Canada Commerce

November 1984

New Innovation Section

Export Trade Month in Review

NORTHWEST TERRITORIES

"I'm proud of the quality I build into Canadian products."

Canada Commerce

The Honourable Sinclair Stevens
Minister of Regional Industrial Expansion

The Honourable Thomas McMillan
Minister of State for Tourism

The Honourable André Bissonnette
Minister of State for Small Businesses

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Small Businesses: A Toronto-based firm making promotional impact on retail chain stores across North America.

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Regular Features:

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Business Review

New Ontario Trade Office for Singapore

Ontario plans to open a new trade and investment office in Singapore which will join the province's Hong Kong and Tokyo bureaus in serving the Asian Pacific region.

Singapore will bring the number of Ontario's international offices to 15 and, subject to necessary intergovernmental approvals, could open before the end of the first quarter of 1985.

Earth Stations to Thailand

Spar Aerospace Limited and Ericsson Telephone Corporation Far East of Thailand have concluded a contract to supply satellite earth station equipment for a nine-station network for the Royal Thai Navy.

The initial contract, valued at more than $3.5 million to Spar, consists of three fixed, four transportable and one SPARCOM station. In addition to normal telephone and telex circuits, the system will include such features as hand-held UHF radios giving direct dial access to the telephone network when connected by satellite stations.

For further information, contact: Spar Aerospace Limited, 6303 Airport Road, Suite 403, Mississauga, Ontario L4V 1R8; Tel: (416) 678-9750.

Helping Hand for Fashion and Clothing Industry

A helping hand has been extended to the fashion and clothing industry in Québec by the recent creation of the Centre de promotion de la mode de Montréal.

The organization's main objectives will be to encourage consumers and distribution networks to buy Québec products; to develop new talent; and to enhance Montréal's image as a renowned fashion centre.

The creation of the Centre is part of an extensive campaign aimed at promoting continued expansion of this industry which has shipments valued at approximately $5 billion and employs more than 100 000 people in 2 500 firms.

The industry includes textiles and clothing, leather, footwear, jewellery, furs, beauty products and clothing accessories.

Saskatchewan Firm Wins Frigate Contract

SED Systems Inc. of Saskatoon, Saskatchewan, has been awarded a contract worth approximately $25 million to design and integrate external and miscellaneous internal communications and meteorological systems for Canada's new "City" class patrol frigates.

The contract calls for SED to design and manufacture a variety of communication equipment; to develop complex computer programs to control and monitor the ships' communication and meteorological systems; and to integrate and test all of the equipment making up such systems on all six naval vessels. SED will also supervise the installation and test of these systems on board the first ship.

Japan a Growing Market for Canadian Fish

Japan could become more important than Europe as a market for the products of the Atlantic fishery, particularly from the Newfoundland point of view. In 1983, some 62 per cent of Canadian fish exports went to the United States, 16 per cent to Europe and 12 per cent to Japan. However, Europe has implemented import restrictions on the Canadian fishery.

Early this year federal officials and Newfoundland's Fisheries Minister James Morgan were in Japan and concluded a Canada-Japan agreement in which Japan agreed to increase imports of all Canadian marine products.

Awards for Canadian Structural Engineers

Two Canadian engineering brothers who pioneered the pre-fabricated building technique known as the "Triodetic" system, have received special awards for their achievements from a British university.

Harold G. Fentiman, president and managing director of Triodetic Structures Ltd., and his brother Arthur E. Fentiman were among eight international winners of the first "Pioneer Awards" presented by the Space Structures Research Centre of the University of Surrey at Guildford in southeast England.

Canadian Export Association Chairman

Jean-Paul Gourdeau, president and chief executive officer of the SNC Group, one of Canada's largest consulting engineering firms, was elected chairman of the Canadian Export Association (CEA) at the association's recent annual meeting. He replaces retiring chairman, P.-M. Soubry.

President of CEA is Frank Petrie, former trade commissioner and Consul General for Canada in Sydney, Australia. He recently replaced long-time CEA president Tom Burns who retired earlier this year.

Marketing Analysis Made Easier

Marketing specialists are expected to make sound decisions in an increasingly complex market environment. An invaluable tool is Statistics Canada's *Market Research Handbook*, the most comprehensive array of Canadian marketing information available in a single volume, consisting of about 900 pages, 272 tables and 49 charts.

The new 1984 edition brings together a wide range of updated statistical information including the latest from the 1981 census.

Key data series include the consumption of Canadian goods and services, employment, incomes and merchandising and services trade.

Copies of the *Market Research Handbook, 1984*, Catalogue No. 63-224 are available at $33.35 in Canada or $40 elsewhere. To order, send a cheque or money order, payable to the Receiver General for Canada, to Publication Sales and Services, Statistics Canada, Ottawa, Ontario K1A 0T6. For further information, contact Maurice Massaad at (613) 990-9656, Merchandising and Services Division, Statistics Canada.

Newfoundland Port Improvement

The first phase of improvement to the main terminal at the Port of St. John's, Newfoundland, has recently begun with a series of small contracts.

These are mainly for the demolition and removal of existing structures as the first step in the rejuvenation of the main terminal. It is being converted from a general cargo terminal to one for handling containers.

For further information, contact Industry and Government Relations Branch, Ports Canada, 320 Queen Street, Ottawa, Ontario K1A 0N6; Tel: (613) 996-0205.

Conference Round-Up

Agricultural Outlook Conference

On December 10 and 11, Agriculture Canada will host the Canadian Agricultural Outlook Conference in the Government Conference Centre, Ottawa. The conference is celebrating its 50th anniversary and this year's theme is "Developing Our Resources in a Global Perspective".

For further information, contact: J. Petit, Conference Secretary, or André Trempe, Associate Director, Administrative Services Division, Tel: (613) 995-5880.

Saudi Arabia Food Show

By far the largest show of its kind in the Arab world, the 3rd Food, Equipment and Catering Exhibition will be held in Saudi Arabia's capital of Riyad, February 10 to 14, 1985.

Exhibits at the show will include food, beverages, hotel and catering equipment and shop fittings with visitors restricted exclusively to trade buyers and decision makers from the public sector and the business community throughout Saudi Arabia and neighboring states.

For further information, contact: Thérèse Gervais, Africa and Middle East Programs Division (GRP), External Affairs; Tel: (613) 995-2079 or call the External Affairs Trade Information Centre at 1-800-267-8376 (993-6435 in Ottawa).

Be Your Own Boss

For a growing number of Canadians, asking the boss for a raise simply means looking in the mirror. Statistics Canada reports that in June this year there were one million self-employed Canadians — an increase of almost 12 per cent from 10 years ago.

However, being one's own boss doesn't mean bankers' hours, sports cars and long vacations. Generally, self-employed people put in a longer work week but earn less than paid employees — in 1981 $12 730 a year as compared with $13 000 on average for salaried workers.

Technology Transfer Seminar

The Law Society of Upper Canada is sponsoring a one-day seminar on technology transfer at Osgoode Hall on December 1, 1984. This program deals with legal issues relating to the acquisition or supply of technology by Canadian business enterprises.

The objective is to develop practical approaches to the preparation of agreements to facilitate the transfer of technology to or from business organizations in the context of existing and recently proposed national and international laws, policies and attitudes which have a direct impact on Canadians.

For further information, contact: The Law Society of Upper Canada, Department of Education (Program Registration), Osgoode Hall, 130 Queen Street West, Toronto, Ontario M5H 2N6; Tel: (416) 947-3374.

Underwater Conference and Exposition

The Canadian Underwater Technology Congress '85 will be held at the Constellation Hotel, Toronto, March 27 and 28, 1985. While the main emphasis is on the opportunity afforded to Canadians to learn and exchange technical information on underwater technology developments, the exhibits have been growing more and more important each year.

For further information, contact: Underwater Canada '85, Canadian Underwater Technology Congress, 1220 Sheppard Avenue East, Willowdale, Ontario M2K 2X1; Tel: (416) 495-4245.

Uranium Supply Assessment

According to Energy, Mines and Resources Canada (EMR), at the end of 1983, total resources of uranium in the measured, indicated and inferred categories were estimated at 591 000 tonnes of uranium (tU), up slightly from the 573 000 tU reported for 1982.

The five uranium producers in Canada, operating seven production centres, employed 5 800 workers and produced concentrates in 1983 containing 7 143 tU.

New and revised export contracts totalling some 13 600 tU were approved by the federal government and, as of January 1, 1984, outstanding uranium export commitments were 67 000 tU or roughly 11 per cent of total Canadian uranium resources.

Answers, Please

If you have questions on export trade, the answer is only a phone call away. Since the new Info Export, the trade information centre of External Affairs, was inaugurated a year ago, thousands of calls — up to 90 a day — have been fielded by the trade centre's staff.

One of the keys to the centre's success is its toll-free telephone service through which, if the centre's staff cannot answer a question, they will find an expert who can and arrange a call-back.

In its new quarters at 125 Sussex Drive, Ottawa, Info Export provides 24-hours-a-day service at the 1-800-267-8376 toll-free number (Ottawa area call 993-6435).

Licensing Executives Society (LES) U.S.A./Canada

Guy-J. Houle, a partner in the Montréal firm of Swabey, Mitchell, Houle, Marcoux & Sher, has been re-elected vice-president of the LES Canadian Region. LES is a member of the Licensing Executives Society International, a worldwide federation of societies involved in technology transfer and industrial or intellectual property rights.

For further information on LES, contact Guy-J. Houle, Swabey, Mitchell, Houle, Marcoux & Sher, 1001, boulevard de Maisonneuve ouest, Montréal (Québec) H3A 3C8; Tel: (514) 845-7126.

Northern Telecom

World Leadership Demands High R&D Expenditures

Canada's telecommunications giant, Northern Telecom Ltd. (Nortel), has made an $80 million commitment to retain its position as the world leader in digital telecommunications systems.

The commitment includes $40 million for a new "super clean, vibration-free laboratory" building adjacent to its semiconductor manufacturing plant in Nepean, Ontario, just west of Ottawa. A further $40 million will be spent on related high technology equipment.

The whole Northern Telecom investment will enable the firm to develop the next major breakthrough in microchip technology — chips with circuit elements separated by as little as one micron or one-fiftieth the width of a human hair.

Present technology produces a circuit-packing density of between two and three microns, which allows Nortel to pack the equivalent of 10 000 transistors, 400 logic cells and 8 000 wirings into a chip about 5 mm (a fifth of an inch) square.

The aim of the new facility is to increase this capability four-fold.

In announcing the investment recently in Ottawa, Edmund B. Fitzgerald, Northern Telecom president, explained that development of a new CMOS (complementary metal oxide semiconductor) process at the new labs would enable Nortel to produce 6.35 mm (¼-inch) chips containing more than 200 000 transistors.

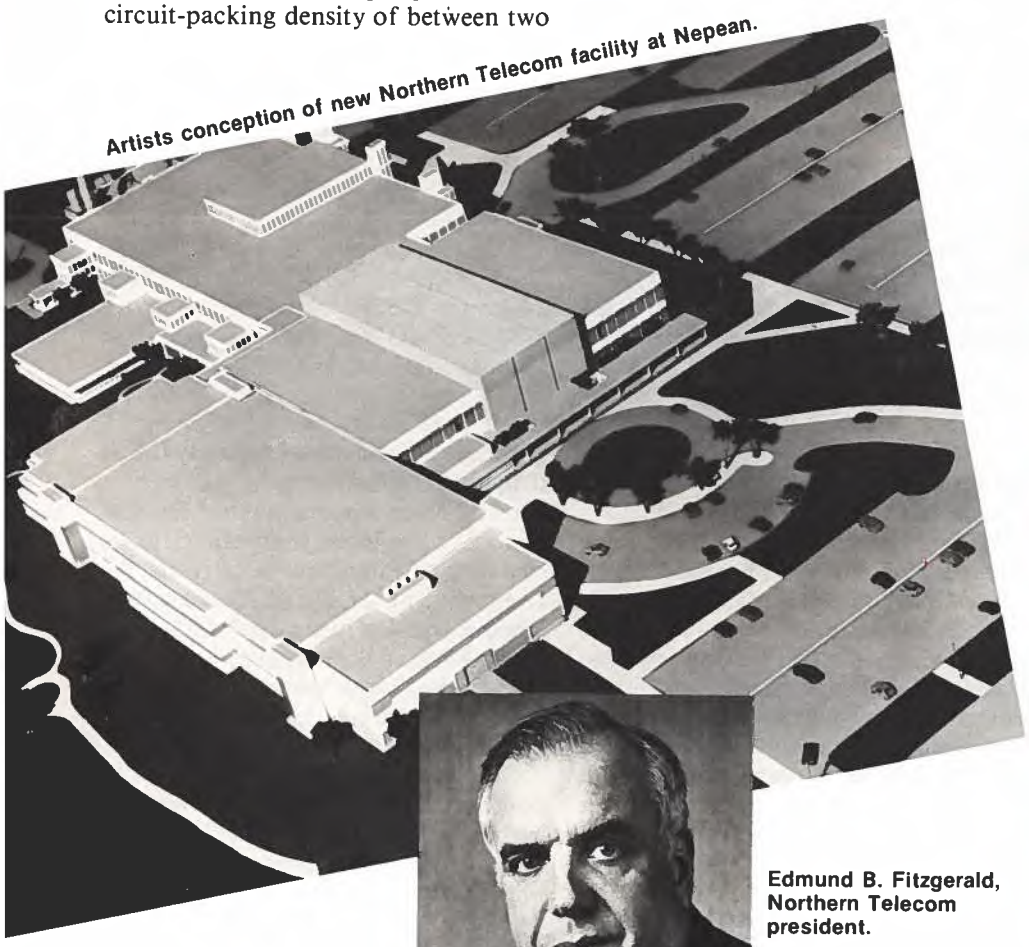
"When developed, these chips will deliver significantly increased capability and operating speed, and will ensure that Northern Telecom products and systems in which they are used remain competitive in cost and function," Mr. Fitzgerald said.

"The facility is an investment to ensure our ability to establish the design and support systems such chips require."

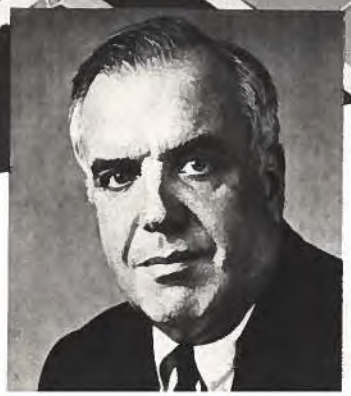
Mr. Fitzgerald noted that his company's existing and planned investment in the National Capital Region totals more than $370 million and will add a total of 200 highly skilled technicians, engineers and scientists to the 5 400 people currently employed in the Ottawa area by Northern Telecom and its sister company, Bell-Northern Research.

While research and development is highly capital-intensive and 200 new jobs seem low for such a major investment, Mr. Fitzgerald pointed out that experience has shown that 10 new jobs are created in manufacturing for every job in research and development.

This commitment to R&D by Nortel and Bell-Northern Research has been



Artists conception of new Northern Telecom facility at Nepean.



Edmund B. Fitzgerald, Northern Telecom president.

New Feature

Last month in *Canada Commerce* a new section called "Innovation" appeared and reflects our belief in Canada's ability to apply and develop technology, products and services for today's — and tomorrow's — marketplaces.

The new section will cover a wide range of topics because every phase of this country's economy is affected by our innovative capabilities.

Another new feature, of which the "Innovation" section is a forerunner, is the special "Innovation Supplement" of *Canada Commerce*. This supplement, to be published and distributed quarterly with our regular issue, starting early in 1985, replaces the *New Products Bulletin* of this department.

It will contain articles of special interest on innovations in technology and management, offers of technology transfer and manufacturing opportunities from around the world and will feature requests for the same from Canadian and foreign firms.

the major driving force in the development of Nortel as the world leader in digital communications systems. This year alone, the company has committed itself to more than $1 billion in R&D worldwide.

The new facility in Nepean will be part of the Semiconductor Components Group of Northern Telecom Electronics Ltd. (NTE). A subsidiary of Nortel, NTE is responsible for the development of the advanced component technology required to create the high-density printed circuit boards, ceramic hybrids and custom-designed semiconductors used in Nortel's fully digital telecommunications switching and transmission systems.

NTE ranks as Canada's largest semiconductor manufacturer and is among the largest in North America. Its two production units, located in Nepean and in San Diego, California, produce two-thirds of the 18 million custom semiconductors used annually by Northern Telecom. The remainder is obtained from other suppliers across North America.

The plans for the new laboratories at Nepean illustrate the changing nature of high technology product development over the last two decades.

New semiconductor fabrication processes have a direct impact on the design of the telecommunications equipment and systems in which semiconductors are used. As a result, the computer-based tools used to create semiconductors and end-user products must be adapted constantly to accommodate these new processes.

It was to ensure this successful synergy between Bell-Northern Research's system and components designers, and NTE's semiconductor manufacturing capability, that Nortel decided to establish the new advanced technology facility in the Ottawa region.

As well as being the world's largest supplier of fully digital telecommunications systems, Northern Telecom is the second largest designer and manufacturer of telecommunications systems in North America, ranking sixth largest in the world, and is also a significant supplier of integrated office systems.

The company employs 45 000 worldwide, half of them in Canada, has 46 manufacturing plants in Canada, the United States, Britain, the Republic of Ireland, Malaysia and Brazil and participates in several other companies in other countries such as Turkey.

