

Canada Commerce

November/December 1985

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1985 Canada Export Awards

"Think Canadian" Campaign Successful in B.C.

**EXPORT
TRADE**

Statistics Canada presents. . . .

CANADIAN INTERNATIONAL TRADING PATTERNS



Why does Canada's current trade account show a surplus?

Where are our most lucrative markets in the United States?

Find the answers in Statistics Canada's latest chartbook, **Canadian International Trading Patterns**. This publication reviews Canada's relationships with its principal trading partners from 1970 to 1984. The highlights illustrated by the eighty coloured charts include the declining importance of trade with Europe and the recent shift from trade deficit to surplus in the motor vehicle sector. A calendar of events that have had a major effect on trade, such as the 1984 shutdown of pulp and paper mills in British Columbia, is also featured.

Canadian International Trading Patterns, Catalogue No. 65-503C, is available for \$25.00 in Canada (\$26.00 elsewhere) from Publication Sales and Services, Statistics Canada, Ottawa, Canada K1A 0T6. Telephone: (613) 993-7276.

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Statistics
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Canada Commerce

The Honourable Sinclair Stevens
Minister of Regional Industrial Expansion

The Honourable Jack Murta
Minister of State for Tourism

The Honourable André Bissonnette
Minister of State for Small Businesses

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Canadian
Companies and
Products —
four-page centre
spread.

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back cover.

Editorial

As a month-long campaign across the country proclaimed, October was "Canada Export Trade Month", stressing the importance of exporting to our economy. The culminating event was the annual meeting of the Canadian Export Association (CEA) at which Canada Export Awards were presented to 12 Canadian companies, honouring them for their export efforts during the past year. In this issue of *Canada Commerce* we present the results of that meeting — a report on the discussions, particularly on the proposed Canada-United States trade negotiations; and a separate report on the Canada Export Award winners.

In a parallel development, October also saw the presentation of the prestigious Canada Awards of Excellence in the nine categories of Productivity, Entrepreneurship, Marketing, Labour/Management Co-operation, Invention, Technology Transfer, Innovation, Industrial Design and Engineering Design. To mark these awards a special supplement of *Canada Commerce* has been prepared for distribution along with this regular issue of the magazine.

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Back Cover: The Canadian automotive industry, a major factor in overseas trade.

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(Également publié en français)

Business Review

NRC Contributes \$941 120 to Canadian Software Firm

The National Research Council is contributing \$941 120 to Ottawa-based Cognos Inc. for two research projects involving advanced computer software, to be conducted in co-operation with the University of Ottawa and the University of Waterloo.

Cognos, a Canadian-owned company that is one of the world's largest suppliers of business software for mini-computers, is contributing \$948 200 to the project.

The research agreement also includes a \$100 000 contribution from the Natural Sciences and Engineering Research Council (NSERC), with remaining funds coming from the universities. The NRC contribution to the \$2 029 300 research project is awarded through NRC's Industrial Assistance Research Program (IRAP).

For more information, contact John Wildgust, Media Relations, National Research Council, Tel: (613) 993-4548.

Import Profiles

Following are the releases currently available and those now in progress in the series *Import Profiles* from the Department of Regional Industrial Expansion (DRIE):

30-85, industrial control-type switches; 31-85, golf balls (excluding hollow practice type); 32-85, golf clubs (individual and sets); 33-85, finished parts of golf clubs; 34-85, shaped or dressed granite; 35-85, wooden living room and hall furniture (not upholstered); 36-85, wooden bedroom furniture (not upholstered); 37-85, wooden dining room furniture (not upholstered); 38-85, wooden kitchen and dinette furniture (not upholstered).

In progress — Cabinets for T.V., etc.; upholstered household furniture; golf bags; golf carts; golf gloves; golf grips; ski boots; catheters, bougies, drains and sondes; marble, shaped or dressed; flashlights.

To obtain your copy of a specific profile, contact: Publications Distribution Centre, Department of Regional Industrial Expansion, 1st Floor, 235 Queen Street, Ottawa, Ontario K1A 0H5; Tel: (613) 995-5771.

New Warehouse Guide

The 1985/86 issue of the *Guide to Public Warehouses and Distribution Centres* is now available from the Canadian Warehousing Association (CWA). Free of charge to users and potential users of public warehouses, the guide includes details of each facility's categories of accreditation under the CWA PASS program in addition to distribution services provided, names of contacts, addresses, capacities and rail availability.

For further information, contact CWA, 205 Church Street, Toronto, Ontario M5B 1Y7; Tel: (416) 366-6292.

Canada/Japan Industrial Co-operation Agreement

An industrial co-operation agreement between Canada and Japan was concluded in early September in Tokyo by Sinclair Stevens, Minister of Regional Industrial Expansion, and Keiji Murata, Japanese Minister of International Trade and Industry.

This agreement is intended to develop balanced bilateral economic relations and encourages more joint ventures, licensing agreements, joint research and development and two-way investment and co-operation in third country markets by the private sectors of the two countries.

Governments in both countries will encourage their respective private sectors to study the possibilities of entering into co-operative relationships.

Initial efforts will be directed towards selected sectors.

In order to ensure that industrial co-operation activities within the selected sectors receive the appropriate level of attention, the following points of contact have been identified within the Department of Regional Industrial Expansion: *Advanced Ceramics*: Anthony M. Stone, Director, Technology Assessment, Office of Industrial Innovation (EOII), Tel: (613) 995-3190; *Advanced Manufacturing Technologies*: Ray Billard, Director, Manufacturing and Service Industries Equipment, Machinery and Electrical Equipment Branch (GMEE), Tel: (613) 992-5800; *Microelectronics*: T.F. Garrard, Director, Electronics, Electronics and Aerospace Branch (GELA), Tel: (613) 996-0182.

C-Tech Ltd. Wins Supplier Award

C-Tech Ltd. of Cornwall, Ontario, has been awarded the prestigious "Hughes Superior Supplier Award" for outstanding work on the U.S. ASARS Program which Hughes is producing.

The small electronics firm produces a high quality electronic sub-assembly for the Radar Systems Group of Hughes Aircraft Corp. in El Segundo, California. Considered the "Oscar" for quality of supplier awards, the Hughes award presented to C-Tech proves once again that small companies can win out over larger and more sophisticated enterprises when quality and attention to detail are paramount.

For further information, contact C-Tech Ltd., P.O. Box 1960, 525 Boundary Road, Cornwall, Ontario; Tel: (613) 933-7970.

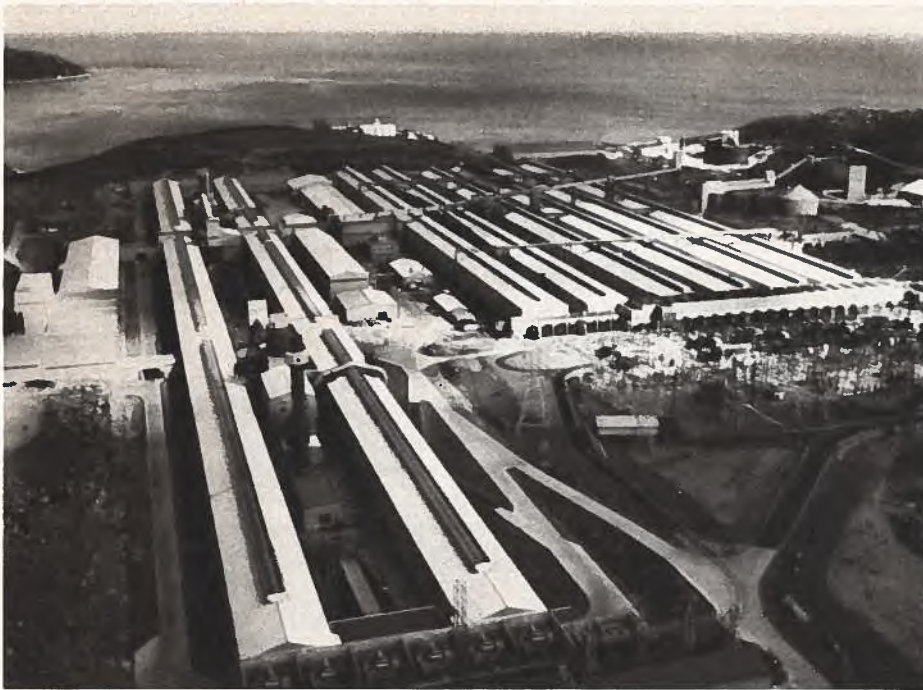


Standards Council's New Publication

The Standards Council of Canada has published a new guide to practical standards use for both professional purchasers and educators. Entitled *Implementing a Standards Program for Procurement*, the guide will contain useful information on how a standards program can guide the use of specifications in purchasing.

Among the brochure's chapter headings are "The Standards Program Concept," "Adopting Standards", "Writing Your Own Standards", "Automation and Reference Material" and much more.

For a free copy of *Implementing a Standards Program for Procurement*, contact The Standards Council of Canada, Public Relations, 350 Sparks Street, Suite 1203, Ottawa, Ontario K1R 7S8; Tel: (613) 238-3222.



Canadian Reynolds Smelter

The Canadian Reynolds Metals Company, Limited smelter in Baie Comeau, Québec, now comprises two plants: the older, modernized South Plant (right) built in 1957 and expanded in 1968, and the new North Plant (left) completed on time and within budget in 1985, with The SNC Group as engineer-constructor. For further information, contact The SNC Group, Tel: (514) 282-9551.

