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**Tourism — Big Business
for Small Businesses — Page 16**

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Editorially speaking

The organization of the new department, announced last January, merging the strengths of Industry, Trade and Commerce and Regional Economic Expansion, is sufficiently advanced that we can now give some details in Canada Commerce.

Readers will find an outline of the new organization on the last page of this issue and a list of regional offices and their addresses. With the emphasis placed on the department's field operations across Canada, these offices have a major role to play.

An industry of growing importance to Canada's economy as a whole is tourism — a subject brought into foreground focus in this issue. Two articles on differing aspects of tourism appear: one discusses present and planned aid to small businesses in the industry, particularly now that DREE and IT&C's Canadian Government Office of Tourism (CGOT) are in one department (page 16); the other examines the effects on tourism of a recession economy (page 26).

On other pages, other topics. We wish you good reading.

J.C.H.

In this, the third of the series, Canada Commerce's Bob McDonnell traces the course of the Canadian Industrial Innovation Centre/Waterloo (CIIC/Waterloo) through the eyes of Frank Phripp, its executive director.

From Dream to Reality

It is hardly surprising that the idea for and the initial work on the concept of the Canadian Industrial Innovation Centres (CIIC) should come from the staff of the University of Waterloo.

From its beginnings in 1957, Waterloo was strongly oriented towards science and engineering and was the first university in Canada to adopt cooperative courses. Under this plan students spend four months at the university and four months in industry. The program keeps both staff and students in close contact with the business life of the country and provides the student with both the academic and practical experience so sought after by employers.



It was in this milieu that Frank Phripp, now executive director of CIIC/Waterloo but then assistant director of Waterloo Research Institute at the University, first recommended that "the University of Waterloo should give serious consideration to the establishment of an innovation program. . . ." This was in July 1975 when Mr. Phripp was reporting on an Engineering Foundation Conference on Technology Transfer via Entrepreneurship held earlier at Henniker, New Hampshire.

By fall, informal discussions on the possibility of forming an Innovation Centre at the University were held with federal and Ontario government departments concerned.

In April 1976, the first element of the Innovation Centre, the Inventors Assistance Program, was in place with funding of \$15,000 from Canadian Patents and Development Ltd.

After much discussion between the University staff and officials of the Department of Industry, Trade and Commerce (IT&C), a formal proposal for the establishment of the Waterloo Innovation Centre was forwarded to the federal and provincial governments in March 1978.

Reaction was swift and by June of the same year, the Hon. Judd Buchanan, then Minister of State for Science and Technology, announced in the House of Commons the "establishment of up to five university-based Industrial Research and Innovations Centres." Later that month Dr. Harry Parrot, Minister of Colleges and Universities, gave Ontario government support in principle and Dr. B. C. Matthews, President of the University of Waterloo, announced the intention of the University to establish an Industrial Innovation Centre. Government funding of \$200,000 each was announced in April 1979 for the Waterloo centre and one at Montreal's École Polytechnique (see Industrial Innovation Centre (Montreal), Canada Commerce, July/August 1982).

Thus for Frank Phripp, a concept became a reality — a reality which he oversees and develops on a day to day basis from his office across Columbia Street from the Waterloo campus. For Frank and his colleagues at the Centre, the establishment of a separate corporation, federally funded for five years through grants from IT&C, marked the beginning of a new phase of the program.

A second Innovation Place is planned where businessmen can share common services plus the cross-fertilization of ideas.

The nucleus staff, including specialists in such areas as patenting, marketing, business formation and business development, have already launched a number of programs:

- Inventors Assistance Program provides evaluation of new ideas and inventions and has responded to well over 3,000 requests. Of more than 1,000 evaluations completed, 28 per cent were well rated.
- Enterprise Development guides and assists entrepreneurs and potential entrepreneurs in appraisal, development and start-up of technology-based business opportunities.
- Technological Development Inc. provides funding for the development of promising ideas.
- Innovation Place, around the corner from the Centre on Phillip Street, lends stature to fledgling companies by providing space, secretarial, telephone answering, word processing and like services. Initial accommodation is now almost full and negotiations are underway to expand the amount of space available.
- Seminars and conferences are being held for beginning and experienced innovators.

For the future, Frank Phripp and his staff are planning a second Innovation Place, where enterprising businessmen can share not only common services but the cross-fertilization of ideas, so important to the innovative process. The success of these first ventures will in large measure determine whether additional sites will be chosen in the more distant future.

For now, several small start-up firms, including Futurtek, Waterloo Isotope, Crop Tech, Watsun, REMS, Northern Digital and Canadian Posture and Seating, share facilities, ideas and services in Innovation Place.

To ensure that its role in education and research is accomplished, the Centre provides research grants to study the innovation processes in addition to sponsoring courses and seminars on innovation. The offering of this research program was to stimulate academics into giving more attention to the utilization of research results in direct commercial applications and to make the overall program better known to university faculties.

In the words of Frank Phripp, "The Centre is born. We must now ensure healthy rearing in preparation for a long and productive life."

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Profits Through Innovation

A recent Economic Council of Canada study "Innovation and Export Performance in Canadian Manufacturing" by Petr Hanel and Kristan Palda, indicates that firms with the newest technology do better in export markets.

According to AU COURANT, the Council's quarterly publication, the authors found that firms succeed for a variety of reasons — their size, type of industry and so on which differ considerably among the industries they studied. But one clear consistent finding emerges across the board: the more R&D spending a firm did — whether overall, in a specific area or on a particular innovation — the healthier its export trade became. Firms with high R&D expenditures were about twice as likely to have high exports.

"Throughout our investigation," Hanel and Palda comment, "the positive influence of R&D . . . on exports . . . stands out like a beacon."

Most successful of all in this regard were Canadian-controlled companies doing their own innovating. Export opportunities were less bright for Canadian companies importing technology, and dimmer still for foreign-owned firms borrowing new ideas from their parent companies.

In the study, which covered 153 firms, it was found that of 57 with low expenditures on R&D only 25 per cent were high exporters; of the 70 firms with high R&D expenditures, 47 per cent were high exporters.

New technology alone may not produce all the answers for a firm wishing to sell its products abroad, the authors conclude. Just as important may be the quality of management directing its efforts. The authors lacked data to test this theory — although other economists suggest management practices are of utmost importance in the development of new technology.

In another Council study*, K. E. McMullen shows that Canadian companies adventurous enough to invest in risky new technology are often rewarded for their daring by bigger profits. By the same token, firms that bet only on a sure thing have to be content with smaller returns.

***"A Model of Lag Lengths for Innovation Adoption by Canadian Firms"**

Tangible Results of the Innovation Centre

Companies associated with or assisted through their start-up phase by the CIIC/Waterloo:

Innovation Place Inc. (IPI) — The Centre recognized a need for the provision of low cost office and light assembly space and full office support services to fledgling innovative technology-based businesses. IPI is a wholly owned subsidiary of the CIIC/W. The initial impetus for this project was the need for these low cost services by CIIC/W subsidiary companies. However, the need also exists in the general market and unrelated start-up companies may use Innovation Place as tenants. Several of the client companies described below are occupants at Innovation Place and see it as "A Place to Succeed".

Technology Development Inc/Waterloo (TDI/W) — A need was recognized early in the activities of the Centre to provide financing for companies in their initial growth stage. Capital is not generally available for investments between \$100,000 and \$500,000. TDI/W will fill this gap. TDI/W has been incorporated, prepared the prospectus (now before the Ontario Securities Commission). The Board of Directors and initial major investors are being set up now. TDI/W will be a public Small Business Development Corporation.

Waterloo Isotope Analysts — This company was founded by the Centre while still in the planning stages in 1979 and the entrepreneur is a University of Waterloo technician. The company can do chemical analyses of any liquid. Applications include determining fraudulent use of brand names and the alleged use of inferior ingredients as well as support of research and development of many clients.

Futurtek Energy Products Ltd. — The entrepreneur had developed a new method of constructing poured-in-place concrete sandwich walls. The wall has been used in the agricultural market, but now is to be applied to residential and commercial markets. Coming to the Centre as an invention to be evaluated the project progressed to the Enterprise Development Department. The department wrote the business plan, arranged for testing of the walls in University of Waterloo laboratories, raised outside financing for those tests, designed a demonstration house, conducted a market survey, did TV promotional programs and other advertising and is now planning to have a demonstration house built.

Canadian Posture and Seating Centre (CPSC) — A University of Waterloo engineering graduate has developed a new technique for making seating suitable for severely disabled children. The Centre was able to get start-up funding from outside sources incorporate a non-profit business, write management contracts and bring the entrepreneur into an agreement with an existing company whereby CPSC markets the other company's product line. Expansion of the operation is being planned.

Fraser Research — A University of Waterloo systems design graduate now runs a successful computer software design company. The Enterprise Development Department helped define his product, initiated and conducted first sales calls which resulted in contracts with Infomart (a Telidon supplier), developed his business skills, invested in his company and provided office space.

Radiation Environmental Management Systems (REMS) — Two University of Waterloo professors are exploiting their combined expertise in radiation and gas detection and the Centre is helping them with marketing strategy and business planning.

Watsun — Several University of Waterloo professors have developed computer programs for determining the efficiency of various solar energy applications. The Centre's help to date has been the selection of an entrepreneur. In the future, it will guide the set up of the company and assist in business planning and market development.

Crop Technologies Inc. — A Wilfrid Laurier University business graduate and a University of Waterloo engineering graduate developed a product which utilizes a microprocessor to inform farmers when they should spray their crops. The department is assisting the company to define their product, identify the market and raise financial assistance for research and development.

Drupa Delivers for Canadians



Besides the concrete evidence of on-site sales totalling \$4 million, Canadian manufacturers of printing and bookbinding machinery and equipment found additional reasons to be more than satisfied with their participation in the Canadian Government exhibit at Drupa '82 (International Fair, Printing and Paper) in Duesseldorf, Federal Republic of Germany, this summer.

"... great exposure and fantastic insight to other products," one exhibitor said, and another confirmed this reaction, "... show orients us to the export market worldwide. Met many people who can be helpful to us in the trade. Learned what our place is in the world market and what we can and cannot export. All very worthwhile."

And summing up, a veteran trade show exhibitor writes, "... our involvement with Drupa has resulted in the most successful trade show in the history of our company."

The eight companies in the Canadian exhibit have projected that contacts made at the show will develop sales over the next 12 months of close to \$20 million. Their actual sales at the show were made to buyers from many countries — West Germany, Belgium, Pakistan, Columbia, Saudi Arabia, the

Philippines, the United States, Australia, France, Italy, Austria, Greece, Singapore, Italy, India, Spain and England.

The Canadian exhibitors were:

- Arpeco Engineering Limited, Mississauga, Ontario — inspection slitter/rewinder.
- Danube Electric Ltd., Delta, British Columbia — universal batch counter and totalizer.
- Dexter-Lawson Products Limited, Cambridge, Ontario — microcomputer cutter.
- Digitrol Computers Inc., Waterloo, Ontario — guillotine cutter, capable of retrofitting with microcomputer to any make of cutter
- Profold Inc., Cambridge, Ontario — letter folder machine.
- Pro Forms Ltd., Calgary, Alberta — roll collator for manufacture of snapout and continuous business forms.
- Rotoflex International Inc., Mississauga, Ontario — inspection slitter/rewinder.
- Sanden Machine Limited, Cambridge, Ontario — rotary offset web equipment for business forms and continuous application.

For three of the companies, Drupa '82 provided a stage for the world premiere of their new productions.

Danube has produced a universal counter and totalizer, the Batch Counter, that can be used wherever accurate and fast counting and batching is required. Digitrol Computer has designed a guillotine cutter that can be easily retrofitted to any cutter manufactured in the world — the retrofit kit provides all materials necessary to add the microcomputer to the cutter.

Dramatically new is Pro Form's roll collator for the manufacture of snapout and continuous business forms. The Pro-protect-a-form, developed with the co-operation of Greyhound Lines of Canada Ltd., is a unique technique for handling small package deliveries. It enables the collating of a form contained within a heat-sealed, adhesive-backed polythene envelope. The company was offering licensing arrangements only and went into Drupa not knowing if this concept would sell or if enough countries could use its product. "We now know that our approach was correct and that we had seriously underestimated the potential for our product," Pro Forms reports. "We enjoyed success beyond our wildest dreams."

The gains made by the Canadian printing and bookbinding industry in both domestic and export markets has been well above the average.

Production of printing and bookbinding machinery and equipment has increased from Cdn. \$13.3 million in 1970 to more than Cdn. \$61 million in 1980 (latest figure) — an average annual rate of 16.6 per cent. Exports, which accounted for some 35 per cent of industry shipments in 1980, have increased at an average annual rate of 11.4 per cent from Cdn. \$7.3 million in 1970 to Cdn. \$11.4 million ten years later. Although the United States is the largest export market for printing and bookbinding machinery and equipment (about Cdn. \$14.8 million or 70 per cent in 1980), sales elsewhere have been showing a steady increase. In 1980 exports to Europe accounted for more than 22 per cent or Cdn. \$4.7 million of the industry's total exports.