— by Bob McDonell
Canada Commerce

Northern's Commitment

Since 1976 when Northern Telecom Ltd. became the first corporation in the world to announce firm plans and introduction dates for a complete family of fully digital switching and transmission systems, it has continued to maintain its world lead in these technologies.

Among the most significant early results of its research and development program was the design of the single-chip filter-codec (COde/DECode). Northern Telecom had first conceived the idea of a single-chip device in 1976 and, by making such multi-purpose components cost-effective to manufacture, was able to introduce DMS-100 family of switches in 1979.

This marked a new level of chip integration combining the single-channel hybrid codec, with another key device — a filter — on a single chip.

From the start-up of production in 1979 to 1981, Northern's Semiconductor Components Group (SCG) produced over two million of these chips before other manufacturers had begun production in commercial quantities.

However, even these capabilities were surpassed when SCG announced the development of a new chip — the E99 line card chip, a new semiconductor that combined the filter-codec, a second chip called a controlled access circuit, and about 30 other discreet components from the telephone line card.

All of these elements are located on one chip about 5 mm (one-fifth of an inch) square.

By 1985, Northern Telecom's subsidiary, Northern Telecom Electronics Ltd. (NTE), expects to be supplying 25 million custom chips of 70 different codes to its parent's manufacturing plants, contributing to a further expansion of the $3.3 billion in sales chalked up by the conglomerate in 1983.

New Minister Pledges Support

In one of his first public appearances as new Minister of Regional Industrial Expansion, the Honourable Sinclair Stevens described Northern Telecom Ltd. (Nortel) as an outstanding example of the successes of private industry.

It is, he said, the type of enterprise the government aims to assist by creating a business climate attractive to private sector investment.

Speaking at the recent inauguration of Nortel's new $80 million semiconductor research and development facility in Nepean, Ontario, Mr. Stevens said the company should be a model for other Canadian companies and predicted that Canada could become the envy of the world in economic terms if such companies were encouraged to invest in "leading edge" technology.

"Throughout the development of Northern Telecom, it is encouraging to note that little financial support from federal government programs was used and that Northern Telecom prefers to rely on internally generated funds and private sector financing," Mr. Stevens continued.

"By identifying its strengths and markets and using its strengths in a well-conceived R&D program, it has developed into an international success. That this occurred in the fiercely competitive environment of high-tech communications makes the achievements of Northern Telecom even more commendable."

Export Trade Month — A Multi-Faceted Campaign

In the face of increasing protectionism in many of its principal export markets, Canada's Export Trade Month (October) was a multi-faceted campaign designed to increase foreign awareness of Canadian products and services and to encourage Canadian companies to take a more aggressive stance in export promotion.

The campaign was mounted by several federal government departments, including External Affairs, International Trade, and Regional Industrial Expansion, plus provincial governments and a number of major Canadian associations.

It was a campaign of hard-hitting, concentrated effort to overcome Canadian complacency over exports. Also, through 18 trade shows and seven trade missions, it offered Canadian exporters and potential exporters excellent forums in which to display their products and services and study new and exciting market opportunities.

American Itinerary

Export Month's American itinerary was kicked off in Washington, D.C., by International Trade Minister James Kelleher on October 1. The event was the International Public Transit Expo '84 in which 24 Canadian companies participated — an export area in which Canada has a decided technological edge but faces an increasingly protective environment.

This is particularly true in the major American market and was subject of talks between Canada's International Trade Minister and his American counterpart.

Bills before the American Senate and House of Representatives propose raising American content in mass transportation equipment financed by federal funds to 85 per cent from its present level of 50 per cent. Under the present "Buy American" legislation, imported equipment that does not meet the 50 per cent American content and final assembly rules must be priced at least 10 per cent lower than competitive U.S. equipment in order to qualify for federal U.S. aid.

Canadian Launch

At the Canadian launch of Export Month in Toronto the following day, it was obvious that External Affairs Minister Joe Clark was equally aware of the threat of protectionism to the Canadian economy.

"We must resist protectionism and keep trade open," Mr. Clark told delegates attending the export seminar "The Competitive Edge" sponsored by federal government. "In the hand that is played out internationally, there is a dangerous joker — protectionism — the wild card that can threaten the growth and recovery everywhere.

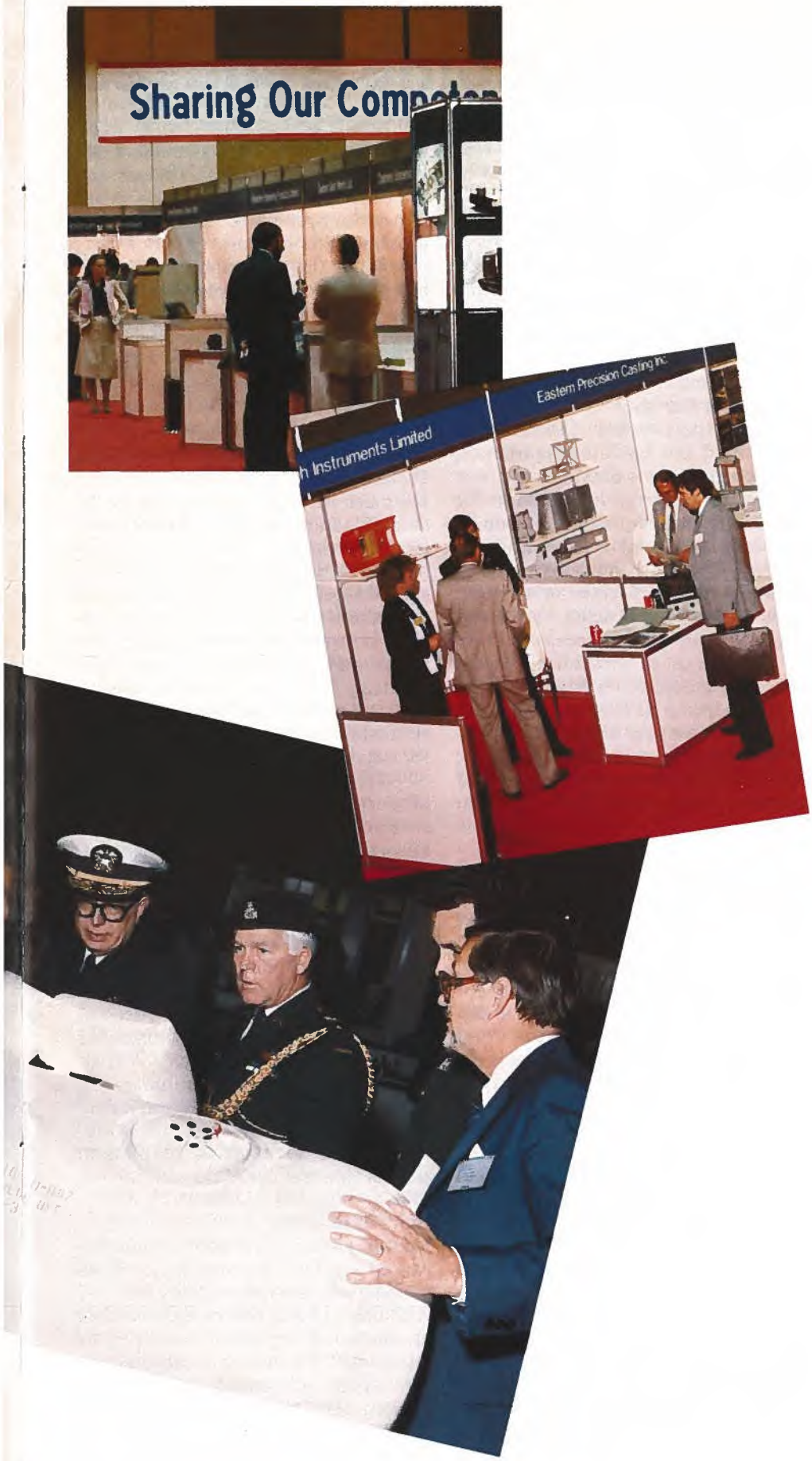
"From the start of any moves towards protectionism in the U.S., we must bring to bear a careful and cogent presentation of our own Canadian interests and of the American's own interest in unobstructed two-way trade," he continued. "We should continue to mount a civil but forceful campaign in the United States to seek their appreciation of the vital interest we both have in keeping continental channels open."

But he also warned of the dangers of domestic protectionist measures. "We cannot try to knock down the barriers to Canadian products abroad if we are erecting the same obstacles at home."

Similar Theme

A similar theme dominated the major Canadian-sponsored presence in the U.S. during Export Month — the Canadian Industrial/Defence Exposition, CIDEX 84, which opened in Philadelphia's National Guard Armory on October 2. Bumper stickers, banners and advertising for the show proclaimed "Exports Mean Jobs — Canada Buys More U.S. Products Than Any Other Country".

CIDEX 84 brought together procurement and purchasing agents from major American companies across the U.S. and some 55 Canadian exhibitors of high technology products and services.



In addition to the Philadelphia show, Canada also sponsored a solo food and beverage show in Buffalo and participated in international expositions in New Orleans (water pollution control); Tacoma, Washington (world trade); Las Vegas (auto); Portland, Oregon (logging); and Boston (fishing equipment).

Also on the month's agenda were four trade fairs in western Europe, three in Latin America and one each in Rumania and the Middle East. The Middle East was also the destination of four trade missions and there were single missions to Brazil, the Caribbean, Hungary and Yugoslavia.

Export Month in Canada

Back home and from coast to coast Canadian boards of trade, chambers of commerce and service clubs, local and provincial, sponsored hundreds of seminars, export trade fairs and luncheons.

The Canadian Export Association (CEA) was prominent in scores of these events and, in addition, held its own annual meeting in Toronto, highlighted by the presentation of CEA's annual "Canadian Export Awards".

Behind this massive drive for exports is Canada's dependence on export markets for much of its economic well-being.

In the words of Canadian Manufacturers' Association (CMA) President Roy Phillips: "Most Canadian firms will have to be internationally competitive and this means selling abroad. Achieving economies of scale that export makes possible will be the key.

"Furthermore, exposure gained in export markets will be a valuable guide for the type of competition to expect at home as import penetration grows.

"I wonder if we understand just how important trade is . . . why, in fact, international trade has become a local issue," he said. "While world trade has expanded, our share of it has dropped from five per cent to 3.5 per cent.

"The CMA has launched a program, 'The Five Per Cent Solution', to restore Canada's share of world trade to five per cent by 1990. If we can do this, we could create some 1.4 million jobs.

"Now that is a solution that works!"

— by Bob McDonell
Canada Commerce

Exports Awards, Welcome Bonuses

For the 14 firms that were honoured at the Canadian Export Association's annual meeting, the Canada Export Awards they received were welcome bonuses to their major corporate prize — the successful penetration of foreign markets with competitive goods and services.

In some cases, where exports accounted for up to 80 per cent of their total business, foreign markets were, in fact, essential to survival and in at least two cases, Canpotex Ltd. and the Alberta Wheat Pool, these same markets were their raison d'être.

Canpotex Limited

The Toronto-based Canpotex Limited is really an anagram for Canadian Potash Exports, a name that summarizes the whole purpose of the company. The world's largest reserves of this primary fertilizer nutrient are located deep beneath the Saskatchewan prairie. Canpotex is owned by the seven companies that operate 10 mines in the province, and functions as the transportation and marketing arm to customers in Asia, Latin America, Oceania, Africa and Europe.

Unit trains speed the potash from the mines to the ports of Vancouver and Montréal where Canpotex maintains large inventories to supply its overseas customers. Canpotex sales last year, grew by a remarkable 56 per cent to more than four million metric tons, setting a new record for Canadian potash exports and earning Canada close to $400 million.

Alberta Wheat Pool

The Alberta Wheat Pool, a major dealer and exporter of agricultural seeds, is a farmer-owned grain handling and marketing co-operative. It acts as the marketing arm for its member groups and local seed producers, selling their grass seeds, legumes, cereals and oil seeds to markets in the United States, Europe, the Pacific Rim and South America.

Seed is procured in Alberta and British Columbia and processed in four modern seed cleaning plants. High quality control standards guarantee continued customer satisfaction and meet the many stringent and diverse seed import requirements of the nations to which it is sold.

The co-operative is dedicated to exploring and maximizing seed export opportunities and, through its research projects in 14 countries, is testing Alberta and B.C. seeds and aiding in the improvement of agricultural practices in other countries.

Cavendish Farms

Another Export Award winner, closely tied to food and agricultural products, is Cavendish Farms of Moncton, New Brunswick. Although in operation for less than five years primarily to supply the retail and food service trade in Canada, Cavendish has also captured export markets by catering to local requirements in packaging, tastes and language in its market area.

While most of Cavendish's export markets are receptive to its french fries, Australia is partial to peas, Europe to blueberries and the Caribbean to assorted vegetable and berry products. The U.S. market takes a full line of products similar to those sold in Canada.

Stanley Associates Engineering

Another prairie firm that developed its expertise in water supply and sanitation through low cost technology for small and remote settlements in the West, Stanley Associates Engineering Ltd. of Edmonton has successfully adapted and sold these technologies overseas.

The firm was able to meet the needs of small prairie settlements for simple, low cost and low maintenance solutions to water and waste problems — at prices they could afford.

Dr. D.R. Stanley, the founder, is a world-renowned leader in this field and, as such, a member, on environmental health matters, of the Expert Panel of the World Health Organization in Geneva.

The Gray Engineering Group

The Gray Engineering Group of Markham, Ontario, is a Canadian exporter that won its award in the waste water treatment field, mainly for its penetration of the American market. The company's primary product lines are a fine bubble diffused aeration systems and the Gray screw pumps. It is also strong in belt filter presses for dewatering and trickling filter systems.

While the fine bubble dome costs more than other systems, this is more than offset by savings in electrical power. Similar cost efficiencies are inherent in Gray Engineering's line of screw pumps in which the firm is a recognized leader.

Dicon Systems Ltd.

Dicon Systems Ltd. of Weston, Ontario, has made its mark in smoke alarms by a combination of top quality research and development and an innovative marketing strategy. Initial thrusts in each market include pioneering efforts to establish credibility and build up support. Insurance companies, fire departments and government agencies are courted. Then as public awareness grows, regular retail distribution and electrical wholesale channels are enlisted for maximum growth.

This includes a willingness to adapt product and market strategy to varied environments — a 220-volt version for Europe; a photoelectric smoke alarm for kitchens and those countries in which radioactive materials are prohibited for consumer use; unique packaging tailored to cultural tastes; and so on.

At the same time, Dicon is investigating new products. One that is soon to be released is a consumer-oriented, microprocessor-based, radio-controlled talking burglar alarm which the company hopes will revolutionize the industry. Now the second largest manufacturer of fire alarms in the world, Dicon is in an excellent position to expand into the new field.

Epic Data

Similar attention to quality and advanced R&D has also won major international markets for Epic Data of Richmond, B.C. The quality of Epic products and service is exemplified by the recognition of major corporations such as Hughes Aircraft Company, which selected Epic Data from its over 14 000 suppliers for a Superior Supplier Performance Award in both 1983 and 1984.

The role of an Epic data collection system in a factory is the gathering of labour and job information and the routing of that information to the factory's main computer. One type of terminal, placed at each entrance and exit, records employee attendance and another type records job progress on the assembly line. From this raw data, the system provides accurate reports for a wide range of operations from payroll to plant management to ordering and stock control.

Western Packaging Systems

Richmond, B.C., is also the home base of Western Packaging Systems, which won its Export Award for creative excellence in developing exports. The company has created a line of intermediate technology packaging machines that offer compact design for economical use of plant space, simplicity of operation, rugged non-corrosive construction and low capital cost. Its innovative adhesive application technology, developed with federal government assistance, has given the company a significant edge over its competition.

Another key ingredient in the company's success was its comprehensive staged marketing program first into the northwestern U.S. then Eastern Canada and the rest of the U.S. market area. Today the company's equipment is in operation in 24 countries around the world. Sales have increased between 30 and 40 per cent each year and now exports account for 80 per cent of sales.

With a constant upgrading of its equipment through an active research and development program, the company expects to maintain its position as one of Canada's foremost packaging industry leaders.

Bristol Aerospace

Bristol Aerospace of Winnipeg has also reached an export level of 80 per cent through its ability to offer conceptual design, development and manufacture of high technology products in the aerospace, electronics and nuclear fields.

The principal products and services available fall within three broad categories — aircraft and helicopter repair, overhaul and modification; manufacturing; and rocket and space activities. Bristol employs about 1 400 people including 75 engineers in its operation which includes the production of gas turbine engine hot section components, rocket engines, nuclear core components together with associated mechanical, electronic and telemetry systems.

Litton Systems

Litton Systems Canada is another firm that has exceeded 80 per cent exports for its high-tech product line. Since 1968, $1.27 billion of its $1.5 billion in sales have been to export markets.

These include automated test equipment for the support of aircraft electronic systems, airborne search radar, currently used by 14 countries to patrol their coastlines; computer based simulators to train radar operators such as air traffic controllers; LED (light emitting diodes) Flat Panel Displays that are revolutionizing aircraft cockpits; Flight Inspection systems that calibrate airport navigation aids such as instrument landing systems; naval command control and communications systems; and integrated security control systems for prisons, nuclear power stations and other vital facilities.

Husky Injection Molding

More than 90 per cent of Husky Injection Molding System's equipment, designed to produce a wide range of plastic articles from bottles to audiotape cassettes, is exported to 33 countries around the world.

