobago embarked on a $460 million steel complex consisting of a Midrex direction reduction plant, a melt shop and a rolling mill. The 417,303-metric ton (460,000-ton) Iron and Steel Company of Trinidad and Tobago (ISCOTT) was originally intended as a joint venture but ultimately the government decided to go it alone.



Petroleum brings new wealth

from Saudi Arabia and Indonesia. The full range output of this refinery, which is operating only at 50 per cent capacity, is marketed throughout the Caribbean, the U.S. and some lubricants in Canada. With production levies and throughput taxes, Trinidad and Tobago has been able to produce sizeable revenues while still encouraging further development by the private sector.

While it has been oil that has fuelled Trinidad and Tobago's rapid industrial expansions to date, it will be its natural gas resources which will pick up the baton of industrial development and carry the country into the next century.

There has always been substantial natural gas associated with the offshore oil production. This has been fed onshore and utilized for the production of electricity and the establishment of a fertilizer plant by a W.R. Grace subsidiary in 1958.

In 1968, as part of its offshore exploration program, AMOCO first identified dry natural gas about 80.5 km (50 miles) off the southeast corner of Trinidad. In subsequent years, huge natural gas discoveries were made in other concessions in that area, as well as off the northwest coast by different consortia headed by Tenneco. Most recently, TRINTOC has continued to report gas finds in its northwest concession obtained in 1979. Today, using definitions that conform with those of the American Gas Association, Trinidad and Tobago has a total gas reserve estimate of just more than 16 trillion cu. ft. In addition to the areas already surveyed, there are still concessions which have not yet been fully explored. The development of those areas may establish total gas reserves in excess of 20 trillion cu. ft. in the long term.

The natural gas produced, or potentially available, is "sweet" and relatively free of corrosive sulphur compounds and has a very high methane content. This combination makes it very suitable as a fuel for domestic industry, for export and as a feed stock for the manufacture of ammonia and methanol and in iron ore reduction.

To devise a development plan which would capitalize on this new resource, a team of technocrats was established in 1975. The decision was taken that a major gas-consuming industrial complex would be established to provide maximum value-added exports and raw materials for the foundation of major manufacturing industries in Trinidad and Tobago. The site chosen was a coastal area on the Gulf of Paria halfway between Port of Spain and San Fernando and next to Federation Chemicals' established fertilizer plant. The site is Point Lisas.

Point Lisas Industrial Complex

The overall complex consists of 708 hectares (1,750 acres) of what was originally rural agriculture. In dredging the harbour to service Point Lisas an additional 142 hectares (350 acres) were created. The first investment at Point Lisas was a joint venture between the government and W.R. Grace to build a 244,939-metric ton (270,000-ton) ammonium plant next to W.R. Grace's 317,513-metric ton (350,000-ton) ammonia plant which had been in operation since 1958 under the name of Federation Chemicals. The new plant, TRINGEN, came on stream in late 1977 with its output marketed by W.R. Grace. To provide the electricity requirements for Point Lisas, a major series of gas turbine generators was next established at

Hatch Associates of Toronto were selected as the project engineers and, with EDC financing of $90 million, a substantial number of Canadian firms have participated in the development of ISCOTT. The largest single Canadian contract was to Frankel-Marshall Steel which supplied and erected all of the structural steel of the mill. The Direct Reduction plant came on stream in late 1980 and the official opening of the rolling mill took place at the end of June 1981. ISCOTT, in addition to supplying the local market with wire rod and billets, has now started to export. Additional export markets will have to be found to guarantee the economic viability of the plant. With the most technologically advanced plant and cheap natural gas energy, ISCOTT is confident it will quell its critics.

Two additional chemical plants have

been contracted to take their places alongside the growing gallery of industrial superstructures sprouting at Point Lisas. A $200 million urea plant was recently awarded to the Italian firm, Snamprogetti, and a methanol plant of approximately the same value was awarded to Toyo Engineering from Japan.

With so much already in play, one may wonder if there are resources for any additional complexes. The answer is a resounding yes.

The three major industrial projects on the drawing board at present are
(a) TRINTOC's Refinery Upgrading — a $400 million project which would allow the government-owned refinery to produce a wider range of finished products — a Canadian consortium with EDC support has expressed interest; (b) $500 million Aluminum Smelter — importing bauxite and/or alumina, this 180,000 mt per year plant would utilize 300 MW of electrical energy produced by gas turbines and cheap natural gas;
(c) 750,000 mmcfd Liquid Natural Gas Plant — this plant and transportation system could cost $2-3 billion — with natural gas reserves rapidly approaching the threshold level to provide the LNG plant with guaranteed reserves for 20 years and, as the government starts to reach pricing agreements with gas suppliers, this project is coming closer to a favourable investment decision.

Agriculture

The agriculture sector of Trinidad and Tobago has undergone a general decline in recent years. The decline started before oil prices increased the country's wealth.

The higher wages of the petroleum sector have certainly accelerated the exodus of workers from agriculture.

With the exception of poultry, production of every agricultural sector is significantly below the figures of five or 10 years ago. The subsidized sugar industry has become such a burden on government that serious debate is taking place concerning the future of this traditional crop. Trinidad and Tobago relies very heavily on imports to meet its food requirements.

Secondary Manufacturing

Trinidad and Tobago has a fairly diverse secondary manufacturing sector. The downstream spin offs from the capital intensive projects at Point Lisas are about to surface. At the moment, however, the industry has a profile similar to many developing countries.

There is considerable food processing and other import substitution industries. There is some assembly of appliances and electronics. There is a well-established garment and leather goods industry. As the economy of Trinidad and Tobago has expanded, the manufacturing industry has not kept pace.

The Industrial Development Corporation, through the provision of financial incentives, factory shells and market protection is striving earnestly to encourage new investment in the manufacturing sector. A number of smaller firms are looking for joint venture partners. Canadian firms are recommended to consider seriously such opportunities.

Through joint manufacturing ventures, Canadian companies could enter the Trinidad market and obtain protection from most competing imports. At the same time, the Trinidad operation could serve as a base for servicing other Caribbean markets under the Caricom free market. A final sweetener, depending upon the product and value-added, could be a more preferential rate of duty into the European Common Market than that experienced from Canada due to Trinidad and Tobago's privileges under the Lome Convention.

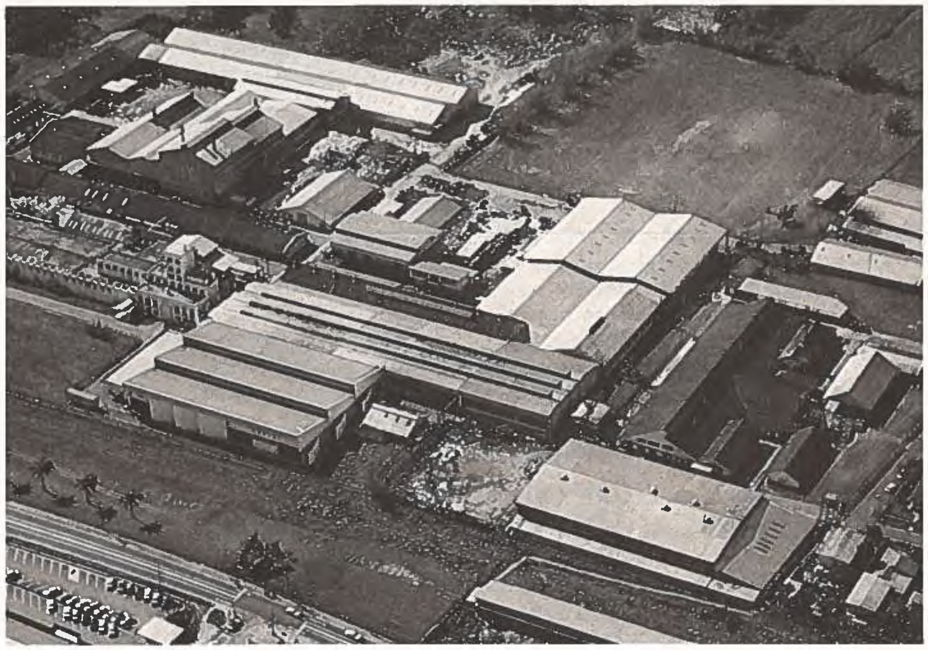
Information on industrial development opportunities can be obtained from Trinidad and Tobago Industrial Development Corporation, 145 King Street West, Toronto, Ontario.

Construction and Housing

The construction sector of Trinidad and Tobago's economy is fully occupied, trying to cope with both private and public expansion plans.

The sector is suffering from shortages of qualified staff, materials and from project management experience required for the scale of projects taking place. This has provided opportunities for foreign contractors to come in as joint venture partners with many of the local contracting firms.

With the heavy demand for industrial construction, the housing sector has, excluding a couple of marginal successes, been largely left to flounder. Government attempts to initiate large-scale housing schemes has to date been unsuccessful. Yet, because of the high cost of land and building materials, most private developers are leery to enter the market — especially the so-called low-cost market — without government subsidization. The result is an estimated shortage of 100,000 dwellings. Numerous non-wood prefab systems are on the sidelines awaiting major contracts which could start to redress the chronic shortage.



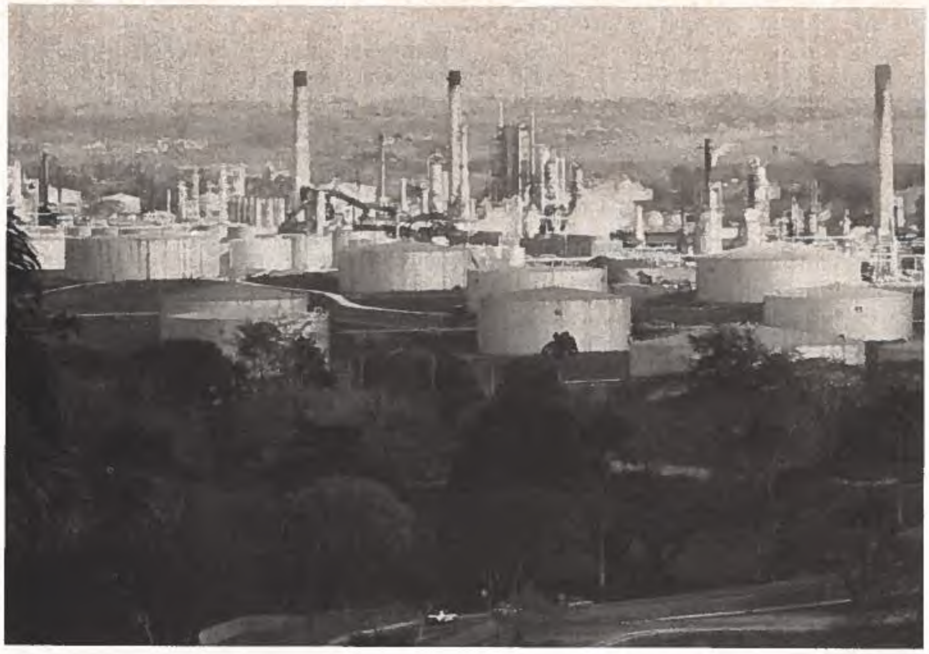
Factories for manufacturing industry

Tourism

Although the Trinidad and Tobago tourist promotion, "Just The Two of Us", has top-of-mind awareness in Canada, Trinidad has never put great emphasis on the promotion of tourism as a means of earning foreign exchange. With surging revenues from the petroleum sector, there has been little pressure to do so. Nevertheless, the tourism sector, with revenues of $149 million, is still the second largest foreign currency earner of the country.