ADAPTABILITY: Seaboard's Source of Success

by R. M. Shaw, Vancouver Regional Office
Department of Industry, Trade and Commerce
and Regional Economic Expansion

"Seaboard is a good example of how small individual production units can work together to build a successful export business while retaining their individual identity". . .so said Reginald L. Barclay, Corporate Secretary of Seaboard, at a Trading House Conference in Ottawa, recently.

If you live on Canada's west coast you probably have heard of Seaboard. If you don't, check the Finan-

cial Post directory of Canada's top 500 companies and you'll find Seaboard in the top 150, with annual sales in the half-billion dollar range. The company sells to more than 20 export markets and handles between 30 and 40 per cent of lumber and plywood exported from British Columbia overseas. The company does not sell in Canada.

Seaboard is actually two companies — Seaboard Lumber Sales

Seaboard is owned by 20 Canadian wood products manufacturing companies which, in total, operate 67 producing units in British Columbia. In good times these companies provide employment for some 18,000 Canadians. Each of the shareholder companies has a director on the board of each Seaboard parent company. The owner companies range in size from small independent producers to large corporations.

Things weren't always like this. Sixty-three years ago B.C. lumber mills were hurting, even as they are today. Demand for export markets was weak and competition was cruel. The smaller individually-owned mills, which were predominant at that time, didn't know much about product specifications needed in overseas markets.

After a lot of thought and discussions within the industry and with government, it was decided a co-operative approach might be the best way to attack the export markets. Ultimately, seven lumbermen got together in Vancouver in 1919 to form a co-operative of mills known as Associated Timber Exporters of B.C. Ltd. or "Astexo", which sold through export brokers to customers overseas.

Singularly, although today there is concentrated attention being paid to increasing trade in the Pacific Rim, this is nothing new. Back in 1919 Astexo was already wooing China, Japan and Australia as well as Britain and South African markets.



Seaboard salesmen from five countries visit one of the mills in B.C.

The versatile Seaboard is actually two companies — Seaboard Lumber Sales Company Limited and Seaboard Shipping Company Limited.

Company Limited and Seaboard Shipping Company Limited. The lumber sales company handles marketing of lumber, plywood and specialty products. The shipping company looks after the distribution of these products, chiefly by ocean transportation.

The sales company has offices in seven countries and the shipping company has subsidiary companies around the world. Seaboard is also no stranger to Canada's trade offices and works closely with the trade commissioners.

The present corporate structure was arranged in 1935. Seaboard was formed to sell on a CIF basis, and the new companies handled their own sales and shipping as Astexo was phased out.

The company is a success because of its fundamental principles of supplying what the customer wants and delivery within the contract period. It also deals only with reputable overseas customers and agents, imposes tight quality control and is prepared to be in the market continuously.



Ro/Ro vessels line up at Seaboard's North Vancouver terminal.

Seaboard has responded to the government's wish that more processing be done in Canada to provide more jobs for Canadians.

To quote Reg Barclay: "A problem experienced by Seaboard and others in the export market is that some suppliers look at export markets in a purely speculative manner. When domestic markets are weak, then they suddenly become interested and wish to get into the export markets immediately. This is difficult to do, even with the help of our trade commissioners. Continuity of service and supply is a key ingredient to a successful export business."

That Seaboard lives by these principles is apparent in the company's reaction to the government's wish that more processing be done in Canada to provide more jobs for Canadians. For years the company's major products have been the standard grades and species of softwood lumber plywood.

Then, five years ago, corporate attention was turned to wood products such as doors, mouldings, windows, spindles, particle board, door components and the like. It provided many jobs in the industry as sales increased to more than \$10

million within five years and are still growing.

The operation was marginal for the first couple of years but the company persevered. They saw a real need to develop export sales because the specialty suppliers are usually small plants which need access to export markets for profitable production.

Naturally, selling this sort of product requires different techniques from those required for the basic wood products. So the company set up a specialty products division which has evolved a program that depends heavily on promotion around the world.

The company has put on seminars in London and Utrecht and participated in a trade show in Tokyo. Data sheets have been prepared on each product and these are distributed to potential importers.

In addition, the company holds courses in Vancouver for specialty products salesmen from around the world. A typical course recently saw eight salesmen from Hamburg, Utrecht, Tokyo, Paris and Sydney



Seaboard main terminal in North Vancouver with the Ro/Ro vessel Skaugran at the dock.



Seaboard trade fair exhibit in Amsterdam.

visiting plants and mills to observe the manufacture of products like Crown Z-44, embossed panelwoods, a range of manufactured wood and plastic products, panel products, shingles, shakes, profile panelling, garden furniture and spindles.

They also attended product seminars and lectures sponsored by sales and marketing people from Seaboard's member companies. It was an intensive course which expanded the sales force's expertise on specialty products.

The company has also opened a new showroom in the Seaboard International Terminal in North Vancouver, which is attracting visitors from all over. The visitors are first taken on a tour to see cargo binned and loaded onto ships and then to the showroom where finished panels and specialty products are on view.

Visitors have included customers from the United States, Italy, China and Japan, journalists from France and government representatives from New Zealand and Japan. Other visitors included Finnish retail lumbermen and Canadian trade commissioners.

Seaboard is also active in research and development and one of the new products, called "Seabrite", has been the answer to the lumber dealers' long-standing concern over the shelf-life of hemlock lumber. Seabrite treatment improves the appearance of hemlock, providing the look of bright, fresh-cut lumber even after months in open storage.

Seabrite has successfully undergone year-long tests in the Eastern and Southern U.S. markets in addition to extensive laboratory and yard-testing by Seaboard mills in British Columbia.

Seabrite provides more than just a pretty face. The combined sealer and anti-stain treatment is sprayed on all sides of each piece of lumber shortly after cutting, right at the mill. This sealer prevents any further wetting of the wood and acts as a moisture barrier to prevent Seabrite hemlock from drying too rapidly.

The Seaboard product line makes an interesting story but Seaboard Shipping Company has an equally interesting tale to tell. The company has more than 350,000 deadweight

tons of shipping capacity available in 10 ships which it has on long-term charter.

Four of these are the so-called roll on/roll off (Ro/Ro) type, designed to Seaboard specifications. They provide complete protection against all weather and, with fewer handling operations, result in a significant improvement in out-turn condition compared to conventional handling.

Unitized cargo and containers are delivered to the vessel by the stern ramp on trailers and distributed throughout via internal ramps connecting the three main decks. The cargo is then stowed in the ship with forklift trucks.

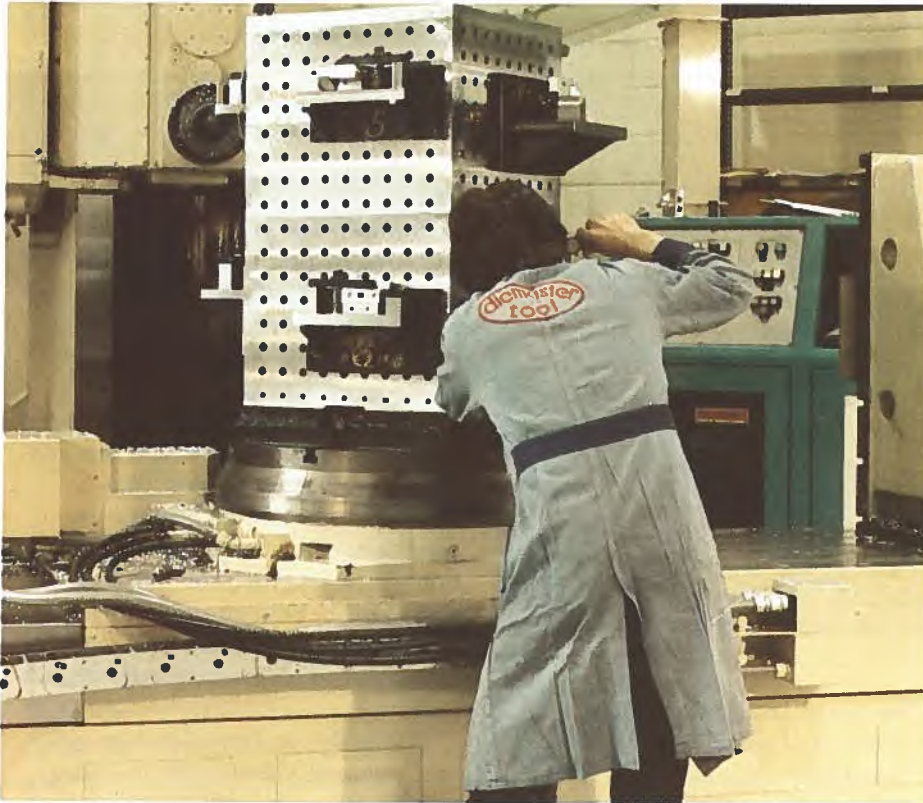
Although the prime purpose of the shipping company is to get the Seaboard product to market, the equally important secondary purpose is to make sure the ships do not return empty. Thus the Ro/Ro ships can handle containers, wheeled vehicles and heavy lifts, together with steel, metal and other unitized cargo.

On the Japan run, the ships go out laden with Seaboard products and often return with Japanese automobiles consigned to the United States market. The ships have two hydraulically operated auxiliary decks which are positioned between each of the main decks, giving a total of nine separate decks of varying heights.



Seaboard's North Vancouver terminal at night.

Quality Products, Aggressive Sales, Highlight Diemaster's Success



Precision machining of high pressure valves for marine application at Diemaster's plant.

"Our goal is not to improve over the competition, it is to improve over ourselves."

This is the philosophy of George Yui, president of Diemaster Tool Inc. of Mississauga, Ontario, which, over the past 10 years, has developed strong domestic and overseas markets for its quality products.

Started in 1972 as a tool shop supplying to the electrical and electronic industries, Diemaster has since expanded to provide machined aerospace and nuclear parts, metal stampings from 15 to 500 tons. It designs and builds automated machines, dies, tools, jigs, fixtures and moulds and the company now has plans to include producing robots under licence for manufacturing plants.

Mr. Yui attributes the success of the company to the strong engineering skills and demanding quality control it insists on. "As an engineering firm with a total capability,

we are running a very broad range of operations under one roof."

Some of the outstanding capabilities of the company include turning of metal parts with diamond tools with four microinch finish, producing 0.020 diameter holes through 8 mm ($\frac{5}{16}$ in.) thick carbide; deep hole grinding, the ability to work with tungsten carbide and exotic materials with the hardness range up to 44 Rockwell.

Non-traditional machining includes a very diversified electrical discharge machining department that includes three CNC (computer numerically controlled) machines and four conventional machines.

All these processes are backed by a sophisticated APT language CAM system that is capable of generating complex surfaces and machining with three-axis simultaneous action.

The expansion of services offered by Diemaster necessitated new facilities and in April 1982 the company moved into a new 6,130 m² (66,000 sq. ft.) facility human engineered



Hazel McCallum, Mayor of Mississauga, the Hon. Herb Gray and George Yui, Diemaster president, open the company's new plant.

Emphasis on rigid quality control plus its strong, well-established engineering skills are factors which have helped Diemaster win strong domestic and foreign markets for its precision-made, high quality products.

with the latest ergonomic approach to productivity.

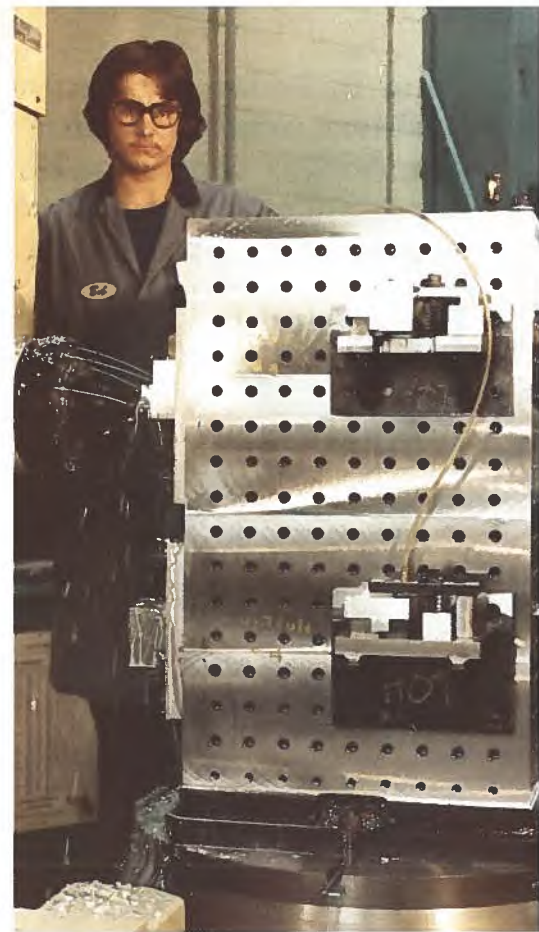
"The balance of work is in tool-room activities where inspection stages are built into each man's workplace and he is responsible not only to inspect what he is doing but to build the quality into our product, because it is impossible to inspect the quality at a later stage," according to Mr. Yui.

"I am very proud of that fact," he said, "because this is the result of many years of what I call building an infra-structure. We are always in

to establish contacts, particularly with U.S. manufacturers.