Hand Pumps for Ethiopia

All aid to Third World countries need not be high-tech or sophisticated products. For example, Robbins & Myers Canada of Brantford, Ontario, recently supplied Ethiopia with 81 hand pumps for a UNICEF water supply project.

The company has supplied over 400 hand pumps and mechanized bore-hole pumps to Ethiopia since 1979. The pumps provide a reliable source of drinking water for towns and villages in remote locations.

For further information, contact Robbins & Myers Canada, Ltd., 17 Wooyatt Drive, Brantford, Ontario N3T 5N6; Tel (519) 752-5447.

Conference Round-Up

CAD/CAM/Robotics Seminar — 1985

For the second consecutive year, the CAD/CAM Association has organized a seminar focussing on the application of high technology to design and manufacturing. This seminar was to be held at the Palais des Congrès, Montréal, December 3, 4, 5. It covers those in industry, consultant firms, government and education who wish to take stock of the application of modern computer aided design and manufacturing (CADM) and robotics technology.

For more information, contact Louise Renaud, Director, CAD/CAM/Robotics Seminar 1985, P.O. Box 992, Desjardins Station, Montréal, Québec H5B 1C1; Tel: (514) 879-9049.

Canadian Shipbuilding and Ship Repairing Conference

The 38th Annual Technical Conference of the Canadian Shipbuilding and Ship Repairing Association (CSSRA) will be held at Montreal's Queen Elizabeth Hotel February 10-11, 1986. It will include the first ever Canadian Shipbuilding and Offshore Exhibition (CSOE '86).

CSOE '86 will be located on the convention floor outside the technical conference meeting rooms.

For further information, contact Mrs. Joy MacPherson, Secretary/Treasurer, Canadian Shipbuilding and Ship Repairing Association, Suite 801, 100 Sparks Street, Ottawa, Ontario K1P 5B7; Tel: (613) 232-7127.

Special Equipment to Mexico

Special crack monitoring devices, produced by OZA Inspections Ltd. of Grimsby, Ontario, have been shipped to earthquake-torn Mexico City. The devices were to be used by U.S. demolition experts assisting in rescue and recovery operations in Mexico City. They are designed to determine the condition and safety of damaged buildings — crucial factors in rescue operations.

For further information, contact OZA Inspections Ltd., P.O. Box 271, 72A Main Street West, Grimsby, Ontario L3M 4G5; Tel: (416) 945-5471.

"Think Canadian" Newsletter

There is a significant opportunity to expand the domestic market for Canadian-made products. With this in mind, in 1984 the Department of Regional Industrial Expansion launched a comprehensive domestic marketing campaign called "Think Canadian". This campaign is aimed at encouraging the purchase of Canadian goods and services when price, quality and availability are competitive.

Since "Think Canadian" is a voluntary campaign, its success depends on the active and growing co-operation of the business community and on the response of Canadian consumers. So far, the involvement of the private sector has been positive and consumer response is also reassuring. Based on a recent Gallup survey of 1 100 households, 92 per cent agreed that Canadians should be encouraged to purchase Canadian products.

At the present time, over 50 "Think Canadian" projects are in progress across Canada, involving DRIE and the private sector. The Market Development Branch now publishes a "Think Canadian" newsletter every second month to provide updates on these projects and initiatives.

If you are interested in obtaining additional information on the "Think Canadian" campaign, or if you wish to have your name added to the newsletter mailing list, please contact: "Think Canadian", Market Development Branch (AMDB), Department of Regional Industrial Expansion, 235 Queen Street, Ottawa, Ontario K1A 0H5; Tel: (613) 996-0050.

The Opportunities Canada Conference will take place in Toronto, Ontario, Canada on March 12, 13 and 14, 1986. This three-day event will present a forum for international investors to see and hear about numerous Canadian investment opportunities, meet with business leaders, share ideas with professional counterparts, and explore advances in investment management technology.



FOCUS ON INVESTMENT

The Opportunities Canada Conference is a computerized marketplace designed exclusively for you, the investor. The Conference will present Canadian investment opportunities to international investors, and provide the social, economic and political insight required by domestic and international investment professionals.

Sessions have been organized to discuss matters of international interest in which Canada plays a role. These sessions will deal with highlights of Canadian business, for example, the growing high-tech sector.

Smaller, concurrent sessions will deal with the issues of deregulation in the transportation sector, government incentive policies, specific sectors such as the automobile industry and natural resources, and a host of other informative topics.

The *Business Exchange* will display many of Canada's new business opportunities in an open forum for your participation.

The Canadian Investment Climate . . . Creating Jobs With New Incentives

The Government of Canada's recent program aimed at strengthening the economy and creating jobs includes new efforts to stimulate investment through revisions to regulatory restraints and taxation. Representatives of the Government of Canada will be on hand during the Conference to

explain the major role these and other policies will play in creating Canada's new investment climate.

Expert Advice on Canadian Investment Opportunities

If you're considering investing in Canadian enterprises, or manage portfolios with investments in Canada, this is the one event you can't afford to miss.

Opportunities Canada is bringing together many of Canada's top decision makers and investment specialists from the private and government sectors to advise you on current and future Canadian investment decisions.

In a unique three-day forum on Canadian investment opportunities, you'll meet a variety of business and professional representatives from the following areas:

- Large-scale businesses and joint ventures
- Small to medium-size businesses
- Financial intermediaries
- Professional and service organizations
- Industry and trade associations

Federal, provincial and municipal government officials responsible for immigration, taxation, business incentives and regulatory legislation will also be available.

This may be your only opportunity to meet, collectively, all the Canadian specialists who can assist you with your investment questions and decisions. Opportunities Canada will put you in touch with the people responsible for domestic and international investments.

Agenda

DAY 1 Registration
Official Opening Luncheon
 – Honourable Sinclair Stevens
 Minister of Regional Industrial Expansion
Afternoon Sessions
 Examples: Financial Services, Business Exchange, Regional Presentations
Evening
 Reception and Dinner

DAY 2 **Breakfast**
 Speaker: Trade – Opening World Markets
Morning Sessions
 Examples: High-Tech, Bio-Tech, Communications, Business Exchange
Luncheon
 Private working lunches
Afternoon Sessions
 Examples: Resource Industries, Regional Presentations, Business Exchange
Evening
 Leading Canadian businessmen will host a dinner and evening with small groups of conference participants to share and exchange business opportunities.

DAY 3 **Breakfast**
 Speaker: Canadian Education – Utilizing our institutions to maximize business opportunities
Morning Sessions
 Examples: Auto and Auto Parts Industry, Regional Presentations, Business Exchange
Luncheon
 Speaker: Coming to Canada and Winning
Afternoon Sessions
 Examples: Labour, Small Business, Regional Presentations, Business Exchange
Evening
 Reception and closing gala dinner

EXCLUSIVE INVESTMENT FEATURES

Opportunities Canada guarantees an invaluable portfolio of exclusive activities to help you get the best return on the time you'll invest at the Conference.

- The Business Exchange will provide interactive exhibits from Canadian companies and entrepreneurs. An opportunity to see, hear and feel a potential investment.
- The Opportunities Canada Catalogue will present a convenient, detailed guide of investments for your consideration and study.
- The Matchmaking system will match entrepreneurs with potential investors for private discussions.
- Private Dinner Parties with leading Canadian business executives have been arranged for you and your fellow investors. Parties are limited to twelve people to encourage the exchange of ideas and information.
- The Idea Factory will present entrepreneurs who have innovative ideas that require capital investment funds.
- The Host/Guest Program will match visitors to Canada with Canadian participants of similar interests upon your arrival.
- The Opportunities Canada Conference will bring together many entrepreneurs in an environment designed to stimulate the sharing of ideas, negotiations, and, most importantly, investment transactions.
- Opportunities Canada is an exclusive event for the international investment community. You can be sure that the people you meet will be valuable additions to your network of international investment contacts.

Opportunities Canada

The site of this three day forum will be the beautiful new Metropolitan Toronto Convention Centre situated close to the city's lake front and beside the C.N. Tower.

Registration (Deadline of December 15, 1985)

To register, please complete the attached form (both sides) and return in the envelope provided. The conference fee is \$1,000.00 (Canadian Funds) and includes all of the elements highlighted in this brochure as well as all meals. Transportation to and from Toronto and hotel accommodation will be additional. Registration is limited.

Hotel Reservations

Special Corporate rates are available to all Opportunities Canada participants. Please contact us directly, preferably by telex or telephone, to ensure your hotel reservation for this unique event.

Upon Arrival in Canada

You will be met at the airport by Opportunities Canada Officials, where you will be directed to your hotel and to the Metropolitan Toronto Convention Centre.

Cancellation

Full refund will be made for cancellations received in writing by December 30, 1985. We regret that we cannot give refunds after this date.



**OPPORTUNITIES
CANADA**



Canadian Marketing Group
300 Consumers Road
Willowdale, Ontario, Canada M2J 1P8
Telephone (416) 498-5838
Telex: 06-986327 CdnMrktGrp Tor.

This ad was originally designed to encourage participation in the International Information and Investment Opportunities Exchange and was sent to potential investors around the world.