Trinidad itself is not really a tourist island — except during Carnival when visitors and expatriate Trinidadians invade the island to revel in the pre-Lenten festivities which are now reputed to surpass the perhaps better known Carnivals in Rio and New Orleans.

Carnival in Trinidad defies adequate description and the intensity of colours, energies and emotions must be experienced in order to understand them.



Unfortunately, hotels are booked a year in advance. It is not the time to plan a business trip to Trinidad!

Tobago, on the other hand, is truly a holiday island with ample palm-fringed beaches and the famous Buccoo Reef displaying the beauty of coral and marine life. At present, Tobago has relatively limited capacity with a total of only 600 rooms, 300 of which are rated as first-class. While numerous plans to dramatically increase the capacity have been on the boards for some time, such investments have been held back by the island's current fragile infrastructure which cannot now guarantee continuous water and electricity.

Recent Government attention being addressed to Tobago, by virtue of a separate Tobago Assembly as well as the new airport's masterplan for the country, should lead to a significant expansion in this sector in the next five to 10 years.

Table #1
Trinidad & Tobago Recurrent Revenues
$ Cdn (million)

1973	238
1974	689
1975	606
1976	1,052
1977	1,216
1978	1,583
1979	1,796
1980	2,530
1981	3,750

Table #2

1980 Canadian Exports to Trinidad	**(Cdn $000)**	
Pork, fresh or frozen	1,011	
Cod	2,184	
Sardines	2,782	
Potatoes, fresh	2,782	
Potatoes, frozen	1,498	
Peas, split	1,774	
Feeds	1,560	
White Pine	2,421	
Newsprint	3,616	
Reproduction Paper	1,264	
Broad Woven Fabrics	2,357	
Vegetable Oil	1,615	
Steel Bars	1,041	
Steel Structural Shapes	4,051	
Cast Iron Pipe	3,098	
Gold Alloy	1,004	
Architectural Metal Products	2,320	
Insulated Wire & Cable	5,105	
Conveyors & Parts	3,130	
Telephone Equipment	1,737	
Switchgear	1,926	
Wiring Devices	1,083	
Sanitation Equipment	1,889	
Pharmaceutical Products	2,149	
Prefab Buildings	1,502	
Glass Shipping Container	1,560	
Total	**55,599**	48.7%

Import Market

The major industrial projects have naturally led to rapid expansion in the import bill of Trinidad and Tobago.

With the rapid increase in disposable income within the country, the general consumer market has also expanded enormously. Trinidad and Tobago's 1979 merchandise import bill (excluding crude oil imported for Texaco's refinery and re-export) stood at Cdn. $1.782 billion with the category of machinery, electrical equipment and parts accounting for Cdn. $448 million or 25 per cent of the total.

For the affluent consumer, modern appliances and sophisticated sound and electronic systems are the norm. As well, the food import bill for the nation was Cdn. $268 million. This has provided Canadian suppliers with substantial opportunities. Sight must not be lost of the fact that the market is relatively small — 1.2 million. However, the market is rapidly growing in sophistication so that, to a large extent, it can now be considered a North American market.

Future industrial and infrastructure projects will provide the greatest opportunities for significant increases in business for foreign suppliers.

Canadian Trade

Trade between Canada and the eastern Caribbean in general is historic.

As early as the 18th century ships plied the Caribbean waters with Canadian fish and lumber in exchange for rum and sugar. The first honorary trade representative was appointed in Trinidad and Tobago in 1922. Indeed, Canada has been a traditional supplier to the sister islands — albeit some distance behind the United States and Great Britain.

With the rapid expansion of Trinidad and Tobago's economy, Canadian exports to this country have kept pace, rising to $126 million in 1979 before settling back to $119 million in 1980, following completion of major shipments associated with the building of the Iron and Steel Company of Trinidad and Tobago.

Canadian exports include more than 550 categories of goods with considerable emphasis on food products. The accompanying table shows the top 25 categories of Canadian exports to Trinidad and Tobago.

The largest single category accounts for less than 5 per cent of the total, demonstrating a broad base. Of greater interest is the proponent of manufactured products within the total. With EDC support, it is anticipated that the manufactured products component will grow even more as Canadian firms participate in upcoming industrial projects.

Caribbean Development Bank Aids Canadian Trade Opportunities

The Caribbean Development Bank (CDB), established in 1970, contributes to the harmonious economic growth and development of the member countries in the Caribbean and promotes economic co-operation and integration among them. It has special and urgent regard to the needs of the less-developed members of the Region.

In fulfilling this mandate, the CDB provides development assistance to its 16 developing member countries and thereby creates a variety of trade opportunities.

During its first 10 years (1970-80), the CDB has approved projects totalling US $310 million. Among the eligible developing member countries, the largest recipients have been: Jamaica ($57 million); Belize ($42 million); Guyana ($41 million); Barbados ($21 million); and Dominica ($20 million).

The resources available to the Bank are generally earmarked to finance the foreign exchange costs of projects and, to a limited extent, some local currency costs. Yet, having regard to the economic circumstances of its borrowing regional member countries, the Bank, in practice, simply requires the borrower to make an appropriate contribution to the cost of the project. Loans from the CDB encompass a wide spectrum of economic activities which collectively reflect the developmental imperatives of the region.

During the last 10 years financing has been distributed over the following sectors:

Sector	**Amount (US$000)**	**%**
Agriculture	79,779	25.8
Industry	49,180	15.9
Housing	26,118	8.4
Ports	29,223	9.4
Other infrastructure	105,491	34.1
Tourism	11,614	3.7
Student Loans	3,078	1.0
Other	5,130	1.7
Total	**309,613**	**100.0**

This distribution is consistent with the role each sector has to play in the move towards national and regional development in the Caribbean.

In agriculture, the CDB funds programs which attempt to redress the constraints to agricultural development including poor agronomic practices, insufficient credit to farmers, inadequate marketing and agricultural infrastructure.

A large portion of the program is channelled through national lending institutions for on-lending to small farmers. The remainder represents direct financing in areas of livestock, fisheries, estate and farm development, banana development, sugar cane, irrigation, packaging and minor processing and marketing.

In infrastructure, the CDB's lending program has been influenced by the inadequate transportation and marketing arrangements throughout the region. Accordingly, funding has been provided for port and airport facilities, feeder roads in banana producing areas, electricity, water supply and for school building programmes.

In industry and tourism, assistance has been provided in such areas as agricultural processing, footwear, plastic manufacturing, manufacture of packaging materials, the construction of industrial estates and for the manufacture of building materials. In addition, assistance is provided for the development of tourism enterprises, thereby taking advantage of climatic, geographic and topographic features.

Business opportunities abound for Canadian companies desirous of becoming involved in bank-financed projects. Such projects involve consultancy services, the supply of goods and services and construction contracts.

Canadian consulting companies should formally register with the Consulting Services Division of the CDB, to avail themselves of the opportunity to submit proposals since the Bank requires a geographic spread in its short-listing operations. The contact is:

**Consulting Services Division,
Caribbean Development Bank,
P.O. Box 308, Wildey,
St. Michael,
BARBADOS, W.I.**

To maintain current intelligence regarding the development of new projects, Canadian companies often associate themselves with local agents or local counterpart companies. In general, international competitive bidding is normally followed with pre-qualification of contractors required in civil works contracts. With respect to consultancy services, short lists are drawn up from a longer list of apparently suitable candidates. Short-listed consultants are invited to submit proposals, with the best proposal invited for subsequent negotiations.

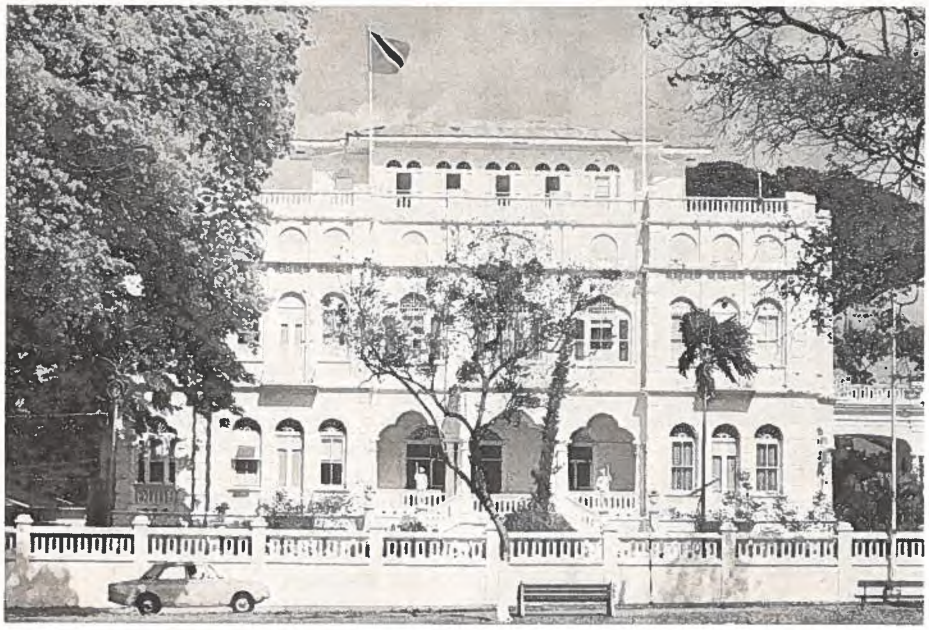
The CDB endeavours to make information about procurement opportunities available to interested companies. On a regular basis, the Bank provides to its Executive Directors Monthly Operational Information listing various projects in the pipeline which are under consideration by the Bank.

This information in funnelled to prospective Canadian companies through the offices of the Canadian High Commission in Bridgetown and/or the Trade Commissioner Service in Port of Spain.

This information is also available through the Multilateral Project Opportunities Listings which appear in Canada Commerce.

Trinidad and Tobago's unique concept of national development opens the door to Canadian firms desirous of doing business in that area. Already, Canadian companies — represented by Industry, Trade and Commerce — are engaged in various projects, many of them the result of the islands' national development policy.

Government-to-Government Agreements help Increase Canadian Involvement



Whitehall, Office of the Prime Minister

How does an underdeveloped country with new oil wealth move forward as quickly as possible?

In the case of Trinidad and Tobago, the increase in world oil prices in 1973 commenced a spiral in government revenues resulting from the country's production of 200,000 barrels of oil per day.

The financial leverage effect on the relatively small population of 1.1 million inhabitants of the sister islands was immediate. Like any developing country, Trinidad and Tobago not only wanted to move out of the category of "underdeveloped" as quickly as possible but, because of its heritage of a well-educated population, wanted to execute development plans with its indigenous personnel resources.

A national policy was evoked which called for maximum use of the country's hydrocarbon resources, particularly natural gas, in the establishment of a major multi-industry, industrial complex at Point Lisas, a partially reclaimed area on the Gulf of Paria between the capital, Port of Spain, and San Fernando — the second city of the country and the capital of the oil service industry.

To implement this plan, the government pulled together leading Trinidadian technocrats, many of whom were lured back from the U.S. and Canada. This Co-ordinating Task Force, which has now evolved into the National Energy Corporation, executed a policy of establishing joint ventures with multinational firms to develop, at Point Lisas, industries either utilizing or processing natural gas.

The flagship of Point Lisas is the Iron and Steel Company of Trinidad and Tobago (ISCOTT) which, with EDC financing, was engineered by Hatch Associates of Toronto and includes substantial Canadian content.