In response to the company's capabilities and its aggressive marketing, the Department of Industry, Trade and Commerce has provided assistance under both the Defence Industry Productivity Program (DIPP) and the Program for Export Market Development (PEMD). The former was used for the acquisition of advanced machinery and equipment.

The DIPP program will share the costs of establishing a Canadian



A view of Diemaster's ergonomically designed manufacturing plant for improved productivity and quality.

the process of consistently improving our systems and facilities and will definitely not stop at the point we are at now.

"Our quality control system is designed as a reject prevention system, constantly evaluating process capabilities via statistical control, having zero defects as an ultimate objective."

Early in its career, Diemaster embarked on a carefully planned marketing strategy which included export ventures. Considerable importance was attached to personal visits by company representatives

company as a qualified supplier of defence or defence-related products; non-recoverable costs related to foreign government requests for defence-related product development or production; acceptable R&D costs; or the acquisition of advanced capital equipment.

The PEMD program involves a 50 per cent contribution to the costs of export marketing trips and attendance at recognized trade fairs overseas. Such contributions are repayable in the event of sales in the areas being visited under the program.

As a result of these programs and visits to Diemaster of incoming missions of potential buyers, combined with aggressive follow-up, numerous invitations to bid have been received and orders secured.

Successful bids include: compressor shafts for the Avco Lycoming turbine engine for the Canadair Challenger; and machined parts for TRW in Ohio and for Sanders and Associates. These orders currently total in excess of \$2 million.

Jet engine parts are in the category of critical and are basically classed in two groups, one stationary (less critical) and the other rotating (extremely critical). In order to qualify for manufacturing rotating parts, the company had to go through a very rigid inspection to become an approved source.

Peter N. Fodor of Electrovert Ltd. has had extensive business experience in dealing with the Pacific Rim/ASEAN countries. Here he talks of those experiences and offers valuable insights for others hoping to do business in these areas.

Hop on the Orient Express

I first went to the Western Pacific in 1964. I had no preconceived notions of what I would find. The accepted view of the Western Pacific was that it was a group of backward countries having little industry worthy of technological mention, and a population which is well behind us culturally and economically. I suppose my thoughts of what I would find were tainted by this very grave misconception of what the Orient held.

The day I arrived in Japan I realized that the Orient had what most of us in the West would dearly love to have — a population dedicated to developing itself into the major force in the industrial world.

It was not a coincidence that I went to the Orient in 1964 for it was at that time that the Japanese were earnestly entering the electronics age. Electrovert was contacted

to find out whether our equipment could be supplied to Japan. Many companies had been approached and most took the position that the Japanese were looking at their products with a view to copying them and becoming competitors. No doubt that kind of plagiarism did and does exist, and has created friction between Japan and the Western World. But we felt the Japanese were interested in technology not only to copy but also to use.

The Japanese have never stopped looking to the West for new technology, new ideas and new products. The culture and tradition of Japan has not encouraged individual technical creativity so, as long as we can supply them with new products, there is a vast market available. If, as a supplier to Japan, you do not continually introduce new technology and new products, then indeed

formidable competitors will emerge. This kind of competition I consider very healthy. It keeps the company on its toes and allows for creative thinkers to remain the most important asset that we have here in the West.

Obviously my suggestion does not apply to all products but Electrovert has been relatively successful in the Japanese market because we have not tried to compete with the Japanese at their own game. We have emphasized the creativity and the individualism of each member of our company, thus coming up with technology which has always been and will always be one step ahead of the Japanese competitor. When a Japanese manufacturer wants the state-of-the-art equipment he turns to us.

The lower end of the market in Japan is lost to us. Competitors who copied us many years ago are supplying this end of the market, but it is less lucrative and less exciting.

The most difficult aspect of the Japanese market is the vast cultural difference between Japan and the rest of the world. The Japanese have over the years created a cultural island. The social interplay between individuals and groups is so unique that most of us cannot relate to what is going on around a conference table. Decisions are always made by a group, never by an individual. And even when an individual seems to be the ultimate manager who does all the talking and who does most of the thinking, before his thoughts are turned into action they have to be 'blessed' by the rest of the group. This type of decision-making is slow and leads to frustration for Western businessmen who often blame or praise individuals for decisions which really were made by the group as a whole. This leads to embarrassment and an ultimate breakdown in communications.

Although decisions in Japan are very slow in coming, action after decisions is extremely fast because everybody is pulling together. It is for this reason that the Japanese can progress so rapidly.



The rest of the Orient is made up of many small countries plus China, and each country has its own unique features and modus operandi. In the electronics industry each country has taken a portion of what is known as off-shore operations from the Western world.

Any deviation from consensus will lead to tremendous problems. I am sure you have read about the Narita Airport which was built against the will of the residents around the community of Narita, and to this day, after more than three years, there is still no peace and the airport is still surrounded by armed guards.

In Japan the rule of consensus prevails.

While "consensus management" seems to have advantages, which have been underlined by the tremendous success of Japan, it also has two very great shortcomings. Consensus discourages individualism. The type of original thinking which is needed for research and development is in short supply and individualism needed for salesmanship is hard to find. In both areas the Japanese are vulnerable. It is suicidal to try to take the Japanese on at their own game — marketing and innovation. That is not to say you should not use marketing techniques and should not innovate, **but for success** in Japan you must out-sell and out-R&D your Japanese competitors.

The rest of the Orient is made up of many small countries plus China, and each country has its own unique features and modus operandi. In the electronics industry each country has taken a portion of what is known as off-shore operations from the Western world.

Korea is in some respects the most advanced, and despite the differences between Japan and Korea, the Koreans are trying very hard to structure their industrial growth by copying Japan's success. The

Korean market was of interest to us fairly early as it was in Korea that many manufacturers were having their radios and televisions assembled. Based on this start, the Korean electronics industry grew at a fairly rapid rate and today simple computer systems are being made.

The infrastructure of the Korean economy is not as solid as the Japanese, so Korea is going to give all those who are active there a "roller coaster" trip for the next three to four years. Despite this, the Korean electronics industry is going to continue to grow. Many of the largest electronics companies from the West are actively involved in setting up ventures in Korea. The work ethic of the Korean population makes it a worthwhile place to invest. In Korea the lifetime employment concept does not exist so it is difficult to find an agent who will remain faithful to your products. The cost of constant retraining is great but the market is there so you must do it.

Taiwan is one of the fastest growing countries in the Western Pacific. With the re-emergence of China, Taiwan is seeing itself in a very precarious position. She feels that she is being abandoned by the West, and to some extent this is true. But Western businessmen would be foolish not to continue viewing Taiwan with a positive and optimistic eye. The electronics industry is growing fast. Chinese mental agility, quick response to meet challenges combined with dedication to the free market economy in Taiwan, have created a very buoyant and successful group of companies which are not only off-shore operations of

Western or Japanese manufacturers, but many of them are home-grown companies of Taiwan. Selling in Taiwan is a very straightforward matter. The Chinese relate well to Western culture and ways of doing things. After Korea and Japan, Taiwan is a piece of pie. The agent/distributor/customer relationship is pretty well the same as we are used to.

Basically the Chinese are a very pragmatic people and realize that being a separate state from mainland China has its limitations. The People's Republic of China and the Republic of China, i.e. Taiwan, are aware of each other's needs and each other's advantages. Being an island, Taiwan can, and will, continue to be isolated in one way or another from the People's Republic of China. Despite this, there are no direct commercial or political ties between People's Republic of China and the Republic of China. Trade goes through third countries such as Hong Kong, and the Chinese in their wisdom have acknowledged the fact that Taiwan is part of the P.R.C. by not charging any duty on any goods imported from Taiwan via Hong Kong. After all, in their eyes, Taiwan is but a Province. Taiwan is a valuable, fast-growing market for our products and we anticipate will be so for many, many years to come.

Hong Kong is perhaps the most exciting place in the Orient, if not the world. It offers opportunities in virtually any field. As a financial centre it is eminently important and successful. It is a tax-haven for the rich and a haven of opportunity for the poor. Hong Kong has virtually every imaginable industry and perhaps the most important aspect of the Hong Kong industrial structure is that it is one of the few accepted routes to the vast Chinese market.

But as a Crown Colony of little value to the British, Hong Kong is not without her problems, and having an arrangement with the People's Republic of China for a 99-year lease for most of her land,

which is soon to expire, does not make for stability and confidence in the future. There are many who are rather nervous about China's attitude towards the expiration of the lease. Any basis for this nervousness is quickly dispelled, however, when one considers that after all Hong Kong is indeed **the** corridor for China to the West. There is little likelihood the Chinese in Peking will be so shortsighted as to close this window and to limit their ability to communicate with the West.

Our market in Hong Kong has some rather odd and unique features. Because of space and locations, virtually every factory is multi-storey so often you find yourself selling production machines per floor, rather than per project. The machines, however, which you do sell have to be compact and easy to move.

Hong Kong itself will no doubt become saturated soon. There is no more space for growth but from Hong Kong there will be more and more shipments made to what is called the new territories now and to duty-free zones which will become an extension of Hong Kong in coming years. It is not beyond imagination that the migration which has so steadily been from the North to the South will turn and people from Hong Kong will go back up North where opportunities will alight through the opening of the border between Hong Kong and Mainland China.

There are duty-free zones which are now being set aside which in fact are already encouraging this kind of mobility. Businessmen are investing in projects which will bring about enticing housing and industrial estates. Our market is growing in Hong Kong, but we will have to roll with the punches and sell, sell and sell.

Singapore deserves separate mention. It is probably the most efficiently run community in the Orient. It is one of the few countries of the world where a multi-racial society exists in harmony and

is pulling towards one goal. While the Quebec government is struggling to make its Law 101 understood, a simple decree by the Prime Minister of Singapore to make Mandarin the common Chinese language has been heeded by the whole Chinese population of Singapore and is being endorsed as a vital economic step in the right direction in view of China's growth. This is Chinese pragmatism at its best.

Singapore, because of her very stable government, is an attractive place to invest and indeed many major companies in the electronics industry are investing heavily in Singapore's future. Singapore's decision to up-grade its industry is going in the right direction and will no doubt bring benefits to its population. The limitation obviously is space and while it is decreasing in availability it is not as crowded as Hong Kong, so there is more to come.

Just north of Singapore, Malaysia's ability to supply inexpensive hard-working and relatively well-educated labour has attracted industry. As opposed to Singapore where Malays, Indians and Chinese are all living harmoniously together, Malaysia has a racial problem. Perhaps this is the only factor that holds back Malaysia's growth. Investors are nervous and are not as willing to commit large sums of money.

The marketing of Electrovert products in Malaysia as well as in the rest of the ASEAN countries, is handled out of our Singapore regional office. Because the large majority of the companies which are active in the ASEAN are off-shore operations of European or American corporations, decisions are often made by Westerners who feel somewhat isolated and who feel the need of a local permanent presence by the manufacturer. This has prompted us to open a regional office in Singapore.

The ASEAN community is made up of Singapore, Malaysia, the Philippines, together with Indonesia and Thailand. These five countries are

very different from one another and I have individually dealt with Singapore and Malaysia for Electrovert. The Philippines is the only other important country in the ASEAN group. Thailand and Indonesia are both growing and no doubt will have a market for our products. Indonesia already has approximately 30 television/radio assembly facilities but they have not gone beyond this point, and with the depressed consumer electronics market worldwide I don't anticipate either Indonesia or Thailand are going to become a major market for our products for the next several years.

The Philippines, with Ferdinand Marcos as the stabilizing influence, has attracted considerable investment from many developed countries. Philippines, together with Korea and Taiwan, have become the semiconductor manufacturing centre for the world. While the finer, more delicate work is done in sophisticated plants in the Silicon Valleys of Ottawa, California and Kyoto, final assembly and production of integrated circuits is often done in one of the low cost countries of the Orient. In most of the Pacific countries so much technology comes from the West, so specifications for capital equipment often come from the parent company in Germany, United States, or Japan. For this reason a strong presence in the parent country is vital. Without the endorsement of the home office the products won't be bought, and at the same time without a strong technical presence in the Orient where the facility is, the parent company will not recommend the use of your products.

The world of electronics is growing.

The use of electronics is present in every facet of our lives — in fact through electronic communications the whole world is becoming smaller and more compact. The Pacific is approaching the Atlantic. It is vital that for success in the Pacific you are also active in the countries of the Atlantic.

No market is an island unto itself.

MEMO

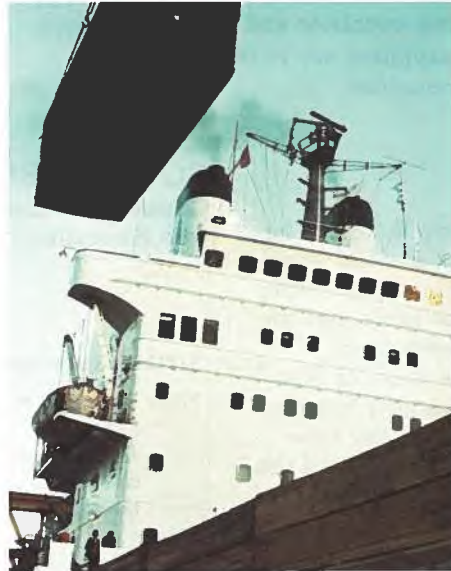
TO: Canadian Businesses and Entrepreneurs (in response to your many requests for information)
FROM: Trade and Structural Analysis Directorate, Office of Policy Analysis, Department of Industry, Trade and Commerce and Regional Economic Expansion

RE: The International Trade Data Bank

International trade is an extremely important factor in Canada's economy and, in fact, some see it as the answer to many of our present economic woes.