The company credits its success to an awareness of customer needs and worldwide product support; to heavy commitment to research and development; to state-of-the-art manufacturing technology, including one of the largest CAD/CAM installations in the country; and to strong commitment to its employees. Husky pays out 20 per cent of its pre-tax profits in incentives and employee profit-sharing plans and is now 10 per cent owned by its 460 employees.

Intalite Inc.

A combination of outside design consultants and in-house capability has allowed Intalite Inc. of Montréal to introduce several outstanding products to the architectural community around the world.

One of these is Leaf-Lite, a flexible ceiling in which colour, lighting, size, texture and shape can be varied in almost infinite arrangements. It is used in such diverse and prestigious places as O'Keefe Centre and Queen's Park offices in Toronto; the Provincial Hotel in Kowloon, Hong Kong; and the headquarters of the French Communist Party in Paris, France.

Another Intalite product is Magnagrid which combines crisp good looks with utilitarian values for high visibility ceiling surfaces and is used at the Bradley International Terminal in Los Angeles, the IBM Exhibition Center in New York and the TV Centre, Riyad, Saudi Arabia.

Intalite's Beamgrid offers a high-tech look at modest costs and is in use at the Plaza Paitilla in Panama, Stapleton Airport in Denver, Colorado, and a series of Montgomery Ward stores across the U.S.

In its dedication to products, quality and services and the highly visible nature of its ceilings have resulted in Intalite leaving a distinctive mark on important buildings worldwide, a unique accomplishment.

FAG Bearings Ltd.

While the glamour products of FAG Bearings Ltd. are those bearings manufactured for instruments to tolerances 1/10th the diameter of a human hair and aircraft engine bearings of exotic materials, the company's main product line includes bearings used in automobiles and mostly exported to the U.S. and other countries.

FAG Bearings plant in Stratford, Ontario, occupies 20 260 square metres and the company employs 660 employees with eight sales offices across Canada. The parent company employs 28 000 workers in Germany and other countries around the world.

Dow Chemical

Another multi-national company to win an export award was Dow Chemical Canada Ltd. Its main export products from its plants in Sarnia, Ontario, and Fort Saskatchewan, Alberta, are caustic soda, ethylene dicloride, ethylene glycol and polyethylene plastic resin. In addition to its base products the company formulates a wide range of chemicals in the forestry, agricultural and pharmaceutical fields as well as plastic food and storage materials and provides the basic ingredients for nearly all the vinyl products manufactured in Canada.

With more than a billion dollars invested in Canada, Dow employs 3 800 here and exports a third of its production to over 30 countries.

Potential Great for "Superb Export Performance"

"Except for the problem of our relatively high costs, there is hardly any country anywhere that has greater potential for superb export performance," Thomas Bata, chief executive officer of Bata Ltd. told delegates to a recent Export Trade Symposium — "The Competitive Edge".

The symposium was held in Toronto as a cornerstone of the federal government's observation of Canada Export Month in October.

"We have political stability; freedom of action and a supportive government; sound financial institutions; good education; the ability to bring in people with special skills; excellent infrastructure — power transportation and communications — altogether a wonderful country in which to live and do business from."

In his upbeat and often humorous talk, he chided Canadian business for being too complacent regarding the many opportunities which were theirs simply for the asking. "I have noticed, for example, that when I travel and meet other Canadian businessmen overseas, a higher proportion of them are buyers rather than salesmen. We should try to change that."

Few Canadians have anywhere near the experience of Mr. Bata in the development of world markets. Since fleeing Czechoslovakia in 1939, the Bata family has developed an international conglomerate that manufactures in 61 countries, has 92 plants making shoes, socks and machinery, processing rubber and tanning leather. It operates 6 000 retail stores in 84 countries and also sells through another 100 000 merchants in a total of 115 countries.

Bata sells about 300 million pairs of shoes a year, 240 million of which are manufactured in its own plants and 60 million purchased from other makers. Worldwide the company has 80 000 employees — truly a remarkable record.

"Today," Mr. Bata explained to the symposium delegates during the four-day event in Toronto, "the enterprise consists of separate companies, usually in each sovereign country, working in a very independent manner, in the best interest of the shareholders, employees, communities and countries in which they operate."

These corporations operate in a wide variety of business structures including local ownership of up to 60 per cent; joint ventures; equity sharing with outside organizations such as the International Finance Corporation, the private sector subsidiary of the World Bank.

"Toronto headquarters deal primarily with matters of product development, personnel, research and development, new technology, marketing systems, management information systems and administration systems, all of which are made available to Bata companies for a fee."

SME Sponsors Major Conference and Exhibition

From abrasives to welding, machine tools to electronic controls, scores of companies showed their latest lines of equipment and supplies at the recent Society of Manufacturing Engineers (SME) Conference and Exhibition in Toronto, the largest of its kind in Canada and one of the largest in the world.

Concurrent with the exhibition was a major conference program which featured comprehensive instruction on new technology in intensive day-long workshops and business and technical sessions. Industry leaders spoke on new developments that are likely to change the way the industry would operate in the future.

For plant managers, planning specialists and manufacturing engineers and technicians, the combined show and exhibit was an excellent way to keep abreast of developments and to assist in planning quality and production improvements — the modern keys to increased profitability.

The SME is an international professional society with more than 75 000 members (at least 5 000 of them Canadians) and some 525 active chapters in 70 countries. SME headquarters are in Dearborn, Michigan, U.S.A.

As a professional society, SME assesses the trends and developments in manufacturing, then interprets, publishes and disseminates that information. A major function is sponsoring more than 200 conferences, expositions and workshops annually around the world.

Membership is open to qualified individuals engaged in any of the five areas of manufacturing or in related activities serving manufacturing. The five areas are:

- Planning and selecting economic methods of manufacturing or processing;
- Designing tools, dies, gauges, machines and other equipment;
- Product design;
- Research and development in the creation of new or improved manufacturing processes or equipment;
- Creative activities related to manufacturing in the fields of administration, education and government.

A major Canadian initiative of SME has been the promotion of the Canadian Productivity Awards which were presented in recent ceremonies. (*Canada Commerce* will carry complete coverage of the presentation in a subsequent issue.)

The society also provides technical services and benefits through three associated groups:

- The Association for Finished Processes provides current information on the changes occurring in all areas of industrial finishing.
- The Computer and Automated Systems Association is applications-oriented and addresses all phases of research, design, installation, operation and maintenance of computers

His prescription for trade:
For Business:

- make products and give services that are second to none;
- keep technology up-to-date and effectively utilized through intensified research and development and constant modernization;
- devote a great deal of attention to the U.S. market;
- look at the rest of the world as an enormous medium- and long-term opportunity;
- develop a team of people with an international outlook who will regard international trade as an exciting challenge;
- utilize the availability and talent of Canada's own ethnic groups.

For Government:

- press ahead vigorously with negotiations to increase free, secure trade with the U.S.;
- continue to work for an international environment that will be conducive to multilateral trade;
- seek co-operation among leading central banks and international monetary institutions to develop systems that will lead eventually to stabilization of world currencies;
- expand and strengthen co-operation between CIDA, other similar government institutions and business;
- assure that Canadian products get a fair share of aid money;
- continue to build on the strengths of Canada's excellent Trade Commissioner Service, and encourage diplomatic missions to focus on trade opportunities.

Together:

- build stronger and more fruitful links between business and government departments;
- press for equitable treatment of trade in services;
- create an environment on the industrial relation scene which encourages flexibility and productivity thus ensuring low unit labour costs even at relatively high wage levels.

Similar sentiments were expressed by Dr. Wendy Dobson, executive director of the C.D. Howe Institute. In describing the emerging trends in world trading patterns she warned that, while the future holds many opportunities for Canadian producers, we will have to be more productive at home and more competitive abroad.

"To gain and maintain a competitive edge, our exporters will have to understand the dynamics of the international market environment to identify the growth opportunities and they will have to prepare now if they are to reap benefits 10 years down the road.

"Economic and technological changes are rapidly and radically reshaping the world economy. During the next 10 years structural shifts in trading patterns can be expected to accelerate, but in a slow growth, high interest rate environment.

"Thus, competition for the faster growing markets can be expected to intensify. The successful will have strategies that emphasize excellent market intelligence; cost competitiveness; high quality products and innovative financing, marketing and maintenance services."

In conclusion, Dr. Dodson advised, "On the part of government, Canada's trade policies must switch from inward looking protective ones to outward looking competitive ones. On the part of the private sector, the goal must be to develop high quality products and services that capture increasing market share."

Joji Arai, director of the Japan Productivity Centre, told delegates, "For the Japanese worker, industrialist and government, co-operation is a necessity as well as a way of life."

Lacking or deficient in most natural resources, Japan has had to rely on its value-added exports to survive. To make the best possible use of its work force, it was forced to develop an effective world market information system, powerful trading companies and the mechanisms to assure that all segments of the population worked together according to pre-set goals.

In addition to the general sessions, delegates to "The Competitive Edge" symposium broke into industry-specific sessions on machinery, automotive, electronics and communications and food.

For the balance of the sessions, delegates held some 2 000 interviews with more than 40 Trade Commissioners and program specialists from around the world to receive briefings on market conditions and the probabilities for success in those markets.

— by Bob McDonell
Canada Commerce

and automated systems in the total manufacturing enterprise. It also provides liaison between industry, government and education to identify computer integrated manufacturing (CIM) areas needing further technological development.

- Robotics International (RI), the latest to be formed, provides an educational forum to cover the rapidly emerging field of robotics technology.

Special Program

An example of RI/SME endeavours is the recent special seminar program, "The Robotic Assembly Work Cell", which was developed in conjunction with the Ontario Robotics Centre in Peterborough. The seminars introduced participants to the fundamentals of flexible assembly work cells in such areas as cost, potential benefits, choosing the right systems, and personnel.

Other areas in which SME has established technical councils include: adhesives; composites; assembly; castings; electronics manufacturing; engineering materials; manufacturing management; maintenance management; material forming; material removal; quality assurance; tool engineering; vision; lasers.

200 Participants

More than 200 firms participated in SME's Toronto exhibition representing most of the major world manufacturers of machine tools and accessories with many exhibitors showing the products of several manufacturers.

As an indication of the current trend to internationalism in the machinery field — the combining of several manufacturers' products into a manufacturing system — next year the SME will be joined by the Canadian Machine Tool Distributors' Association and the Canadian Tooling Manufacturers' Association in sponsoring the Canadian Machine Tool Show and Conference in October 1985.

AVA Tech — Tree Trimming Without Tears

Oh Tannenbaum! That festive tree, twinkling brightly in the corner of almost every living room in Canada over the holiday season can be responsible only for feelings of warmth and contentment — right?

Alas, not quite.

By the time the annual decorating spree is over, all too often at least one member of every household in the land is in a state of total exhaustion — pierced from head to toe like a pincushion by pine needles, fingers stuck fast to each other with resin, and shaking so hard with remembered frustration of trying to anchor what felt like a giant redwood trunk into a coffee can that he (or she) can barely lift an eggnog glass in a salute to the season!

Well, relief may be in sight. Jerry Stephens of Ottawa, affected beyond the limits of his patience by the once-a-year struggle, has designed what he feels is a state-of-the-art solution.

AVA Stand — the new technology Christmas tree stand — is the result of 18 months of Stephens' hard work and creative imagination.

A completely redesigned tree stand with year-round, multi-use possibilities, it is built of high-density plastic to last indefinitely and will sell for around $20.

What we will see is a polyethylene cylinder measuring 25 cm by 46 cm (10 in. by 18 in.) with four arched legs for support (guaranteed not to scratch, rust or stain any floor surface).

What we don't immediately see is the revolutionary interior design that enables just one person to set up a Christmas tree unassisted and in an easy, no fuss, foolproof manner.

Inside the cylinder, at the top, are four stainless steel springs that flex to fit precisely the diameter of the tree trunk. The user simply clears the branches from the bottom 25-cm (10-in.) section of the tree trunk and inserts it into the cylinder until it rests on the serrated bottom surface.

The stainless steel springs, which will expand to hold a trunk diameter of up to 10 cm (4 in.), are strong enough to hold the tree firmly in place while three pie-shaped cams are inserted into posts at the top of the cylinder and rotated until they lock against the trunk.

No assembly is required. There are no screws to rust or get lost.

Removing the tree is equally simple. All that is required is twisting the three cams to unlock them from the tree trunk and pulling it from the embrace of the damage-proof steel springs.

Extensive testing has proved that trees with trunk diameters of 10 cm (4 in.) (which is much larger than the average family Christmas tree) remain upright, straight and perfectly secure — without the need of any extra support such as the unsightly strings or wires with which tree decorators in many homes must struggle.

The entire base of the cylinder forms a leakproof receptacle for water. It holds 2.55 litres (90 fluid ounces), much more than a conventional tree stand, and will therefore help keep the tree fresh for longer.

According to Stephens, simplicity is the key to his product. He spent 18 months perfecting his design which involved six different prototypes. Two patents have been awarded after 15 design improvements were identified.

During that time, he found a manufacturer and set up production schedules, designed the necessary packaging and promotional literature and undertook extensive market research.

Although the product will be marketed principally as a Christmas tree stand, Stephens feels and hopes that a bonus sales advantage for his device will be its adaptability for year-round use around the home and garden:

- as a planter for shrubs and decorative trees;
- as a holder for flowers;
- as a flag-pole holder;
- as a method for displaying signs;
- and, with the cylinder filled with sand, as a garden umbrella holder.

Specific attachments, such as a plant holder with an automatic "wick" watering system, are in the marketing plan for next year.

The invention of the AVA Christmas tree stand marks a major career change for Jerry Stephens. He emigrated from his native Germany in 1951 and, until 1975, was employed as a restaurateur and hotelier in St. John's, Newfoundland, and Montréal. After moving to Ottawa in 1975, he began an import business, acting as an agent for manufacturers of novelty items made in the Far East.

Now he and his partner (a Toronto marketing consultant with whom he is incorporated as AVA Tech Distributors Inc.) would like to reverse the process.

Christmas tree stands, although used only once a year, are a worldwide product. In an international market survey undertaken for the company, it was estimated that, in countries in North America and Europe where Christmas is celebrated, there are more than 117 million households.

AVA Tech is aiming initially to capture and sell to one per cent of this market and increase its share of the market by one per cent each year for the next three years. The market potential is obviously enormous and South America and Australia have not yet really been considered.

As the retail industry orders its Christmas merchandise almost a full year in advance, Stephens is currently working hard to line up prospective clients for Christmas 1985.

Last June, in Dallas, Texas, he and his wife, Denise, attended the largest Christmas merchandise show in North America and plan to participate in a major fair in Cologne, Germany, next spring to open up the European market.

As far as Christmas 1984 is concerned, AVA Tech hopes to have 30 000 units on the market. Androck Inc. of Toronto has been named sole distributor for Canada and, while the time is short as far as large chains are concerned, it is hoped that smaller general stores and hardware stores will be carrying the AVA stand.

This year, maybe for the first time, the person responsible for setting up the Christmas tree in your home may not have to risk health and sanity.

And instead of spluttering "Bah! Humbug!", he or she will raise a toast to Jerry Stephens and his welcomed invention.

For further information, please contact:
Jerry W. Stephens
President
AVA Tech Distributors Inc.
P.O. Box 3976, Station C
Ottawa, Ontario
K1Y 4P2
Tel: (613) 729-6798
Telex: 053 4939

— by Gillian Welbourne
Canada Commerce

Selling Ideas That Sell

Robert O'Brien runs a company in Toronto that exports ideas — contemporary ideas that must be a step ahead of whatever's in vogue; ideas that, by some subtle chemistry, will set trends for the trendy crowd; ideas that will intrigue hordes of ordinary shoppers into visiting the smart shops and plazas of North America.

"We deal largely in fantasy," says O'Brien.

But the dollars he makes are real — over 1.5 million of them this year for his company (half from the U.S.), with the distinct prospect of doubling that figure next year. O'Brien also makes plenty of money for his clients, the biggest of which are large U.S. and Canadian department stores and shopping centres.

Ideas aren't usually regarded as typical marketable Canadian commodities but O'Brien's creativity is successfully competing against the top brains in New York and California. His stock in trade is cleverly-conceived retail display themes, and what he sells are the physical display props and promotion items that back up and illustrate those themes.

O'Brien, 42, calls his company Display Arts of Toronto and his biggest kicks come from taking over the main floors of large department stores or plazas and transforming them into dazzling, eye-filling spectacles commemorating such things as the Christmas season or the arrival of spring.

His creations verge on the extravagant!

His company installed a four-storey-high, 17.3-metre (57-foot) wide, hand painted silk banner which formed the centrepiece for a Japanese-theme promotion last fall at the John Wanamaker Center City department store in Philadelphia.

Wanamaker's has a huge open section inside, an atrium eight floors tall and dominating all this was O'Brien's mammoth banner, a stylized depiction of a Japanese Kabuki Samurai warrior. The same artwork was used throughout the store in smaller banners and point-of-sale displays, store windows, and for posters, newspaper ads, direct-mail pieces, shopping bags and specialty gift wrapping.

"There was a tremendous Japanese influence in fashion and design," says O'Brien. "The store backed it up with fashion shows, crafts demonstrations, art and historical exhibits, ceremonies and special sales. It was a real success — the promotion was to have run for a month but was extended to six weeks."