On the non-industrial side of the country's development aspirations, improvements to its infrastructure were woefully behind schedule and, in some cases, choked by the immensity of the work to be done.

In 1978, the late Prime Minister, Dr. Eric Williams, had the foresight, wisdom and political will to introduce a concept: "Government-to-Government Agreements".

Under this concept, Dr. Williams invited certain foreign governments to assist Trinidad and Tobago in different infrastructure projects — with all costs being borne by the Government of Trinidad and Tobago. With the condition of providing some of its own government staff to monitor the projects and act as advisors, the participating governments were assured that companies from their respective countries would receive major contracts.

To ensure that its own consulting and construction firms benefitted from this novel approach, the Government of Trinidad and Tobago, when making final contract awards, is placing great emphasis on foreign/Trinidadian joint ventures and plans for technology transfer.

Through the Government-to-Government Agreements Canada, as represented by Industry, Trade and Commerce, was invited to: (a) redevelop Piarco International Airport in Trinidad and Crown Point Airport in Tobago, and (b) establish a maximum security prison.

To date, a consortium headed by Montreal Engineering, has completed a $300,000 airport masterplan for the two sites and MBL Construction of Windsor, Ontario, in association with a Trinidadian construction firm, has been awarded an $11.6 million contract to rehabilitate the present runways at both sites. The airport works are being monitored by Transport Canada staff.

Concordia Management Limited of Montreal has been awarded a $2 million contract to project manage the Golden Grove Prison Project which is receiving advice from Public Works Canada and Correctional Services Canada. Yet to be implemented is an approved $19 million interim works program at the airports and later, once approved, the phased $300 million airport masterplan.

Canada has been assured a major role in these projects. **Canadian companies must still show that they are interested, capable and have competitive prices for Canadian industry to maximize the benefits from this unique opportunity.**

Canadian companies interested in the prison project should provide information on their products or services to: **Project Director, Golden Grove Complex Project, 8 New Street, Port of Spain, Trinidad and Tobago.**

Similarly, for the airport projects, expressions of interest should be addressed to: **Project Director, Airports Development Project, P.O. Box 1246, Port of Spain, Trinidad and Tobago.**

In all cases, copies of correspondence should be sent to: **Commercial Counsellor, Canadian High Commission, P.O. Box 1246, Port of Spain, Trinidad and Tobago.**

Selling to the U.S. Federal Government

by George A.H. Wright, U.S.A. Trade Development Bureau

As reported in the December 1980 issue of Canada Commerce, January 1, 1981, marked the beginning of a new era in government procurement for Canada, the United States, the countries of the European Common Market, Switzerland, Austria, the Nordic countries and Japan. This was the effective date for the GATT Agreement on Government Procurement which is designed to open a substantial portion of government procurement to international competition on a non-discriminatory basis.

One year later Canadian producers should be particularly interested in the improved access to the massive supply requirements of the U.S. Federal Government. This includes goods purchased by major U.S. government departments as well as a broad range of other agencies and commissions.

Important examples are: the General Services Administration; the Department of Health, Education and Welfare; "non-military" purchases of the Department of Defence; the National Aeronautics and Space Administration; the Civil Aeronautics Board.

The Agreement includes most products procured by the government with the exception of services (unless associated in a minor way with a product supply contract), certain items purchased by the Department of Defence, and a short list of other agencies such as the Tennessee Valley Authority. The only universal stipulation with respect to procurement is that the estimated value of the contract be in excess of U.S. $196,000 (SDR 150,000, or approximately Canadian $240,000).

Agreement Requirements

The Agreement requires a high level of transparency in the purchasing procedure so that justice is not only done but is seen to be done. The United States, as a signatory must:

- publicize their methods of procurement;
- qualify your firm as a potential supplier (providing stated technical requirements are met) or provide substantial reasons why your firm does not qualify;
- advertise proposed purchases in prescribed publication (e.g. "Commerce Business Daily") in advance of the bid date (a minimum of 30 days) and provide reasonable information on request;
- accept your bid if it meets the stated conditions, or provide an acceptable reason for rejection;
- evaluate bids using only criteria specified in the documents and treating all bids equally;
- advise all unsuccessful bidders within seven days of a contract award;
- if requested by another government, provide details of winning bid, including price;
- establish a contact point responsible for providing necessary information to potential bidders and to resolve difficulties and complaints.

What to Do

The key to penetrating this market is knowing which departments and agencies buy specific products.

Fortunately, there are U.S. publications which provide this information. The best one is "U.S. Government Purchasing and Sales Directory" (stock no. 045-000-00153-9) published by the U.S. Small Business Administration. Copies may be obtained by sending U.S. $4.50 to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. This publication is NOT available through the Canadian Embassy in Washington.

Once the correct buying office has been determined for a given product, the Canadian exporters, as do U.S. manufacturers, must register with the particular department or agency as a potential supplier. This procedure may or may not include some sort of prequalification which will be unique to that particular department or agency.

When it becomes necessary to obtain a given product, the procurement officer will pull a number of suppliers' names from a revolving suppliers' list. He (or she) can also arbitrarily select additional firms to improve the chances that the firms on the list will, in fact, submit appropriate bids. These firms will all receive unsolicited copies of the bid documents. The requirements will simultaneously be published in the "Commerce Business Daily" in order to inform those firms not receiving unsolicited bid documents. The key, obviously, is to become one of the firms which is arbitrarily included on the document mailing list. This is accomplished primarily by calling on the procurement officer (they cover specific product areas) on a regular basis. In most cases, a visit once every three months would be sufficient.

Additional information about this Agreement as well as general information about non-military procurement by the U.S. Government is available from: G.A.H. Wright, U.S.A. Trade Development Bureau, Department of Industry, Trade and Commerce, 235 Queen St., Ottawa, Ontario, K1A 0H5.

On August 27, 1981, IT&C Minister Herb Gray introduced new federal government initiatives to help Canadian industry and workers to supply goods and services, on a competitive basis, for major projects in Canada. Mr. Gray announced three initiatives: industrial benefits, objectives and guidelines for owner/sponsors of major projects; the formation of a Committee on Mega-project Industrial and Regional Benefits to replace the former Advisory Committee on Industrial Benefits; and the creation within IT&C of an Office of Industrial and Regional Benefits. To explore the rationale for these new initiatives and how Canadian businessmen can take advantage of them, Canada Commerce interviewed H. Anthony (Tony) Reynolds, Director General of the new Office of Industrial and Regional Benefits.

Major Projects Spell Major Opportunities

Commerce:
Mr. Reynolds, perhaps you would begin by explaining what is meant by a major project or megaproject?
Reynolds:
We use the terms major project and megaproject interchangeably, and for our purposes we've defined a major project as one in which there is a minimum capital investment of $100 million. This is an arbitrary, general definition, I know, but it was necessary to establish some kind of a criterion or investment cut-off point. This one now seems to be widely accepted in Canada. We've identified 235 such projects that are underway or expected to start in Canada before the end of the decade. A substantial proportion relates to the development of Canada's natural resources — mainly oil and gas or petrochemicals projects and a good number, as well, of electrical power generation and distribution projects. Other industrial sectors principally affected by megaproject activity are transportation, industrial minerals, metal mining, primary metals and forest products.

Commerce:
How much will be invested altogether and how will the investment be distributed across Canada?
Reynolds:
We estimate about $256 billion in constant 1980 dollars will be invested in the 1980s in these projects. Projects in western Canada and the North will account for 63 per cent of major project investment. Of all investment in hydrocarbon development, about 60 per cent is expected to occur in the Yukon, the Northwest Territories and off the shores of Nova Scotia and Newfoundland. In other words, in areas known as Canada Lands, with another 25 per cent in Alberta.

While the regions in which major projects are located should be, and will be, the first to benefit from such investments, the federal government wants to ensure that every region of the country shares in the spin-offs.

Commerce:
Is this the reason for the federal government's new initiatives?
Reynolds:
It's one reason, yes. What we are looking at is an unprecedented increase, not only in the level but also in the compexity, of major project activity. If Canadians can capture a fair share of them, the opportunities offered by this activity are enormous — for increasing employment, for expanding our manufacturing and service sectors, for restructuring depressed industries, for diversifying and improving regional economies, for acquiring and developing new technologies and engineering skills that will make Canada more competitive in foreign markets.

Commerce:
You say, "if Canadians can capture a fair share". There is some doubt, then?
Reynolds:
Megaproject benefits do not, and will not, fall automatically into our laps. While it's true Canadians are the primary beneficiaries of certain kinds of project, there is room for a great deal more Canadian participation and content in other projects, particularly in hydrocarbons and petrochemicals projects where, as I have indicated, most activity will occur. For Canadians to obtain a fair share of megaprojects benefits, certain problems and obstacles must first be overcome.

Commerce:
What are some of these obstacles?
Reynolds:
Well, the scale and nature of major projects is such that many are being undertaken by foreign-owned multinationals. These firms have a natural and understandable tendency to retain engineering and construction firms with which they have developed long-standing ties based on proven experience and reliability and which are frequently foreign-based.

These engineering firms, in turn, look to their traditional suppliers for materials and components and these suppliers are also frequently foreign-based. In some cases the engineering firms may design processes so closely around those familiar components that Canadian suppliers would be at a severe disadvantage, even if competitive and given the opportunity to bid.

Another difficulty is that project sponsors are not always fully aware of Canadian supply capabilities, or may view Canadian suppliers as untried and therefore a higher risk. This applies particularly to Canadian engineering and project management firms. Another inhibiting factor is that potential Canadian suppliers may be unaware of major project opportunities or learn about them too late to become eligible as bidders.

Commerce:
And the federal government initiatives will help to overcome some of these problems?
Reynolds:
They are having an effect already, I think. The initiatives have a three-fold purpose: to ensure Canadian manufacturers and service companies obtain full and fair access to megaproject opportunities; to develop Canadian industry so that it can gain the maximum advantage and experience from megaprojects; and to strengthen the capability of the Canadian engineering and construction industry.

This purpose is reflected in the objectives and guidelines Mr. Gray announced for owner/sponsors of major projects. The guidelines indicate what sponsor companies should do to meet the government's expectations — for example, provide prospective Canadian suppliers with timely information on planned procurement of goods and services; submit details of their manpower and procurement policies, principles and plans for review before signing contracts with suppliers; indicate to unsuccessful Canadian bidders where they fell short so they will have a chance to improve their prospects next time.

Commerce:
Are owner/sponsors obliged to adopt the federal government's objectives and guidelines?
Reynolds:
Compliance is compulsory for owner/sponsors operating on federal territory.

The industrial benefits provisions of the new Bill C-48, an act to govern oil and gas exploration and development on Canada Lands, makes this clear. For major projects being undertaken elsewhere in Canada, compliance is voluntary.

Commerce:
How are the guidelines being implemented?
Reynolds:
Through the new Committee and Office.

The Committee on Megaproject Industrial and Regional Benefits, or C-MIRB, has replaced the Advisory Committee on Industrial Benefits, which the federal government set up in 1975.

Like its predecessor, C-MIRB has provincial and territorial membership and includes representatives from the core federal departments of IT&C, Employment and Immigration, Regional Economic Expansion, Energy, Mines and Resources and Indian Affairs and Northern Development.

The Committee's responsibility is to ensure that owner/sponsors meet the industrial benefits provisions of Bill C-48 and to encourage increased Canadian participation and content in all major projects undertaken in Canada.

Broadly speaking, the Committee's role is to review a project owner/sponsor's development, procurement and manpower plans.