However, to be able to compete effectively in world markets, you need all the information you can get to assess the export potential of your products.

There now is a tool available to you — the International Trade Data Bank (ITDB) maintained by the Department of Industry, Trade and Commerce/Regional Economic Expansion (IT&C/REE). The information in the bank is based on data received by IT&C/REE on computer



tapes from the Statistical Office of the United Nations. It includes export and import flow data for 66 trading nations as well as for groupings such as the EEC or OECD. The reporting countries provide the destinations of their exports and the origins of their imports. At present, the ITDB has information for some 2,600 individual commodities in files running from 1962 to the most recent current year (1981).

The statistics of exports and imports broken down by type of commodity and country of origin or destination are natural starting points for research into foreign markets. The bank can be a valuable tool to help identify product and market areas for Canadian exports. A manufacturer can assess the relative attractiveness of trade in particular markets with reference to past performances measured by trade statistics.

The individual marketing executive requires statistics on the performance of foreign competitors in the same product line as well as statistics on whether the market as a whole is expanding or contract-





ing. He will need to identify his major competitors and seek statistics to justify, or at least to suggest, why Canadian products have gained or lost their share of the market.

The data bank is most useful to smaller businesses lacking the means of obtaining their own export data. People who do not know the export business but who are curious about the possibility of getting into foreign markets can be supplied with some good basic data on what the import situation is in the reporting countries and who the present suppliers are in terms of other countries.

Trade statistics by no means preempt other sources of export intelligence. However, they do provide a firm basis for any detailed study of export conditions and prospects.

The information in the data bank is meant to indicate market trends and trade performance comparisons rather than provide hard figures on sales opportunities. The UN statistics cannot be taken as absolute since discrepancies occur among the different countries' trade data, for various reasons. Also, in some cases, the method of classification used is too broad to be useful in certain product areas.

COUNTRY SERIES TABLE

This represents the imports as reported by Australia for the years 1976 to 1980 for batteries and electric accumulators and parts thereof n.e.s. The countries of origin (suppliers) are listed across the top of the table and the years are shown down the side. The imports from Canada and Canada's percentage of the share of Australia's total imports of the selected commodity are also shown. This same type of data can be extracted from the International Trade Data Bank system for any of the reporting countries or any of the commodities listed.

COUNTRY SERIES

Canada's Shares of Total Imports of Manufactures into Australia 1976 to 1980

SITC No. Description		Total Imports From World	Total Imports From Canada
		1976	12,821
778.1 Batteries & Electric Accumulators and parts thereof. n.e.s.	1977	14,061	141
	1978	16,125	562
	1979	20,637	154
	1980	27,285	40

COMMODITY SERIES TABLE

This table lists the total exports from OECD countries, from Canada and from 12 selected OECD countries for the year 1980 to a number of countries of destination. Canada's exports to the individual countries are shown with a percentage share of all OECD's total exports to the same geographic destinations. This same type of table can be produced from the International Trade Data Bank system for any type of commodity listed.

MARKET SHARE REPORT COMMODITY SERIES - YEAR 1980

SITC - 778.1 - Batteries and Electric accumulators, and parts thereof. n.e.s.

Canada's share of exports for 24 OECD supplier countries to the world

DESTINATION	TOTAL EXPORTS FROM ALL OECD COUNTRIES	CANADA		
		VALUE	% OF OECD TOTAL	USA
WORLD	\$1,787,610	23,997	1.3	272,898
SOUTH AFRICA	26,244	44	0.2	1,301
ALGERIA	18,316	N/A	N/A	67
LIBAR JM	8,831	14	0.1	291
MOROCCO	8,165	N/A	N/A	1,058
SUDAN	1,848	14	0.1	130
TUNISIA	4,105	N/A	N/A	143
EGYPT	8,838	N/A	N/A	1,173
UNITED REP. OF CAMEROON	4,213	N/A	N/A	52
CENTRAL AFRICAN REPUBLIC	581	N/A	N/A	N/A
CHAD	215	N/A	N/A	N/A
CONGO	2,596	N/A	N/A	30
GABON	1,824	N/A	N/A	24

However, the use of the International Trade Data Bank can provide the first step in making export plans. It then can be followed by the detailed research demanded by the major step of entering world markets successfully.

Until recently, the data bank has been used mainly by government agencies and departments and academic organizations for a variety of purposes. Now it is available to anyone wishing to make use of it, at minimal cost, on request.

A detailed explanation of the International Trade Data Bank system and general specifications as

well as examples of printouts can be obtained from my office. Also, with this memo I include two tables giving examples of some of the types of information available from the bank.

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Thousands \$ U.S. (current)

% of Total	U.S.A.	Japan	U.K.	Hong Kong	Sweden	France	W. Germ.	China (Taiwan)	New Zealand	Italy	Phillipines
4.4	4,452	3,482	1,515	715	676	480	220	183	111	86	67
1.0	6,102	3,172	1,314	561	457	1,033	247	125	207	81	Nil
3.5	6,671	3,526	1,572	455	469	1,146	258	199	348	59	144
0.8	11,069	3,958	1,391	581	587	292	259	580	279	122	177
0.2	15,134	4,036	2,381	449	1,094	730	499	618	372	54	Nil

(\$000 U.S. Current)

SELECTED OECD COUNTRIES

JAPAN	BEL-LUX	DEN-MARK	FRANCE	W. GERM.	ITALY	NETHERLANDS	U.K.	AUSTRIA	SWEDEN	SWITZERLAND
290,034	140,612	52,713	187,544	295,342	54,293	51,415	246,206	58,948	60,507	60,510
2,364	1,912	161	1,564	1,383	758	34	16,311	1	29	403
1,965	52	15	9,215	737	661	1,087	3,701	477	116	222
1,884	N/A	2	300	3,443	1,268	246	760	442	123	72
34	1,495	N/A	2,752	105	394	801	797	174	36	519
239	6	N/A	89	60	120	1	838	68	294	3
3	61	2	2,217	22	887	19	159	516	70	6
1,409	N/A	N/A	477	636	734	649	2,665	482	408	203
669	70	17	2,336	915	18	1	126	1	N/A	8
N/A	N/A	N/A	578	1	N/A	N/A	N/A	N/A	N/A	2
1	N/A	N/A	212	2	N/A	N/A	N/A	N/A	N/A	N/A
829	N/A	71	524	407	N/A	N/A	N/A	N/A	N/A	N/A
19	N/A	N/A	1,229	530	1	5	15	N/A	N/A	1

Small and medium sized businesses are the backbone of the increasingly important Canadian tourist industry. This article, specially prepared for Canada Commerce by the Canadian Government Office of Tourism, describes some of the programs, assistance and financial incentives available for . . .

TOURISM

— Big Business for Small Businesses

During economic hard times, businesses in the tourism industry may find it increasingly worthwhile to investigate free government programs, technical assistance and government loans and financial contributions.

On the receiving end, government officials will be increasingly in demand as sources of economic forecast and investment intelligence. Because tourism is a labour-intensive industry employing skilled and semi-skilled workers, the federal government is making tourism one of its priority industries.

Small businesses may see new government programs designed to help them make investment and expansion decisions. The govern-

ment's tourism agency, the Canadian Government Office of Tourism (CGOT), is assessing the concept of acting as a broker to bring investment money together with development opportunities.

Says Bob Duncombe, director of tourism industry evaluation and improvement at the Canadian Government Office of Tourism, "We're the people who know that the left arm is looking for the right arm. We would be looking for both Canadian and foreign developers and investors, with the priority on Canadians."

If economic uncertainty persists, businesses will likely be stepping up their search for government loans and contributions. Business in tour-

ism translates as small business — 100,000 businesses that are spread across six time zones and over 6,500 kilometres (4,040 miles). For these people, the key is to know what kind of assistance is available and where to find it.

Every small business in the tourism industry should get acquainted with the tourism program officer at the regional office of the Department of Industry, Trade and Commerce (IT&C).

When IT&C joins with the Department of Regional and Economic Expansion (DREE), its 10 regional offices and CGOT will come under the new department so formed. The creation of this new department reflects the federal government's emphasis on regional sensitivity and signals the launch of a national effort to find international markets for products and services produced in every region of Canada.

DREE's regional structure and knowledge of business opportunities in the regions is to be complemented by IT&C and CGOT's national expertise and access to foreign markets.

With DREE, IT&C and CGOT in one department, small businesses in tourism should find it easier to get technical and investment advice as well as quicker access to information about no- and low-interest loans, forgivable loans (forgivable if the business meets its commitments) and grants.

In the next few years, businesses can expect to see the tourism specialists at the new department strengthen their ability to analyse, interpret and communicate information about marketing and development opportunities.

A new project underway is a computerized system to match markets with tourism services and facilities.

"In the future," says Ray Desjardins, "we're going to have to respond to rapid change. Because of the economic situation, people don't have as much disposable income and they'll be making a trade-off between travel and other discretionary purchases. When they do travel, they may well go shorter distances."



Skiing enthusiasts at Whistler Town Centre, British Columbia.

Desjardins is the tourism development officer working on the system which will analyze products and market intelligence.

"The benefit of this kind of system is that tourism businesses will have access to detailed background information to use as a guide in making decisions."

Currently, under tourism agreements between the federal, provincial and territorial governments, CGOT and DREE have approved financial contributions for resorts, hotels and restaurants for upgrading restored buildings housing small businesses, major tourist attractions such as the Fortress of Louisbourg, Kings Landing Historical Settlement and Place Royale, special events such as the Festival du Voyageur in Winnipeg, and even a river rafting company on the Ottawa River.

Nearly a quarter of a billion dollars is being spent over a four-year period.

It goes to all sizes of businesses, from a \$14,000 forgivable loan from the federal government to help upgrade the road to Lake O'Hara resort in Yoho National Park to 6 million federal dollars to the mammoth year-round resort at Whistler, B.C.

The Whistler complex of two mountains to ski, golf course, five lakes, shops, major hotel and convention facilities is costing over half a billion dollars. Federal and provincial contributions to infrastructure eased the way for the small businesses that make up much of the Whistler-Blackcomb complex.

"We like to create incentives for further development," says Karl Knechtel, director of tourism development for Western Canada. "We like to put it into planning studies and infrastructure. . . planning design studies, pipes, sewers, ski hill equipment as well as buildings. We stay away from operational subsidies and from buying helicopters, vans or other moveable assets. They should be the responsibility of the developer, the entrepreneur."

On a smaller scale, in Dawson City, Yukon, a federal/territorial agreement paid \$120,000 for

With DREE, IT&C and CGOT in one department, small businesses in tourism should find it easier to get technical and investment advice as well as quicker access to information about no- and low-interest loans, forgivable loans (forgivable if the business meets its commitments) and grants.

facade improvements to a number of small businesses. Dawson City's historic streetscape and wooden sidewalks are a slice of living history, recreating the days when the North was stampeded by thousands of prospectors who pitched their tents and panned for gold.

Today, it's the tourists who come and, now as then, Dawson City doesn't have enough places for people to stay.

A recent contribution of \$330,000 has been made toward new hotel and motel units, leading to \$2 million in private sector investment.

Like Dawson City, Prince Edward Island has a beautiful product to sell — sand beaches, tourist attractions and relaxing atmosphere — but not enough hotels and restaurants.

CGOT is administering \$5.4 million that the federal government has allocated to tourism development on the island. About 120 applications for financial contributions have been approved for upgrading accommodation, restaurants and attractions and assisting new hotels, motels and attractions in areas chosen for cluster development.

Businesses and tourist associations will receive money for feasibility studies, marketing plans and investment prospects. Other funds will pay for professionals to plan landscaping, establish financial management systems for individual businesses, or organize group study tours. Applications are still being received. This is the first initiative by the federal government to administer a tourism grant program directly — asking the provinces for planning assistance only.

At Trinity, Newfoundland, an

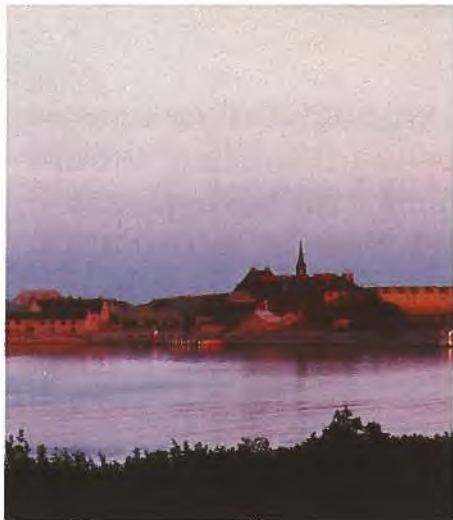
Ottawa/Newfoundland agreement is putting \$650,000 into restoring the exteriors of historic buildings. This fishing and whaling community will eventually look the way it did in the late 1800s.

The Hiscock House (including the interior), an old store dating to the 1820s, two churches and parish hall are among buildings receiving attention from this five-year project, part of a plan to attract visitors to the Bonavista Peninsula.