O'Brien and Display Arts didn't merely make the banners and design the spin-off themes; the Japanese theme was something O'Brien had seen as a trend. He had made up a sample banner months before, with accompanying promotion ideas, for his company's display at the twice-yearly National Association of Display Industries exhibit in New York, where the latest lines are introduced to trade buyers from across the continent.

Wanamaker's display chief saw it, liked its promotion possibilities, and commissioned Display Arts to work it up to its final form.

The large banner was finished in under six weeks, using a rented gymnasium in Toronto to lay out the 11 panels of 27-metre (90-foot) silk onto which the master drawing was projected and traced. Each panel was then individually painted back at the shop. When installed, it carried a price tag of $20 000 — and Wanamaker's was delighted with every aspect of it from its monumental engineering achievement to the brilliance of the colours and attention to detail.

Eaton's liked the theme and made arrangements with Wanamaker's to do a similar promotion in Toronto the following January. The Wanamaker banner was three times too large and Display Arts made a new one. The large banner will be used again this winter by Marshall Field whose Detroit department store is similar to Wanamaker's in that it also has a high atrium big enough to hang the banner.

While display spectaculars account for much of its time, Display Arts' bread and butter earnings come from its lines of display props for smaller stores and chains; new lines come out twice a year for each changing season, much like fashions from Paris.

Nor is Display Arts aloof from taking on other work. "We'll do anything that's graphic — small showcards, brochure design, commercial arts and anything else that's design-related."

Much of Display Arts' work is for trade shows. For Saffer-Cravit, a U.S. advertising agency, O'Brien came up with an exhibit headed "Store Wars" which featured the agency's savvy on retail accounts. Saffer-Cravit took the display to three large trade shows and scored mightily — it picked up more than $15 million in new accounts.

"That's our business," says O'Brien. "Making money for our clients."

His company's plant and offices are on a narrow street in an old industrial section near Toronto's downtown. The staff of 30 works in quarters that are anything but lavish — a former house and two converted warehouses. O'Brien doesn't have his own office; he shares space with his administrative staff.

Nearby, sales and marketing manager Mike Shank keeps in touch with the company's 12 agents, four in Canada and eight in the U.S. By the year's end he expects to add four more in the U.S. and within a year to have agents in Europe, Australia, South America and the Far East.

"Aside from having a good product to sell and enthusiastic agents to sell them," says O'Brien, "the most important thing about exporting is to deliver the goods right to the customer's doorstep. We have our own customs broker in Buffalo, and we clear everything through the border as part of our responsibility. There's no way we'll trust such important things as customs-clearance and delivery to outsiders."

That was a lesson O'Brien learned early in his career when, for a brief period soon after arriving in Toronto, he imported display props from the U.S. "Customs people could manage to hold up deliveries in an unbelievable way, sometimes for weeks," he recalls.

O'Brien was born in Newfoundland and left school after Grade 8. He took a job as a stockboy in a St. John's knitwear and shoe store where among his chores was cleaning up the front window and preparing it for the periodic visits by the local freelance window decorator. On the offer of a $5-a-week raise, he joined the freelancer and, after a nine-month stint as an apprentice-cum-partner, decided to head off to the city with the most store windows in Canada — Toronto.

"I was a school drop-out trying for a job against art-school graduates with diplomas," he says. "So instead I became a freelancer, decorating windows for The May Co., Fairweather's, Bata Shoe and others.

"It was during this time I tried importing and learned that lesson about customs officials. So I switched to designing and making props myself — that was in 1968. My first backer was McTamney's, the pawnbroker. I called the company Display Arts of Toronto and that was the beginning."

Over the next 11 years the company grew steadily. He continued decorating windows for a few more years and had taken on a partner. In 1978, with the help of a federal grant under the Program for Export Market Development (PEMD), O'Brien set up his first display at the New York trade show. It paid off in sales and after that he decided to pull out all stops in going after the lucrative U.S. merchandise display market.

But these grandiose ideas didn't sit well with his partner. They split in 1979 and O'Brien reorganized Display Arts, which by that time had a staff of eight, and after two moves finally settled at its present Niagara Street quarters.

From there on Display Arts hit a new stride. Just how far it has come in the last four years can be shown by a tour through the plant on a typical Friday afternoon in mid-October:

- The night before a crew had hoisted a 7.6-metre (25-foot) long foam-plastic Hallowe'en witch over the large atrium of the prestigious shopping mall and condominium at Toronto's Harbourfront recreation area. The witch flies before a backdrop of a 2.4-metre (eight-foot) harvest moon and an assortment of howling cats and leering pumpkins mounted on the balconies;
- In the design shop models and sketches are being worked up for the spring lines that will be introduced at the New York display-designers show in early December. They include adobe (mud-and-straw) structures suggesting the Hopi Indians, a line of "Memphis" style shapes and abstract props that follow a neo-modern trend which seems to be coming into favour, and several other ideas yet to be hatched by O'Brien and his chief designer, Eric Field. In the $96 000 exhibit they'll be shown as items casually lying about in an artist's loft;
- In the shipping room they are cleaning up after having sent 800 silk hand-painted Santa Claus banners to Dayton's, a Minneapolis-based retail chain;
- For Toronto's Sherway Gardens, said to be the largest shopping plaza anywhere, final work is being done for Santa Storyland — a walking tour that will take children through 10 fantasy scenes from Mother Goose and lead them to Santa Claus himself. Storyland will take up 930 square metres (10 000 square feet) and be installed in mid-November;
- For Melvin Simon of Ann Arbor, Michigan, which operates a string of shopping plazas in the midwest, a large walk-in Teddy Bear House is being given the final touch-up. It has pop-out Teddy Bears and, within, an elegant courtyard for Mr. Claus and his visitors;
- In the silk banner department, eight lengths of silk are stretched over as many desk-high frames and a team of artisans is busy colouring them with dyes. They are all Teddy Bear banners, another of O'Brien's lines first shown in New York four months ago. Display Arts will have sold 600 Teddy banners since then at prices from $110 each;
- For the past three years, Display Arts of Toronto has been the National Association of Display Industries' official exhibition designer, producing the logos, brochures, ads and also decorating the entire exhibition hall. That's in addition to Display Arts' exhibit at this trade fair;
- There's also other work going through the plant — paper sculptured mockups for Nieman Marcus of Texas, point-of-purchase designs for a New York perfumery, sketches for a trade-show display for Cointreau liqueurs, designs for The Bay stores for both summer and fall promotions, and designer Field is starting to work on Christmas 1985 designs;
- An emergency has come up! Sears has just decided to give Display Arts the job of producing its 1984 Christmas displays for its stores across Canada, using the theme "Wrap Up a Beautiful Christmas". The finished job must be ready for delivery in less than 10 days. "But we know you'll deliver it to us on time," the Sears man tells O'Brien.

"It's sometimes a hectic business," says O'Brien, "but it's a good one. It's the kind of a business that keeps the creative juices flowing. The more you do, the more you find that you're able to do.

"And, you know, that's why I'm such a booster for the role of small business in this country — small business isn't hung up with its own bureaucracy; it can take challenges and it can act on them swiftly, in weeks and hours and minutes, not in terms of years and months; and small business can do it at a sensible profit and therefore be competitive.

"Also, in a small business you can attract the right people. Having the expertise means having people who are keen, who can take responsibility, and who work as a team. We've got that here, but you have to work at it. Most of our people are under 30, but mature. They enjoy the challenge. We've worked 12 hours a day for weeks at a time, and the business has grown. Last year we were able to try profit-sharing and, so far, it's working well."

Where do the ideas come from? "We have to stay abreast, stay that little bit ahead. We subscribe to magazines and newspapers from *New Yorker* to the *Toronto Sun, Architectural Forum* to *Rolling Stone*. Then there's radio and TV, concerts, even the very graffiti on walls.

"Most important, we watch what the young people are up to. They're the real trend-setters; this generation doesn't have to have things spelled out for them and they don't say much. But they know the meaning of symbols and they appreciate subtlety.

"Another important thing in creating ideas is knowing exactly how much is too much."

It is now Friday evening. Early tomorrow morning O'Brien and friends will be at the waterfront, taking his sail boat up for the winter. Then they'll go over to Harbourfront to look at the Hallowe'en witch in the atrium. O'Brien will then return to the shop to see how the company is coping with all these rush orders. But tonight there's a photo-session — photos of the new line for the next catalogue.

The work goes on. . .

— by E.H. Hausmann
DRIE, Toronto

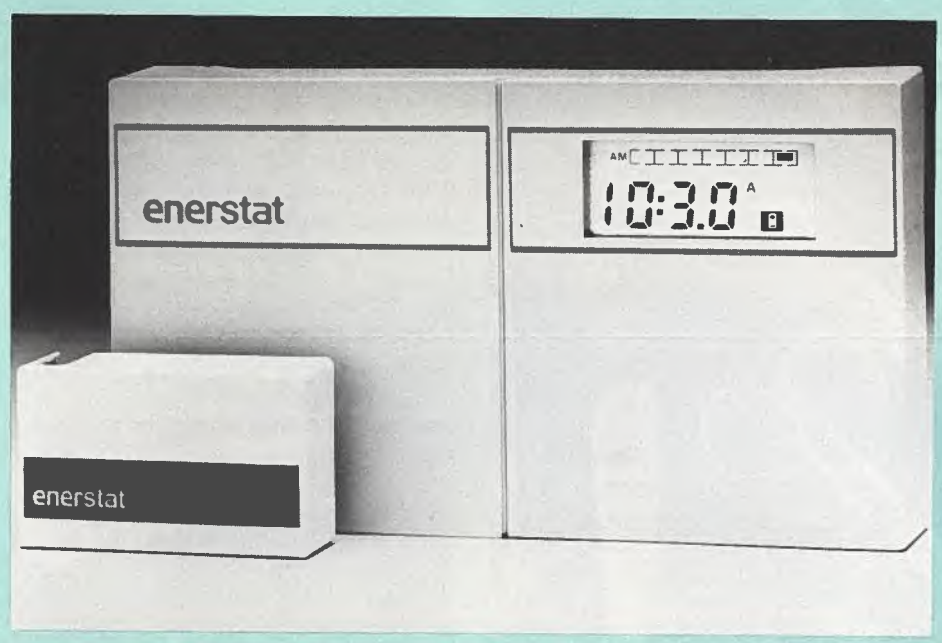
CANADIAN COMPANIES & PRODUCTS

Companies wishing to take advantage of this feature may do so without charge simply by sending sufficient material on product or service for no more than 100 words and a glossy black and white photograph to Canadian Companies & Products, ***Canada Commerce*** (BCOM), Department of Regional Industrial Expansion, Ottawa, Ontario K1A 0H5. As ***Canada Commerce*** is produced in both official languages, please send material in both languages if it is available.

Canadian Company Has Cutting Edge
International Scissor Limited is the only manufacturer of scissors and shears in Canada. The company manufactures a full line from the 9 cm (3½ in.) embroidery shear to the 30 cm (12 in.) industrial shear. Most of the scissors are hot drop forged from high quality cutlery steel but the new lightweight plastic handle stainless steel scissors are also manufactured. The majority are sold to industrial users who rely on a quality cutting instrument to earn their livelihood but quality and long life are gaining more importance among individual users as well. The company is currently exporting to the United States but is actively seeking other foreign markets.

Top Efficiency from Wood Fuel
The Kerr "Jetstream" wood burning furnace uses an innovative combustion process that releases the total energy available in wood, even the creosote and gases, in a way that is clean and virtually 100 per cent complete. Then the Jetstream delivers that heat to a hot water storage system for use exactly when and where it is needed. By carefully matching heat storage capacity to heating requirements, it is possible to charge the storage tank in one operation and then draw heat from storage over a period of hours or days. Applications include residential and light industrial space heating, domestic hot water, swimming pool heating or integration with active solar space or greenhouse heating systems.

Grizzly Effective In All Terrains
The "Grizzly" manufactured by Trans-Tec Vehicles of Sudbury is an all-terrain vehicle that incorporates 16 or 24 driving wheels, a 454 kilogram (1 000 pound) load on land, low ground pressure, total flotation and 33 degree climbing capability. This versatile and reliable vehicle is ideal for forestry, exploration and utility work. Already the Grizzly has been used for cable pulling and lashing, line spraying, transformer placement, tree planting, equipment hauling and personnel transport. Trans-Tec is a joint venture between Bristol Machine Works Ltd. and the Ontario Centre for Resource Machinery Technology.

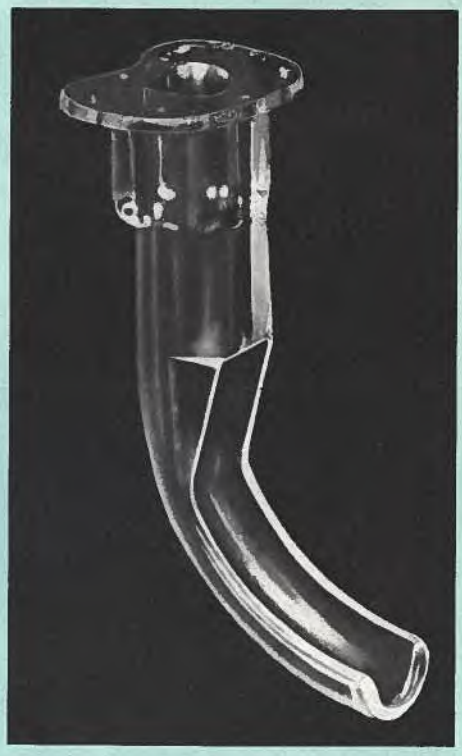


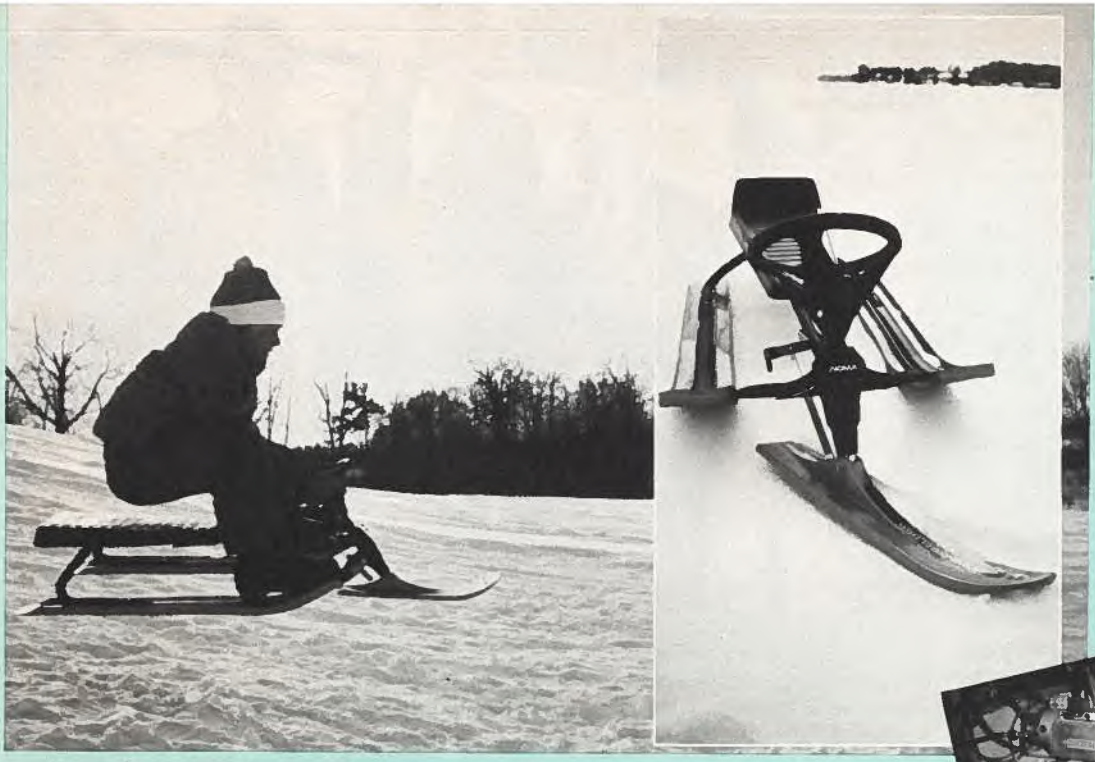
New Enerstat Designed For Commercial Applications
Valera Electronics Inc. of Ottawa has introduced its most advanced "Enerstat" microcomputer thermostat — the Model SM-1. Designed primarily for commercial buildings, the MS-1 controls up to two stages of heat and two stages of cool, requires no outdoor thermostat and minimizes utility peak loading. Like previous Enerstats, it features solid state microprocessing accurate within .25 degrees C., back-up battery for memory retention during a power outage, an accurate quartz clock and stage display all contained in case 165 mm by 95 mm × 39 mm and weighing approximately 450 grams. Enerstat has captured more than half of the Canadian market for programmable thermostats and is now standard equipment for the products of three of the largest international manufacturers of heating and air conditioning equipment.

Airway Has Dual Function
Oropharyngeal airways prevent the tongue from falling back and allow for unobstructed air exchange in the throat. The AIRWAY INTUBATOR will perform this function as well as

- allowing for endotracheal intubation without the need for any other instrument. ("blind intubation");
- aiding fiberoptic intubation;
- diagnostic bronchoscopy can be performed through the mouth without the fear of damage to the expensive instrument by the patient's teeth, and obviates the danger of passing bacteria from the nose into the lungs and negates the possibility of nasal trauma.