Plan to register

OPPORTUNITIES CANADA

THE INTERNATIONAL INFORMATION & INVESTMENT OPPORTUNITIES EXCHANGE

March 12, 13 and 14, 1986
Toronto, Ontario
Canada

CADMI Adds Microelectronics to New Brunswick Industry

If the millions of pounds of fish that are now packed by hand at processing plants in New Brunswick are one day sealed in their cans electronically, chances are it will be a Fredericton company, CADMI Microelectronics Inc., which will find the way!

If one day much of New Brunswick's power, light and heat are provided by solar systems, chances are it will be CADMI which will have first demonstrated its feasibility!

than one per cent of the province's population. This is not because CADMI wants it that way but because few business people, in small and large companies, have yet to realize the importance microelectronics can hold for their future.

CADMI director at the University of New Brunswick, Dr. John Burgess has no doubts the use of microelectronics technology could improve present fish plant operations.

engineers are 90 per cent of the way home in the development of a blood plasma thawing method that will make the Sackville company able to offer to hospitals worldwide a unique, life-saving system.

"The prototype," says Cobb, "will be tested before the end of this year and shortly after that will be ready for production."

CADMI Microelectronics Inc. came into existence in 1983 with acceptance by the federal Department of Regional Industrial Expansion (DRIE) of a proposal by the University of New Brunswick's Dean of Engineering, Dr. Frank Wilson.

Wilson's proposal was to establish Canada's only bilingual microelectronics centre designed to transfer experimental technology from the classrooms to industry. It would be bilingual because Wilson suggested a two-campus co-operative centre with microelectronics activities carried out simultaneously at both UNB and the University of Moncton.

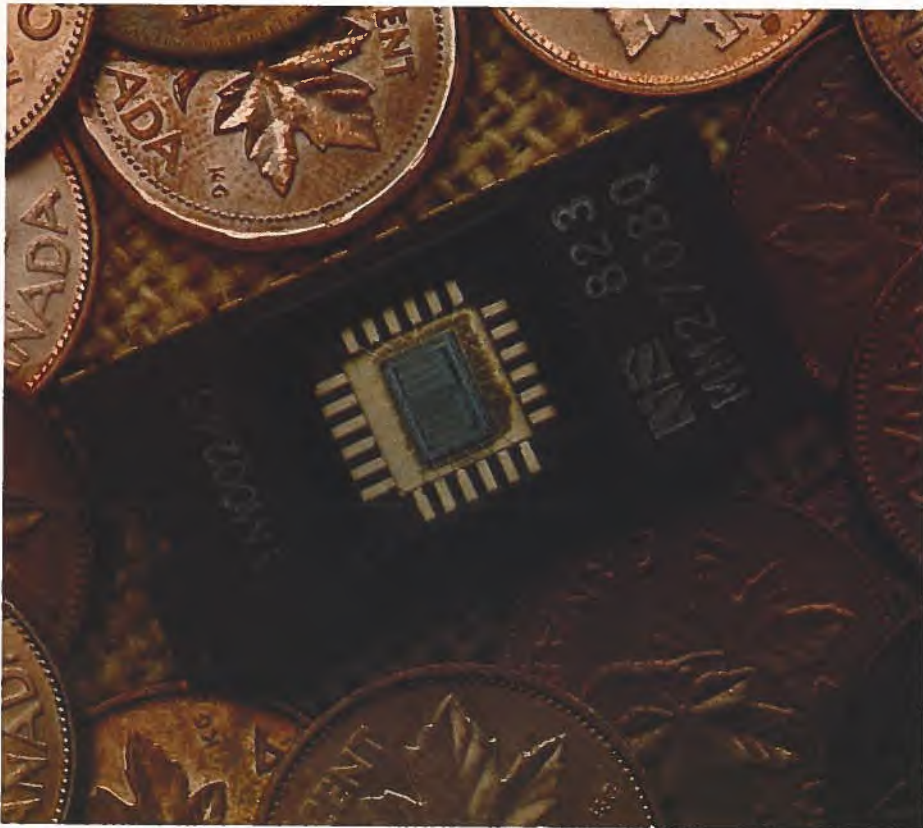
The two CADMI operations share federal funding of \$200 000 a year with a maximum limit of five years. After that CADMI is expected to be self-supporting.

Can the company do it by 1988? Burgess is confident. In the first year of operation CADMI earned \$110 000 from private sector work. In the second year, just ended, that total was increased to \$136 000. "I believe by 1988 we can be earning enough from the private sector to survive," he says.

But he adds a warning note. "We may need help in the purchase of equipment."

Burgess and Cobb stress the importance of state-of-the-art equipment if technological experiments are to have any meaning. "If we have more facilities we will open up more doors and provide more assistance to industry," says Burgess.

He believes that increased productivity and efficiency, creating the potential of new jobs in New Brunswick's fish plants and other industries, are possible through microelectronics.



A chip smaller than a one cent coin is at the centre of a CADMI device that will measure, record and index lumber at a New Brunswick sawmill.

And, if one day soon the world's hospitals are able to save hundreds of extra lives because of the availability of blood plasma thawed at a once-believed-impossible speed, chances are that it will be CADMI which made this possible!

The existence of CADMI Microelectronics Inc. laboratories at the University of New Brunswick in Fredericton and the University of Moncton in Moncton is probably known to fewer

He already knows, from the results of a solar power measurement experiment ongoing now for two years, that homes, greenhouses and small plants in some areas of New Brunswick could operate on solar energy, with some regular power backup.

And working with Westmorland Laboratories Ltd. of Sackville, N.B., under the direction of CADMI senior project engineer Lewis Cobb, CADMI

Already the Moncton CADMI laboratory has devised a method of using microelectronics to detect the small bones that all too often find their way, frustratingly, into crab meat cans. And the same microelectronics could be used to guarantee the top quality today's overseas buyers expect by spotting impurities in the product, inferior fish or fish of a bad colour.

CADMI's technical headaches have not only come from the experiments they carry out in their laboratory.

One problem came from a natural hazard well-known to coastal dwellers. "A seagull nesting on one of the solar sensors we have placed on roofs around the province can upset our computers and start us wondering what on earth is happening," says Cobb. "Seagulls nesting can upset a lot of solar calculations."

With the aid of the federal government, both CADMI units combined to produce a bilingual firm in 1984 showing what they could do and what they hoped to do. Showing this to individual companies and industrial groups opened a lot of new doors but Burgess is still concerned that too few company managers or owners realize what microelectronics can do for them.

"Almost any company, small or large, which processes or manufactures a product can be helped by microelectronics," he says.

Already CADMI has devised an instrument to facilitate mapping of lakes or oceans by use of microelectronics. Some day this may be utilized to locate shoals of fish or report to its user the potential of gas or oil beneath the sea bed.

CADMI solar power measurement experiment.



CADMI is helping to create a new electronic measurement scale for the lumber industry that not only sizes up each piece of wood but records its presence in a computerized file. A number of New Brunswick sawmill operators are already seeing this as a major asset.

This same microelectronics wizardry could be used to measure trucks going aboard ferries, automatically issuing a ticket for the correct ferry charge, eliminating the current slow manual system.

For Rundle Industries Ltd. of Fredericton, CADMI devised an electronic method of delivering exact quantities of wood chips to a furnace that would eliminate guesswork and ensure smooth operations and constant temperature with little outside attention.

Process Technology Ltd. of Oro-mocto, one of Canada's most successful high technology operations which started with five employees and built to its current 100-plus, came to CADMI for assistance with a couple of problems. So well did CADMI's staff handle the work that Process Technology hired away some of CADMI's employees. CADMI's replacement personnel are continuing to work on other Process Technology projects.

Both CADMI laboratories are aiming at becoming known as "the nerve centres for microelectronics in the province", says Cobb. Added to that is the hope that companies currently going to Ontario and Quebec for microelectronics will realize that New Brunswick now has a centre of excellence itself and, long before the government funding runs out in 1988, dozens of companies will be knocking on the doors of both CADMI laboratories.

Currently CADMI Fredericton is working on a computerized bar system that will enable the Fredericton Inn to serve drinks in the dining room, lounge or even the bedrooms with an automatic charge being made to the guest's bill when the drink is dispensed. It will be the first such system in Canada when it is finally put into operation and will streamline the Fredericton Inn's liquor operation significantly.

"But don't worry," says Lewis Cobb. "It will never replace your friendly bartender. That is one computerized undertaking we would never agree to tackle."

In the CADMI laboratories, the visitor can see two computers communicating with each other. Questions and



Lewis Cobb, project engineer at the CADMI research centre in Fredericton, New Brunswick, checks out a computer program devised in the centre's laboratory.

answers fly back and forth on computer monitors from a solar sensor connected to a computerized data monitoring instrument in Campbellton, and then to the laboratory recording and analyzing equipment. "We are looking at computers that can almost think for themselves," says Cobb.

Both the Moncton and Fredericton universities benefit from the equipment and research facilities available in the CADMI laboratories. The universities supply free space and administrative support for the operations and encourage their professors and students to assist in new ideas for the benefit of industry.

A professor of electrical engineering at UNB as well as Fredericton director of CADMI, Dr. John Burgess devotes half his time to the microelectronics centre. In Moncton, Professeur Rejean Hall of the University of Moncton carries out a similar function for CADMI.

One of the most satisfying aspects of the CADMI operations in both Fredericton and Moncton is that almost all the employees, full- and part-time, are from the Atlantic region, most from New Brunswick.