Sixteen million dollars will be spent in Manitoba by Ottawa and Manitoba over the next three years. This capital assistance program will help local governments, non-profit groups and businesses improve and increase tourist facilities and attractions in Winnipeg and rural Manitoba. Project applications are being accepted now.



The Lodge at Lake O'Hara, Yoho National Park, British Columbia.



Reconstructing the past — historic Fort Louisbourg, Nova Scotia.

As well as encouraging the development of new facilities, CGOT's job is to market existing attractions.

To help tour operators, CGOT offers a Canada Marketing Assistance Program under which domestic and foreign tour operators and wholesalers selling Canadian destinations may receive up to \$25,000 to promote and develop existing and new packages.

CGOT also produces colour tour shells and folders for small promoters. They can overprint their name on the cover, list their itineraries inside, and have a colour folder for the price of black and white.

CGOT receives about 1,800 publications from small businesses — resorts, motels, fishing lodges, amusement parks, museums — and forwards them to Canadian government embassies or consular offices which have a tourism program (at present, 14 in the U.S. and seven overseas).

In addition, CGOT-Ottawa has a contingent of travel counsellors who give information to tourists over direct telephone lines from New York, Montréal and Toronto.

Travel agents may call these counsellors collect from anywhere in Canada. In response, they send out rafts of pamphlets and provincial literature. More than 600 tons a year.

CGOT also produces how-to manuals on the design of restaurants, motels or campgrounds, and is hoping to transform these manuals into video cassettes that can be used on educational television. Development officers are working with the Tourism Ontario association to develop a course on financial management planning for the Canadian lodging industry.

CGOT's audio-visual production, "The Hottest Game in Town", is used for training programs to explain to hotel and restaurant

employees how important tourism is to this country and its communities. Anyone holding a training seminar can get free posters, buttons, display cubes and films from CGOT. The Canadian Travel Film Library lists over 110 titles. The films are used by the travel trade for "Canada Nights", training seminars for travel agents, and are also kept by resorts for rainy evenings.

Next year, CGOT will release the results of the National Tourism Manpower Study which is looking into the problems of mobility, turnover and lack of career opportunities in tourism.

Right now, CGOT is helping the alpine ski industry survey wages and benefits paid by ski operators. The industry wants to compare their salaries and performance with those of other small businesses. At the same time, they will develop financial yardsticks to measure economic health, to provide a framework for decision making by investors.

Every year, CGOT co-ordinates Rendez-vous, an enormous sales

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Sunlight and white walls, church at Trinity Bay, Newfoundland.

forum where Canadian hotels, tour operators, airlines, outfitters and attractions can promote themselves to potential buyers from around the world.

CGOT also serves as an umbrella organization for co-operative sales presentations by the Canadian meetings and incentive travel industry. CGOT does much of the organizational work to bring Canadian suppliers to marketplaces and

annual conferences such as those of the American Society of Association Executives.

When a Canadian member of an international association goes abroad to bid for a convention to be held in Canada, CGOT can help with the financial details for the bid, airfare and reception overseas.

CGOT has a host of other programs: editorial writers who send out travel stories on small outfitters that have led to full occupancy; a publications section that produces maps, a quarterly events listing, and Touring Canada, an auto touring manual which resorts and hotels can order through the regional offices.

Tourism is an industry of the future. Tourism industry development will help Canada recover from recessionary times. In tourism we can take our geography, our striking landscapes and many man-made attractions and turn them into products we can sell. This makes tourism a resources industry, using primarily renewable resources.



Period setting at King's Landing, New Brunswick.

This is one reason tourism will be receiving more and more attention from the federal government.

Small businesses in tourism stand to gain from the host of government programs designed to boost travel to Canada and support the growing number of Canadians employed in tourism.

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PRINCE EDWARD ISLAND

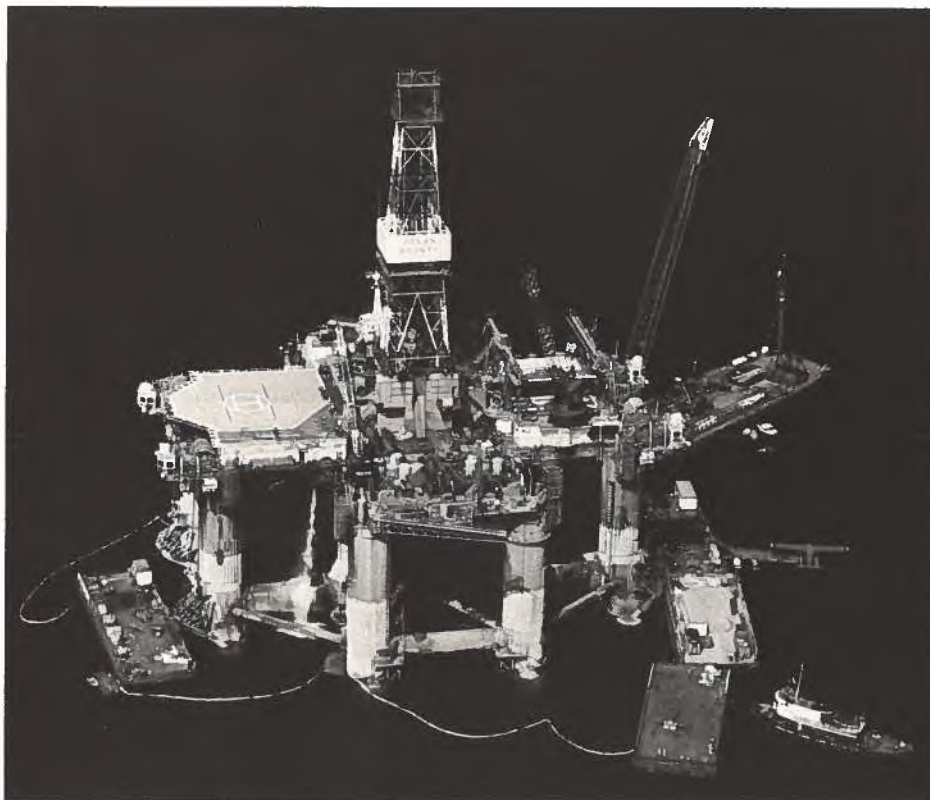
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Since March 1981, Canada Commerce has presented an overall view of Canada's energy picture which, while it is among the most favorable in the world, still requires a good deal of attention by all sectors of the economy. In the first article, "Dollars and Cents of Energy Conservation — Manufacturing Sector Mobilizes Voluntary Forces", Commerce outlined how 16 major industrial sectors had been organized to cut their energy requirements per unit of production by up to 35 per cent. In this, the last of the eight-part series, Commerce's Bob McDonnell examines the Industrial Energy Research and Development Program.

New Thrust in Industrial Energy Conservation



Since their inception in 1975 at the first Government/Industry Conference on Energy Conservation, voluntary committees established by Canadian industry for energy conservation have succeeded in reducing industry's energy requirements per unit of production by substantial amounts.

To continue this trend to energy efficiency the federal government,

through the Department of Industry, Trade and Commerce and Regional Economic Expansion, has announced an increase in the funds allocated to the Industrial Energy Research and Development program (IERD).

The program, which was established in 1977, is aimed at encouraging Canadian industry to undertake research and development of

new products, processes and equipment that will reduce energy consumption. Changes in the program allow a broader application to energy conservation projects throughout industry, and funding has been increased significantly over earlier levels.

While the voluntary energy conservation committees have been successful in reaching their goals through better housekeeping, use of waste process heat and other measures, Canadian industry, with its built-in climatic disadvantage, must further increase its energy efficiency to remain competitive on world markets. Major reductions are now more dependent on costly research and development and, therefore, support for such efforts have been made available under IERD.

Support Available

In most cases, the IERD contribution will be for up to 50 per cent of the total estimated cost of an approved project. However, the sharing ratio will depend on the degree of technical risk, the magnitude of potential energy savings and the degree to which the technology developed can be used by other companies.

Allowable Costs

- Direct labour
- Direct material
- Travel
- Consultation fees and other outside services
- A reasonable proportion of overhead and general and administrative expenses
- Costs of specialized equipment, prototypes and pilot plants; if these are sold or transferred to commercial use, the organization must repay to the Crown its share of the proceeds or the fair market value of the item.

Capital costs for buildings, machinery and laboratory equipment are not allowable.

Title to Results

Ownership of equipment, technical data, designs or process reports arising out of or resulting from the

project will vest in the organization and remain its property. The organization will be required to promote the widest possible transfer and use of the technology in Canada by commercial exploitation through product sale, process licensing or publication of information.

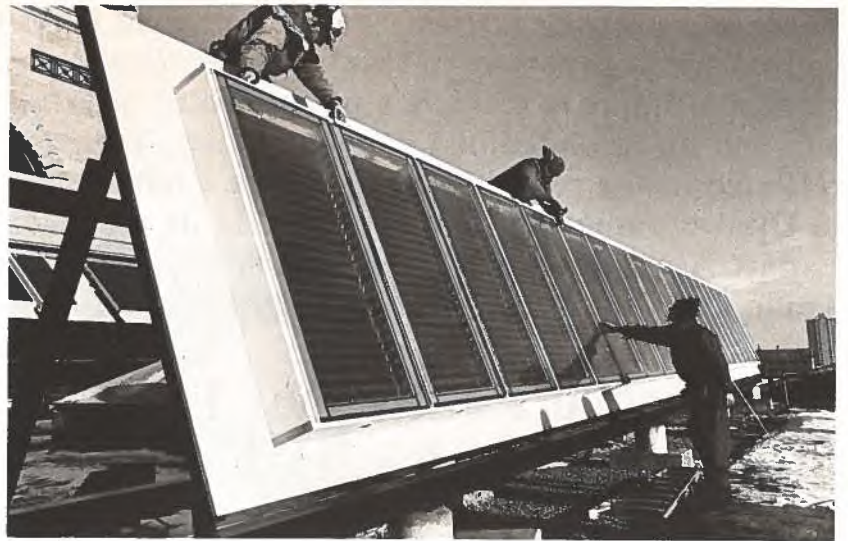
Who is eligible

With the exception of Crown corporations, all companies established in Canada, formal or informal groupings of companies or individuals, trade and research organizations and consulting firms are eligible for assistance from the IERD program.

Criteria

The following major criteria should be met:

- Availability of appropriate scientific and technical personnel;
- Availability of suitable research facilities either in-house or by subcontract to another company, non-profit organization, university or other institution;
- Adequate financial resources to carry out the project and exploit the results;
- A sound technical basis for the project and a reasonable chance for success;



- A significant amount of experimental testwork;
- General applicability to one or more industrial sectors;
- Sufficient potential energy savings to justify the Crown's investment;
- Objectives consistent with the energy conservation aims of the National Energy Program.

Administration

The administration of the program is based on simplicity and the expeditious processing of applications. In operation, the project may be directed to other federal assistance programs (for example, the Enter-

prise Development Program) where the criteria and objectives of these programs are clearly more closely related.

While co-ordination and general administration of the program will be assumed by the Programs Branch, Department of Industry, Trade and Commerce/Regional Economic Expansion (IT&C/REE), assistance and delivery of the program will be undertaken by the relevant Industry Sector Branches with technical assistance from the Technology Branch.

In addition to IT&C/REE personnel, representatives from the National Research Council, Energy Mines and Resources and Ministry of State for Science and Technology will constitute the IERD Advisory Committee to consider applications for assistance and advise on policy questions generally.

How to Apply

Before submitting a detailed proposal and to determine a project's eligibility under the program, contact an IT&C/REE officer at the nearest regional office or at:

Programs Branch
Department of Industry, Trade and Commerce and Regional Economic Expansion
 235 Queen Street
 Ottawa, Ontario
 K1A 0H5
 Tel: (613) 995-7174

Application forms and instructions for making formal applications are available at all IT&C/REE offices.



There is a growing interest among Canadian exporters and potential exporters in trading house concept as a vehicle to improve Canada's trade picture both nationally and on an individual company basis. This was reflected in the recent Trading House Conference held in Ottawa under the joint sponsorship of the Canadian Export Association and the Department of Industry, Trade and Commerce/Regional Economic Expansion.

Conference Points Out Importance of Trading Houses in Canada's Export Role

According to A.D. Burford of Burford International Ltd. and Chairman of the Canadian Export Association's Trading House Committee, "Public discussion in Canada is increasingly focusing on the role of trading houses in stimulating new exports and in playing a key role in the Canadian export scene.

"This successful endeavour should be recognized in light of the fact that a considerable proportion of Canada's export trade is conducted between goods-producing companies and their foreign affiliates which leaves little potential for the **market-bridging function** performed by trading companies."

Mr. Burford's remarks form a part of the introduction to the new "Directory of Canadian Trading Houses" introduced at the Trading House Conference in Ottawa.

He described the function of a trading house as "to market in one country goods produced in another."

Another definition has been given as "companies engaged in the exporting (and/or importing) of goods produced or manufactured by others and in the provision of ancillary services. These services may include market research, export management, export documentation, freight forwarding, insurance and financing. Export merchants, management companies, agents and brokers, foreign-project procurement specialists and buying houses fall under the definition."