This involves examination of lists of potential bidders, adding, where necessary, the names of Canadian firms capable of supply into the project and, in selected circumstances, participation with the owner/sponsor in the bid evaluation process.

Commerce:
And how does your own Office of Industrial and Regional Benefits contribute to this activity?
Reynolds:
My Office is the operational arm of the Committee and as such provides the necessary secretariat and research and analysis expertise.

In this role, the Office is very much concerned with the review and assessment of procurement plans, particularly those that must meet the requirements of Bill C-48. It also acts as the liaison or focal point for major project sponsors, federal and provincial government departments and agencies, and Canadian suppliers of goods and services.

In addition, the Office has had the special job of coordinating the federal government's response to the recommendations presented in the report of the Major Projects Task Force.

Commerce:
That's the Blair/Carr Report?
Reynolds:
Yes. The Task Force was established in 1978 by the Minister of IT&C, together with his provincial counterparts, to investigate the impact of major projects on the Canadian economy.

Seventy representatives from industry and labour participated and produced their report last June. It contained some 50 recommendations.

Commerce:
Do these new government requirements place a burden on private industry trying to do business in Canada and will they result in a major increase in the bureaucracy?
Reynolds:
Much of the work associated with developing employment and procurement plans is undertaken by firms as a matter of course for their own planning purposes. The kind of plans the government is asking private industry to submit should only be a small addition to this normal project planning process.

The new requirements, I feel, are not unduly bureaucratic. The procedures envisioned follow very much the pattern established by the Advisory Committee on Industrial Benefits which functioned efficiently and effectively for several years without creating major difficulties for industry.

Commerce:
The initiatives have been criticized in some quarters on the grounds that they discriminate against foreign-controlled companies. How would you respond to such charges?
Reynolds:
The federal government has neither the intention nor the desire to exclude foreign firms from participating in Canadian megaproject activity.

Indeed, the level of this activity promises to be so high that there will be unprecedented opportunities for both foreign and domestic participation, and foreign expertise, products and services will continue to make a vital and welcome contribution. The federal government has taken steps to ensure that our initiatives are fully consistent with Canada's international obligations under the GATT.

The industrial benefits provisions of Bill C-48 make clear that the objective of promoting "full and fair" competition is non-discriminatory and these provisions will be applied equally to all firms operating in Canada, whether domestic- or foreign-controlled.

The mandate of the new Committee and Office is to afford full, fair and competitive opportunities for Canadian suppliers, and to provide contractors and suppliers with information that will help to ensure a competitive bidding environment.

Commerce:
Does the Committee have the power to force sponsor companies to use Canadian sources of supply?
Reynolds:
As a committee, we have the power of persuasion and our abilities to prove that sourcing in Canada makes good business sense. Sponsor companies are beginning to realize that increasing Canadian participation and content in their projects may bring advantages to themselves over the long-term — proximity and convenience of supply sources, for example, lower transportation costs, life-cycle service support, and avoidance of paper burden and additional costs associated with duty, currency exchange and work permits.

However, with respect to Canada Lands and the provisions of Bill C-48, ensuring "full and fair" access to Canadian suppliers will be a major factor to be considered by Government in the granting of licences.

Our view is that the firm can do a much better job of optimizing industrial and regional benefits by appointing its own industrial benefits officer.

Along with the engineer (who is concerned with effectiveness and efficiency) and the procurement officer (whose mandate is best value and logistics), the industrial benefits officer would push for: early identification of requirements for goods and services; the purchasing of these to permit widest Canadian participation; and the development of programs to seek out and inform potential Canadian suppliers.

Commerce:
In summary, what concrete steps would you advise sponsor companies to take if they wish to meet the federal government's industrial benefits expectations?
Reynolds:
I would first advise them to include "Canadian industrial benefits" considerations in their procurement processes and establish procurement policies in line with the federal government's objectives and guidelines. This could well mean allotting personnel to facilitate and monitor the realization of industrial benefits.

Second, I would suggest that they arrange to make a presentation, at the earliest possible opportunity, of their employment and procurement plans before the Committee. Third, that they co-operate with potential Canadian suppliers by giving them adequate information on project requirements and timely access to bidding opportunities. The conducting of special seminars for suppliers is one way to accomplish this.

Fourth, that they be prepared to work with Canadian firms which have a latent supply capability to help them develop this competitive potential.

Finally, I would like to see sponsor companies make a particular effort to encourage a significant participation by Canadian engineering and project management firms in their projects.

Commerce:
Let's now examine some of the specific ways in which the new initiatives can help Canadian suppliers. You have indicated, for example, that your Office will be seeking to improve the exchange of information between sponsor companies and Canadian suppliers.
Reynolds:
As you can understand, much information reported by companies to the Committee is commercially confidential and cannot be disclosed without impairing the competitive process. However we are also collecting general information on major projects for distribution to potential suppliers.

An example is the inventory we have just published of major capital projects up to the year 1990. This not only lists and describes each project, but also identifies the project sponsors with whom would-be suppliers can make direct contact for more detailed information.

Beyond this, however, I anticipate that the Office will eventually see that better and more timely information is made available to Canadian suppliers on individual projects — including supply/demand analyses, for example — so that the supplier can take advantage of specific market opportunities and make more effective investment and marketing decisions.

We are also investigating a range of systems for making sponsor companies better aware of Canadian supply capabilities.

Commerce:
Does your Office have any financial assistance programs to help would-be suppliers gear up to take advantage of megaproject opportunities?
Reynolds:
In general, the Office plays a catalytic role with respect to industrial benefits opportunities and administers no funding programs of its own.

However, the full range of assistance programs administered elsewhere in IT&C and by other departments may be brought to bear, if necessary, to help promising companies.

I am thinking particularly of IT&C's own Enterprise Development and proposed new Industrial Opportunities Programs, and the regional development incentive grants administered by the Department of Regional Economic Expansion.

Commerce:
What advice would you give to Canadian companies seeking to take advantage of megaproject opportunities?
Reynolds:
Establishing contact with the nearest IT&C regional office or with our Office is the best way to start.

The Office of Industrial and Regional Benefits can help identify opportunities and provide available information on existing and planned projects. We can suggest ways in which suppliers can make their capability better known to sponsor companies and advise them as to which sponsors to contact. We can direct them to the appropriate industry sector branches in IT&C to see if they are eligible for assistance under the federal government's various programs.

Potential suppliers should not neglect the services offered by their provincial governments. Most provinces are establishing their own industrial benefits offices and adopting policies and programs to encourage competitive provincial sourcing.

The federal government will, of course, be working very closely with the provincial governments, as we will with private industry and labour, to develop mutually satisfactory strategies and plans for increasing Canada's share of megaproject benefits.

Commerce:
Do you foresee a large increase in the size of your own operation?
Reynolds:
Although we will have to increase the size of our present small complement of officers and support staff somewhat, we anticipate most of our technical and analytical strength will be drawn from existing units of government — the industry sector branches of IT&C, for example. Other expertise will be provided by departments such as Energy, Mines and Resources. The task of the Office will be to make the best use of this pool of talent to meet our objectives.

Commerce:
What do you see as your priorities at the present time?
Reynolds:
Well, in addition to an intensive schedule of review of individual projects and developing the systems required to keep a close tab on the progress of major projects underway . . . and to preparing recommendations for policy decisions that the committee can carry forward for ministerial action . . . I would say our major responsibility is to make Canadians aware of the great opportunities that can be theirs if industry, labour and government work together to make it happen.

Commerce:
It is a tall order and one that we at Commerce will be following closely for our readers.

The Man in the Job

T.R.G. (Tom) Fletcher is Assistant Deputy Minister, Tourism, IT&C.

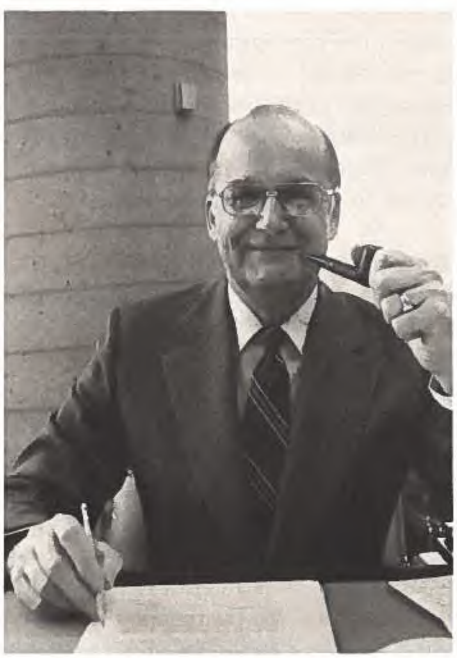
Born in Toronto, he graduated from U of T. with a Bachelor of Commerce degree. He entered the Canadian Army in 1942, and after service in England and Europe, retired in 1945 with the rank of captain.

Later that year, Mr. Fletcher began his career with the Foreign Trade Service of the Department of Trade and Commerce. In 1946, he was posted to Melbourne, Australia as Assistant Trade Commissioner and in 1950 became Trade Commissioner in Hong Kong. During 1954 he served temporarily as Acting Commissioner of the Canadian Delegation to the International Supervisory and Control Commission in Cambodia.

He returned to Canada in 1956 to attend National Defence College and the following year became Director of the Trade Publicity Branch, Executive Director of Trade Commissioner Service in 1960 and Director in 1962. In 1964 he was appointed Assistant Deputy Minister in charge of External Trade Promotion.

Since 1968, when the departmental Office of Tourism was established, Mr. Fletcher has been associated with all facets of tourism and, since 1973, has headed the Canadian Government Office of Tourism (CGOT) as ADM Tourism.

He has represented Canada at a number of world travel congresses, is a member of the Alliance of Canadian Travel Associations, the American Society of Travel Agents and other tourism-related organizations. He is married to Barbara Watkinson of Saskatoon. They have two sons.



To better understand the workings of a Department as complex as Industry, Trade and Commerce, Canada Commerce has arranged a series of interviews with the various Assistant Deputy Ministers covering their particular areas of responsibility. In previous issues we have examined Economic Policy and Analysis (June/July '80); Finance (October '80) and Trade Commissioner Service and International Marketing (July/August '81). In this installment, Bob McDonell of Commerce examines the workings of the Canadian Government Office of Tourism with Tom Fletcher, ADM Tourism.

Focus on Tourism. .

Commerce:
Mr. Fletcher, tourism in Canada seems to be an area in which every segment of society has a stake, each competing vigorously with the other for a piece of the tourist dollar on an area, regional, and provincial basis. In this context, what is the role of the Canadian Government Office of Tourism?

Fletcher:
It is agreed amongst federal and provincial or territorial ministers concerned with tourism that, in Canada, responsibility for tourism is a shared jurisdiction. Ministers are agreed that both levels of government have valid, if somewhat different, reasons for promoting or developing tourism.

There is also concensus among ministers that common goals are to eliminate, or at least minimize, unnecessary duplication and to collaborate on co-ordinating respective activities to maximum mutual benefit. Thus, since CGOT has been assigned main federal government responsibility for tourism through the minister of IT&C, an important part of our role is to co-ordinate the efforts of all levels of government and the private sector to promote the continued growth and development of the tourism industry throughout Canada.

Commerce:
Given the natural rivalries between regions and provinces in Canada this seems to be a difficult task. How does CGOT address the problem?
Fletcher:
The objective of the departmental Tourism Program is to sustain the orderly growth of tourism in Canada but,

since the Minister of IT&C has no jurisdiction over any of the other federal departments and agencies which influence tourism directly or indirectly, our task is to sensitize these other parts of the federal government to the relative importance of tourism, to the effect on tourism that their policies and practices do have or might have, to keep their policies and practices under review with the aim of bettering them where tourism is concerned, and finally, to harmonize and co-ordinate this entire spectrum of federal activity to the best advantage of tourism.