John Burgess is from Charlotte County. Lewis Cobb, a UNB graduate, came home to New Brunswick after a year with a major electronics operation in British Columbia.

"CADMI provides advanced employment opportunities," says Burgess. "Too frequently New Brunswick graduates in the past had to look for work in Ontario or the west." ❏

— by Charles Foster
DRIE Moncton

Shopping by Phone — A Fine Old Idea Successfully Re-introduced

Remember grocery shopping in the good old days?

You picked up the phone, called the shop-keeper and told him what you wanted and a few hours later the delivery boy pedalled up to the door with your order stowed away in a carrier attached to the handle-bars of his bike.

It was all so simple, pleasant and, somehow, civilized. No circling of the parking lot seeking an always-elusive vacant space. No trudging through seeming miles of goodies-stocked aisles pushing a wheel-jammed cart (Have you ever found one with four perfectly round wheels that actually rotated?) ahead of you. No waiting in endless line-ups behind 14 other shoppers, each clutching a fistful of coupons to be negotiated with the cashier. No mad dashes back to the shelves to replace the \$14.38 worth of candies your eight-year-old has hidden between the frozen peas and the yogurt while you hunted down the daily-special can of escargots.

Well if you're lucky enough (forgive me, Allan Fotheringham) to live in Ottawa, the good old days are back again, thanks to a couple of

young men and an idea they call Grocery Express, Ltd.

Two-and-a-half years ago, a mutual friend suggested to Howard Monson and John Maisonneuve that Ottawa, a city well-stocked with Yuppies and retired civil servants, might be a ripe market for a home-delivery grocery service.

"We spent all summer studying it," Monson explains, "looking at ways to turn it into a practical idea."

The most practical concept, they decided, was to find a small warehouse, stock it with 500 to 600 basic items, list these by number in a catalogue and have clients call in their orders for delivery later the same day.

Pooling their own capital ("That was very important to us," Monson says. "Right from day one we didn't want to bury ourselves in debt"), the partners lined up wholesale suppliers and hunted down suitable space.

"I guess we looked at 15 or 20 places," Monson says, "before we found a location in the west end of the city. It was a small warehouse in a basement with 112 square metres (1 200 square feet), low ceilings and a conveyor belt that didn't work very well.

"But it was cheap and it was clean and it enabled us to get started."

Along with a third partner, Richard Adler, who has since left the firm but remains a minority shareholder, it was a steady diet of 15-hour days fielding the phone calls, packing the orders and using their personal cars to handle deliveries ("My Subaru is definitely feeling the pain from it," says Monson).

Today, barely more than two years later, the firm has moved into a modern, 372-square-metre (4 000 square-foot) warehouse, which houses the \$50 000 inventory comfortably and offers room for expansion.

The original "menu" has grown into a 24-page catalogue offering more than 2 000 grocery and household items ranging all the way from soups (#2100: chunky beef) to nuts (#3039: almonds, natural) and fish (#727: sole fillets in tempura



batter) to first-aid supplies (#5649: band-aids, assorted).

"Right from the start," Monson says, "we realized that to truly make a dent in the city — in order to be more than a Mac's on wheels — we had to carry far more merchandise.

"We knew that we had to give variety and offer enough to the customers that they wouldn't just buy out of desperation from us one time and then not hear from them for six months because they didn't need us."

From the beginning, the partners found that senior citizens and the disabled particularly appreciated their services.

"Originally," says Monson, "they made up about 80 per cent of our business. Even today, they make up about 50 per cent with most of the rest being working couples, singles and businesses."

Maisonneuve sees a particular potential in the corporate market.

"We have a certain number of customers now who are businesses — large offices and so forth — who buy lots of cookies and Coke and Perrier and coffee and that kind of stuff.

"We'd like to get a bigger chunk of that action."

For the bulk of their customers — home-owners and apartment dwellers across the city — convenience, quality, competitive prices and personal service are the benchmarks for the success of the young firm.

"Basically," says Monson, "we tell people that they don't have to put up with the bother of going shopping; that they have *far* better things to do with their time."

Monson, 33, the firm's president and treasurer, and Maisonneuve, its 31-year-old vice-president and secretary, decided from the start to move quietly and cautiously into what they describe as the "very tough" Ottawa market.

They concentrated their slim marketing budget on neighborhood weekly papers and radio "going-home" shows, but relied mainly on word-of-mouth advertising to build up their present list of more than 1 500 "regulars".

"We have a dedicated clientele that's growing, primarily by word-of-mouth," says Monson. "Our marketing has been slow and careful, but it's still word-of-mouth that gets us the majority of new customers."

Sitting at his desk in a corner of the spotless, new warehouse ("We pride ourselves that you could, quite literally, eat off the floors"), Monson underlines the need to provide top service at competitive prices.

"What we're really, really aiming at is service and quality," he says. "For instance, if we send you a tomato that doesn't look quite right, you know you don't have to worry about it. You'll get another one or we'll give you a credit for it.

"That's exactly what we work towards — service and remaining as competitive as we can. If we overprice ourselves, it doesn't matter how nice we are or how good the quality is. People in Ottawa are very conscious of price and this city has been in a price war since 1982."

Fruits and vegetables are hand picked from a local wholesaler each morning and meat orders are delivered fresh from a top Ottawa butcher twice a day.

"Because we're heavily into quality," says Monson, "we like to pick out our own stuff. And, as much as possible, we try to deal with small, local suppliers, especially for gourmet and specialty goods."

The staff (there are now 11 full- and part-time employees on the payroll) are on a first-name basis with many of the long-time "regulars" and they listen carefully to any suggestions on how to expand the product line.

"We get 10 or 15 suggestions a week," says Monson, "and they all go into that 'Idea Box' over there for consideration when we're putting together a new list."

All of this attention to quality, personal service and detail has evidently paid off. Sales in the second year doubled those of the first, and Monson expects them to nearly double again in the busy 1985-86 winter season. And, although personal vehicles still see stand-by duty for deliveries, the firm has purchased two vans and is hoping to add to the "fleet".

It was their cautious (a word that crops up repeatedly in the interview with Monson) approach to the business that recommended them for a Small Business Loans Act guarantee through the Royal Bank.

This loan enabled the pair to move to the larger quarters, acquire a larger freezer and walk-in cooler and make

some lease-hold improvements (and also acquire a new "regular" in Bill Hendry, then head of DRIE's Small Business Loan Administration).

"The bank," says Monson, "has been fantastic, just fantastic. They really are receptive to the idea of helping small business. . . . But, again, we have shown over the last two years that we are very careful and, as a matter of policy, we document *everything*."

This summer, the firm began expanding its coverage area to some of the satellite suburbs and is now taking a careful look at the lucrative market across the Ottawa River in Hull, Quebec.

"We'd love to get in there," says Monson, "and we've even registered a name — *Épicerie Express*.

"But once again," he adds, "we're being cautious. Very cautious."

Another downstream possibility is franchising the Grocery Express concept.

"It's definitely in the back of our minds," says Monson. "We were the first in Canada to do this and since we've opened, I've had calls from all over the country.

"But, first we're trying to master our own household to the point where we feel confident. Then we can look into franchising, because the initial outlay to get things organized tends to be pretty expensive."

The partners don't see themselves in the role of another Garfield Weston.

"We'll never be a Loblaws," says Monson. "We don't intend to compete with the super-stores. What we can offer is service — we're providing old-time service for today's shoppers.

"What I mean by that is customers will call in with their orders and ask 'Can I speak to Don?' or 'Can I speak to John?'. There's a very intimate relationship between our customers and ourselves and that's really what we want." □

For further information, contact:

**Howard Monson or
John Maisonneuve
Grocery Express Ltd.**
70 Spencer Street
Ottawa, Ontario
K1Y 4P1
Tel: (613) 725-1222

— by Ron Johnson
Canada Commerce

Special Feature

TABLE 2 (A) LIST OF COUNTRIES BY CLASS AS AT 31/12/85 (1979 SCALE)

CLASS A (GNP less than or equal to \$400 U.S.)		
Benin	Gambia	Mozambique
Burkina Faso	Ghana	Niger
Burundi	Guinea (Republic)	Rwanda
Cape Verde	Guinea-Bissau	Sierra Leone
Central African Republic	Kenya	Somalia
Chad	Lesotho	Tanzania
Comoros	Madagascar	Togo
Djibouti	Malawi	Uganda
Equatorial Guinea	Mali	Zaire
Ethiopia	Mauritania	
CLASS B (GNP between \$401 and \$780 U.S.)		
Angola	Liberia	Swaziland
Botswana	Morocco	Zambia
Cameroon	Sao Tomé and Príncipe	Zimbabwe
Congo	Senegal	
Egypt	Sudan	
CLASS C (GNP greater than \$781 U.S.)		
Algeria	Libya	Seychelles
Gabon	Mauritius	Tunisia
Ivory Coast	Nigeria	



TABLE 3 RESOURCE ALLOCATION BY AFRICAN DEVELOPMENT BANK BASED ON RATIO BETWEEN LEVEL OF DEVELOPMENT AND ELIGIBILITY FOR LOANS OF BORROWING COUNTRIES IN 1981
(Scale established in 1979)

Classes*	Number of Countries	Comments	GNP (U.S.) 1979 Scale
A	29	Absolute priority for loans	Less than or equal to \$400
B	13	Loans under exceptional circumstances	\$401 to \$781
C	8	Exclusion from loans except for disasters such as drought	Greater than \$781

*These classes are considered in planning the Bank Group's overall activities.