Airway Intubators are made of Surlyn and are disposable items. They are sold in boxes of 50 or 25 at 9 cm size and 25 at 10 cm size.





For Fun on the Slopes

Canadiana Outdoor Products Inc., a division of Noma Industries Limited, located in Brampton, Ontario, is manufacturing a new version of the very successful Super GT Sno Racer, a child's snow sled.

Market acceptance and reaction to the original version was so strong and positive, the company has invested in robotics to help meet demand.

The GT Sno Racer holds two riders, up to 225 kg enabling the whole family to get in on the fun.

After initial test markets last year, this product will also be sold in the major U.S. markets this winter.

Canadiana also produces a complete line of lawn care products, such as lawnmowers, tillers and tractors, as well as a line of snow-blowers, which are also exported to the U.S. and Europe.

Microcomputer/Computer Printer Stands

Arrow Plastics Inc. of Scarborough, Ontario, has new products in MICROCOMPUTER/COMPUTER accessories. Attractive printer stands are available in various colours (including smoked bronze), shapes and sizes for different kinds of printers. The stands, made from sturdy acrylic with smooth paper feed and storage, help beautify hardware and make computing more efficient, more productive and more enjoyable. They can also be custom made (for a certain minimum quantity) in different colours and sizes according to customers' specifications. Beside the printer stands, they also have new items like swivel platform for CRT and mini telephone desk.

New Consulting Group Offers Services

Adley Consulting Engineers (International) Ltd. of Sherwood Park, Alberta, provides a wide variety of technical and engineering services, both in Canada and Overseas. These services are directed to governmental agencies, industry, organizations and commercial enterprises.

Company personnel will provide services in widely diversified environments to increase efficiency, cost effectiveness and competitiveness of companies, organizations or services.

Adley Consulting Engineers is effective in other areas of assistance such as acting as agents for the promotion of Canadian consortia and expansion of international trade including Canadian/Overseas joint ventures.

The group can assist owners of projects in the administration/supervision of contractors, subcontractors and suppliers and industries, government agencies, organizations and services in undertaking viability/feasibility studies.

A winning team: Chamera Constructors associates *From left to right:* Jean-Roch Brisson, President of Marine Industries Ltd., Max Drouin, Vice-President of Canadian General Electric Limited, Hugh Reinhart, President of Acres International, Jean-Paul Gourdeau, President and CEO of the SNC Group and William Pearson, Vice-President, Energy of SNC Inc.

Canadian Consortium Wins Big.

A Canadian consortium led by SNC group of Montréal has been successful in obtaining a $1.3 billion hydro-electric project in India aided by loans to India from EDC and CIDA worth some $648.5 million. The Chamera project includes a 155 metre arch gravity dam and a 540 megawatt powerhouse on the Ravi River in the northwest state of Himachal Pradesh. Canadian suppliers will be asked to bid on some $450 million worth of supplies. Besides SNC other members of the consortium are: Marine Industries, Canadian General Electric and Acres International.

For further information about the companies, products and services listed, please contact:

International Scissor Limited
1881 Rogers Road
Perth, Ontario
K7H 3E3
Tel: (613) 267-4090

Kerr Controls Limited
P.O. Box 1500
Truro, Nova Scotia
B2N 5V2
Tel: (902) 895-9281

Trans-Tec Vehicles Inc.
2204 Algonquin Road
Sudbury, Ontario
P3E 4Z6
Tel: (705) 522-6148
Telex: 067-7167

Valera Electronics Inc.
1733 St. Laurent Boulevard
Ottawa, Ontario
K1G 3V4
Tel: (613) 526-1660
Telex: 053-4899

Williams Airway Intubator (1982) Ltd.
405, 206 - 7th Avenue S.W.
Calgary, Alberta
T2P 0W7
Tel: (403) 266-6166
266-5700

Canadian Outdoor Products Inc.
155 Orenda Road
Brampton, Ontario
L6W 1W3
Tel: (416) 457-1433
Telex: 06-97592

Arrow Plastics
55 Nugget Avenue, Unit G
Scarborough, Ontario
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Tel: (416) 292-7777

Adley Consulting Engineers (International) Ltd.
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SNC Group
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A Celebration of the North

Northwest Territories — A Progressive Economy

The group of local businessmen sharing the mid-morning coffee break at the Yellowknife Inn's Miners' Mess nodded sympathetically as the speaker spun out his tale of woe.

His was the all-too-familiar story of attempting to arrange a loan through a bank manager who — sympathetic as he might be — had to send the application south for approval.

"I even pointed out that I had two good jobs," said Northwest Telecommunications employee Don Sian who also draws in a paycheque as Yellowknife's mayor.

A few weeks later, a powerful group of southern bankers* were flown into remote Bathurst Inlet Lodge where, in splendid isolation, they had the riot act read to them (politely, of course) by a top-level group of N.W.T. government cabinet ministers, public servants and business representatives.

Even as the federal government was moving to give northerners more control over their own destinies, they were told, Canada's chartered banks continued to treat the territories as distant colonies.

The meeting was the direct result of some strong personal lobbying of the bankers by N.W.T. Economic Development Minister Tagak Curley after a departmental survey of small businesses pinpointed the problems N.W.T. entrepreneurs were having accessing commercial credit supplies.

The survey did not produce any great surprises to those familiar with the northern business scene. It showed businesspeople to be concerned with the lack of commercial mortgage financing and the excessive security required to obtain operating lines of credit.

Those surveyed claimed branch managers had unrealistically low lending limits and that lending decisions were made in southern offices on the basis of southern economic circumstances which in no way reflect the buoyant northern economy.

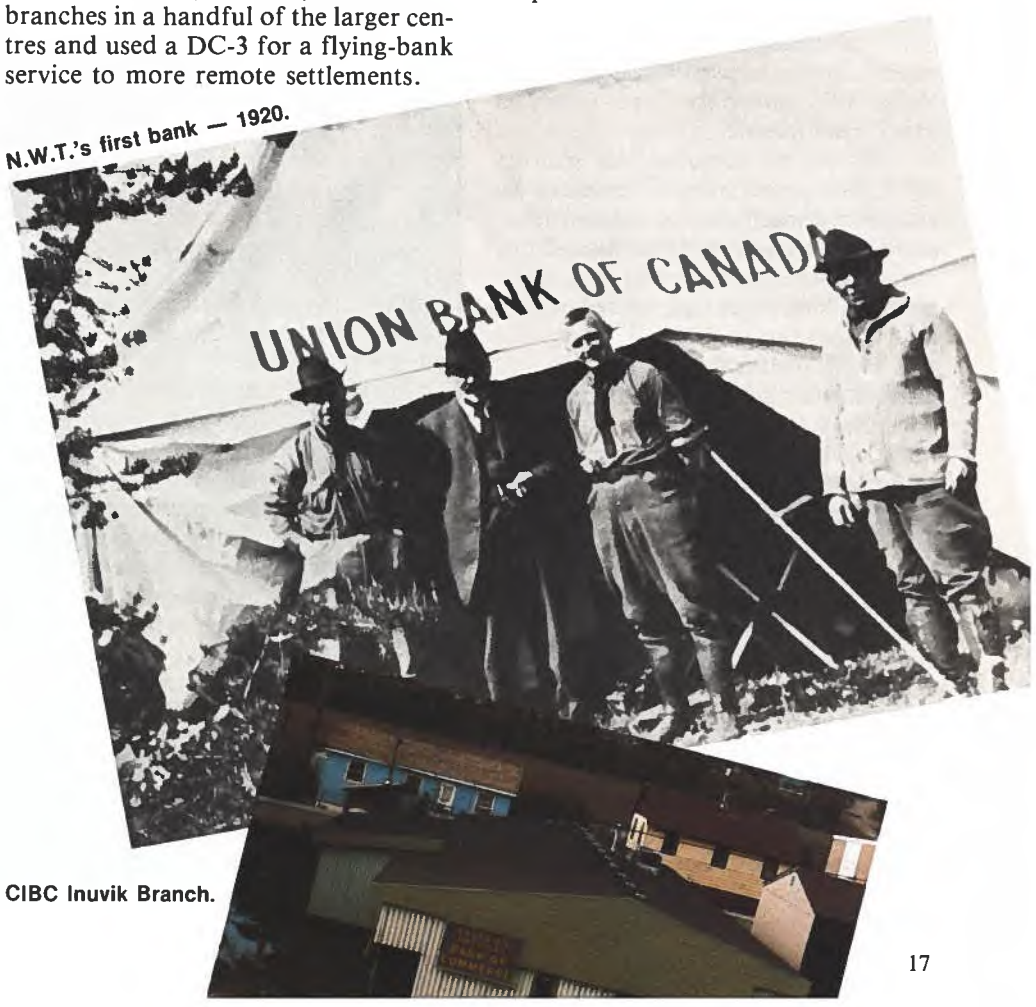
And, outside Yellowknife, there was an almost universal cry for more banking services, particularly in the thriving Kitikmeot (central Arctic) region.

Until relatively recently, the only bank in the western N.W.T. was the Canadian Imperial Bank of Commerce (it also was the pioneering bank in Yukon where it hired Robert Service for its Dawson City branch) which had branches in a handful of the larger centres and used a DC-3 for a flying-bank service to more remote settlements.

But, the once volatile and often anaemic economy of the Territories has stabilized and prospered in recent years to the extent that the southern recession of the late 70s and early 80s barely touched the N.W.T.

"The basic belief we have," says Shakir Alwarid, Chief of Business Development for the Government of the Northwest Territories (GNWT), "is that the economy of the north is not the economy of the south. That's why the slump did not affect us to the same degree."

Figures prepared for the bankers reflect this belief. They showed that mineral production, petroleum industry expenditures, retail sales and federal and territorial government payroll spending — four key economic indicators — have all shown steady, impressive growth in the past decade.



N.W.T.'s first bank — 1920.

CIBC Inuvik Branch.

Bankers attending were James Laitner, Senior Vice-President and General Manager of the Alberta Division of Toronto-Dominion Bank; Bev Eddy, Vice-President, Commercial Credit, Alberta and N.W.T. Region, Scotia Bank; William McCartney, Senior Vice-President, Alberta Region, Royal Bank; Gordon Lewis, Vice-President and General Manager, Alberta and N.W.T. Region, Canadian Imperial Bank of Commerce; and Simon Kouwenhoven, Senior Vice-President, Midwest Division, Bank of Montreal.

Until the discovery of oil (Norman Wells), radium (Port Radium) and gold (Yellowknife) in the 1920s and 30s, the economy of the N.W.T. was virtually non-existent.

Native peoples lived largely off the land, bartering their furs for traps, rifles, tea, sugar and other foodstuffs. Although the federal government first sent an administrator to Fort Smith on the Alberta-N.W.T. border in 1911, the remainder of whites in this vast area — it covers one third of Canada — were primarily traders, missionaries, Mounties and the military.

Gilbert Labine's 1930 discovery of pitchblende on Great Bear Lake marked the beginning of the mining industry in the N.W.T.

It was prospectors lured by this discovery who first found gold on the north shore of Great Slave Lake in 1934 and set up the mining camp that was to grow into today's capital city of Yellowknife.

Development of these two mineral finds also provided the first real market for the oil field at Norman Wells. Imperial Oil had drilled its discovery well in 1919 and even constructed a small refinery at the site, but further drilling and expansion on the site was delayed until the mid-1930s when shipments began moving out to Port Radium and Yellowknife along the Great Bear and Mackenzie Rivers.

From the turn of the century through the mid-1960s, the economy developed sporadically as natives abandoned their nomadic patterns and tiny settlements began to develop around isolated trading posts and the new mines that dotted the map.

Then, in 1967, the federal government shifted the seat of the Territorial government from Ottawa to Yellowknife and the ebullient, hard-driving Commissioner Stuart M. Hodgson began the push to bring modern government — and a modern economy — to the N.W.T.

The spread of government services triggered local economies across the N.W.T., providing jobs for natives and non-natives and spurring the construction of homes, schools and offices in the fledgling communities.

Today, the combined federal and territorial governments are the key to the stable economy, employing more than 6 500 people with total earnings of $176 million.

But, if governments provide the spine of the N.W.T. economy, mining and oil and gas exploration and development continue to provide the muscle. The Territories' 10 operating mines now employ 2 700 people (20 per cent of the labour force) whose annual salaries and wages total more than $120 million.

Although Labine's original discovery was mined-out many years ago, another of the original players, Cominco Ltd.'s Con Mine at Yellowknife (where the N.W.T.'s first gold brick was poured in 1938), now utilizes a new, mile-deep shaft to reach out to its rich ore bodies under Great Slave Lake.

Cominco's other two N.W.T. operations are the huge open-pit lead-zinc mine at Pine Point and the Polaris lead-zinc underground mine on Little Cornwallis Island, the world's most northerly mine.

"One very positive aspect to the mining sector," says Shakir Alwarid, "is that the share of the total value of Canadian ownership has gone up from

Norman Wells Oil Field Follows Historic Footsteps

Turning on Imperial Oil #1, Norman Wells, 1920.

At about the halfway point on his trip down the river that now bears his name, Alexander Mackenzie spotted some tar-rich sands which he used as caulking to repair his canoes.

He had found the Norman Wells oil field.

However, it wasn't until 1919 that a subsidiary of Imperial Oil Ltd. drilled the discovery well, hitting oil at a depth of only 239 m (785 ft.). Although a small refinery was built to supply mines at Port Radium and Yellowknife, production languished until World War II.

Concerned over the Japanese threat to its west coast supply routes to Alaska, the U.S. government constructed the Canol pipeline from Norman Wells over the Mackenzie Mountains to a new refinery in Whitehorse. To supply the line, the original four wells were expanded to 64.

By the time the line was finished in 1944, the threat was gone and in 1947 the line was sold and dismantled. Production at the refinery was downscaled considerably, pumping out only what was required to meet local needs.

Then as concern grew over dwindling southern supplies, Imperial Oil's successor, Esso Resources Canada, decided in 1981 to drill an additional 160 holes at Norman Wells and construct a pipeline to link the field with the southern grid at Zama, Alberta.

Mackenzie's "Mr. Fix-it" material had finally found a market.

54 per cent in 1980 to 61 per cent in 1982, the last year for which we have a figure."

Although depressed markets for both base and precious metals in recent years led to cut-backs and temporary closures of some mines, Alwarid says there are "positive indications" for three new mines. Should gold prices move sharply upward, there also is a strong possibility that some of the long-abandoned mines around Yellowknife could be re-opened.

Some 1 100 km (685 miles) north of Yellowknife, the residents of Inuvik are waiting with bated breath to hear whether Gulf Canada Ltd.'s Amauligak offshore discovery well this summer has finally tapped into the elusive "elephant" oil field below the Beaufort Sea.

Gulf announced this fall that the well is capable of producing more than 13 000 barrels a day. Industry experts estimate this could be an indication of a field in the 500 to 700-million-barrel range, but caution that extensive delineation drilling will be needed to prove the reserve's potential.

Gulf's announcement should have brought a sigh of relief from officials of Imperial Oil and Dome Petroleum. Over the last decade and more, the three have spent about $5 billion exploring the Beaufort and have found about 700 million barrels of oil — half the total needed to make the field commercial and begin moving the oil south.

In the Beaufort Sea-Mackenzie Delta oil patch, the Amauligak discovery has brought on an air of cautious optimism. Already there is talk of extending Imperial's almost-completed pipeline from the south to Norman Wells (*Canada Commerce*, Sept. 1984) on to Inuvik.

If the Beaufort field goes into commercial production it will mean an incredible shot in the arm for this town of 3 100 people. Estimates of the number of jobs it would bring to Inuvik and nearby Tuktoyaktuk range anywhere between 3 000 and 10 000.

But, few of the residents are going to bet their mortgages on a boom. They've been burned once before.

Discoveries of large quantities of natural gas in the Delta in the early 1970s had two huge consortia competing furiously for the rights to build a pipeline between Inuvik and the south. To sort out the priorities, the federal government appointed Mr. Justice Thomas Berger as a one-man Royal Commission.

After a series of emotional and highly-publicized hearings in every community along the Mackenzie Valley, Berger handed down his report in 1977 agreeing that a line up the valley would be the least ecologically damaging.

Then he added a zinger: no construction for 10 years to allow the Dene and Métis along the route time to prepare themselves to share in the economic benefits it would bring.

The bubble had burst and many area residents were bitter.

"Uncertainty became the norm," says Al Pluim, Inuvik contractor and president of the N.W.T. Chamber of Commerce, decrying the "instant experts from the south" who were determining the area's fate.

"Who," he asks, "is the rest of Canada to come up here and get involved in our politics and our development when they can't even look after what they've got down there. They've got problems on their own God-damned doorsteps that they should clean up first."

His anger cooling, Pluim concedes, "There's a lot of bucks riding on this one," noting that between 65 and 70 per cent of the area's labour force is directly or indirectly dependent on oil and gas exploration.

The picture, he feels, is brightening.

"The Norman Wells pipeline is the foot in the door," Pluim says, predicting its extension to the Beaufort. "I'll make a bet and say that we'll be flowing oil out of here by '89."

In his GNWT office in Yellowknife's Laing Building, business development chief Alwarid acknowledges the mega-dollar impact of the non-renewable resource development.

He also endorses the assertion of his minister, Tagak Curley, that if the N.W.T. is to assert more economic independence it must take better advantage of the opportunities offered by its service industry and renewable resource sectors.

Curley notes that the GNWT has been successful in generating business and employment in the oil patch.