Trading houses are particularly suited for use by small to medium-

sized manufacturers who cannot sustain the high initial set-up cost of starting an export division or whose potential sales may not warrant the establishment of such a full-time function. Trading houses can also provide the means by which larger manufacturers can penetrate additional markets which their international operations cannot economically serve.

By their very flexible nature, trading houses are also adept at handling package deals and tenders consisting of a varied number of products from different producers.

Addressing the conference, the Hon. Ed Lumley, Minister of Trade, reaffirmed the federal government's decision not to become involved in the creation of a national trading house, particularly since "the majority of the private sector, including the government's Advisory Committee, the Export Trade Development Board, did not perceive the need, nor support" such a creation.

"The challenge to develop a significant, viable and competitive Canadian trading house capability now falls to the private sector," he said.

Mr. Lumley outlined objectives of the federal government supporting this activity:

- To provide a focal point within the government for all matters concerning trading houses and to provide a visible link and act as a catalyst between trading houses, government and manufacturers.

- To support the establishment of a Trading House Consultative Committee with a mandate to make specific recommendations to the minister for international trade.
- To provide information on and promote the use and development of trading houses by manufacturers, producers, services and consulting companies and domestic wholesalers and distributors.

The last point, Mr. Lumley said, was one of the reasons for the publication of the "Directory of Canadian Trading Houses" announced and presented at the conference.

- To sponsor a continuing series of conferences to help Canadian trading houses identify exportable Canadian manufactured products.
- To sponsor trading house missions abroad to help expand the international marketing expertise of Canadian trading houses, particularly in the growth markets identified by Mr. Lumley's department.

Speaking to the conference on the use of trading houses by manufacturers was C.M. (Chad) Murray, Vice-President, Marketing and Sales, of Erie Iron Works Co. Ltd., Mississauga, Ontario, and President of the Canadian Hardware and Housewares Manufacturers Association and Chairman of the Association's Export Committee.

The cost of shipping full container loads of his company's products added considerably to the c.i.f. price and, while 1,000 garden wheelbarrows can be fitted into a six metre (20 ft.) container, it is not always possible to find a customer for 1,000 wheelbarrows.

Trading houses, Mr. Murray said, can consolidate smaller shipments with other, complementary products and sell the package to the same customer.

"One of the most positive contributors to our success has been the expert guidance and assistance provided to us by trading houses at relatively low cost," he said.

Mr. Murray felt that, from the viewpoint of the manufacturer, there is not at present sufficient communication between the trading

For Canada's export potential to be fully realised, there must be even greater co-operation between manufacturers, trading houses and Canadian government personnel. . .



houses and manufacturers. The manufacturers are "not familiar with many of the terms used and services that a trading house can give us." The trading houses are not sensitive enough to the manufacturers' needs and the manufacturers have an obvious lack of knowledge.

"When trading houses are making initial presentations, we find that most make too great an assumption of the knowledge that the manufacturer has, and do not spend enough time explaining what services are to be provided."

He felt there are many positive advantages to manufacturers in using trading houses but more work is necessary to bring the two together on a mutually beneficial basis.

For Canada's export potential to be fully realised, there must be even greater co-operation between manufacturers, trading houses and Canadian government personnel both overseas and at home, stated Vanessa Hammond, President of Canedex Distributor Limited of Toronto.

Her company is involved in development projects abroad which, in themselves, constitute an export potential for trading houses but in a different sense than exporting products.

She felt that Canadians should be considerably more aggressive in this field and that trading houses could provide one logical avenue of approach.

"The trading house sector makes its greatest impact working as a member of a team. In each of our development projects this team includes manufacturers, the Canadian government, the recipient government and the development agency. The relationship with all of these are crucial and are cultivated through repeated contact at many levels."

Cost is a major factor preventing many manufacturers, big and small, from entering the competitive export market on their own, according to A. Gallagher, President of Forbex International Inc. of Hamilton, Ontario.

"In terms of initial market identification, research and initial overseas travel . . . if allocated against a single product line, this type of cost requires a fairly hefty sales forecast to justify continuing the export program," he told the conference.

"A trading company can spread these costs over three, six or 10 product lines and, as a result, pick up initial incremental sales for product lines which may never have been offered in that market area on their own."

His catch phrase was, "If you want to export, get an exporter!"

The "Directory of Canadian Trading Houses" presented at the conference, was compiled by the Distribution Services Branch of the Department of Industry, Trade and Commerce/Regional Economic Expansion (IT&C/REE).

The most complete and up-to-date list of trading houses in Canada, the directory profiles more than 640 Canadian trading houses, their products, methods of operation and markets served. It contains information supplied by IT&C/REE's Business Opportunities Sourcing System (BOSS) and will be updated annually so that new companies can be included as well as new products and market coverage of existing companies.

The aim of the directory is to publicize the Canadian trading house sector and the viability of such trading houses as alternate means of trade facilitation. It also contains a section on how its information can be best used and a list of specific factors to be considered in contracting with a trading house to export products.

For further information, contact Michael J. Reshitnyk or Ms Hélène Woods

**Trading House Sector
Distribution Services Branch (88)
Department of Industry, Trade and
Commerce and Regional Economic
Expansion**

235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 593-7981

In the best of times and the worst of times, the very survival of any enterprise requires careful and constant attention to long-term planning. For the small business owner, this can be difficult. The Federal Business Development Bank (FBDB), which can provide much needed help in such cases, outlines the need for planning and flexibility in this first of two articles, specially prepared for Canada Commerce, dealing with. . .

Survival Management



Big business and small are alike in at least one respect: they must be able to anticipate changing economic conditions and know how to adjust to them. A big business can usually draw on the managerial skills within the organization for these purposes. A small business, however, must often seek advice and assistance from outside.

One readily accessible source of such expertise is the Federal Business Development Bank. The FBDB is not only the single largest supplier in Canada of small business financing, it is also

the single largest supplier of management services. These range from one-on-one counselling, through its Counselling Assistance for Small Enterprises (CASE) program, to management seminars and clinics.

The FBDB also publishes numerous texts designed to help entrepreneurs in establishing their own businesses and maintaining them as ongoing and successful operations. Central to small business survival, FBDB stresses, is careful planning which projects the objectives of a business at least three years ahead and includes the steps to be taken, and when, in achieving those objectives.

Small business owners, the FBDB has found, are often too close to their businesses, too immediately involved in day-to-day operations, to recognize and deal with potential problems before they become critical.

But if they have a sound business plan which is regularly reviewed, preferably with their bankers, accountants or others with the skill and experience to make objective judgments, such problems will be recognized in time to take appropriate corrective steps.

Have sales fallen below projected levels? If so, what has been done to reduce inventory? What has been done to speed payment of accounts receivable? Can a retailer still afford to carry slow-moving merchandise? Or should he change his lines in favor of those with a quicker turn-over? If he has planned well, the small business owner should have the answers before such questions need to be asked.

The properly prepared business plan provides the small business owner with a standard against which to continuously monitor performance. More than that, the preparation of such a plan will frequently reveal valuable insights into the potential strengths and weaknesses of the operation in ways that enable the owner to build constructively on the former while protecting himself against the latter.

Many entrepreneurs make the mistake of thinking their expertise in a particular field is enough to assure their business success. The skilled cabinet-maker opens a carpentry shop and, in good times, is indeed successful. But the demand for custom carpentry has fallen off in recent months. What does he do now? Simply struggle along, hoping for the best?

Not at all. If he has planned realistically, he'll know of other areas into which he can redirect his skills. He'll know what new markets he can develop. And if he hasn't now a business plan, it may not yet be too late for him to prepare one which will take fully into account the changing business environment and what he must do to adjust to it.



Most of all, the prudent small business owner should avoid wherever possible the seemingly quickest and easiest solution to his problems. Business is slow? Savings are running down? Why not then just borrow enough to keep going? Maybe that is the answer, but has the small business owner calculated what interest costs will do to his cash flow? Has he established how long it will be before business picks up? Might he not be putting himself into the position instead where the more he borrows the more he must keep on borrowing?



The best solutions for a business in trouble are those which can be integrated into its long-term future. Maybe the objectives of the business have been too ambitious. If so, one solution might be to reduce the scope of its operations. Maybe the owner was too intent on retaining sole ownership of the business. If so, the sale of an interest in the business should be considered for the additional cash needed to maintain it as an ongoing operation.

The problems one small business may be having are never quite the same as those of another. That is why there are no magic formulas for survival during difficult times. Survival, instead, is best assured by continually and realistically monitoring the status of a business within the context of a longer term plan. Implicit in this is the identification of problems in time to correct them.



Above all there is the requirement to be flexible, to be prepared to move quickly in response to changing conditions. In good times, a retailer can afford to carry large inventories which take time to move. In bad times, he holds down his orders to what he can be reasonably certain to sell quickly. He may even consider cutting out the slow-moving lines, even if they were profitable in the past.

In the first of these two articles on small business survival, the emphasis has been on the need for planning and for flexibility in adjusting to changing business conditions. In the next article specific survival measures which small business can take will be discussed.

Tourism in a Recession Economy

Tourism growth has been phenomenal during the last two decades. International tourism receipts world wide increased five-fold between 1970 and 1980. It has been forecast that tourism would become the largest industry in the world before the end of this century.

This formerly conspicuous activity of the privileged leisure class has evolved in what is known today as Mass Tourism which has become the mainstay of many developing economies as well as a mechanism for regional economic adjustment in many industrialized nations.

Recently, the energy situation and the prolonged worldwide economic recessions have made tourism, like all other economic sectors, go through stages of serious adjustments.

Notwithstanding these difficulties, tourism does contribute significantly to national economies. In the case of Canada, for example, it generated more than \$16.5 billion and provided jobs for nearly 10 per cent of Canada's work force in 1981.

TOURISM DEFINED

Tourism is the business of attracting visitors and serving their needs and expectations. As a business, it suffers the usual industrial problems of supply and demand, inflation, labour, capital investment, profit and loss. But it has the added burden of being the major ingredient of a social phenomenon — the 20th century realization of man's dream to travel.

There is increasing perception that travel is an avenue to personal enrichment as well as a response to a human need born of societal pressures. The right to travel is included in the United Nations Charter of Human Rights. In the evolution from an indulgence of the few to a requirement of the many, man's attitude towards tourism and his conceptions of personal priorities have changed. Tourism has become

almost as important as such essentials as food and shelter. The results of a recent Delphi survey conducted for the National Advisory Council on Manpower, Education and Training in the Tourism Industry reveals that by the end of this decade more than 80 per cent of North American and a majority of Western European and Japanese households will have a specific annual family budget for travel and leisure pursuits.

RESILIENCY OF TOURISM DEMAND

Growth in tourism demand is influenced by both economic and social factors. As the industry matures, the latter set of factors becomes more and more predominant as travel and recreation become basic needs of society, while facilities and services offered become better packaged and more efficient. This is evident in the trend in efforts to respond to the travel needs of the handicapped, the senior citizen, the working woman, the single executive, the

urban apartment dweller, etc.

Worldwide tourism demand growth has been steady although this growth has been less dramatic in recent years. Between 1971 and 1981, for example, Canada's tourism receipts in real dollar terms grew at an annual rate of 4.3 per cent compared with the 3.6 per cent growth rate for the real gross national product.

Table #1 reflects the resiliency of tourism spending relative to current economic conditions. Four sets of indicators are compared — the index of consumer confidence, index of vacation travel intentions, the percentage of travel spending by Canadians in total gross national expenditure and the percentage of tourism receipts in gross national product.

While the index of consumer confidence in the economy has declined steadily from 107.7 in the first quarter of 1979 to 54.8 in the second quarter of 1982, the index of vacation travel intentions remained rela-

TABLE 1: COMPARISON OF SOME CANADIAN QUARTERLY GROWTH INDICATORS

		INDEX OF CONSUMER CONFIDENCE	INDEX OF VACATION TRAVEL INTENTION	PERCENTAGE OF TOURISM EXPENDITURES IN RELATION TO GNE	PERCENTAGE OF TOURISM RECEIPTS IN RELATION TO GNP
1979	Q1	107.7	57.6	5.4	3.9
	Q2	110.9	58.4	3.4	4.7
	Q3	103.3	48.9	7.8	8.2
	Q4	77.4	53.4	4.1	3.7
1980	Q1	85.9	58.0	5.4	3.9
	Q2	80.6	54.3	5.1	4.8
	Q3	95.5	52.3	7.4	7.8
	Q4	96.0	51.8	4.1	3.7
1981	Q1	84.7	56.4	4.9	3.5
	Q2	75.8	57.5	5.0	4.7
	Q3	61.3	48.3	7.4	7.9
	Q4	64.3	48.9	4.1	3.7
1982	Q1	50.4	55.0		
	Q2	54.8	54.5		
	Q3	—	—		
	Q4	—	—		

tively stable from 57.6 to 54.5 during the same time period, with perhaps some minor setback during the second and third quarters of 1981 when the index declined to a little over 48.

Similar consumer attitudes are reflected in the stable proportion of tourism expenditures in total gross national expenditure. While significant decreases are recorded in many major consumer purchase items, expenditures on travel actually increased and claimed a constant share of the total gross national expenditure. Between 1971 and 1981, spending by Canadians on travel increased by 360 per cent while Canada's total gross national expenditures increased only by 248 per cent. It should be pointed out that nearly 28 per cent of this spending, or \$4.9 billion, in 1981 was made in foreign countries.