Source: *La BAD 1965-1984, Une expérience de coopération et de développement économique*, Abidjan 1984.

vited to participate in increasingly frequent field missions conducted by bank experts.

Each year, toward the end of November, the bank publishes its annual loan program identifying major projects by country, their costs and expected financing.

African Trade Development Division: This division of the Department of External Affairs co-ordinates Canadian trade development activities on the African continent. One of its responsibilities is to help Canadian exporters take advantage of the various projects financed by multilateral financing institutions, including the African Development Bank.

Canadian Embassy in Abidjan: An AFDB project officer (Canadian trade commissioner) liaises constantly with bank loan and project officers and can provide such useful information on the Bank Group's financing projects as progress of a project, status of a firm's registration, etc.

This Canadian officer is the first contact in the field for both exporters and other Canadian missions travelling throughout the African continent.

The embassy has developed a guide for Canadian consultants and manufacturers explaining AFDB procedures and the signing of contracts. Published by the Department of External Affairs, this guide is available at the department and the embassy in Abidjan.

Project Critical Path

What should be the course of action for Canadian business people who want to explore markets available through the AFDB but don't know how or where to begin?

First of all, contact the deputy director (financing) in the Department of External Affairs' (DEA) African Trade Development Division or the DEA foreign trade officers located in regional offices of the Department of Regional Industrial Expansion (DRIE) across Canada. These officers will start by suggesting that you register your firm with the bank. They can also tell you the best ways to develop a marketing strategy and an action plan for the many markets financed by the AFDB.



In order to select the project most suited to your business, consult the annual loan program, its project file cards and the quarterly summary of the Bank Group's activities. These are available at the African Trade Development Division or DRIE regional offices.

Another equally important step is to obtain basic information about the project that interests you (progress, various timetables, contacts in the executing agency, etc.) from the AFDB liai-

son officer at the Canadian embassy in Abidjan. This is important in planning a visit to the project executing agency in the loan recipient country.

Contacting the executing agency will allow you to complete your technical data on the project and to present your firm's experience and credentials to the project director.

To conclude this meeting, an official letter indicating your interest in being invited to participate in project

consultations should be presented to the project director and a copy sent to the ADFB officially through the AFDB loan liaison officer at the Canadian embassy in Abidjan.

Include in your trip to the AFDB loan recipient country a visit to the Canadian embassy there. Trade commissioners at the embassy can give you useful advice before you meet the executing agency's project officers. In some cases, they may accompany you to lend more weight to the presentation of your firm's credentials.

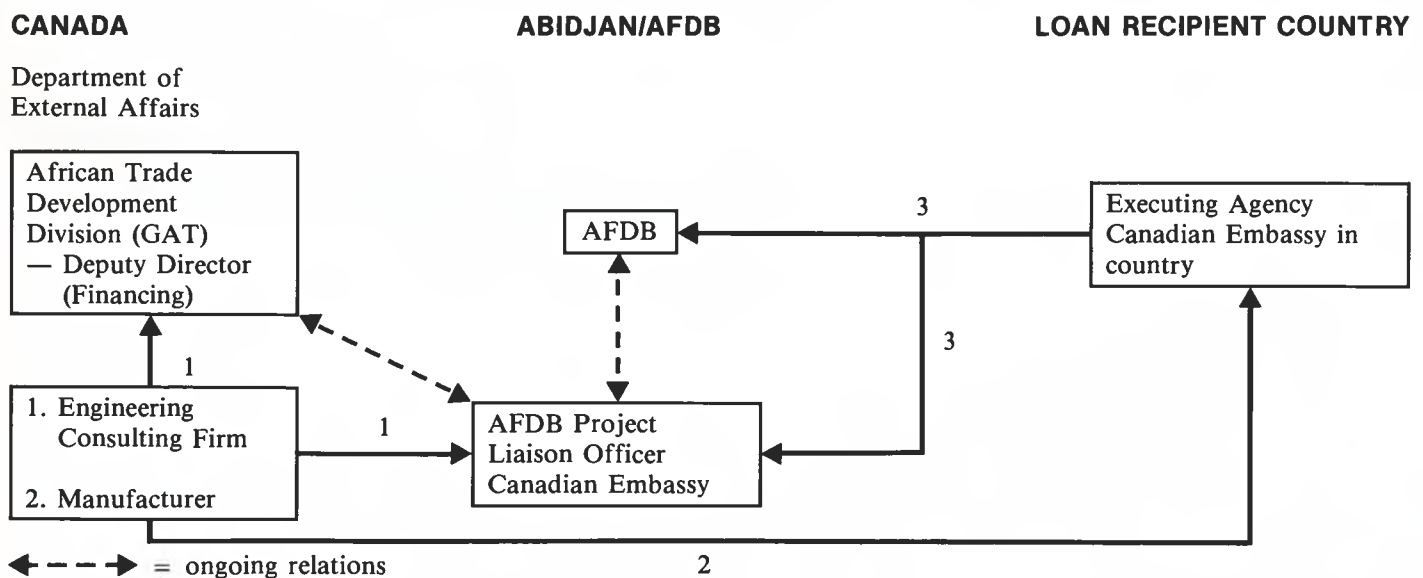
Table 4 gives a brief summary of the steps to take in considering an AFDB-financed project.

AFDB Selection Procedures

Engineering consultant firms are usually chosen by establishing a selected list of representative firms from several countries or by a screening process when warranted by the number of firms interested and the specific nature of the project. Executing agencies sometimes delegate the establishment of these lists to the AFDB, so it is important that your firm is registered with the bank.

According to many bank experts, consultant firms succeed in winning Bank Group projects when they visit the executing agency two or three times for the same project. As a Canadian exporter, you should consider associating with other Canadian partners or local consultant firms to maximize your chances of success while reducing the market development costs.

TABLE 4 SUGGESTED PROCEDURE FOR DEVELOPING AFDB MARKETS



Suppliers of goods and services are chosen by the executing agency according to the Bank Group's supply regulations and procedures. Consultants are generally chosen from a selected list of firms with special expertise and are contracts awarded to the firm combining the best technical with the least costly financial proposals.

Calls for tenders are issued internationally or locally where deemed necessary. International calls are usually published in the magazine *Development Business* and some major international newspapers. However, local representation is advisable for an exporter wishing to obtain a contract in order to follow

In Africa, perhaps more than elsewhere, warm contact between two people is worth its weight in gold. Interpersonal relations must be maintained regularly through visits and other more traditional follow-up procedures. Patience and flexibility are the cardinal virtues of any exporter to this vast continent.

Use the various means provided by DRIE or the Department of External Affairs to develop markets. Consultants in External Affairs, both in Canada and overseas, are well acquainted with local conditions. They can provide information on the country and sectors of interest; give progress reports on projects;

Register with the AFDB as an individual consultant to become better acquainted with the bank's methods and procedures. The bank constantly recruits experts for short-term participation in project identification, evaluation and ex-post evaluation missions with the institution's officers and experts.

Involvement in these missions will also allow consultants to establish personal contacts with bank officials and become familiar enough with the agency to assess its supply mechanisms.

This advice also applies to manufacturers. The support of consultants at DRIE and External Affairs can help in identifying profitable markets and obtaining advice on how to become involved. One or more new technologies whose application in Africa would further its welfare and development can also be submitted to AFDB experts. Small manufacturers may associate themselves with trading houses with experience in African markets in order to explore them. PEMD also provides financial assistance in forming export consortia (PEMD-Section E).

Another way to get a foot in the door of AFDB markets is to become actively involved in the Canadian Technical Assistance Fund (CTAF). This aid, available to the AFDB since September 1984, provides financing for the preparation of viable projects. Estimated at \$4.5 million, it is designed to help regional member countries of the Bank Group to carry out project pre-investment studies.

For more information on how to participate in this fund, exporters should consult the deputy director for Africa (financing) of the Department of External Affairs or the AFDB liaison officer at the Canadian embassy in Abidjan.

African Development Bank projects are difficult markets in which Canadian exporters must first prove themselves by showing their interest and being included in selected lists and calls for tenders.

Despite the difficulties, however, more Canadian firms are becoming involved in AFDB markets every year. This growing interest in challenging traditional competitors is very real and will undoubtedly yield results for those who patiently keep trying, despite the possible failure of initial attempts. □

— by Jean-Yves Dionne
Canadian Embassy, Abidjan



the project's development and take necessary action to guarantee the exporter a reasonable chance.

While in Africa, you are well advised to visit the AFDB project liaison officer in the Canadian embassy at Abidjan and the bank loan and project officers for information and advice. On returning home, you can continue to monitor the progress of projects through the AFDB project liaison officer.