"But," he told Yellowknife newspaper *News/North*, "in doing so we have ignored almost totally our wealth of resources in forestry, fur, fishing and agricultural sectors.

"The government must be as successful at stimulating the private sector as it has been in addressing the social needs of the N.W.T."

To assist in the development of policies and programmes, Curley has named a 12-person N.W.T. Business Council chaired by Inuvik entrepreneur Jim Robertson and made up of prominent business personalities from across the Territories.

N.W.T. VITAL STATISTICS

Population — 48 350 (16 750 Inuit; 11 000 Dene; 20 600 other).
Capital — Yellowknife (pop. 10 000).
Smallest community — Kakisa Lake (pop. 35).
Total area — 3 376 698 km^2 (1 252 743 sq. mi.).
Fresh water area — 132 090 km^2 (51 000 sq. mi.), 9.2 per cent of world total.
Latitude — 60° to 84° or 2 625 km (1 631 mi.) north to south.
Longitude — 60° to 136° or 3 283 km (2 040 mi.) east to west.
Highest recorded temperature — Fort Smith, July 18, 1941, 39.4°C (102.9°F).


Mountain avens blooms amid purple saxifrage.

Lowest recorded temperature — Fort Smith, Dec. 26, 1917, −57.2°C (−70.9°F).
National Parks — Three: Wood Buffalo, Nahanni, Auyuittuq.
Floral emblem — Mountain avens.
Government — Elected assembly of 24 members. Head of government is Commissioner appointed by federal Minister of Indian Affairs and Northern Development.

One industry that will attract the attention of the council is tourism — after governments, mining and petroleum, the next largest economic factor in the N.W.T., bringing in an estimated $100 million a year.

A GNWT survey last year showed that between June and September, 1983, the N.W.T. drew 44 000 visitors — two thirds of them Canadian, one quarter American and the remainder from overseas, primarily Great Britain and Germany. Spending during the three-month period was estimated between $50 and $60 million.

Government officials estimate this spending supports about 1 500 full-time and 2 200 part-time jobs, many of them in small, native communities where they are most needed.

The survey also showed that 52 per cent of the visitors listed their most popular activity as shopping for crafts. Yet, Curley and Alwarid lists the crafts industry, along with fishing and trapping, as a trouble spot in the northern economy.

Andrew Goussaert of the Arctic Co-operatives Ltd. blamed a 1982-83 nosedive in the arts and craft market on the southern recession. Alwarid, who has responsibility for the government's involvement in the crafts program, feels the problem has deeper roots.

"Arts and crafts were affected to a degree (by the recession)," Alwarid says "but we also wonder if the drop was a response to overflooding the market with work that we don't think was of the highest quality.

"There is no problem in selling quality," he says, gesturing to a wall-hanging in his office. "Works like that one from the Pangnirtung Weaving Shop cost $2 000, yet they're selling all they can make. Fine art prints from Cape Dorset and Baker Lake also are doing very well, thank you."

To overcome the problem, the GNWT is joining with the federal Department of Indian Affairs and Northern Development to develop a long-term strategy for the revival of the arts and crafts industry which is critical to many natives in isolated communities.

"We want to look at both the production side and the marketing side," Alwarid says. "We intend to provide support for artists in the communities in terms of motivation and reinforcing the quality of the work."

Warm Feelings on a Cold Day

When Santa Claus dropped in at Polaris Mine last Christmas on his way home from the south, he was probably expecting to meet up with nothing much more than a bunch of homesick miners.

Instead he was greeted by a gleeful group of 89 visitors — 41 of them youngsters — flown in by Cominco Ltd. to spend the holiday season with their husbands and fathers.

For officials at the lead-zinc mine (the world's most northerly mine), it was more than just a sentimental gesture. Faced with the prospect of either shutting down for the holiday period or operating with a skeleton staff while the rest of the workers were rotated "out", they came up with a novel idea.

Miners' families from all across Canada — from White Bay, Newfoundland, to Kimberley, B.C., to Eskimo Point, N.W.T. — were given tickets for commercial flights to Resolute Bay and then shuttled to the mine site on Little Cornwallis Island, some 4 200 km (2 600 mi.) due north of Winnipeg.

For the two-week stay, the guests had full use of camp facilities, including a swimming pool, games room and TV, and took part in a full round of organized activities. Officials judged the experiment a great success when, despite −32°C weather, the youngsters balked at the idea of heading home.

"I've never seen their fathers reluctant to leave," one said.

Solving the problems of the fishing industry will not be so simple.

The situation is particularly acute on Great Slave Lake where commercial fishing for whitefish and trout provides seasonal employment for nearly 300 persons.

Because all fish caught must be marketed through the federal Freshwater Fish Marketing Corp. in Winnipeg, Great Slave fishermen must bear the cost of shipping their catch south, cutting the producers' incomes to what Curley calls "marginal at best."

Faced with the threat of losing the industry and the jobs it provides, the GNWT has agreed to subsidize the shipping costs — a move that cost it about $400 000 this year alone.

While Alwarid does not see any immediate solution to the Great Slave Lake problems, he believes there is a "great potential" for expanding the Arctic char fishery in the Hudson's Bay and Arctic Ocean coastal settlements.

"Currently, we're producing about 150 000 pounds a year," Alwarid says, "but within a year we hope to double that capacity."

Much of the current production comes from the government-owned and operated char processing plant at Rankin Inlet and Alwarid says that the planned opening of similar plants at Gjoa Haven and Igloolik next summer should at least double the capacity.

Discussions are also under way with the Inuit of Baffin Island, Labrador and northern Québec to exploit the untapped shrimp and other marine resources of Hudson Strait.

"There's already a quota in place for 8 500 tons of shrimp a year," Alwarid says. "We feel there's a great opportunity, not just for shrimps, but also for ground fish such as halibut."

Although most lands suitable for homesteading are being kept under a land freeze until native land claims are settled, GNWT officials believe some speciality crops can be developed.

Alwarid says studies are going forward for a dairy farm at Yellowknife, domestication of native reindeer and caribou, usage of waste heat in settlements for greenhouses and the growing of wild rice in the Fort Smith region along the Alberta border.

One of his pet projects is a proposal by the Hay River Dene band for a 200 000-hen egg-production facility which would provide employment for 40 people, "every able-bodied person on the reserve".

Such an operation could replace egg imports in every community from Fort Smith north to Inuvik and — should the federal Canadian Egg Marketing Agency agree — permit the exporting of eggs to meet market demands in northern Alberta.

"We're very high on this one," says Alwarid, "very excited. We want to move on it fast."

— by Ron Johnson
Canada Commerce

A Celebration of the North

Bathurst Inlet Lodge — A Haven in Shangri-la

Among Hudson's Bay Company factors, the trading post on Bathurst Inlet was known as "Shangri-la" and their pre-retirement postings to this isolated Arctic community were intended as a pleasant reward for a lifetime of service to The Bay.

Perched on a rocky shelf at the mouth of the Burnside River 97 km (60 miles) above the Arctic Circle, the traditional red and white buildings of the HBC post proved a natural attraction for nomadic Inuit hunting families. And, where the Inuit gathered, the men of the cloth were seldom far behind; soon Bathurst Inlet could boast of a tiny, steepled Roman Catholic church and a resident priest.

Over the years, a small community developed as Inuit families moved to the area on a more-or-less permanent basis and eventually the federal government established a nursing station at the site.

By the 1960s a pattern was developing that was all too familiar across the north. Hard hit by an influenza epidemic in 1941 — a fact attested to by the rows of plain, white crosses in the graveyard behind the church — the surviving Inuit began to drift away from Bathurst Inlet, some drawn by the school and other amenities at Bay Chimo 130 km (80 miles) to the north, others venturing further afield to more-developed settlements like Cambridge Bay and Coppermine.

The mission had never been a success (only a handful of Inuit ever converted) and in 1964 the priest was recalled for service elsewhere. A year later, The Bay reluctantly decided to close down the now-unprofitable post. Once again, the Inuit were the lone inhabitors of the site.

But, Bathurst Inlet's lonely grandeur had already caught the eye of another white — RCMP Corporal Glenn Warner who had piloted the boat that moved the priest to Cambridge Bay.

Two years later, Warner and his wife, Trish, bought the tiny, abandoned church and the idea of Bathurst Inlet Lodge was born.

"We started our dream about this by talking about buying the church," Warner now recalls. "We didn't even think about the Hudson's Bay buildings because we just didn't have the darned money. We earned $5 600 a year then — plus a dollar a day northern allowance."

Within a couple of years, the Warners set up a partnership with Cambridge Bay businessmen Fred Ross and Lyle Hawkins (the latter a former Mountie who had served in Cambridge Bay under Warner) and bought the former trading post.

"Then the work started," Warner says. "We built an airstrip out on the ice and we used DC-6s, a dozen Bristol (freighter) trips and probably two dozen DC-3s."

Trish Warner (yellow jacket) greets new guests. *Inset:* Vistas echoing Lawren Harris.

Sunbathing aboard the Arctic Queen.

The air-lift completed, the partners set about completely refurbishing the buildings — converting the factor's residence and the post warehouse into guest bedrooms and installing water and electrical systems.

The nursing station was moved to the site and tied onto the old Bay store. A new kitchen was added and the building now serves as the lodge's lounge, library and dining area.

In 1969, Bathurst Inlet Lodge opened for its first season with Trish Warner on hand to greet the guests and oversee the operations while Glenn, now a sergeant, was kept busy in Cambridge Bay supervising RCMP operations in the Central Arctic sub-division.

For those first few years, the attractive and energetic Trish was left virtually alone to manage the lodge and train the local Inuit in jobs as guides, camp attendants, mechanics and maids.

Word spread among naturalists of the lodge and its attractions. The operation began to prosper and in 1972, Warner — now a staff sergeant in charge of the Yellowknife detachment — faced a hard decision.

"It had come to the point," Warner says, "where I had to get out or we had to hire an assistant to help manage the lodge. So, I took an early retirement after 21 years in the RCMP, we built our house on (Yellowknife's) Back Bay and we've lived happily ever after."

Relaxing in the relative privacy of the lodge dining room, Warner recalls the efforts that have led to the 15th anniversary of the operation.

"We were working and building pretty well continuously up to last year," he says. "Now we own it free and clear (he has since bought out his partners) and our construction is finished."

What he and Trish have created is a relatively intimate (16 to 22 guests), highly-personalized, meticulously-run haven for naturalists, bird watchers and Arctic junkies.

Apart from the Inuit staff (to whom Warner intends to offer a chance to purchase shares in the lodge), it is entirely a family-run operation.

Daughter Kim looks after the home-base operation in Yellowknife, shepherding each week's load of guests onto the charter flight to the lodge, rounding up the weekly load of fresh supplies and handling the radio-telephone system linking the lodge to the Warner's office.

The Warner's other daughter, Kelly Arychuk, oversees the dining room operations while Glenn's aunt, Alice Kerr, cooks the straightforward, plentiful meals and Kelly's husband, Peter, shares with Glenn the responsibility of flying the lodge's two light aircraft.

Son Boyd is the lodge's jack-of-all-trades, co-ordinating the work of the Inuit guides and camp tenders, providing tour-guide services during cruises along the inlet and helping amuse the guests with slide shows and talks on the occasional rainy days.

With the lodge operating for a maximum of about six weeks each summer and the bulk of the guests there for one-week stays, the Warners put in long, hard days packing as much into the short time frame as is possible.

None of this effort shows on the surface; guests find their visit relaxed, calm and casual. The bar operates on an honour system — just mark your purchases in the notebook — and, after breakfast, guests make up their own luncheons from a variety of sandwich fillings, fresh fruit and desserts.

Each day's program is in the hands of the individual guest. For those who want to try their luck at char fishing, boats, guides and tackle are available. The Super Cub and the Cessna 185 are standing by for charter flights to 50-metre (160-foot) high Wilberforce Falls or day-trips to Cambridge Bay, 300 km (185 miles) northeast of the lodge.

Most will probably choose to cruise with Glenn or Boyd (if Glenn is flying) aboard the *Arctic Queen*, a 12-metre (40-foot), outboard-powered, barge complete with comfortable armchairs and the bright blue privy which has given the craft its nickname — the Blue Loo.

Disdaining timetables, the *Arctic Queen* snoops around the waterways of Bathurst Inlet, pausing frequently to allow binocular and camera-wielding passengers to observe Peregrine and Gyrfalcons wheeling overhead or musk-oxen loping across the tundra.

Surrounding the gently moving barge is a vista echoing the works of artist Lawren Harris. And any hike across the lush, rolling tundra reveals a dazzling world of tiny, brilliant wildflowers ranging from delicate mountain heather to miniature rhododendron.

Inuit youngsters greet boat's docking.

All of this Arctic-style luxury clearly is not for the "Canada on $5 a day" set. The Warners' expenses are high — the round-trip Twin Otter trips alone come in at $3 000 each — and guests can expect to pay in the $2 000 range for the basic one-week stay, plus bar charges and outlays for locally-produced carvings or handicrafts. (Be-

Dandelions thrive on Arctic island.

cause the Yellowknife-Bathurst Inlet charter flight is covered by the first week's charge, extra weeks cost considerably less.)

Still, the lodge attracts a wide range of visitors. The Warners have hosted two prime ministers (Trudeau and Turner), one governor general (Roland Michener) and a lengthy list of other VIPs and celebrities.

Many of their guests are repeat visitors, often returning with children or grandchildren. On a typical week last summer the guest list included one couple with grandchildren, a retired Boeing Aircraft executive and his wife, two Ottawa public servants, a retired Saskatchewan school teacher, an Englishwoman naturalist writer on her third visit, Arctic writer-photographer Richard Harrington and returnee Page Burt, an exceptionally knowledgeable naturalist from the Cincinnatti Nature Centre who provided *Arctic Queen* passengers with floating geology and biology lessons.

For the Warners, the lodge is strictly a labour of love — all profits to date have been ploughed back into improving the facility.

Warner has an almost protective feeling toward the Inuit living at Bathurst Inlet. Many of those he hires each summer have quite literally grown up with the lodge and all of them now live in igloo-shaped prefabricated homes he built for them.

During the summer, there are jobs for all who want them. The remainder of the year, the Inuit live off the land — one of the last groups in the north to do so.

"Actually," Warner says, "we hire more people than we need — we hire everybody that's here. It's not economical, but it's what we want to do.

"We're pretty easy about it, but the operation has to break even."

The Warners' investments and his salary as chairman of the N.W.T. Water Board (he was recently reappointed for another five-year term) keep the wolf away from the doors of their very comfortable Yellowknife home.

And Warner has his sights set on yet another project — a deluxe hotel-cum-convention centre on the banks of the Yellowknife River a few miles north of the city.

He heads up a group of northern businesspeople who have recently received a grant from the federal Department of Regional Industrial Expansion (DRIE) to undertake a feasibility study. If it goes ahead, this could become a year-round resort setting for conventions, business meetings and tourists who want a taste of the outdoors as well as the urban attractions of Yellowknife.

But, Warner's heart is really in the Arctic and in the current era of land claims talks and land freezes he is one of the rare people who actually owns a hunk of that magnificent wilderness, having secured titles to both the HBC and church lands the resort is located on.

"It's the smartest thing we ever did," Warner chuckles. "Now the other hunting lodges and fishing lodges are worried about land claims, but this is ours free and clear."

Yellowknife can be reached by road from Edmonton (990 km or 615 miles). Northwest Territorial Airways has a daily flight from Winnipeg and Pacific Western Airlines has several flights a day from Calgary and Edmonton.

The 1984 rate for a one-week package was $1 950. This included the return flight to the lodge, all meals, accommodation and daily sight-seeing trips on the *Arctic Queen*.

For those who wish to spend a few days in Yellowknife, the lodge will make arrangements for accommodation, sightseeing tours, boat trips, etc.

Anyone interested in further information and rates for the 1985 season can contact:

Trish and Glenn Warner
Bathurst Inlet Lodge
P.O. Box 820
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Yellowknife, N.W.T.
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— by Ron Johnson
Canada Commerce

A Celebration of the North

Highways Changing the North

The tour bus rumbles along the town's main street, its passengers' cameras clicking madly, its wheels churning up dust from the gravelled road.

In southern Canada, its passage would go unnoticed. In Inuvik it's still viewed as somewhat of a miracle.

Until 1979, the most commonly seen vehicles in this Mackenzie River Delta town of 3 200 were (apart from the unbiquitous taxis) half-ton pickups and four-wheel-drive crew-cabs.

The only way to get a vehicle to Inuvik was to barge it down the Mackenzie from Hay River and, except for bone-jarring winter trips along ice roads to Fort McPherson or Tuktoyaktuk, the farthest drive around was the 20 km one to the airport.

The river and the airport were Inuvik's sole links with the outside world. During the summer shipping season, trains of barges would arrive loaded to the gunwales with everything from tinned food to building supplies and heavy machinery, to be squirreled away until needed during the long winter.

When ice reclaimed the river each fall, air freight had to be used to bring in any goods — at a cost which was quickly reflected in local stores.

With the opening of the Dempster Highway from Dawson City in 1979, Inuvik finally had a road link with the outside world for 9½ to 10 months of the year.

(The road is closed for several weeks each spring and fall at the ice bridge/ferry crossings of the Mackenzie and Peel Rivers.)

Now, a steady stream of trucks make the 60-hour run from Edmonton via the Alaska Highway system to Whitehorse and Dawson City, then along the last 736 km wilderness route over the Ogilvie and Richardson Mountains to Fort McPherson, Arctic Red River and, finally, Inuvik.