In addition, as already stated, we strive to co-ordinate this federal activity, including that of CGOT of course, with like activities of the provincial and territorial tourism authorities and of the private sector through a series of measures. While each entity has its own policy, objectives, priorities and strategies, the amount of common ground is much broader than the differences. Our co-ordination efforts are well received and response is gratifying.

Commerce:
You mentioned various other government agencies at the federal level which impact on tourism. Could you give some examples?
Fletcher:
Prominent amongst the group are the Canada Employment and Immigration Commission responsible for manpower supply and training; the Department of Energy, Mines and Resources with its mandate for energy — an increasingly important factor in tourism; External Affairs — the granting of travel visas and negotiation of bilateral air agreements; Environment with its concern for environmental aspects of tourism and its responsibility for Parks Canada; The Federal Business Development Bank which provides loans, equity investment and management training for tourist operators; Fisheries and Oceans which controls much of the sports fishing segment of the industry; Finance and its taxation policies; Regional Economic Expansion which negotiates tourism industry development sub-agreements with the provinces; the Secretary of State concerned with the arts and culture; Transport Canada which regulates air, rail and sea facilities and services; and Statistics Canada which provides travel and industry data.

Commerce:
There must be many new factors which are affecting tourism or that will have an impact on tourism throughout the '80s. Could you give us some examples of these?
Fletcher:
I have already mentioned one in passing — energy. The world oil situation has had a significant effect on the cost of travel and, in particular, on North American use of the automobile for vacations. We discern an appreciable drop in the number of touring vacations — that is where family or friends load up the family car and head out on their vacation driving for half their holidays on the outward trip and turn around and drive back during the remainder. Auto travel today is largely confined to the one day trip or, what is called in the trade, 'the full-tank-of-gas-trip'. This in turn has created an upsurge in 'destination travel' where the vacationing family travels by bus, train or air to a set destination and confines its touring to day trips by local bus, rented car or short tour bus excursions.

As gasoline prices increase, we believe that this destination holidaying will also increase. In turn, demands for public transportation, tours and rented cars will also increase.

Concurrently, we see a sharp increase in demand for full-service vacations at year-round resort complexes such as Whistler in B.C. and Mont St. Anne in Quebec.

With increased vacation time, long weekends, greater affluence, two working adults in families, greater freedom for single people, there is also a tendency for split vacations — for example a winter holiday for skiing or other winter sports and a summer one at the lake or seaside.

Another trend is the development of condominium resorts or shared-use facilities where the facility is owned by a number of people, each having their particular time to use the facilities. This type of holiday accommodation is likely to expand significantly as costs of individual retreats such as cabins, cottages and lodges increase.

For the industry as a whole, I find an increasing sophistication.

In addition to getting away from it all, there is a tendency for the tourist to want all the comforts of home away from home. Except for those rugged individualists whose idea of a good time is a two-week to two-month safari into the wilds of Canada, most tourists today demand the very latest in convenience and comfort. The industry is responding to these demands not only with better accommodation and service, and a greater variety of things for the traveller to enjoy but also more sophisticated means of informing and booking people on package tours or into resorts and onto bus, train, air and sea voyages.

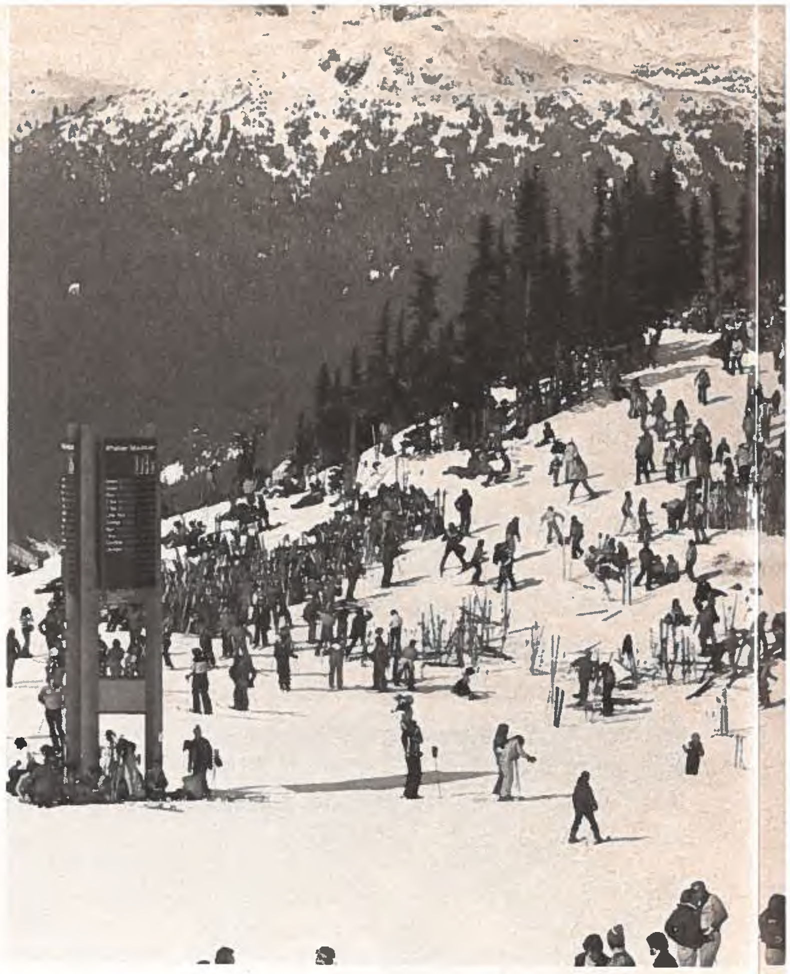
I also detect a trend to better training of staff, particularly through community colleges and industry-sponsored short courses.

Commerce:
The tourist industry has always been plagued by a poor labour relations image — low pay, long hours, seasonal and short tenure employment. Is this image changing?

Fletcher:
It is true that the tourism industry, as do most service industries, has a poor public image. Too many people, I fear, equate service with servility. It is an image that the industry is striving to overcome, through better training and working conditions. Clearly, tourism jobs are both skilled and unskilled.

Tourism provides an excellent opportunity for the small entrepreneur — the family oriented businessman or woman; business experience for the student; jobs for our ethnic minorities; part-time work for housewives. After all, the tourism business in Canada is largely made up of small- to medium-sized enterprises and provides 1,100,000 direct or indirect jobs for the Canadian economy, some nine per cent of the labour force.

Commerce:
May we turn now to the internal workings of CGOT and how it carries out its federal mandate?

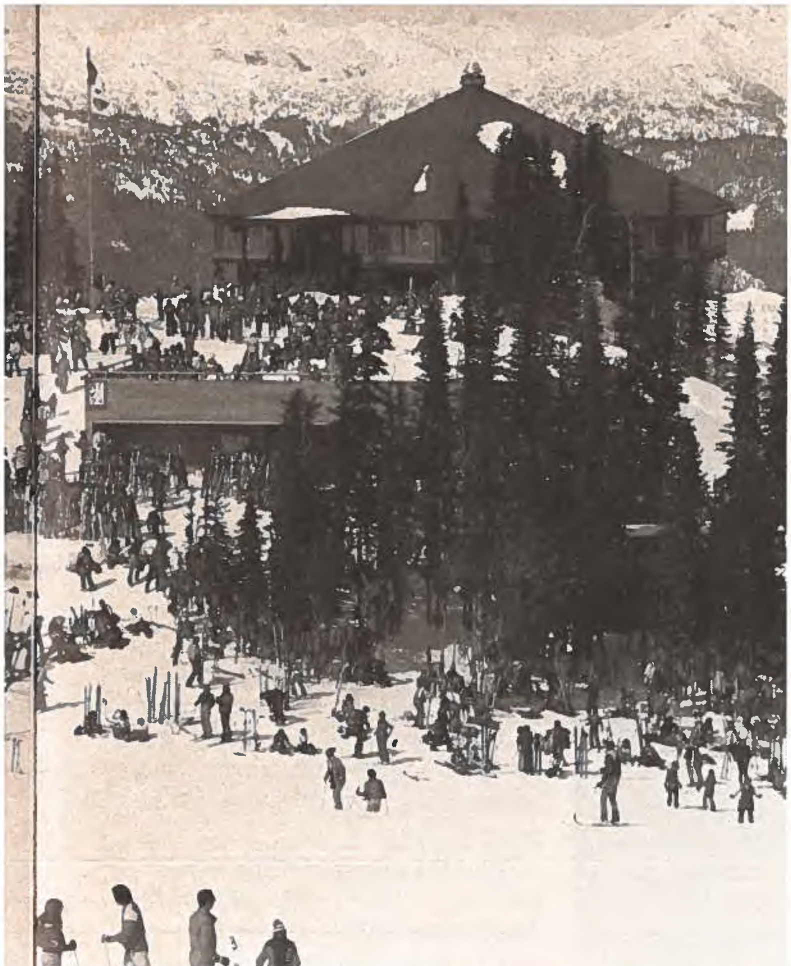


Fletcher:
The mandate is set out in the Department of Industry, Trade and Commerce Act which charges the Minister with a series of responsibilities where tourism is concerned. In fact Mr. Gray has delegated these responsibilities to his associate Mr. Lapointe, Minister of State for Small Business and Tourism.

In response to the formal objective to sustain the orderly growth of tourism in Canada, we have identified four sub-objectives:

- **To increase the total effective demand for Canadian travel facilities and services; i.e. the promotion of travel to and within Canada;**
- **To expand and increase the efficiency of the Canadian travel industry; i.e. tourism development work;**
- **To contribute to the maximum co-ordination of federal, provincial and private activities bearing on tourism;**
- **To provide and maintain a centre of information on tourism.**

To address these sub-objectives, the CGOT is organized into four cadres — policy planning and co-ordination; tourism marketing; tourism development; and administration. These entities are further broken down into sections, for example, tourism marketing comprises



marketing communications; three areas of field operations — Canada, U.S. and overseas; and special markets.

Our marketing opportunities are great — We have a quality travel product which is being enhanced in new, expanded facilities on the one hand, plus the advantages of a depreciated Canadian dollar, generally lower inflation rates and lower energy costs than many other countries, on the other. Canada is an attractive, affordable and competitive destination.

But we have to keep informing our markets, effectively and efficiently, or we will lose out to our competitors. This, then, is the task of marketing, both through media advertising and through field staff at departmental offices here in Canada, the U.S. and abroad.

On the supply side, it is the responsibility of tourism development to assure that the Canadian tourism product remains competitive — both in terms of cost and attractions offered. This includes encouraging the private sector to enhance its productivity and to upgrade and expand facilities and requires us to work for an investment climate suited to the industry.

Commerce:
What of the future?
Fletcher:
Perhaps our single most important effort at present is the development of a National Tourism Plan. First requested by the private sector in 1978, the Plan will be published next year. It will be an amalgamation of the respective provincial, territorial and federal strategies for tourism, to the extent that they are available.

To my mind the challenge here is to the private sector: to work with relevant tourism authorities to contribute to these individual strategies so that the contents best serve industry needs. Government will also want assurance that industry knowledge of the plans is being turned to advantage.

It is expected that the Plan will be updated every few years as conditions warrant.