Practical Advice

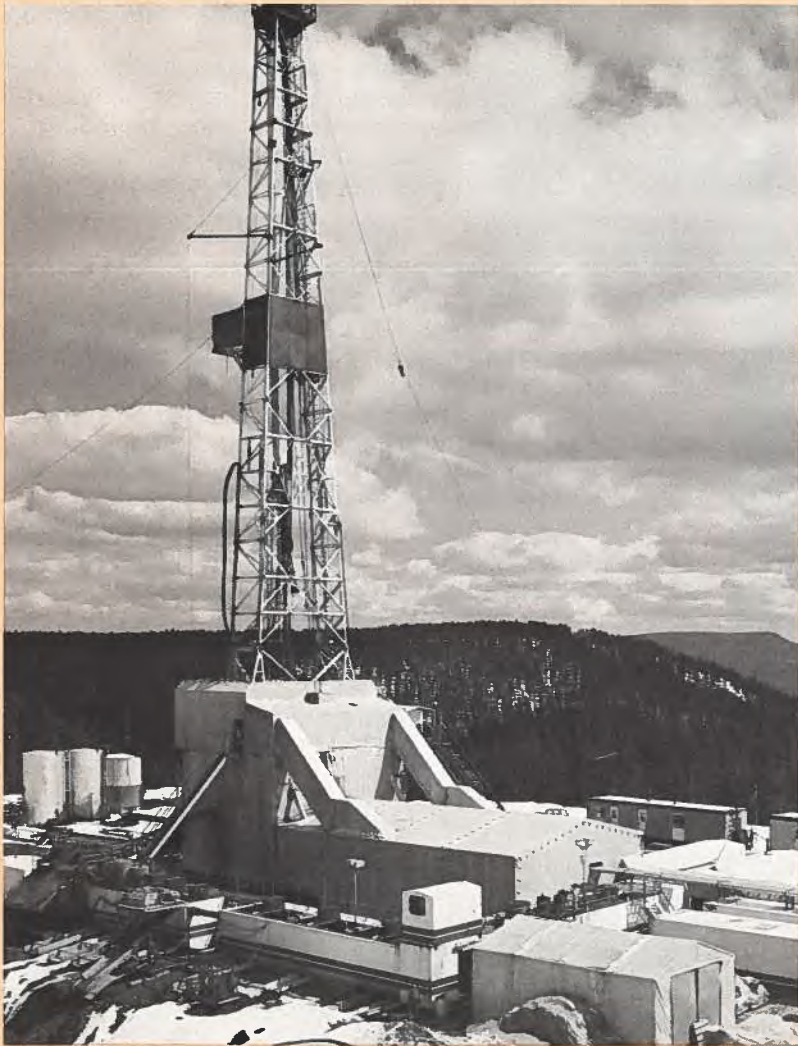
Avoid visiting the AFDB unprepared. Hastily arranged meetings both at bank headquarters and with the executing agency will not only create a poor impression of the exporter but could also eventually cause African experts to view all Canadian business people in a negative light.

help in finding local agents and partners in joint ventures; help in designing a marketing strategy and action plan for developing markets with the AFDB; and much more.

This assistance can also be of a financial nature through your company's involvement in sectoral missions. Or financial aid can be made available under the External Affairs Program for Export Market Development (PEMD) to help submit a technical and financial proposal for a specific project (PEMD-Section A); to assist you in visiting and introducing yourself to an AFDB project executing agency (PEMD-Section B); or to welcome the project director or decision maker to Canada before the firm to which the contract will be awarded is finally chosen (PEMD-Section D).

CANADIAN COMPANIES & PRODUCTS

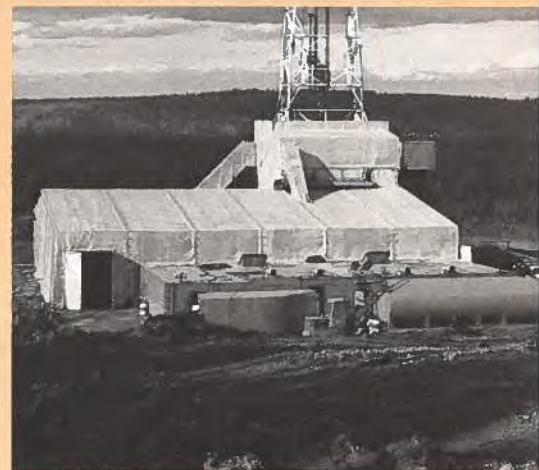
Companies wishing to take advantage of this feature may do so without charge simply by sending sufficient material on product or service for no more than 100 words and a glossy black and white photograph to Canadian Companies & Products, *Canada Commerce* (BCOM), Department of Regional Industrial Expansion,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

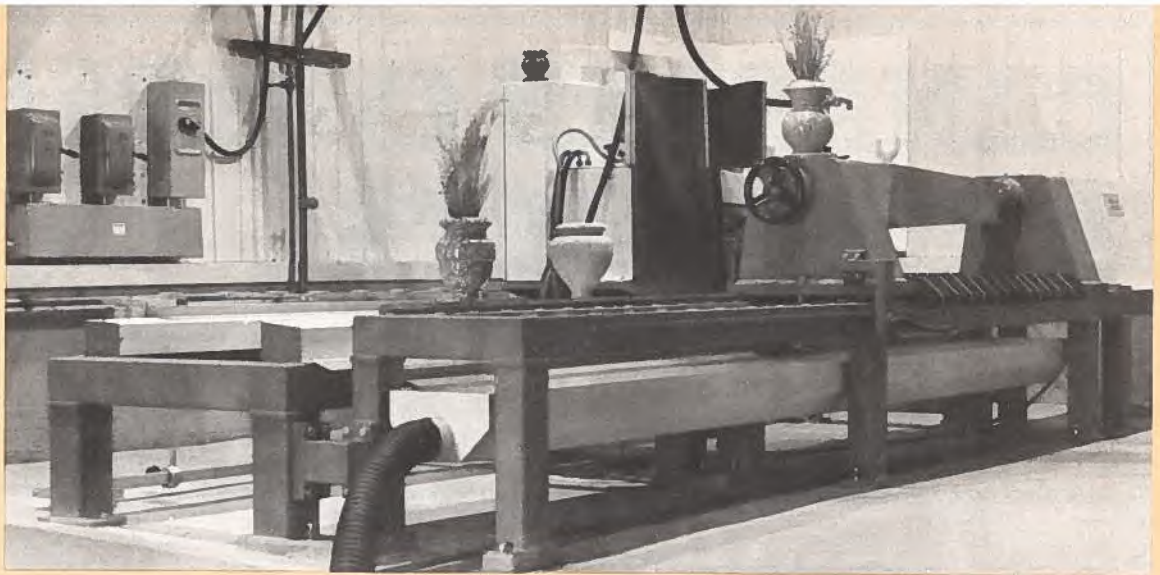


Portable Buildings for All Occasions

Norseman Shelters of Edmonton, Alberta, a division of North West Tent & Awning Ltd., has been building portable buildings of various sizes and dimensions for more than 20 years. A selling feature is that Norseman buildings offer total design flexibility and can be created to meet customers' needs.

Frames have been designed for strength and ease of assembly with small components that can be strapped together quickly for easy handling and transportation. Standard buildings are designed to carry 195 kg/m² (40 lb./sq. ft.) and withstand winds of 120 km/hr. (75 mph).





Machine Turned Granite Products

Owl's Head Granite Inc. of Beebe, Québec, introduces unique machine turned granite products including columns, vases and balusters. In December 1984, the company obtained the most technologically advanced lathe for automatically turning, polishing and bushhammering granite. The machine is the first of its kind in Canada and has the capacity to turn to 700 mm (27.5 in.) in diameter and 3 200 mm (125 in.) in length.



New Concept in Lighting

Small is powerful! That is the message delivered by BESTEK, Micro Devices & Systems Inc. of Ottawa, Ontario, to campers, cottagers and many others who want a small, powerful light for a host of applications. BESTEK's *Ultra-Wand* is a low-voltage lighting system incorporating the revolutionary PHILIPS PL-7 fluorescent lamp and BESTEK's compact ballast inverter.

Operating from any 12-volt DC power source, *Ultra-Wand* emits 400 lumens of warm, white light, equal to the output and colour temperature of a 40-watt incandescent light but with a lifespan 10 times longer than an incandescent light and twice as long as a conventional fluorescent tube.

Light Switch Extension for Handicapped

The "Light Reacher", a light switch extension for handicapped persons has been developed, patented and is now being marketed by M.A.B.B. Int'l of Pierrefonds, Québec. Light switches are often out of reach or difficult to operate for people suffering from rheumatism, arthritis or those confined to wheelchairs or even children, a situation that is all too often neglected and can result in injury.