POTENTIAL OF TOURISM SUPPLY

But tourism is also a business with potential for generating income, investment and, particularly, jobs for Canadians. **Table 2** depicts recent trends in employment in the six major sectors of the Canadian economy, namely tourism, forestry, mining, manufacturing, construction and trade.

TABLE 2: TRENDS IN EMPLOYMENT IN SIX MAJOR SECTORS OF THE CANADIAN ECONOMY 1979-1982

		Tourism	Forestry	Mining	Manufacturing	Construction	Trade
		PERCENTAGE CHANGES					
January	1980/79	4.4%	-7.4%	17.6%	0.6%	5.0%	0.8%
	1981/80	3.4%	-4.4%	10.0%	-0.8%	-1.1%	0.9%
	1982/81	5.4%	-13.7%	0.1%	-0.3%	-3.0%	1.6%
December	1980/79	2.2%	-4.5%	10.8%	-2.5%	10.6%	1.1%
	1981/80	4.6%	-3.5%	1.2%	-0.5%	5.2%	1.4%
	1982/81	NA	NA	NA	NA	NA	NA

With the exception of the mining sector, tourism outshines the other sectors.

Another indicator of industry performance is sales records. **Table #3** contains the comparative quarterly growth rates of the Canadian economy and of the accommodation and food and recreation sectors of the tourism industry.

TABLE 3: PERCENTAGE CHANGES IN GROSS DOMESTIC PRODUCT OF THE CANADIAN ECONOMY AND SOME MAJOR SECTORS OF THE TOURISM RELATED INDUSTRIES

	PERCENTAGE CHANGES											
	1980/1979				1981/1980				1982/1981			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
TOTAL GDP	1.6	-0.2	-0.6	0.8	2.3	4.0	3.4	0.4	-2.4			
RECREATION AND AMUSEMENT SERVICES	1.9	4.2	4.4	3.3	2.9	2.7	3.4	4.4	3.8			
ACCOMMODATION AND FOOD SERVICES	0.6	1.9	1.3	2.0	3.6	2.8	3.3	1.7	-4.8			



CONCLUSION:

Tourism growth has been consistent whether viewed from the perspective of tourism demand or from the performance of tourism industry sectors. It continues to contribute substantially to the Canadian economy, particularly in terms of generating jobs for Canadians during periods of serious economic recession.

Tourism could act as a stabilizing force for economic development. It distributes income from developed to developing areas, acts as a counter-cyclical measure to alleviate unemployment problems during recession periods. Furthermore, a well-developed domestic tourism sector can not only minimize the seasonal problems occasioned by international visitors but also contributes greatly to the achievement of many non-economic objectives. It promotes understanding among Canadians; assists in conserving the environment; and promotes the preservation and appreciation of Canada's heritage.

For further information, contact
Peter Chau
 Policy, Planning and Co-ordination
 Canadian Government Office of
 Tourism
 Department of Industry, Trade and
 Commerce and Regional Economic
 Expansion
 235 Queen Street
 Ottawa, Ontario
 K1A 0H5
 Tel: (613) 995-8127

Fontaine: A Major Canadian - and American - Body Manufacturer

According to an advertisement, "Fontaine is the largest beverage truck body manufacturer in the Northeast." When one considers that the Northeast includes part of the United States, the fortunate situation of Carrosserie Fontaine Limitée of Cowansville, Québec, becomes readily apparent.

A major Canadian specialist in manufacturing bodies for beer and soft drink delivery trucks, with no less than 80 per cent of the domestic market, Fontaine is also the principal manufacturer in this field in the northeastern United States. The firm has no serious rival within a radius of 450 kilometres (280 miles) of centres such as Albany, Syracuse, Boston, Providence and New York.

Currently doing business worth about \$5 million annually, 15 per cent of it in the United States, Fontaine is depending on its favourable geographic situation in order to develop all aspects of its American

market in the next five years. The firm's President and Director General, Mario Hallé, feels that, by 1987, 50 per cent of Fontaine's business will be outside Canada.

Aluminum

Mario Hallé is counting on aluminum bodies and the firm's proximity to the American border to help Fontaine penetrate the large neighboring market effectively and decisively.

Why aluminum? Because Fontaine is increasingly putting the emphasis on manufacturing aluminum bodies and because, in Canada, 60 per cent of the truck bodies it delivers, from Newfoundland to British Columbia, are already made of aluminum. Traditional steel bodies represent a declining percentage of the total. Fontaine is the Canadian pioneer in aluminum bodies for beverage delivery trucks.

It may be said that aluminum will be the spearhead of Fontaine's penetration of the American market, because of its lightness (approximately 1,000 kilograms (2,300 lb.) less on average than a steel body), and as a result of American energy

conservation standards and road safety provisions.

Fontaine has developed aluminum bodies with the assistance of the EDP program of the Department of Industry, Trade and Commerce/Regional Economic Expansion (IT&C/REE) and its American sales are already growing at a satisfactory rate.

As Mr. Hallé says, Fontaine began to penetrate the American market with steel bodies, but had no great success. "Things are much better now," he says, "and our prospects are excellent." He adds that although an aluminum body is more expensive than a traditional steel body, it lasts twice as long.

In Full Expansion

Fontaine is currently exporting at a rapid rate. Although bodies for beer and soft drink delivery trucks represent about 70 per cent of Fontaine's business, the Cowansville firm also manufactures many other types of bodies for refrigeration trucks, trucks for telephone and electrical companies, and so forth.

Last year, Fontaine plants produced 500 beverage trucks, which represented a 50 per cent increase over the four preceding years.

Mario Hallé is very optimistic about his firm's prospects, and rightly so. Fontaine has large and modern plants and 25 years experience, which have quite convincingly made it a leader in its field. And, as Mr. Hallé points out, the firm has a favourable geographical location. Most clients, for example, can obtain spare parts in less than 48 hours.

A brief word about Fontaine's history — the company began as a farrier, then turned to truck body repair work (which is still a fairly major activity at Fontaine), and has now become a major Canadian truck body manufacturer with its sights set on a number of foreign markets in addition to the United States.



Titles of new and updated publications

A PROFILE OF THE MINING MACHINERY AND EQUIPMENT SECTOR IN CANADA

Announced by the Hon. Herb Gray in a news release of June 7, 1982, this report indicates the strengths and weaknesses of the industry. Although the contents are mainly concerned with methods of improving the manufacturing capabilities of this sector, the brochure contains appendices that describe the equipment available from Canadian manufacturers, the equipment that is not available and a list of Canadian manufacturers.

English — 48 pages

French — 51 pages

For copies, contact: Wes Peters, Machinery Branch (47), Department of Industry, Trade and Commerce and Regional Economic Expansion, 235 Queen Street, 7th Floor East, Ottawa, Ontario, K1A 0H5, Tel: (613) 992-0374

MARKET STUDIES OF THE UNITED STATES A REPORT ON A STUDY OF THE MARKET IN THE MID-ATLANTIC STATES FOR...

1. consumable and disposable hospital products
2. clinical laboratory and diagnostic products
3. non-invasive cardiac diagnostic products

This group of three reports, each published in English and French, has resulted from a market study completed by Wind Associates Inc. in 1981 in association with the Canadian Consulate in Philadelphia. They contain an assessment of the market potential for these products in the Mid-Atlantic States and possible guidelines for long-term export development and for the design of market entry strategies.

For copies, contact: Larry Brown, Deputy Director, Market Research, U.S. Trade Development Bureau (64), Department of External Affairs, 235 Queen Street, 10th Floor East, Ottawa, Ontario, K1A 0H5

CANADIAN DAIRY CATTLE

This internationally recognized source of efficiency, quality and good breeding is excellently presented literally and pictorially in two brochures, each supplying information in two languages, one brochure in English and French and the other in Spanish and Portuguese. Prepared for use only outside Canada, they contain information about Canadian standards and how they are maintained and recorded, a complete description of each individual breed, and a reference list of addresses of the dairy cattle associations in Canada.

English and French — 28 pages

Spanish and Portuguese — 28 pages

For copies, contact: Brian MacKay, Animal Products Division, Food Branch (49), Department of Industry, Trade and Commerce and Regional Economic Expansion, 235 Queen Street, 6th Floor East, Ottawa, Ontario, K1A 0H5, Tel: (613) 995-8107

THE CANADIAN METAL PIPE AND TUBE INDUSTRY

A directory of manufacturers whose products form a reliable source of supply in this vital industrial sector. Produced by the Metals and Minerals Group of the Department of Industry, Trade and Commerce and Regional Economic Expansion, this brochure contains a concise description of the industry and of its capabilities; a list of the industrial facilities available in each province; an alphabetical list of manufacturers citing their products' sizes, specifications and capabilities, their types of products, their processes and facilities.

English — 49 pages

French — 58 pages

For copies, contact: Bob Porter, Resource Industries Branch (52), Department of Industry, Trade and Commerce and Regional Economic Expansion, 235 Queen Street, 7th Floor East, Ottawa, Ontario, K1A 0H5, Tel: (613) 992-0025



DIRECTORY OF CANADIAN MANUFACTURERS OF PRINTING MACHINERY AND ALLIED EQUIPMENT (SECOND EDITION)

Published in a trilingual format (English, French and German), this booklet lists the major Canadian suppliers of quality products and services who are experienced in serving world markets, and includes a product index to assist prospective buyers. 12 pages

(For copies, see footnote)

CANADA'S EXPORT DEVELOPMENT PLAN FOR BRAZIL

A plan with a projected life-span of two to three years, designed to develop the expansion of public and private sector business in Brazil, has been prepared by External Affairs and examined by those provincial and

federal government departments concerned with international trade. The report emphasizes strategies to capitalize on opportunities in the Brazilian marketing environment and to overcome constraints affecting Canadian exporters rather than comprehensively covering all facets of the Brazilian forum. It contains an executive summary which outlines an action plan; a market overview describing the environment, market characteristics, trade relations and the trade development instruments available; a breakdown of priority sector opportunities and marketing plans; supporting facts, figures and references.

English — 101 pages

French — 104 pages

For copies, contact: Sid Featherman, Export Market Development, International Marketing Policy (42), Department of Industry, Trade and Commerce and Regional Economic Expansion, 235 Queen Street, 4th Floor West, Ottawa, Ontario, K1A 0H5

Canadian Government Trade Office in Houston

The Canadian presence in Texas has received a boost with the opening of a new Canadian Government Trade Office in Houston.

The prime function of the new office is Canadian trade promotion and it will serve as a base of operations for officers from the Canadian Consulate General in Dallas when they are in the Houston area. It will also establish a continuing Canadian government profile in the area.

Located in Houston's Channel 26 building, the office is only 15 to 20 minutes from downtown Houston.

For the time being, the office will be manned part time, one week each month, by officers from the Dallas trade office assisted by support staff who serve other small operations in the same building. Arrangements have been made to handle mail and most telephone calls but calls made when no officer is in attendance will be referred to the Dallas office.

Ultimately, it is expected that a basic answering service for a limited range of consular, immigration, tourism and other enquiries will be established, particularly as the office becomes established and local staff becomes more experienced.

The new office address is:

Canadian Government Trade Office
Channel 26 Building
3935 Westheimer, Suite 301
Houston, Texas 77027
U.S.A.
Tel: (713) 627-7433

FOOTNOTE:

For copies of booklets or brochures listed that do not have a specifically named contact, please contact:

Martha Hancock
Bureau of Information
Trade Development
Department of External Affairs
235 Queen Street, 1st Floor East
Ottawa, Ontario
K1A 0H5
Tel: (613) 995-6725

EDC Schedules "Lines of Credit" Workshops

The Export Development Corporation (EDC) is presenting a series of half-day workshops on its "Lines of Credit" service beginning September 28 in major business centres across Canada.

The workshops will inform exporters, potential exporters and their financial advisors of everything they should know about EDC's lines of credit and the benefits of incorporating them into their export market strategies.

Fee for the workshops is \$15 per person.

The workshops will be held in:

- Halifax, Tuesday, September 28
- Québec City, Thursday, September 30
- Montréal, Tuesday, October 5
- Toronto, Thursday, October 7
- Ottawa, Thursday, October 14
- Calgary, Wednesday, October 20
- Vancouver, Thursday, October 21
- Edmonton, Tuesday, October 26
- Winnipeg, Wednesday, October 27

For further information, contact:

The Registrar
Marketing Services Department
Export Development Corporation
P.O. Box 655
Ottawa, Ontario
K1P 5T9
Tel: (613) 237-2570

Promotional Projects Program 1982/83

The following list covers the confirmed and proposed 1982/83 promotional projects for the European, Pacific, Asian, African and Middle Eastern areas as well as the United States, Latin America and the Caribbean. Since some of these events are subject to change, subsequent CANADA COMMERCE editions will carry updated lists so that those planning to attend can adjust their schedules.