Commerce:
Thank you Mr. Fletcher and we look forward to promoting the National Tourism Plan when it is released.

The Tourism Industry in Canada. . .

- In 1980, tourism generated an estimated $14 billion in revenues.
- Of this $3 1/3 billion came from U.S. and overseas visitors; $10 2/3 billion from domestic travel.
- This ranks tourism among the top seven foreign exchange earners.
- Tourism revenues constitute 5 per cent of gross national product.
- From 1971 to 1978, annual real growth in tourism was 5 per cent, surpassing that of the economy as a whole by almost one per cent.
- Tourism involves more than 100,000 businesses, mostly small, and overwhelmingly Canadian owned.
- It provides one of every 11 employed Canadians with their jobs.
- Total employment is approximately 1,100,000 persons.
- Tourism spreads economic benefits to all regions of the country.
- Last year, all levels of government received taxation benefits of some $6 billion from tourism.

In the high technology world of data communications, there is the constant need for innovative work, research and development. Funding for such projects is not always easy to obtain — as Develcon Electronics Ltd. discovered. However, once established, the company received innovative and market development assistance from Industry, Trade and Commerce through its EDP and PEMD programs. Today Develcon is. . . . .

A Company Switched on to Communications

by Don Wight

When it comes to expertise in data communications, Develcon Electronics Ltd. stands in the foreground. The Saskatoon, Saskatchewan, company is a leading manufacturer of Limited Distance Data Sets and Dataswitches.

Relatively small, privately-owned and rapidly expanding. . . . That's Develcon Electronics Ltd., a leading Canadian manufacturer of high technology data communications equipment.

The seven-year-old Saskatoon, Saskatchewan, company produces, among other items, Limited Distance Data Sets (modems) and Dataswitchers, microprocessor-controlled data switching devices for data networks.

It was the modulation/demodulation device — modem — developed by early partner George Spark and successfully marketed by company president Nigel Hill that gave Develcon the edge in data communications. In fact, Develcon's modem was more advanced and effective than any similar device being developed at the time by high technology manufacturers in the United States.

Today the company markets many of its products to non-AT&T or independently-owned U.S. telephone companies and to telephone companies in Western Canada and the Maritimes. Other United States clients include the Senate, Hughes Tool, General Electric and a variety of blue chip companies. Many of the clients are repeat customers, a fact which speaks well for Develcon and its products.

What the modem did was make it possible to carry digital computer data for several miles over a four-wire metallic circuit.

Generally, a computer and CRT terminal cannot interface directly with each other at cable distances greater than 15.2 metres (50 feet). However, if the cable is replaced with commercial telephone lines, data can be transmitted over virtually unlimited distances — but at an almost prohibitive cost.

Long-distance dial-up data communications systems were well established throughout North America in the early 1970s — but their use was confined primarily to governments and large corporations who could justify the high costs in the interests of speed and efficiency.

"But," as Nigel Hill points out, "a new data communications market was beginning to emerge; one almost completely ignored by the major electronic manufacturers."

These were the smaller, localized users — university departments, credit unions, commercial branch offices — who frequently had need to access a central computer facility in the same city or on the same university campus. They had no need for long-distance communication say, to Toronto or New York City.

"With the advent of micro and mini computers," continued Hill, "the INTRA-city market for limited distance data set equipment rapidly gained additional momentum."

And Develcon was there, a step ahead of the others, with its modem!

Basically, the system involves connecting a peripheral user to a single data source, simply by leasing a metallic circuit of four copper wires from a telephone company which, normally, has a large unused cable reserve already in the ground. This factor reduces cost. A dedicated circuit then can be tapped to a wall plug at each end.

No handset is needed as the regular switch network has been bypassed. Since the installation is a private data carrying circuit only, it has virtually no bandwidth restriction and can carry digital information from speeds as low as 300 baud to as high as 19,200 — depending on distance.

A popular baud rate of 9,600 bits per second has an effective transmission of approximately 9.7 km (six miles). At 300 baud, it would reach up to 40.3 km (25 miles).

Another big plus is that transmission is cheap — for short-haul distances. And the system is simple. The modem, a compact data box set, attaches to the back of a CRT terminal or it can sit on a desk. Its mate connects to the central processing unit. Their job: "formatting electrical signals in such a way that they are suitable for transmission over a telephone cable and understandable by the computer."

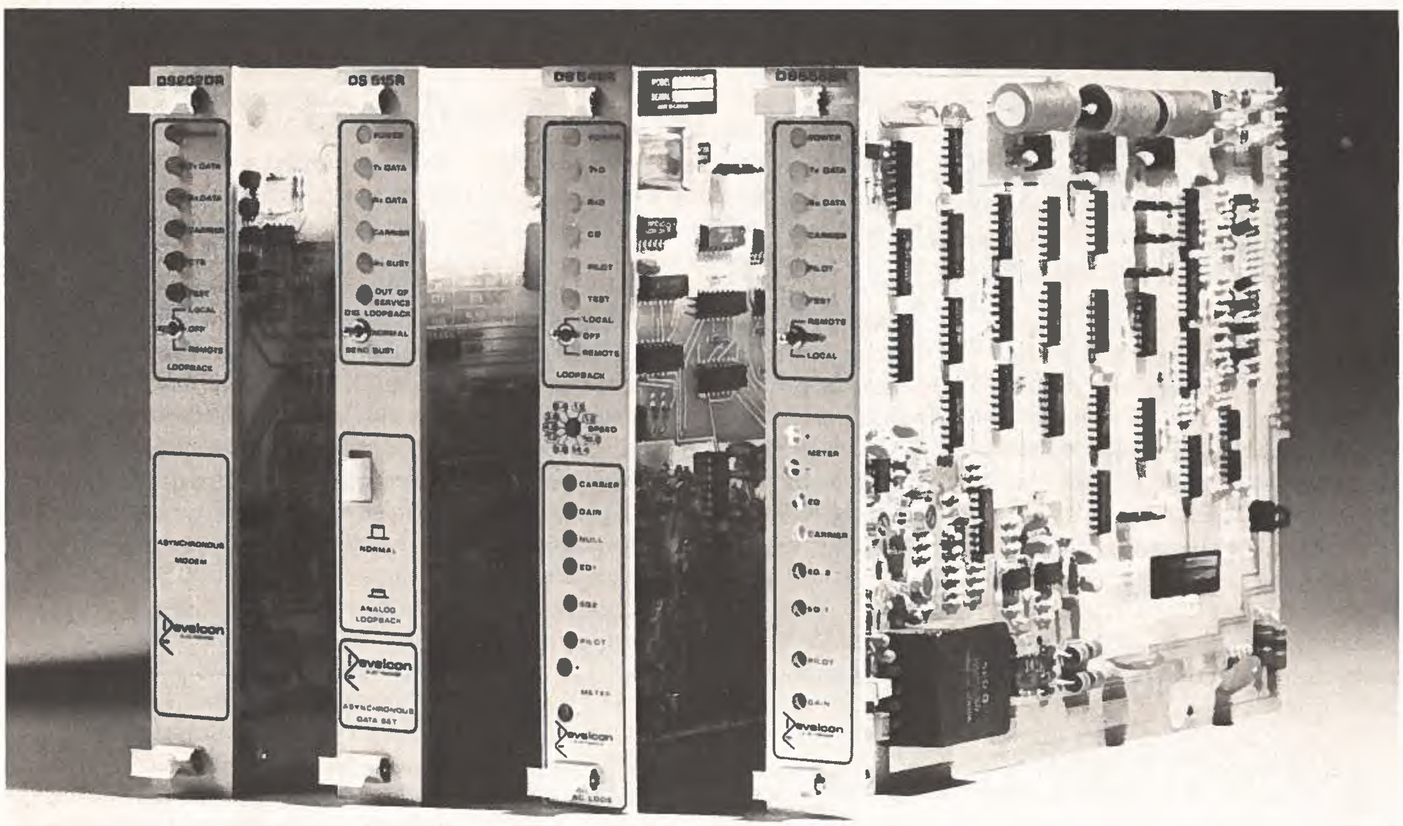
Develcon had a ready market and a top-quality product. But, as often happens with a young company, they found it difficult — just when it was most needed — to get financial backing to carry them through the formative years.

"Initially," says Michael Peacock, Vice-President, Finance, "nobody knew who we were. Chartered banks here were not oriented to high technology operations. No banks were interested — even though we were a high technology company with a 100 per cent growth rate."

Added Peacock: "We were restricted in our growth only by a lack of funds." He noted that, in such a highly competitive field, there is a constant need for research and development; the need to grow and keep ahead of others in the market.

The problem Develcon faced was that prospective or potential financial backers did not understand the nature of the business and thus were afraid to take a risk on the unknown.

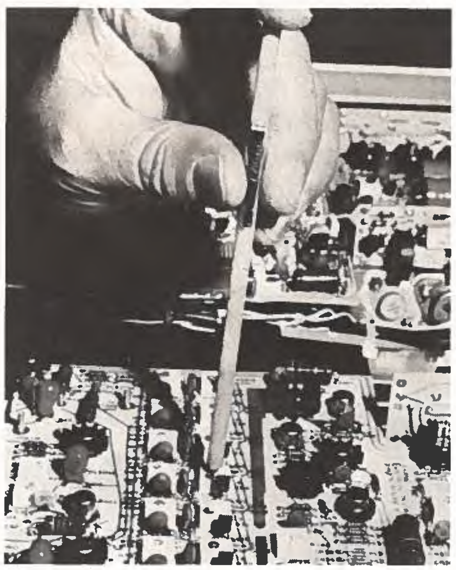
"But high technology is, by definition, a high risk business," said Peacock. "We needed someone to take that risk."



While the company has since received various forms of financial assistance from the provincial and federal governments — and through the Enterprise Development Program (EDP) and the Program for Export Market Development (PEMD) of the Department of Industry, Trade and Commerce — it was the Federal Business Development Bank (FBDB) that initially rose to the occasion.

"The Federal Business Development Bank (which became a shareholder in the company) recognized the risk — and chose to run with it," said Peacock.

"They assisted in our growth. They were venture capitalists." Looking around the now impressive complex, he added with justifiable pride: "They have reaped their just rewards."



With a market firmly established and more orders coming in, it was also time to develop new products.

The company realized that, while its data sets provided high transmission capacity at modest cost, the dedicated metallic circuit had limitations other than distance.

For example, if a computer has 64 input/output ports and is accessed by dedicated circuit, its usefulness is restricted to a maximum of only 64 subscribers.

This may be adequate for internal corporate use but is hopelessly impractical for a university facility being accessed on a time-sharing basis by various levels of government, research groups and individual companies.

In this situation, the long distance telephone modem offers several advantages. Simply by dialing, it enables the user to select the specific computer he wishes to access and to change his selection at will. It also allows hundreds of other users to access that same computer in the course of a single day. If all circuits are simultaneously engaged, some users will have to wait, but the overall usage is dramatically increased.

Through an EDP grant for innovative work, Develcon set about finding ways to overcome the accessing limitations of the dedicated circuit. What they sought was a fully intelligent system that would do for wired data what the telephone does for voice communication.

Develcon engineers began writing the software program and came up with the hardware package that accomplished the breakthrough. They called it Dataswitch.

Like a telephone central office, Dataswitch provides universal access between all data processing facilities and data users in a given subscriber area and interconnects with long distance data network facilities continent-wide.

Designed on a modular principle, a single Dataswitch unit is able to accommodate more than 2,000 subscribers and supports a total of 1,023 simultaneous information exchanges or 'conversations.'