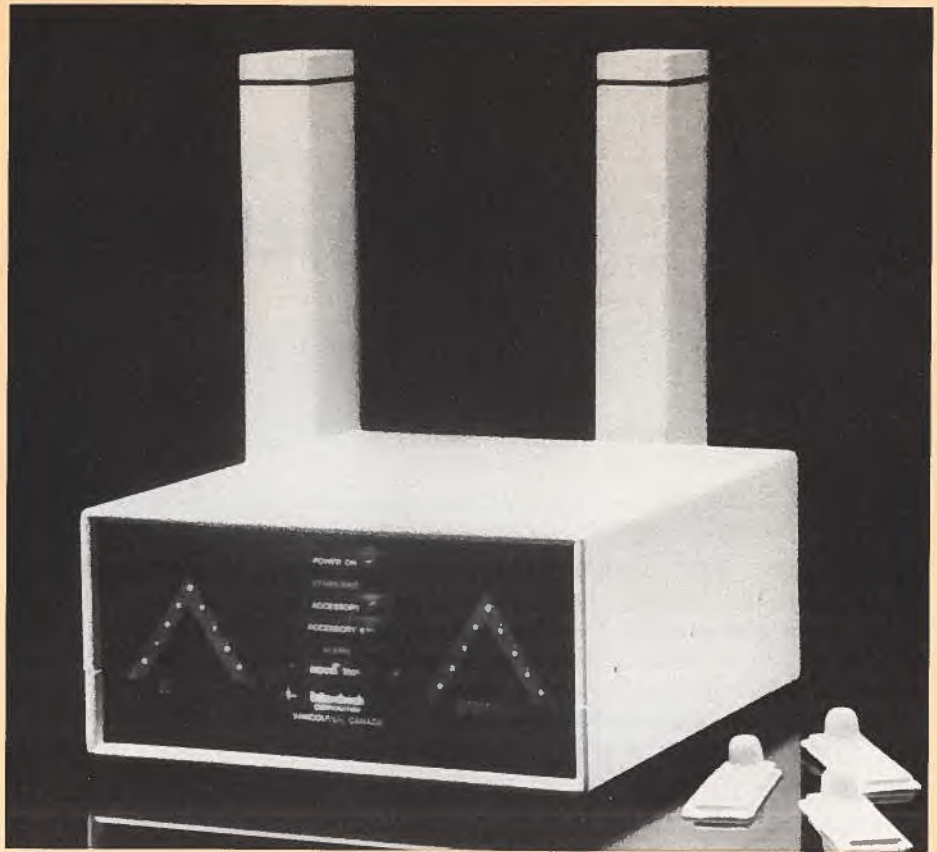
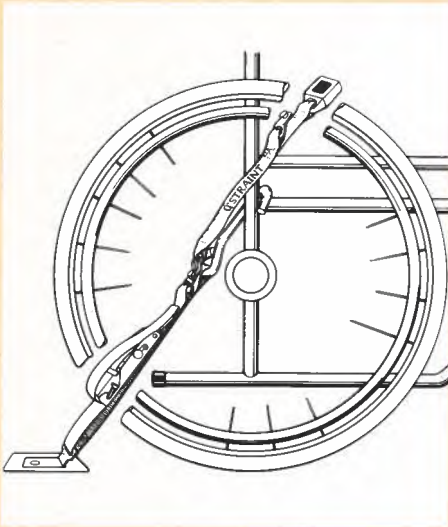
The "Light Reacher" fits onto any conventional light switch interrupter and brings the switch down 45 cm (18 in.), within easy reach, without any additional electric connection.



Wheelchair Restraint System

Q'Straint[®] is a unique four-point tie down system for wheelchairs and occupants in motor vehicles providing separate and secure restraint for both passenger and chair.

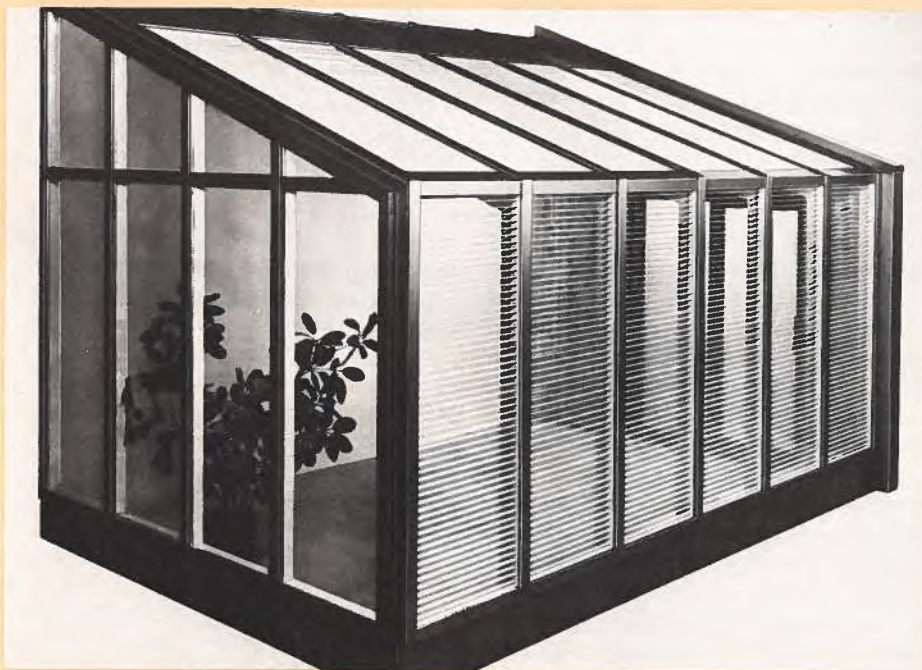
The system includes flush, floor-mounted insert plates which eliminate the chances of a walking passenger stumbling. Lap and shoulder belts attach directly to rear tie down belts so that the force from a sudden stop is borne directly by the rear belts and not the chair frame. Q'Straint is designed by the Cambridge, Ontario, company of the same name to meet all motor vehicle safety standards and is adaptable to most wheelchairs.



New System Helps Prevent Shoplifting

Intercheck Corporation of Vancouver, British Columbia, introduces a new, tagless electronic article surveillance (EAS) system to help prevent both customer and employee theft of tools and equipment and shoplifting from retailers.

Based on state-of-the-art technology, the Intercheck EAS system consists of an activator, deactivator and two sensors. Most metal products can be protected by simply touching them to the activator which induces an "invisible" field. If the product is not touched to the deactivator before passing between the sensors, usually positioned at a shop's exit, an alarm is triggered.



The Newest Technology in Fenestration

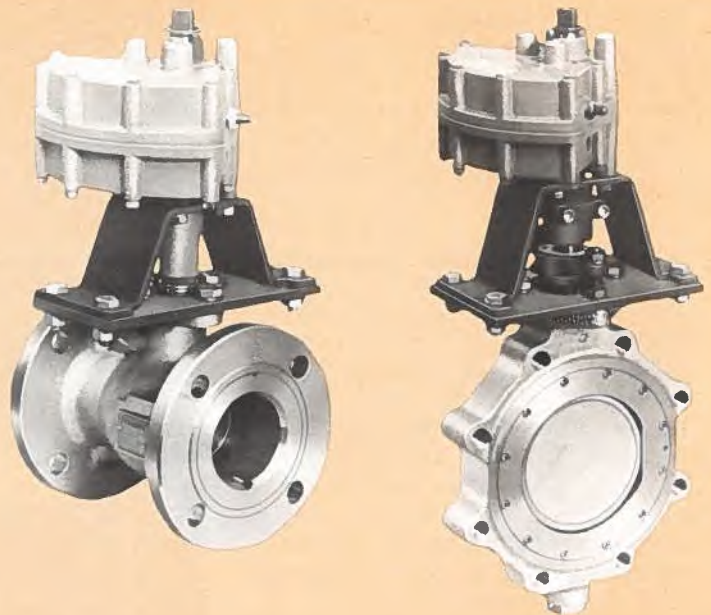
Unicel Inc. of Boucherville, Québec, introduces VISION CONTROL horizontal or vertical pivoting louvers, hermetically sealed between two tempered glass panes. The louvers are cord-free and maintenance-free; they give exceptional acoustical performance as well as manual or electrical control of light and energy transfer.

Six years of research and testing went into VISION CONTROL and its applications include solariums, casement and awning window systems, patio doors, skylights, interior partitions. It is ideal for libraries, hospitals, schools, offices, conference rooms, concert halls and computer facilities.

New Pneumatic Vane Actuator

Jamesbury Canada Ltd., a Combustion Engineering company and a leading manufacturer of valves, actuators and associated controls, introduces the V150 pneumatic vane actuator.

Designed for economical service in a wide range of on-off applications, the V150 is especially suited to corrosive environments because of its polyester thermoplastic construction. Light and compact, it is a tight sealing unit due to its precision moulded, low friction housing, vane and O-ring design.



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

Norseman Shelters

Division of North West Tent &
Awning Ltd.
11311 - 120 Street
Edmonton, Alberta
T5G 2Y1
Tel: (403) 451-4011
Telex: 037-3707

Owl's Head Granite Inc.

P.O. Box 480
Junction Street
Beebe, Québec
J0B 3E0
Tel: (819) 876-2229

BESTEK Micro Devices & Systems Ltd.

Suite 207, Southvale Plaza
2660 Southvale Crescent
Ottawa, Ontario
K1B 4W5
Tel: (613) 523-5211/523-7677
Telex: 053-4794

M.A.B.B. Int'l

P.O. Box 313
Pierrefonds, Québec
H9H 4L1
Tel: (514) 626-7242

Q'Straint

33 Highridge Crescent
Cambridge, Ontario
N1R 7L3
Tel: (519) 622-0000
Telex: 069-59404

Intercheck Corporation

1350 East 4th Avenue
Vancouver, British Columbia
V5N 1J5
Tel: (604) 255-5178
Telex: 0454654 INTERCHECK
Cable: "INCHECK" VANCOUVER

Unicel Inc.

88 de Vaudreuil
Boucherville, Québec
J4B 5G4
Tel: (514) 655-1580

Jamesbury Canada Ltd.

A Combustion Engineering
Company
99 Bank Street, Suite 501
Ottawa, Ontario
K1P 6C5
Tel: (613) 560-4480

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New Brunswick Firm Gears Up for U.S. Market

Apex Machine Works of Moncton, New Brunswick, has been gearing up to export its steel doors and frames to the United States and, if past performance is any indication, the company is bound to succeed.