And, sharing the Dempster with the huge semis are the tour buses, recreational vehicles, trucks and cars of more than 2 000 tourists a year.

"It's a tourist's delight," says Inuvik businessman Al Pluim. "It's unique in that it is the only place in Canada where you can drive north of the Arctic circle."

A heavy equipment contractor, Pluim has already made more than 60 round trips along the Dempster to Edmonton and can be considered somewhat of an expert on the road and its impact on this frontier town.

Pluim, a genial giant of a man and president of the N.W.T. Chamber of Commerce, points out that the tourists, welcome as they are, are simply the most visible evidence of the economic benefits of the Dempster.

"Foreign" plates in Inuvik.

"The biggest difference," says Pluim, "is that it's reduced the overhead of a lot of companies. Before the highway they had to barge in all the large stuff — lumber, building materials, fuel products and so forth — and carry it on their own inventory for a long term in order to get their money out of it.

"And, of course, they had to cover themselves with money from the bank for the time it was in storage before it was sold. This required a hefty sum in interest alone, and loans were hard to get."

Sitting in his office on the outskirts of Inuvik, a hunting rifle propped casually in one corner, Pluim talks about some of the problems with the Dempster that he believes need correcting.

Because of pressure during the mid-1970s from environmentalists ("They were on a real high then") many of the road's final alignments were a compromise between the engineers and the bureaucrats.

"They were forced to make cuts and crossings that were not acceptable to good road building and so now it's having to undergo a fair upgrading in order to compensate for those decisions," he says.

Pluim and the Chamber are spearheading a drive to have the ferry crossing at the Peel River — where heavy spring runoffs often wash out the approaches, delaying the opening of the road — replaced by a bridge.

He notes that a study commissioned by the Chamber in 1981 proves the feasibility of the bridge, a conclusion that is now accepted by the Yukon, N.W.T. and federal governments, and he argues that it should have been part of the original planning.

Pluim says the highway came in $13 million under budget and the bridge would have cost about $6 million at that time.

"Now," he says, "it will cost at least double that."

Southeners, who accept vast highway networks as the God-given right of taxpayers, find it hard to understand the emotional and economic impact that a two-lane stretch of gravel highway can have on an isolated environment.

Yet for most northerners, the highway builders rank just behind the bush pilots in their pantheon of heroes.

Although road construction in the N.W.T. began with the World War II Canol Highway paralleling the four-inch oil pipeline between Norman Wells and Whitehorse, it wasn't until the late 1950s that an all-weather (more or less) road finally linked the end of steel at Grimshaw, Alberta, with Yellowknife.

In 1958, John Diefenbaker swept into power with a vision of a mighty "Roads to Resources" program. Almost immediately, arms of the Mackenzie Highway were extended south and east to Pine Point, Fort Smith and Fort Resolution and westward to Fort Simpson.

By the early 1960s a start had been made on the grandest dream of all — a road sweeping out from Yellowknife, looping around the East Arm of Great

Slave Lake and terminating in Fort Resolution, completing a circle route around Canada's fifth largest lake.

The Diefenbaker era ended in April, 1963, and with it all further work on the road. Today, motorists driving the 71 km east of Yellowknife through the cottage areas around Prosperous, Prelude and Reid Lakes reach the end of the road at Tibbit Lake where only a few rusting pipes are left as a reminder of the causeway that was to have spanned the lake's narrows.

For almost a decade highways budgets were used to maintain the existing roads and improving local services in the widely scattered communities of the N.W.T.

Then, in 1972, as oil and gas exploration in the Mackenzie Delta and Beaufort Sea surged to a peak, the Trudeau government announced the boldest road plan of all — a 1 000 km highway linking Fort Simpson and Inuvik, paralleling a proposed natural gas pipeline down the Mackenzie Valley.

While native groups and southern supporters scrambled to organize their opposition to both projects, the highway builders confidently pushed a road 80 km north and west of Fort Simpson to the banks of the Mackenzie.

Even before Mr. Justice Thomas Berger's report zapped the pipeline in 1977, the native groups had won their battle to stop the incursion of the highway. They demanded time to make adjustments to take better advantage of the employment and contracting opportunities the project would provide.

In the interim, planning went ahead for a highway that would link Fort Simpson to the Alaska Highway at Fort Nelson, B.C., opening new commercial and tourism markets for settlements along its route.

By now, the bureaucrats had learned their lesson and worked closely with the Dene residents and businesses in such communities as Fort Liard, Trout Lake and Nahanni Butte to ensure their involvement in construction of the road which was officially opened in the summer of 1984.

Jim Antoine, the 34-year-old chief of the Fort Simpson Dene band, was one of those who originally battled to halt construction of the Inuvik highway until Mackenzie Valley natives could develop the economic infrastructure to handle the opportunities it would bring.

Today, he feels, the native organizations are better able to control their own economic destiny.

"Until 10 years ago," he told the Yellowknife newspaper *News/North*, "a lot of native people were depending on white people. What we have done is help the people depend on themselves more and more."

He believes complete economic independence is "a long-term struggle", but feels work should resume on the Fort Simpson-Inuvik road.

"I think there should be a push to put the road right through to Norman Wells with a branch off to Fort Franklin," he said. "Approval has already been given to take the highway on into Wrigley."

With construction well under way on a pipeline between Norman Wells and Zama, Alberta, and planning started for an Inuvik-Norman Wells link-up, Antoine feels it is only a matter of time before the highway is extended to Fort Good Hope, Inuvik and Tuktoyaktuk on the shores of the Beaufort Sea.

Meanwhile, 1 200 km southwest of Tuk, Yellowknifers are pushing for the realization of one more dream: a bridge over the Mackenzie River at Fort Providence.

At present, their road link with the "outside" is cut off for several weeks each spring and fall during break-up and freeze-up on the river, kicking food prices skyward as merchants are forced to fly in fresh supplies.

N.W.T. government highways chief Jim Bentley picks his words carefully as he discusses the bridge.

"That prospect has been surveyed on a number of occasions," he says. "We've taken some test borings for foundation information, but there's been no really detailed structural design done."

Cost of the bridge, depending on its design, could run anywhere from $12 million to $40 million, spending that could be justified only by increased industrial development and mineral activity in the Yellowknife and Mackenzie Valley areas.

Such a development, he feels, could also come in conjunction with a low-level hydro-generating dam in the Fort Providence area.

"But something like that is pretty long-term," he warns, leaving his fellow Yellowknifers facing a few more years of expensive salads.

— by Ron Johnson
Canada Commerce

What a Difference a Highway Makes!

Ten years ago, Fort Liard was a sleepy Dene community of about 400 people, perched on the banks of the Liard River 175 km south of Fort Simpson.

It was accessible only by aircraft or boat (or snowmobiles in winter) and most residents eked out a living hunting, trapping and fishing.

Today, after seven years of construction at a cost of $81 million, Fort Liard is the mid-way stop-off on the two-lane gravel road that links the Mackenzie Highway at Fort Simpson to the Alaska Highway in Fort Nelson, B.C.

It is a road that has brought Vancouver 1 000 km closer to the Northwest Territories, allowing it to compete with Edmonton as a supplier, and has brought northern markets 700 km closer to lumber sources such as Cranbrook, B.C.

Bolstered by federal and territorial grants, the people of Fort Liard took full advantage of the jobs and other economic benefits available from highway construction and, in addition to new homes, the settlement now boasts a hotel, service station, curling rink and recreation centre.

Seven years ago, 211 people were on welfare. Now there are only 43, a drop of 80 per cent.

A Celebration of the North

Inuvik Enterprise Opens New World of Northern Food Marketing

In the Mackenzie River Delta town of Inuvik, all fresh foods either have to be flown in from the south or trucked in from Edmonton or northern British Columbia over the lonely Dempster Highway.

At The Bay supermarket, canteloupes sell for $2.50 each, Mexican watermelons fetch $1.30 a kilo, T-bone steak goes for $12.85 a kilo and a 24-can carton of soft drinks well set you back just under $15 (they're $1.50 a can in the hotel vending machine).

There's not much anyone can do about the costs of fruit and vegetables. Orchards and market gardens are not likely to sprout from the permafrost and nobody is going to pretend that the market could support the cost of a soft-drink plant.

Yet, in an area that is absolutely teeming with fish and game, little effort was made to bring these products to market, and most of what was produced (mainly reindeer meat and Arctic char) was tagged for export to the south.

Until this year, that is, when the Inuvialuit (eastern Arctic Inuit) Development Corporation (IDC) and the federal-territorial Special ARDA program agreed to kick in up to $500 000 each over three years to establish Ulu Foods, a "country" meat and fish store, in downtown Inuvik.

Today the town's shoppers can drop into a new, modern store and pick up that week's supplies of reindeer, muskox, smoked or fresh whitefish and char and even, for the brave, fresh muktuk. And while they're there, they can browse in the store's craft shop for carvings, handicrafts, hand-made clothing or books.

A wholly-owned subsidiary of IDC, Ulu Foods (ulus are the traditional, crescent shaped Inuit knives) has already become a supplier to hotels and restaurants across the Northwest Territories and plans to use Vancouver's Expo '86 to launch a marketing attack in the south.

Opened earlier this year in cramped, temporary quarters and forced by circumstances to use antiquated, government-owned refrigerators, the firm recently moved into the completely renovated shell of a burned-out bakery and furnished it with the newest in cold storage counters and a 375 square metre freezer facility.

Manager Uli Mast says the "natural" next stage in the firm's development will be opening of an adjoining country-foods restaurant, "possibly by the start of the next tourist season".

In addition to supplying an extra source of income, he says, the restaurant will help overcome the "prove-it" attitude of first-time customers who are often leery of investing in what many consider exotic foods.

Mast, whose background includes 12 years in retail meat marketing and supermarkets (but whose most recent job was photo curator in the Port Alberni, B.C., museum), believes the firm's product line can be expanded still further.

With the new and enlarged smokehouse that is planned, Ulu Foods will be in a position to market country sausages, pepperonis and other processed meats along with the more traditional steaks, chops, roasts and ground meat.

One thing Mast doesn't have to worry about is a source of supply. Virtually in his backyard is the huge Reindeer Grazing Reserve with a privately-

owned and managed herd of 15 000 reindeer. Some 800 kilometres (500 miles) to the north is Banks Island where the Inuit hunters have an annual quota to harvest 2 000 musk-ox, about 1 600 more than Ulu Foods required in 1984.

Mast notes that Ulu Foods has the full encouragement and support of the territorial government, which has pledged itself to an all-out effort to develop the renewable resources sector of the economy.

"They're really tickled with what we're doing here," he says. "They can see that someone has finally made a commitment to do what everybody has only been talking about for years — the concept of inter-settlement trade and the marketing of country foods."

Muktuk is Inuit delicacy.

Exotic meats for everyday fare.

New store alongside "igloo" church.

It provides, he says, "a nice social program" that does not clash with the traditional and cultural patterns of the Inuit population.

At present, Ulu Foods can only export from the Northwest Territories meat from the reindeer herd where the slaughter is federally inspected. Mast is hoping similar inspection arrangements can be made for Banks Island where the huge musk-ox herds are threatening the grazing grounds of the caribou — the staple meat of the Inuit diet.

If such inspections are authorized, Mast sees such native organizations as the Banks Island Hunters and Trappers Association being given the opportunity to establish themselves as country-goods wholesalers.

"Ulu Foods," he forecasts, "would simply place an order with them for 'X' number of musk-ox which they can either harvest themselves or farm out to other Arctic communities."

He sees the Inuvik Ulu Foods operation as a pilot project.

"What we're doing here," he says, "is building a model from which we can decentralize. When we find out what works here we'll be able to spread the successful operation into other settlements."

Apart from the staff in the Inuvik store, Mast says, the overall operation provides "quite a decent" annual income for a half-dozen area residents.

It is, he says, "a nice social program" that does not clash with the traditional and cultural patterns of the Inuit population.

"I'm up here to put a system in place which will allow the people to flow with the seasons, to go 'ratting' (muskrat trapping) or take off when the geese are up.

"I'm certain that can be worked out."

— by Ron Johnson
Canada Commerce

A Celebration of the North

Co-ops — The Lifeblood of Inuit and Dene

Ikaluktutiak, Paleajook, Katudgevik, Toonoonik-Sahoonik, Ikahuk, Pitsiulak and Petanea don't exactly roll trippingly off the tongue.

But for thousands of Inuit and Dene residents of the Northwest Territories, they represent the economic lifeblood of their remote outpost settlements. They are the names of a few of the 34 native-owned-and-operated co-operatives that form the economic "third force" buttressing the efforts of the government and private sectors across the roof of Canada.

Best known in southern Canada — and around the world — for their export of carvings, handicrafts and art prints, the co-ops are the visible evidence of the struggle of northern natives to attune their historical and cultural patterns to the Twentieth Century economic lifestyle that burst upon them a relatively short time ago.

The Inuit had continued their nomadic ways well into this century, living off the land in a manner little changed for hundreds of years. Then, beginning in the early 1950s, the federal government began building schools and nursing stations at the isolated Hudson's Bay Company and RCMP posts and, within a generation, the lifestyle of the Inuit had changed irrevocably.

The Inuit who moved off the land into these settlements were totally unprepared for the demands of a wage economy and the need to change from their traditional ways to cash-and-carry shopping.

Federal officials watched with growing concern as the struggling settlement Inuit appeared to be locking into a never-ending spiral of unemployment and poverty. In the late 1950s, they sent northern affairs industrial expert Donald Snowden to devise an economic system to snap the destructive pattern that was emerging.

Snowden, who died last spring during a visit to India, backed the Inuit in establishing revenue-producing, self-sustaining co-operatives. Co-ops, he felt, fitted comfortably into the Inuit traditions of hunting and sharing together and would also provide an economic training ground for the natives.

In 1959, the first northern co-op was established at George River, Québec, and the following year, three were incorporated in the N.W.T. — at Coppermine, Grise Fjord and Resolute Bay.

Today, the 34 co-ops that make up Arctic Co-Operatives Ltd. (ACL) are the dominant economic forces in the native communities of the N.W.T. with sales in the 1983-84 fiscal year of nearly $26 million.

Many of the individual co-ops now are mini-conglomerates involved in retailing, water and fuel delivery, taxi and freight haulage, constructing and operating hotels and operating hunting and fishing camps.

The numbers are not big by southern standards but to the 4 800 members of the co-ops (approximately 70 per cent of Inuit and Dene adults) the impact of these community-owned businesses is enormous.

In 1983-84, these co-ops paid out more than $4.5 million in wages and provided full-time jobs to 347 people. An additional $3.2 million was paid out to local producers and the system had developed nearly $4 million in fixed assets.

In settlements whose populations range from 49 (Jean-Marie River) to 2 400 (Frobisher Bay), those are very big numbers, indeed.

But, the development path has been far from smooth, and the economic web which supports the co-ops is a very fragile one.

In the early years, with no central marketing or purchasing agencies in place, the performances of individual co-ops often relied directly on the skills and dedication of managers imported from the south — usually aided by infusions of federal money.

In 1972, the N.W.T. co-ops joined forces to form the Federation of Arctic Co-ops (now Arctic Co-operatives Ltd.) to provide some unified purchasing and distribution clout.

A year later, with the assistance of the Co-operative Union of Canada, the federation and the federal government formed Canadian Arctic Producers (CAP), with the federal government providing the financing in return for a majority of preferred shares.

"It was created out of temporary necessity," says Andrew Goussaert, chief executive officer of Arctic Co-operatives Ltd., "because the co-ops had no experience in marketing."

With CAP seeking out southern Canadian and international markets for their arts and crafts, the co-ops also established their first two Northern Images retail outlets in Yellowknife and

Inuit carvings famed throughout world.

Northern Images retail outlet in Inuvik.

Inuvik. These have since been expanded to include stores in Whitehorse, Churchill and, as of this year, Edmonton's Disney-like West Mall.

The union between the federation and the federal government was often a wary one — government officials uneasy about the financial problems that seemed to plague the federation and the co-ops not always sure that the southern marketing experts had their best interests at heart.

In 1979, the government agreed to sell the remainder of its CAP shares to the co-ops, and Goussaert moved from Cambridge Bay to Yellowknife to chair a steering committee to work out details of the amalgamation.

This led to the replacement of the loose-knit federation with Arctic Co-operatives Ltd. and the incorporation under it of separate divisions for CAP, Northern Images and the newly acquired (from the N.W.T. government) Inuvik Parka Enterprises.

The timing was not auspicious. CAP, which had recorded wholesale sales of $3 million in 1981, saw these cut to less than $2 million in 1982 and ACL reported an overall loss of $750 000. The slide continued through 1983 and ACL showed losses of $500 000.

This year, Goussaert predicts art sales should be up about 25 per cent and ACL will be in a break-even position.

"There's no question things were serious," he says. "For a while we actually had to cut off our purchases of art from the local co-ops because of inventory build-up. And, of course, this meant they had less money to buy goods from us."

Although Cape Dorset Co-op posts annual sales in the $3 million range (it is famed for its art prints) and several others have $2 million turn-overs, Goussaert says several local co-ops lost money in the lean 1982 and 1983 years.

"However," he says, "gradually I think they are recovering, cutting expenses and getting better financial systems in place.

"Now with our central accounting they can get monthly reports. It used to be if you had a bad manager in the co-op it would take you a year to find out and by then you'd be out of money."