The unit accepts all normal data transmission rates — synchronous and asynchronous — and supports all common asychronous character sets; it handles all connection requests on a first-in, first-out basis; if a requested circuit is busy, it supports the number of waiting subscribers and queues you in; it allows unlimited broadcasting and party line connections and provides continuous system status information via a statistical data channel.

While all these search and connect functions are performed automatically, a System Operator Console permits overriding manual control of individual connections and priorities.

Subscriber-caused service interruptions due to non-observance of correct log-off procedure or other system misuse are identified by printout. The console visually displays system status. During a temporary power failure its integrity is not affected.

When it was developed in 1979, Nigel Hill noted: "At the moment there is nothing on the world market comparable in performance to Dataswitch. Its message-handling capacity is over four times greater than any competitive system known to be under development."

He added: "The reading from the market is that we've made a significant step forward with Dataswitch."

But in a rapidly changing field, Develcon knew it could not rest on its laurels. "Technology can change drastically in only a five-year period," says Michael Peacock. "So already we are working on data switches two and three. In a purely business sense, we must remain competitive."

And it seems likely the company will do just that. In addition to its Canadian and United States clients, the company exports to Britain and West Germany where it has sales representatives. It also has a marketing office in Philadelphia.

As well, Develcon recently moved into a modern new plant in a highly industrialized area of Saskatoon. Fully equipped with ultramodern equipment, the company does all its designing, manufacturing and quality testing right on the premises.

There are more than 100 employees, 20 per cent of whom are high technology engineers engaged in research and development, modifying established products or developing completely new, more sophisticated ones.

"We have been doubling ever since we started," said Peacock. "We are doing a $9,000,000 to $10,000,000 business this current year."

And on a very optimistic note amid the bee hive of activity, he added:

"We are not planning to slow down. We have budgeted to double in size next year, providing we can keep up with technology, remain competitive and there is adequate funding."

Canada's Trade Commissioners from Industry, Trade and Commerce posts around the world will be in Ottawa March 9 to 11, 1982. They and other experts in the export field will discuss export market opportunities with Canadian business representatives. The occasion is HiTEC '82. Consistently successful and one of the longest-running conferences of its type. . . .

HiTEC '82 Set to Mark 20th Anniversary

The Defence Programs Branch (IT&C) 20th Annual High Technology Industries Export Conference — HiTEC '82 for business representatives from Canadian companies involved in high technology products and services — will be held at the Government Conference Centre in Ottawa, March 9 to 11.

HiTEC '82 promises to be the most productive conference to date, with Trade Commissioners invited from more than 35 countries (including 15 posts in the U.S.) as well as representatives from Industry, Trade and Commerce; National Defence; Canadian Commercial Corporation; Export Development Corporation; and several U.S. government defence procurement agencies.

The conference gives industry representatives from Vancouver to St. John's an opportunity to meet Trade Commissioners from Asia, Africa, Europe, Australia and North and South America and discuss market opportunities throughout the world.

While this conference was originally designed to assist Canadian manufacturers enter the highly sophisticated defence products market, the scope has expanded in recent years to include related commercial high technology.

This natural shift in emphasis underlines the important role defence procurement plays in the development of HiTEC capabilities, particularly in the fields of aerospace, electronics and security systems — from precision components to final products.

As a result, the HiTEC Conference has become an annual "must event" for many of Canada's most successful exporting companies.

For further information on the conference, contact the IT&C Regional Office nearest you or:

Defence Programs Branch (32/2)
Industry, Trade and Commerce
240 Sparks Street
Ottawa, Ontario
K1A 0H5
Att: Brian Metcalfe
(613) 992-0356

Spotlight on Energy

Energex '82, the eagerly awaited energy conference and exposition will take place in Regina from August 23 to 29, 1982.

It promises to be one of the largest showplaces on energy and energy conservation know-how ever held in Canada, and possibly anywhere else in the world.

There will be a major exposition, the 8th Annual Conference of Canada's Solar Energy Society, several workshops and lectures, various energy tours, and visits to a large energy conservation housing project.

About 1500 delegates will attend the conference and an estimated 60,000 persons from Saskatchewan and 100 countries will converge on Regina's Exhibition Grounds for the exposition.

The four-day exposition, held August 26 to 29, will explore the many options open to countries striving towards a new energy attitude and energy self-sufficiency. Particular emphasis will be placed on the effective integration of conservation, production and consumption programs into long-term planning and use.

Exhibitors are invited to prepare energy conservation, production or consumption projects on one or more of the following: — oil; gas; coal; nuclear energy; hydro; hydrogen; biomass; solar (passive and active); wind, geothermal; photovoltaic; conservation.

Display information should include the direct effects of resource development programs on the residential, industrial and transportation communities. The exhibits will be open from 11 a.m. to 9 p.m. on each of the exposition days.

About 9,000 square metres will be made available for indoor display space plus ample outdoor space for practical demonstrations.

For further information, contact: Energy Exposition Chairman, ENERGEX '82, University of Regina, Regina, Saskatchewan S4S 0A2.

The Canadian Economy:

Current Conditions and Outlook

During the first half of 1981 the Canadian economy achieved a moderate recovery from the abnormal sluggishness of 1980. In recent months however, signs of a renewed slowdown have emerged.

In 1980 the Canadian economy underwent a cyclical pause with real output showing no growth for the first time since 1954. The sluggishness of the Canadian economy reflected a worldwide pattern and compared with a slight decline in real GNP in the United States. Yet, in some respects the Canadian "recession" of 1980 was a misnomer since employment advanced strongly by 2.8 per cent (or by almost 300,000 new jobs) while the unemployment rate held fairly steady at 7.5 per cent.

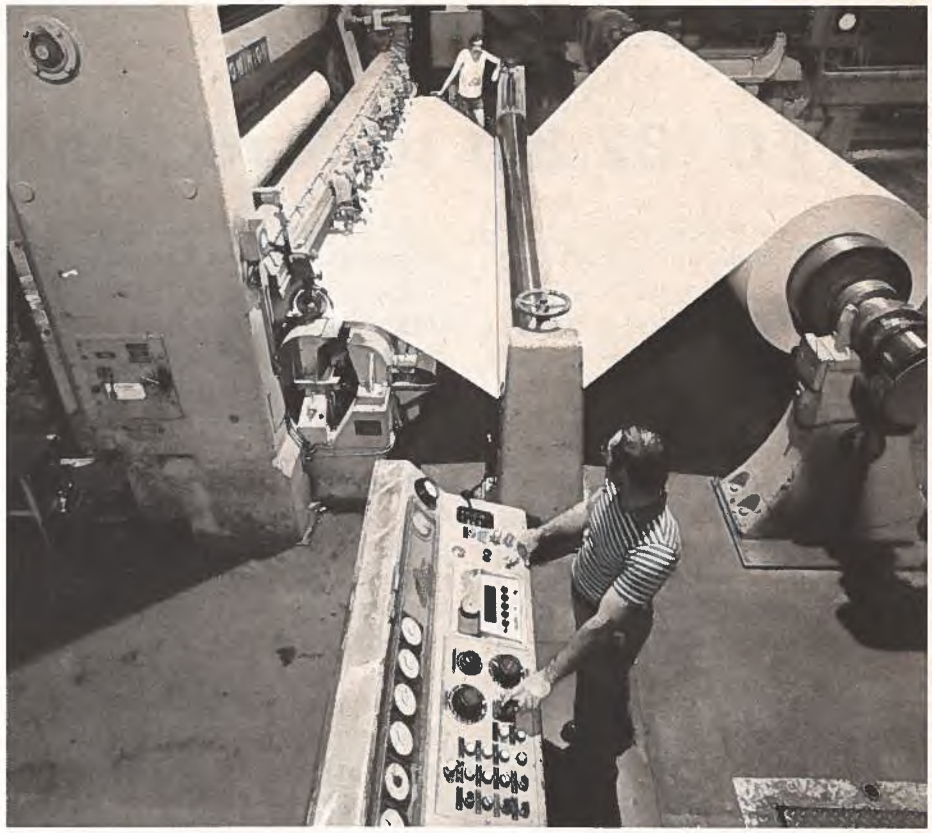
Other unusual features of the Canadian economy in 1980 included a modest acceleration in the rate of inflation despite the growth pause, the attainment of a record high merchandise trade surplus of $7.8 billion and the smallest current account deficit in several years.

During the early months of 1981 the performance of the two major North American economies was relatively strong compared with most other major industrial economies. The more than 3 per cent growth rate presently envisaged for Canada for 1981 as a whole is among the highest expected in the largest industrial economies. However, virtually all the growth expected for the year occurred in the first six months; in the latter half of the year the Canadian economy has followed the United States into recession.

Among the major economies of Western Europe the short term prospects are bleak, with nearly all economies facing minimal growth, rising unemployment, high rates of inflation and balance of payments difficulties.

The United States economy experienced a period of high growth early in 1981 but output fell in the second and third quarters and little growth is expected in the near term. These developments in the U.S., in conjunction with the unusually gloomy economic picture for most EEC countries, suggest a substantial deterioration in Canada's external trade position in 1981 compared with the unusually favourable situation in 1980.

With the much slower pace of economic activity in the latter half of 1981, labour market conditions have weakened. Canadian employment has fallen



off in recent months, and the unemployment rate now exceeds 8 per cent. The rate of inflation, spurred by particularly sharp increases in energy prices, is expected to be up by 12.7 per cent in calendar 1981 compared with slightly more than 10 per cent in 1980.

In the first three quarters of 1981 the Canadian merchandise trade balance was running a surplus at a seasonally adjusted annual rate of some $4¾ billion. However, the trade surplus narrowed sharply to only $3.01 billion on the same basis in the third quarter compared to the previous two quarters. As was the case for the year 1980, the trade surplus in 1981 was largely with countries other than the United States. However, the favourable trade balances with these overseas countries have been moving steadily downward since mid-1980 so that the overall trade surplus with all countries for the full year 1981 is expected to range between $4 and $4½ billion. This compares with a record high merchandise trade surplus of $7.8 billion in calendar 1980. The deterioration in the Canadian current account deficit is expected to be especially sharp for 1981 following the unusually favourable external trade developments in 1980.

An indication of the sharp turnabout in the overall trade position is revealed by the fact that Canadian exports to countries other than the United States were down slightly in the first nine months of 1981 over the corresponding period of 1980 compared with a more than 18 per cent increase in Canadian exports to the United States. In contrast, in all of 1980, Canadian exports to countries other than the United States rose by close to one-third in value compared with a modest 8 per cent increase in Canadian sales to the United States market.

In the first nine months of 1981 the total value of Canadian exports was up by 12 per cent to $61¾ billion, or an increase of more than $6½ billion above year earlier levels. On a commodity basis, exports of motor vehicles and parts were more than $1¾ billion higher. At the same time, exports of iron and steel and industrial machinery were both up by about $0.4 billion, while meat and fish, non-automotive equipment and tools, chemicals and newsprint each registered notable gains.

As the growth in major export markets softened, there were declines in a number of important commodities in 1981 including non-ferrous metals, particularly copper and nickel, crude petroleum, softwood lumber, pulp and wheat. The increase in the value of natural gas exports was also much lower than in previous years while the volume of natural gas exports was down.

On the import side, Canadian imports rose by 16 per cent to $58½ billion in the first three quarters of 1981, an increase of just more than $8 billion.