EUROPEAN AREA

J. QUARRINGTON — (613) 996-5555

TRADE FAIRS AND INFORMATION BOOTHS

Project No.	Event	Date	Project Manager
82/47559	PLOVDIV Fair — International Autumn Technical Fair Plovdiv, Bulgaria (Information Booth)	Sept. 27 - Oct. 4, 1982	
82/47530	SICOB — 33rd International Data Processing, Remote Processing, Communication and Office Organization Trade Fair Paris, France	Sept. 21 - Oct. 1, 1982	L. Sarda
82/47532	34th Frankfurt International Book Fair Frankfurt, West Germany	Oct. 6-11, 1982	L.V. Ford
82/47544	Bucharest International Trade Fair Bucharest, Romania (Information Booth)	Oct. 7-14, 1982	M. Pearce
82/47551	SAIE — International Exhibition of Building Industrialization Bologna, Italy (Information Booth)	Oct. 16-24, 1982	J. Harman
82/47528	INTERSTOFF '82 — International Trade Fair for Clothing Textiles Frankfurt, West Germany	Nov. 2-5, 1982	L. Sarda
82/47531	ELECTRONICA '82 — 10th International Trade Fair for Components and Assemblies in Electronics Munich, West Germany	Nov. 9-13, 1982	L. Sarda
82/47533	SIAL '82 — International Food Products Exhibition Paris, France	Nov. 15-20, 1982	H. Schroeter
82/47518	HEIMTEXTIL '83 — International Trade Fairs for Home Textiles Frankfurt, West Germany	Jan. 13-17, 1983	M. Pearce
82/47556	Batibouw '83 — International Building and Decorating Show Brussels, Belgium (Information Booth)	Feb. 4-13, 1983	J. Harman
82/47537	International Spring Fair 1983 Birmingham, England	Feb. 6-10, 1983	J. Harman
82/47535	ISPO '83 (Spring) — 18th International Sports Equipment Exhibition Munich, West Germany	Feb. 24-27, 1983	L.V. Ford
82/47538	Domotecnica '83 — International Fair for Household Appliances, Fitting and Components Cologne, West Germany	Feb. 9-12, 1983	L. Sarda

Project No.	Event	Date	Project Manager
82/47536	Frankfurt Music Fair Frankfurt, West Germany	Feb. 5-9, 1983	M. Pearce
82/47557	International Food Exhibition London, England	Feb. 28 - Mar. 4, 1983	M. Pearce
82/47507	Furs and Textiles In-Store Promotion Spain	March 1983	J. Quarrington
82/47540	SIMA '83 — 54th International Exhibition of Farm Machinery Paris, France	Mar. 7-14, 1983	L.V. Ford
82/47541	SIA — International Agricultural Show Paris, France	Mar. 7-14, 1983	L.V. Ford
82/47558	EQUITANA '83 — Horse Show Essen, West Germany (Information Booth)	Mar. 2-7, 1983	J. Harman

TRADE MISSIONS

Project No.	Event	Date	Project Manager
82/48529	Aerospace/Defence Products Mission to Denmark and Sweden	Sept. 27 - Oct. 4, 1982	J. Quarrington
82/48515	Computer Mission to Germany, Switzerland and the Netherlands	Oct. 2-16, 1982	L.V. Ford
82/48518	Timber Frame Mission from West Germany	Oct. 4-16, 1982	L. Sarda
82/48520	Hardwood and Dimension Stock Mission to West Germany, France and Italy	Oct. 3-16, 1982	H. Schroeter

PACIFIC, ASIAN, AFRICAN AND MIDDLE EASTERN AREA

K.J. TYRRELL — (613) 593-6301

TRADE FAIRS AND INFORMATION BOOTHS

Project No.	Event	Date	Project Manager
82/47615	Floor Covering Show at International Exhibition Hall Osaka, Japan	Oct. 4-5, 1982	D. Ladouceur
82/47612	Baghdad International Trade Fair Baghdad, Iraq	Nov. 1-15, 1982	G. Debbané
82/47618	High Technology Show at CTC Tokyo, Japan	Nov. 9-12, 1982	D. Ladouceur
82/47624	Solo Canadian Food and Beverage Products Display (In Consulate) Melbourne, Australia	Nov. 15-18, 1982	
82/47617	Ocean Industries Show at CTC Tokyo, Japan	Nov. 1-5, 1982	D. Ladouceur
82/47623	Health Care Products Solo Show at CTC Tokyo, Japan	Nov. 18-20, 1982	B. Brusenbauch
82/47616	Sporting Goods and Sportwear Show at CTC Tokyo, Japan	Jan. 11-13, 1983	D. Ladouceur

Project No.	Event	Date	Project Manager
82/47606	Foodex Japan '83 — The 8th International Food Exhibition Tokyo, Japan	March 1983	G. Debbané
82/47625	Manufactured Wood Products Show at CTC Tokyo, Japan	March 15-17, 1983	
82/47604	In-Store Food and Beverage Promotions in Japan	All year	D. Ladouceur
82/47608	Canada Trade Centre Shows Tokyo, Japan	All year	D. Ladouceur

TRADE MISSIONS

Project No.	Event	Date	Project Manager
82/48613	Platform Frame Construction Housing Mission from Japan	Sept. 19 - Oct. 2, 1982	B. Brusenbauch
82/48601	Fish Wholesalers Mission from Australia and New Zealand	Sept. 12 - Oct. 1, 1982	B. Brusenbauch
82/46510	Ministerial Mission to Papua, New Guinea and Australia	Oct. 1982	G. Debbané
82/48643	Canola Oil Mission to Israel and Egypt	Oct. 18-26, 1982	T. Gervais
82/48625	Canola Oil Mission to China	Oct. 1-15, 1982	B. Brusenbauch
82/48651	Railway Seminars in Algeria	Oct. 4-7, 1982	B. Brusenbauch
82/48605	Instrumentation and Process Control Mission to Austech 1, Australia	Oct. 24 - Nov. 5, 1982	B. Brusenbauch
82/48612	Oil and Gas Equipment Mission and Seminars in Australia and New Zealand	Nov. 24 - Dec. 3, 1982	
82/48619	Computers and Micro Electronics Equipment Mission to Australia	Nov. 22 - Dec. 3, 1982	B. Brusenbauch
82/48648	Processed Food Mission to Saudi Arabia and Kuwait	Dec. 4-18, 1982	T. Gervais
82/48611	Packaging and Printing Machinery Mission to Australia and New Zealand	Feb. 7-18, 1983	G. Richens
82/48654	Sawmill and Forest Harvesting Equipment Mission to Australia	Feb. 14-25, 1983	G. Richens
82/48508	Buyers Mission from Australia to the Canadian Hardware Show — Toronto	Feb. 20-27, 1983	T. Gervais

UNITED STATES AREA

J.P. LAMBERMONT — (613) 593-5467

TRADE FAIRS AND INFORMATION BOOTHS

Project No.	Event	Date	Project Manager
82/47523	IMTEC '82 — International Marine Trade Fair Chicago, Illinois	Sept. 30 - Oct. 3, 1982	T.E. Matthews
82/47707	High Technology Market Place (Defence Industry) Philadelphia, Penn.	October 5-7, 1982	J. Butcher
82/47521	National Fish Expo '82 Boston, Mass.	Oct. 17-20, 1982	T. Matthews

Project No.	Event	Date	Project Manager
82/47703	Water Pollution Equipment Fair, St. Louis, Missouri	Oct. 3-8, 1982	L. Clarke
82/47712	APAA — Auto Parts and Accessories Association Show Chicago, Illinois	Nov. 2-4, 1982	K. Munro
82/47709	Packaging Materials Solo Show Detroit, Michigan	Dec. 1982	J. Butcher
82/47718	AFCEA — Armed Forces Communications and Electronics Association Exposition San Francisco, California	Jan. 4-6, 1983	L. Clarke
82/47713	America East '83 — Building Materials Show Boston, Mass.	Jan. 7-9, 1983	M. Samson
82/47714	National Housewares Show Chicago, Illinois	Jan. 16-20, 1983	K. Munro
82/47715	Snow Show Las Vegas, Nevada	March 1983	J. Butcher
82/47716	ASIA — Automotive Service Industry Association Show Chicago, Illinois	March 15-17, 1983	K. Munro

TRADE MISSIONS

Project No.	Event	Date	Project Manager
82/48706	Computer Mission to San Francisco	October 1982	L. Clarke
82/48711	Mission to Plastic Product Introductory Days Philadelphia, Penn.	Oct. 18-20, 1982	M. Samson/Clarke
82/48708	Annual Lumber Industry Meeting (Seminar) Boston, Mass.	Oct. 13, 1982	L. Clarke
82/48703	Malting Barley Mission from the United States	November 1982	L. Clarke
82/48707	Lumber Seminar Philadelphia, Penn.	Nov. 1982	L. Clarke
82/48709	Health Care Products Mission to Philadelphia, Penn.	February 1983	J. Butcher

LATIN AMERICA AND CARIBBEAN AREA P. SCHUTTE — (613) 996-5357

TRADE FAIRS AND INFORMATION BOOTHS

Project No.	Event	Date	Project Manager
82/47803	Expomedica '82, International Exhibition of Medical Equipment and Instruments Caracas, Venezuela	Sept. 29 - Oct. 2, 1982	P. Schutte
82/47805	EXPOMOTRIX '82, International Exhibition of the Automotive Industries Caracas, Venezuela	Nov. 19-28, 1982	P. Schutte
82/47810	Pan American Public Works Exposition Bogota, Colombia	Nov. 9-12, 1982	P. Schutte

Project No.	Event	Date	Project Manager
82/47804	Technoforest — International Sawmill and Forest Harvesting Exhibition Lima, Peru	Nov. 19-28, 1982	P. Schutte
82/47802	Canadian Textile Solo Show Chile	March 1983	P. Schutte
82/47811	Aqua Expo '83 — International Water Technology Exposition and Conference Acapulco, Mexico	Mar. 1-4, 1983	P. Schutte

TRADE MISSIONS

Project No.	Event	Date	Project Manager
82/48802	Computer Technology Mission to Mexico	October 1982	P. Schutte
82/48805	Pork Mission to Mexico, Venezuela, Colombia and Argentina	October 1982	P. Schutte
82/48813	Feed Mission from Mexico	October 1982	M. Leigh
82/48506	Railway Mission to Venezuela, Colombia and Peru	November 1982	P. Schutte
82/48808	Ocean Industry (Oil & Gas Developments) Mission to Brazil	January 1983	P. Schutte
82/48809	Alternative Energy (Mini-Hydro) Mission and Seminar in Mexico	Feb. 1983	P. Schutte
82/48510	Mission to Canadian Hardware Show from Barbados, Trinidad, Cuba, Mexico, Venezuela and Argentina	February 1983	P. Schutte

SERVING YOU BETTER

The industry sectoral strength of the department of Industry, Trade and Commerce and the regional expertise of the department of Regional Economic Expansion have come together in a new federal department designed to better serve the Canadian business community. The basic structure has been established and approved by Treasury Board. It now remains for the necessary legislation, tabled in Parliament, to be approved and the name of the new department confirmed.

New Organization Emphasizes Regional Operations

Regional Offices, one in each of the 10 provinces, plus satellite local offices, will be integral to the delivery of federal industrial development programs, handling more than 90 per cent of all cases and accounting for some 40 per cent of departmental funding.

These offices will play a key role in the development of policies, programs and strategies to assist local Canadian businesses to improve their market positions provincially, nationally and internationally.

To point up the importance being placed on the regional role, it is worth noting that some 60 per cent of the department's employees will be located in the regions when the Prairie Farm Rehabilitation Administration (PFRA) is included.

At headquarters too, reorganization has been extensive, aimed at adding strength to corporate management, policy and analysis capability and in putting experts to work on special projects. For example, the industry sector branches — formerly under one organizational unit — have been divided into two groups, each headed by an Assistant Deputy Minister, so as to better focus on major issues and opportunities facing the industrial sectors of Canada.

New stress has been placed on the promotion of tourism and small business. Since the impact of tourism is most often felt in those parts of Canada which are not in the mainstream of economic activity, the increase in the number of regional offices will allow the department to work more closely with small businesses, giving them improved access to departmental programs.

Headquarters structure

There are seven major sectors in Ottawa reporting either to Deputy Minister Robert C. Montreuil or through Associate Deputy Minister Gordon Ritchie. The senior positions are: Comptroller — R. H. Marshall (Ron); ADM, Regional and Industrial Projects and Crown Investments — Robert E. Brown; ADM, Regional and Industrial Policy and Small Business — Pierre-Paul Proulx; ADM, Tourism — T. R. G. Fletcher (Tom); ADM, Capital and Industrial Goods (electrical and electronics, machinery, aerospace, marine and rail industries) — J.C. Oliver (Craig); ADM, Consumer Goods, Services and Resources Processing (resources, consumer goods, automotive, foods and chemicals); — R. H. McGee (Harley); Executive Director, Regional and Industrial Program Affairs — Timothy Reid (Tim).

Regional Offices

Each of the main regional offices, located in Vancouver, Edmonton, Saskatoon, Winnipeg, Toronto, Montreal, Halifax, Charlottetown, St. John's and Moncton, will be headed by an Executive Director, Regional and Industrial Development. In addition, 21 local offices will be spread across the country in each of the provinces and in the Yukon and North West Territories.

FROM COAST TO COAST

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