With the dawn of the 1980s, the co-ops found themselves faced with a new — and most unexpected — threat to their economic livelihood: the native development corporations.

Formed as part of the on-going land claims negotiations with the federal government, the first of these corporations are sitting on multi-million-dollar pools of investment capital which could be used to back businesses in direct competition with those of the co-ops.

Goussaert, a veteran of nearly 30 years in the Arctic, concedes there was friction between the co-ops and the development corporations, particularly in the years following the James Bay settlement and the establishment of the Makivik Corporation for northern Québec Inuit.

"That now seems to have been overcome," he says, "and our board here has been very, very concerned that we work closely with Nunasi (Inuit Development Corporation). We're on very friendly terms and continually support each others' programs."

The Belgian-born Goussaert (who spent much of his northern career as a priest in Pelly Bay) endorses a report prepared for the Co-operative Union of Canada which noted that the development corporations "with capital, modern methods, business advice and efficient decision-making, and co-operatives with their intimate relations and support in the communities, have complementary strengths which, if harnessed together, would appear to offer much hope for the future."

Adds Goussaert: "After all, we were the first development corporations in this country."

Still, the ACL believes that, if its member co-ops are to take full advantage of the economic potential of the N.W.T., they must have access to a readily available — and reasonably cheap — source of cash.

This has led to an application to the federal Native Economic Development Program for a four-year, $18 million grant with which ACL hopes to establish a revolving fund to provide loans, loan guarantees, equity investments and accountable grants to its member co-ops.

The fund would be self-sustaining (its target is a minimum 7 per cent annual return on investment) and ACL, itself, would be eligible for operating grants to provide educational, training and business advisory services for the member co-ops.

Staff development for the individual co-ops is a high priority with ACL and, in recent years, several million dollars of federal funding have been provided for the training of management, staff and even boards of directors.

Sitting in his tiny, crowded Yellowknife office, Goussaert ruefully contemplates the lot of trained managers who must report to directors who may have only a rudimentary knowledge of business practices.

"In the south," he says, "it's easy to find people to sit on boards. You've got lots of lawyers, chartered accountants and so forth. But, up in the north it's different. You just don't find those sorts of people sitting around in Grise Fjord."

— by Ron Johnson
Canada Commerce

Wall hangings, pricey but popular.

A Celebration of the North

A Mini-Empire Grows in the North

Canadian Business and *Financial Times* magazines may not know it yet, but a new competitor from Yellowknife is about to enter the lists.

Business North is the latest brainchild of Marion Lavigne and Ronne Heming, a pair of dynamic young northern businesswomen who have used their entrepreneurial talents to build up a $2 million-a-year mini-empire that embraces advertising, public relations, marketing, economic consulting and publishing — and even includes shares in a Frobisher Bay hotel and a 20.5-metre (67-foot) Caribbean charter yacht.

It all began in 1975 when Heming left her job in the public relations department of Alcan Ltd. in Montréal and headed north to visit her friend Lavigne, then supervisor of tourism promotion with the N.W.T. government.

Yellowknife, they soon decided, was ready for its very own public relations firm. Pooling their resources, they incorporated Outcrop Ltd. and began scouring the city for clients.

Working out of a tiny office tucked away at the end of a back corridor of the Yellowknife Inn ("The shower in the room above used to leak down on us," Lavigne recalls), the two-woman firm managed to scrape up $7 000 worth of business in the few remaining months of the year.

"Then in '76 we got into the big time," Lavigne grins. "Gross billings of $65 000."

But, in the closed world that is the north, word was spreading and Outcrop's reputation for quality, reliability and versatility began to convince government departments and businesses alike to switch communications contracts to them from outside "experts".

An artist and a secretary were added to the firm and Outcrop moved to roomier quarters on the second floor of Yellowknife's former City Hall.

Working long hours and seven-day weeks, the company's two owners continued to expand both their client list and their roster of services. They had offered advertising design and placement from the outset, but now they decided it was time to cash in on the lucrative socio-economic consulting contracts that were proliferating in the N.W.T. (One of the first economic consulting firms to establish in Yellowknife was headed by Pat Carney, now Minister of Energy, Mines and Resources.)

Boldly striding in where angels fear to tread, Outcrop bid on, and snagged, a prestigious contract from the mining giant Cominco. It was for an in-depth study of the labour potential in the central Arctic area from which Cominco could draw workers for its new Polaris lead-zinc mine on Little Cornwallis Island, northwest of Resolute Bay.

Marion Lavigne (left) and Ronne Heming outside their Yellowknife office building.

Additional clients meant additional employees, and once again Outcrop was on the move, this time taking over the top floor of a downtown building housing a used furniture store and a laundromat. (Says Lavigne: "Sometimes I think we should have called it Outcrop Moving and Storage.")

With the publication of Ted Watt's *Great Bear* in 1980, the pair led Outcrop into the highly-competitive world of book publishing. *Great Bear*, a compelling account of Watt's experiences prospecting on the lake in the early '30s, was a hit, selling more than 10 000 copies in both hard and soft back.

(Watt's son, Eric, is now with the firm as editor of its two upcoming magazines and Eric's wife Joy manages Outcrop's advertising activities.)

With the successful launching of *Great Bear*, Lavigne and Heming were well and truly hooked.

"We decided that if we were into book publishing, we might as well go gung-ho," Lavigne says. "So, we hired two people and we published five books last year. It played havoc with cash flow, but it was lots of fun."

Backbone of the publishing operation is the annual *N.W.T. Data Book*, an increasingly detailed compendium of facts concerning every city, town and settlement in the N.W.T. — a must purchase for any government department, business or traveller dealing with the territories.

A little more glamorous is *Rebels, Rascals and Royalty* by the late L.A.C.O. Hunt, an eminently

readable autobiography by a former Northern Affairs Department mandarin. (Heming notes gleefully that Outcrop has already received an order for 10 copies of it from Foyle's Book Shop in London, England — their first penetration of the overseas market.)

Although Ken Harper's *Christmas in the Big Igloo* came out just too late for last year's holiday market, it has already sold 2 500 copies and has been picked up by Book of the Month Club for 1984 gift-giving.

With these successes tucked into their jeans pockets ("Joy Watt always scolds me for that," Lavigne laughs. "She says the president shouldn't wear jeans."), the two have taken dead aim on the specialty magazine market.

Coming off the presses in January will be *Business North*, a monthly down-to-earth, how-to book aimed at the hundreds of small businessmen scattered across a territory covering one-third of Canada's land mass.

"My favourite business magazine," Lavigne says, "is *Canadian Business* and what I'd like to do is have a magazine of that style tailored to suit a northern audience — to talk about, in a small business sense, how to run your skidoo shop, to explain about government funding programs and how to access them, to talk about big businesses and their upcoming contracts which could go to northern companies.

"I just want to have a good time with it."

Lavigne foresees a circulation of 25 000 within four years. Break-even point is 11 000 subscribers.

"When that happens and its up to full staff," she says, "it'll mean 11 more bodies around here."

December marks the start-up of an even more ambitious magazine project: *Up Here*, a glossy, sophisticated, four-colour publication to be issued six times a year.

"It'll be a combination of *Alaska Magazine, Arctic in Colour* (a one-time N.W.T. government magazine), and *Harrowsmith* with a little bit of *Maclean's* thrown in — some news and that kind of stuff — and, of course, lots of great pictures," Lavigne says.

"We're even thinking of doing something like they do at the front of *New Yorker Magazine* — little snippets of things like what was going on while you were having dinner in downtown Pelly Bay."

Planning session at Outcrop Ltd. "The Northern Publishers".

Concurrent with the launching of the magazines, the pair are into the advanced planning stages of what they term their *"Time-Life"* series — a set of slick, lavishly illustrated volumes on a range of northern topics such as N.W.T. animals, plants, geology and underwater life.

These are first to go public from the N.W.T. pavilion at Vancouver's Expo '86, a project in which the two women have more than a passing interest.

Along with Rankin Inlet entrepreneur John Todd and Yellowknife businessman Albert Eggenberger (owner of the city's sole dairy and lone liquor store), Heming and Lavigne have formed Galaxy Marketing which has been awarded the exclusive catering and sales concessions in the pavilion.

Their canopied outdoor restaurant will feature such northern delicacies as muskox, caribou, char and lake trout, while their "northern boutiques" will highlight N.W.T.-produced goods and handicrafts.

"We figure things under $20 will be the best sellers," says Lavigne. "I guess what we're really looking for is something like the ookpik or the northern pet rock, something that everybody just 'has to have'."

Lavigne, a member of the N.W.T. government's newly-formed Business Council (Heming sat on the former federal government's Small Business Consultative Committee), is urging the government to hold a series of seminars throughout the territories for "high potential" suppliers across the north.

Lavigne sees Galaxy Marketing as much more than a one-shot affair.

"We don't really expect to make any money at Expo," Lavigne says. "The way we feel we can make the money is after the fair through direct-mail marketing and selling to people like Cara.

"We'll offer northern producers a central marketing agency. Now, most of them just don't have any option — there aren't many people up here who can market their products."

All of this activity has meant a constant growth in the firm's physical plant (there are now 16 employees) and Outcrop now owns — and is the sole tenant of — a three-storey office building.

"Mind you," says Lavigne, "we're suffering from the usual northern small business thing of expanding too fast. Our assets and everything look great, but our cash flow is the pits.

"For a small company that started out less than ten years ago, we now have assets of more than $1 million. (Pause) We also have some good liabilities."

Nor is that growth likely to slow down in the foreseeable future with new projects calling for more equipment and extra bodies.

"I guess now that we've got this whole building, we've got to fill it somehow," Lavigne jokes.

While the pair is pleased that their productivity means they can now offer employees salaries about on a par with those of government, the added responsibilities have meant the end of the fun, seat-of-the-pants style of management.

"Heavens," says Lavigne, "we've even got a staff policy handbook. If this sort of thing keeps up we might even have to add a personnel department."

Outcrop's success (billings this year could exceed $2 million) has brought it another problem — one that could only occur in the small-town-atmosphere of the north — professional jealousy.

"We had a staff meeting out at Yellowknife Lodge and one of the big

things we looked at was our image — the 'fat cat' image we seemed to have. And, that's strange," Lavigne says, "because we were the struggling little group and we are still not what I'd call a fat cat."

Their first response was to set up Outquick "for all the quick and dirty jobs that everyone wanted done". But, the pair soon decided this really wasn't their style.

"The more we looked at it," Lavigne says, "the more we decided 'to heck with it'. We finally decided it wasn't that bad having this fat cat image — it may mean that you'll have to pay, but you'll also get the quality and you'll get it on time."

And, what about that Caribbean sailboat?

"Oh, that was another of John Todd's projects," Lavigne says. "We did the brochure for it — I think it's called Yacht Club North, or something — and I decided to put some of my own money into it.

"And, so far, I'm the only partner who's never been on it."

Anyone wishing further information on Outcrop Ltd. or any of its publications can contact Marion Lavigne or Ronne Heming at:

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— by Ron Johnson
Canada Commerce

N.W.T. Pavilion at Expo '86

Stroll around the North Pole. Chat with an Inuit stonecarver or Dene boatbuilder. Watch a drillship butt the Arctic seas. And, warm up to the Northwest Territories as it greets the world at Vancouver's Expo '86.

It's the Territories' debut at an international exhibition and N.W.T. Pavilion Commissioner George Braden sees it as the premier opportunity to bring Canada's northern third in from the deep-freeze of world anonymity.

"For the rest of the world — even here in Canada — we don't exist, except as a vast unknown," says the former N.W.T. government leader.

"We're not a romantic nonentity — and we certainly won't be at Expo '86."

The vastness, Braden promises, will be there. But it will be the vastness of opportunities, human and natural resources and the melding of technology and tradition that the N.W.T. will present to the world.

Entering the pavilion, visitors will embark on a polar journey, travelling between the seasonal light and dark represented on the two sides of the 1 600 square metre, two-level building. Progressing through a 250-seat, continuous-run theatre, visitors will traverse the forested ruggedness that ushers in the Territories, giving way to rock, tundra and the icy reaches of the polar expanse.

En route, the visitor will be greeted by trappers, Hudson's Bay factors, miners, hunters, drill-riggers and every schoolchild in the Territories, all of them looking out from a four-metre "talking wall" of faces and places.

Arctic wildlife of summer and winter will abound in pictures and specimens portraying the ecology and the resource harvesting of the people.

True to the pavilion theme, "Partners in Progress", visitors will see examples of the unique mining, petroleum, communications and transportation technology being adapted and exerted to meet the challenges of distance, cold and opportunity.

Primarily, Braden says, the pavilion will reflect people, with corporate sponsors joining Dene drum dancers, Inuit throat singers, craftsmen and athletes of the unique Northern Games in representing the N.W.T. of today and tomorrow.

And, the pavilion will belong to the people of the Territories as well, Braden says, with satellite feeds planned for Northwest Territories Day on June 21, the longest day of the year.

Under the midnight sun, Northerners will be taking part, transmitting to Vancouver their unique, 24-hour golf tournament played in endless light, off-loading their once-yearly sea-lift of supplies before video film crews and talking to pavilion visitors from bush camps and trap lines by direct telephone link.

Braden sees a pavilion visit as the first step towards increased familiarity with the N.W.T. through travel information and technical demonstrations for potential visitors and investors.

Northern crafts, art and menus offering caribou and muskox will be awaiting visitors to the various booths, displays and the outdoor restaurant adjoining the pavilion.

Pavilion organizers estimate some two million visitors — 1 200 per hour — will set foot in these southern Northwest Territories. Many, for the first time, will take home a piece of today's North to stimulate tomorrow's awareness.

— by Craig Yeo
DRIE, Yellowknife

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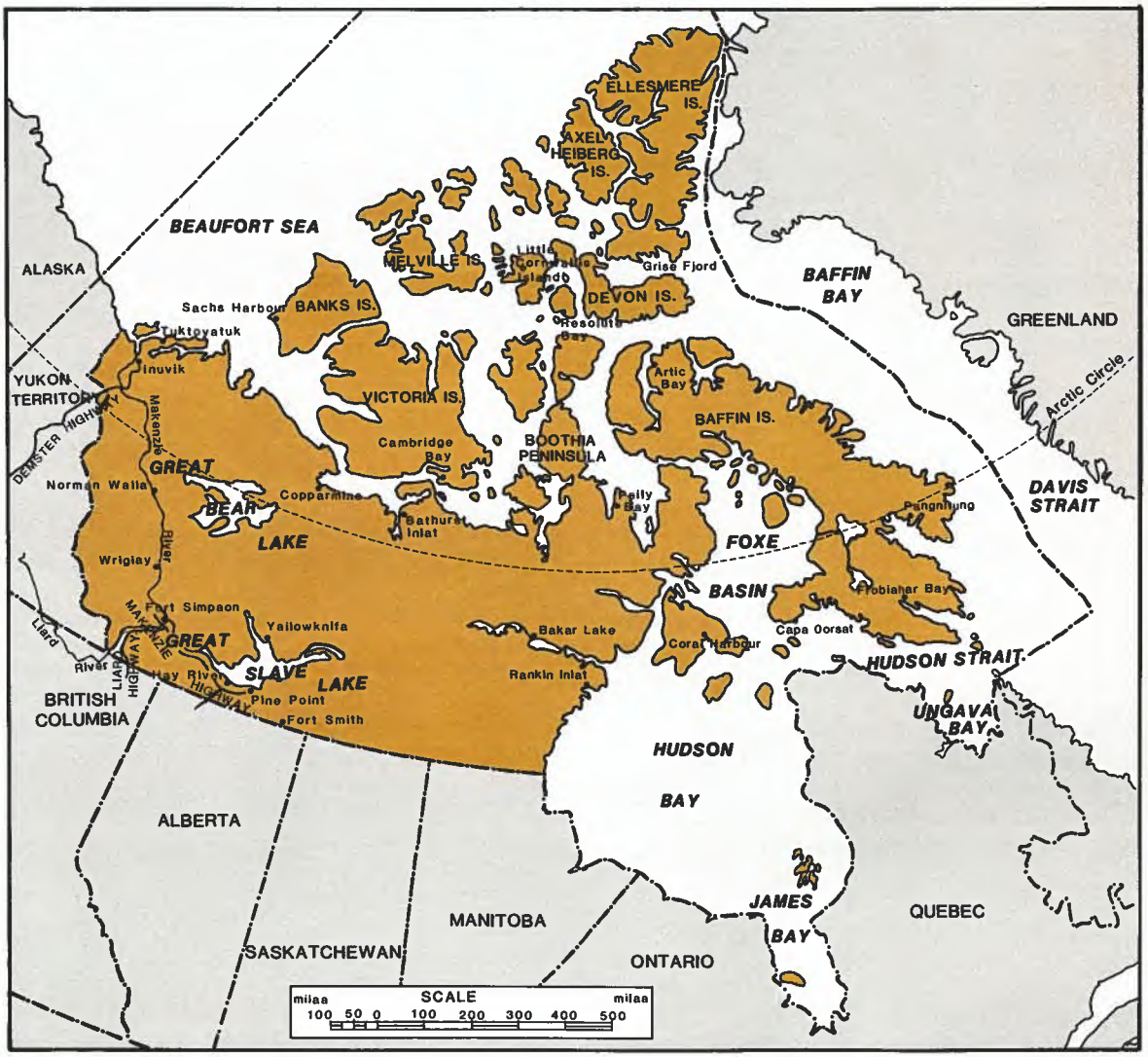

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