The major commodity increases were led by a $1.2 billion advance for motor vehicles and parts, with imports of motor vehicles from Japan accounting for $0.9 billion of the increase. Imports of non-automotive equipment and tools were up by a quarter or by $1.5 billion over the first nine months of 1980, with electronic computers up strongly in this total. Increased prices for crude petroleum added $0.9 billion to the cost of Canadian imports in 1981.

Lesser, but still substantial, increases were posted for imports of forest products and iron and steel (partly as a result of strikes at Canadian establishments), as well as for aircraft. On the other hand, imports of non-ferrous metals declined sharply in the first nine months of 1981 partly due to a substantial drop in metal prices.

Turning to industry developments, real output in Canadian manufacturing declined by 3.2 per cent in calendar 1980 following an average annual increase of more than 4 per cent in the period 1976-79 inclusive. The weakness in manufacturing activity in 1980 was concentrated in transportation equipment, rubber and plastics, clothing and non-metallic minerals.

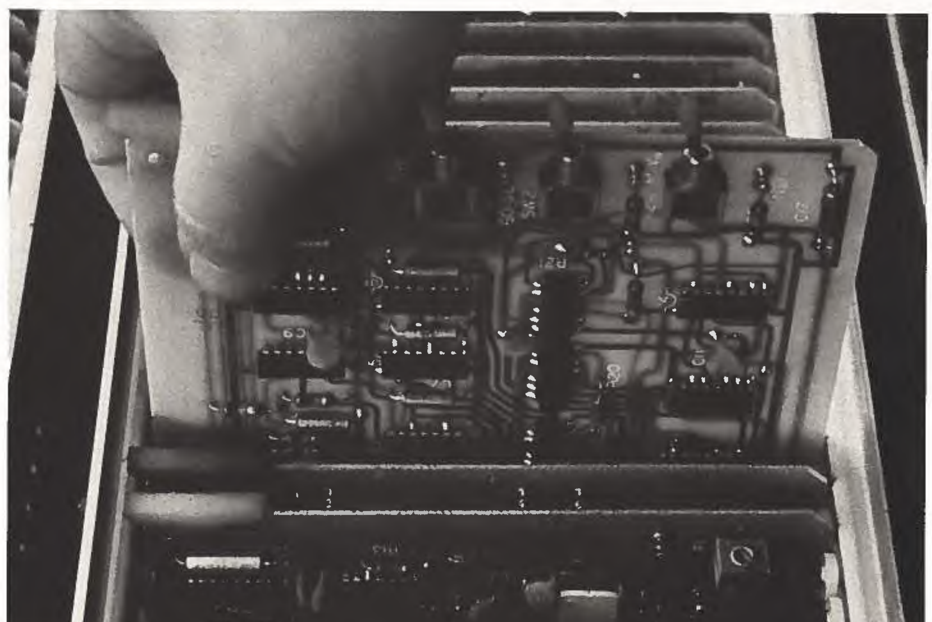
In the first eight months of 1981 real output in manufacturing was up by 4.7 per cent over the comparable period in 1980. However, with the weakening pace of economic activity in recent months, this rate of increase is not expected to be fully maintained for the year as a whole.

A particular area of strength in the Canadian economy since 1979 has been the spending by business on new plant and equipment (excluding housing). The cumulative increases in this sector have far outpaced the growth in the economy as a whole. This sector continued to provide one of the major dynamic elements to overall growth in 1981. As a result, it is now highly probable that business capital spending on new plant and equipment in real terms will reach its highest ratio ever in relation to real GNP.

The resiliency and underlying strength of the Canadian economy is revealed by the fact that despite our very close trade and economic relationship with the United States economy, our growth performance has been much more steady and higher than in the United States. For example, in the period 1970-80 inclusive, real GNP in the United States actually fell four times on a calendar year basis compared with only one year of no growth for Canada in the same period.

The November 1981 federal budget projects that real GNP growth in Canada for the period 1981-1987 will average 2.7 per cent per year or equal to the growth rate achieved in the period 1974-80. The consumer price index is expected to show a deceleration in its rate of increase by about 1 percentage point per year following 1981, falling below two-digit rates of increase after 1983.

C. Schwartz
Economic Intelligence Directorate
Office of Policy Analysis
Industry, Trade and Commerce
Tel: (613) 995-2785



I.T.&C. Promotional Projects Program

The following is a current list of trade fairs and missions that will be sponsored during the period January, February and March 1982. 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.

With the restructuring of the ADM's sector of responsibility, a central Fairs & Missions Policy and Evaluation Division has been established within the International Marketing Policy Group. Responsibility for project selection and project implementation has been delegated to the four Trade Development Bureaux on a geographic basis.

Introduction of the new procedures involved with this reorganization has resulted in a delay in finalizing the 1982/83 program.

There will be no change in program policy for the time being.

Trade Fairs

Europe (Phone (613) 995-7334)

Project No.	Event	Date	Project Manager
January 1982			
81/47011	Hotelympia '82 — International Hotel and Catering Exhibition Olympia, London, England	Jan. 20-27, 1982	M. Pearce
February 1982			
81/47111	CONSTRUCTA '82 - Building Exhibition Hanover, West Germany	Feb. 3-10, 1982	M.P. Pearce
81/47023	ISPO '82 (Spring) — 16th International Sports Equipment Exhibition Munich, West Germany	Feb. 25-28, 1982	H. Schroeter
81/47010	DOMOTECHNICA '82 - International Fair for Household Appliances, Fittings and Components Cologne, West Germany	Feb. 10-13, 1982	L.V. Ford
81/47032	International Spring Fair '82 Birmingham, England	February 1982	J. Harman
March 1982			
81/47095	International Agricultural Show - SIA Paris, France (Institutional Exhibit)	March 1982	L. Sarda
81/47123	Leipzig International Spring Fair Leipzig, East Germany (Information Booth)	March 1982	H. Schroeter
81/47094	SIMA '82 - 53rd International Exhibition of Farm Machinery Paris, France	March 1982	L. Sarda

U.S.A. (613) 995-8303

Project No.	Event	Date	Project Manager
February 1982			
81/47067	Solo Business Furniture Show Seattle, Washington, U.S.A.	February 1982	T.E. Matthews
March 1982			
81/47036	Snow Show Las Vegas, Nevada, U.S.A.	March 1982	J.P. Lambermont
81/47041	American International Fur Fair New York, New York, U.S.A.	March 1982	A. Kuhlmann

U.S.A. (613) 995-8303

Project No.	Event	Date	Project Manager
March 1982			
81/47102	American International Fur Fair New York, New York, U.S.A. (Contribution for raw furs presentation)	March 1982	A. Kuhlmann
81/47072	PAS/ASIA - Pacific Automotive Auto Service Industry Associations Show Las Vegas, Nevada, U.S.A.	March 1982	T.E. Matthews
81/47068	Solo Business Furniture Show Boston, Mass., U.S.A.	March 1982	T.E. Matthews

Pacific, Asian, Africa & Middle East (613) 995-8303

Project No.	Event	Date	Project Manager
January 1982			
81/47151	Sporting Goods Show at CTC, Tokyo, Japan	Jan. 19-21, 1982	K.J. Tyrrell
March 1982			
81/47027	International Toy and Sporting Goods Trade Fair Sydney, Australia	March 17-20, 1982	K.J. Tyrrell

1981/82 Promotional Projects Trade Missions

Europe (613) 995-7334

Project No.	Event	Date	Project Manager
February 1982			
81/48038	Timber Frame Housing - Mortgage and Insurance Mission from Belgium	Feb. 14-21, 1982	L. Sarda

Pacific, Asian, Africa & Middle East (613) 995-8303

Project No.	Event	Date	Project Manager
January 1982			
81/48093	Canola (Rapeseed) Oil Mission and Seminars in India, Pakistan and Bangladesh	January 1982	G. Debbané
February 1982			
81/48006	Specialty Cheese Mission from Japan	February 1982	K.J. Tyrrell
81/48048	Swine and Semen Mission and Seminars in South East Asia (Taiwan, Thailand, Malaysia, Singapore, Philippines)	February 1982	G. Debbané
81/48069	Airport Vehicles Missions to Malaysia, Indonesia, Philippines, Thailand and South Korea	February 1982	G. Debbané
March 1982			
81/48049	Fisheries Products Mission to Japan	March 1982	K.J. Tyrrell
81/48066	Marine Port Development and Materials Handling Machinery Mission to Hong Kong, Singapore and Malaysia	March 1982	K.J. Tyrrell

U.S.A. (613) 995-8303

Project No.	Event	Date	Project Manager
January 1982			
81/48009	U.S. Buyers Mission to the Toronto Int'l Boat Show	January 1982	J.P. Lambermont
February 1982			
81/48025	Apparels Buyers Mission to the Canadian Outerwear Fashion Fair, Winnipeg	February 1982	
March 1982			
81/48026	Merchandising Aids Buyers Mission from the U.S. to the ACDI Show in Toronto	March 1982	J.P. Lambermont

Latin America & Caribbean (613) 995-8303

Project No.	Event	Date	Project Manager
February 1982			
81/48051	Milk Powder and Dairy Products Mission to the Caribbean and South America	February 1982	P. Schutte
81/48092	Canola (Rapeseed) Oil and Meal Mission and Seminars in Chile and Venezuela	February 1982	P. Schutte
81/48063	Railway Equipment Mission to Colombia and Ecuador	Feb. 16-26, 1982	P. Schutte
March 1982			
81/48076	Nuclear Power Mission from Mexico	March 7-17, 1982	P. Schutte

Telex Changes:

Effective immediately, the new telex number for the **Canadian High Commission, Port of Spain, Trinidad and Tobago is:** 3429 WG. Answer back is: 3429 DOMCAN WG.

Also effective immediately is the new telex number for the **Canadian Embassy in Ecuador**. Telex is: 2622. Answer back is: 2622 DOMCAN ED. Embassy hours are: 09:00 to 13:00 and 14:00 to 17:00

Program for Export Market Development (PEMD)

Programme de Développement des Marchés d'Exportation (PDME)

Program for Export Market Development (PEMD)

Programme de Développement des Marchés d'Exportation (PDME)

Government of Canada | Gouvernement du Canada

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NEW APPLICATION FORMS

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From \$100 to \$150.

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To streamline approvals for PEMD applications, new procedures and forms have been adopted.

All new applications under the various sections must be submitted on the new forms as above.

To save reapplying, please contact your Regional Office or:

PEMD Office
Industry, Trade and Commerce
(41A/1)
235 Queen Street
Ottawa, Canada
K1A 0H5

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

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K1A 0H5
OTTAWA

There are experts close to YOU. . .

who can help your business grow — domestically or by exporting. Industry, Trade and Commerce Regional Offices, located in 11 major Canadian cities, are all staffed with experienced trade specialists — experts such as the two shown here who direct operations covering British Columbia and the Yukon, and Quebec. These and other Regional Directors General, their staffs and the Business Information Centres, are there to help you. Drop in, send a letter, make a call — and you're in business!

Harry Stewart Hay has had a long and distinguished career in the Trade Commissioner Service. Appointed Vice-Consul (Commercial) for Sydney, Australia in January 1957 and ending as Ambassador in Kuwait, October 1978, the Saskatoon-born native is now IT&C's Regional Director General at Vancouver.

Paul Théberge has had a formidable 20-year career in the Trade Commissioner Service, one that has taken him to Accra, Lisbon, Sao Paulo, Boston, Montreal and finally New York City as Deputy Consul General (Commercial). Born in St. Eleuthere, Quebec, he is now IT&C's Regional Director General at Montreal.

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Industry, Trade and Commerce
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Canada