R. Dean Balsler, Apex vice-president and assistant general manager, is careful not to be over-confident about the firm's achievements during the past 20 years. However, the company's growth since it was founded in 1960 speaks for itself.

Apex began as a machine shop with three employees. "We started very small and worked our way up," says Balsler.

Today Apex Machine Works is one division of Apex Industries Ltd., a holding company that provides services ranging from land surveying and land development consulting to steel door and light structural steel production.

The Moncton operation handles the machine works and metal fabrication division. Equipped to perform most fabrication, production and special machine works repairs, the firm also distributes a complete line of builder's hardware and entrance systems.

Company products have included ferries, a custom-made steel vacuum tank for a university research project, mine access hatches and steel telescoping overhead doors.

The company's specialty is steel door, fire door and door frame production. "Our welded-up frame is the Cadillac of frames," says Balsler. "All the contractor has to do is to set it up and nail it."

Many hospitals, schools and industrial buildings prefer the Apex frame because it substantially reduces labour costs, he adds.



Doors, frames and specialized architectural metal fabrications supplied by Apex for the Saint John, New Brunswick, correctional institute.

Apex has begun to become involved in export activity, selling a pre-fabricated steel radar building to Trinidad and toilet partitions to Africa under a Canadian International Development Agency (CIDA) program.

But it is with its pre-fabricated steel doors and frames that Apex hopes to make its impact on the American export market. The firm has been actively investigating sales to the New England states for a number of years.

"Apex is still in the process of starting to export," Balsler acknowledges. "We are working hard with the provincial Department of Commerce and Development to break into the New England market." He adds that the company is also discussing the possibility of obtaining assistance from the federal Program for Export Market Development (PEMD).

Domestically, the response to Apex has been impressive. "Within the past five years Apex Machine Works' pro-

duction has increased by almost 100 per cent," Balsler notes.

The company vice-president attributes this growth to a change in personnel, improved manufacturing techniques and the successful installation of a new computer-assisted-design (CAD) system.

Although the CAD apparatus was only recently put into operation, Balsler says it is already keeping pace with the drafting staff and is expected to exceed their rate of production in the near future.

The company's ability to accommodate an increased capacity could not have come at a more opportune time. With its plans for a large-scale entry into the export market, Apex should experience a new period of expansion and development.

Balsler is confident in the firm's potential. Once the New England market is established, he expects Apex to grow by another 50 per cent. ☐





In the G.E. Barbour Company Limited's Sussex, New Brunswick, plant Gilbert Carter (right) demonstrates the company's tea assembly line for David Howard (left), vice-president, marketing, for Blue Cross, Moncton.

Variety is the "Spice of Life" for Barbour

G.E. Barbour Company Limited of Sussex, New Brunswick, knows that variety is the spice of life — 100 varieties, to be precise.

The quality of Barbour's wide assortment of spices is well known throughout Atlantic Canada but the company has not limited itself to one line of food products.

This diversity is considered to be a major factor in the company's domestic and export market success. "Versatility is important to a smaller regional company such as Barbour," says R.B. Brennan Jr., company president and general manager.

Barbour has been selling top-of-the-line goods since the Barbour brothers established their business in 1867, the year of Confederation. During the succeeding decades, the fledgling enterprise grew steadily along with the country.

Incorporated in 1905

When Barbour was incorporated in 1905, it was in the wholesale grocery business, working from the south wharf of the Saint John Market.

As a part of its operation, the firm imported chests of tea which it packaged and resold. Gradually, Barbour began

to produce its own brand of tea which became the solid foundation upon which the company would base its expansion.

Today, Barbour's assortment of fine food products includes coffee, fountain drinks, peanut butter, prepared mustard, cheese, baking powder, syrups and toppings, relishes and pickles, extracts and essences and vinegar, as well as tea and spices.

Sussex Plant

The company's processing capacity was boosted significantly when the Sussex plant was built in 1966 with financial assistance from the federal government. Under the "tax holiday" program, the company was given two years to make a profit before it had to pay back any money. In addition, taxes did not have to be paid for three years.

"That program was the best one the government ever had," Brennan says. "It was a super idea; we all knew where we stood."

With a solid base of operations established, Barbour began to expand into other areas. The company pur-

chased the McCready firm and entered into the pickle business.


"The dairy industry is dominated by supply, not demand," Brennan says. "To establish a good business, all you had to do was find a market for that supply." And, with this incentive, Sussex Cheese was born and Barbour was launched into the dairy industry.

Domestic Market

Barbour sells most of its goods in Canada with a small percentage destined for export markets — spices to Britain; tea, peanut butter and spices to Bermuda; and a variety of goods to the United States.

Brenan acknowledges that the export market is a tough one to break into. It is difficult, he says, because of extensive competition, deregulation requirements, packaging differences and distribution techniques. But, despite these obstacles, he is confident of his company's future.

"If we have the flexibility, we can meet the competition," he affirms.

G.E. Barbour has already proved it has the flexibility. Meeting and surpassing the competition is merely a matter of time. 

Codfish Packaging Comes of Age

Cod — the fish that for hundreds if not thousands of years has drawn mariners and fishermen to Canada's east coast to harvest the teeming schools in places such as the Grand Banks off Newfoundland.

Cod — a staple in the diet of the peoples of the West Indies, Africa and the expatriates of these countries around the world, and the adopted breakfast menu for tourists and business travellers to the West Indies.

Cod — salted, sun dried on rickety stands or "flakes" and packed in casks in Newfoundland's outport villages or the coastal villages of Nova Scotia and New Brunswick.

The humble codfish, which has been all of that and more, has now entered a new era in packaging and presentation which has preserved all the well-remembered savour of salt-cod dishes but eliminated the tedious process of soaking and preparing them. Moysing Enterprises Inc. of Mississauga, Ontario, introduces the tinned codfish — ready to eat, fully seasoned, precooked to a recipe that retains the traditional flavour.

The new product will be marketed under the brand name of Moysing saltfish or bacalao in 198-gram (seven-ounce) tins for retail use and 453-gram (16-ounce) and 1 134-gram (40-ounce) tins for commercial use.

Once found in the diet of many people around the world, in more recent years, salt, dried codfish has declined in popularity as fresh foods have become increasingly available. In addition, the problems of preparing it have daunted many who might otherwise have enjoyed it.

On the initiative of Mrs. Amoy Assing Collier of Mississauga, formerly of England and Trinidad and herself a connoisseur of cod, the Canadian Institute of Fisheries Technology of the Technical University of Nova Scotia in Halifax, undertook the research into new methods of packaging and presenting codfish.

Under the guidance of Dr. E. Graham Bligh, the institute's director, the tinned "bacalao" (a Trinidadian and Portuguese term for codfish) was developed in two phases resulting in a new processing technology to meet the changing consumer preferences in today's society.

The new product has now received official certification and is being patented worldwide to make available this new technology of adapting the traditional salt codfish to modern international tastes.

Assistance in developing the process was obtained from the National Research Council of Canada, the federal Department of Regional Industrial Expansion, the Program for Export Market Development of the Department

of External Affairs and the Federal Business Development Bank.

This new process is expected to be of benefit to Canada's fishing and canning industries. Often, because of low market prices, fishermen in the past have thrown back such common fish as pollock, hake and even cod or sold them for non-food products such as fertilizers. However, growing recognition of such fish as excellent sources of protein coupled with new processes, such as the tinned codfish, are changing that.

Moysing's tinned codfish has already been tested on a number of discriminating diners and pronounced a success. The traditional Jamaican breakfast of ackee and codfish has been created quickly and effectively without the long process of soaking and preparing the cod.

(Ackee is the fruit of a tree that grows in Jamaica which, picked when ripe, has been a staple in Jamaican diet for centuries. Cooked and served with codfish, it resembles scrambled eggs but has a decided flavour of its own.)

Thus, a new career begins for that humble fish, the cod, that drew Basque, Breton, Irish and English fishermen to the "New World" long before Christopher Columbus ever thought of sailing the Atlantic. ❑

For further information, please contact:

Moysing Enterprises Inc.
2429 Frayne Court
Mississauga, Ontario
L5A 3X7

A gourmet dish — codfish from a can.



MERCANTILISM — The Merchants' Creed in Rising Nation-States

In a previous issue of Canada Commerce, we observed how Europeans started to spill out of the Mediterranean in search of a wider world. Now the focus shifts to Northern Europe and to the mercantilism of rising nation-states like England, France and the Dutch Republic.

Surprisingly, the term "mercantilism" was not known at the time of the rise of the nation-states. It was coined much later, after Adam Smith in 1776 condemned the protectionist practices of the "mercantile system". Like other "isms" that have been around for a while (such as capitalism or socialism), mercantilism has taken on different forms at different times and in different countries. The basic principles of the 16th and 17th Centuries might be summed up as follows.

The wealth of nations was then believed to consist in the amount of gold and silver circulating or held in stock within their borders. Nations without supplies of their own strove for a surplus on merchandise trade to obtain these precious metals through payments received for net exports. This required state intervention on their part.

Exports of inexpensive raw materials, such as sheep's wool, were restricted or forbidden, while those of manufactured goods of higher value, like cloth, were encouraged through subsidies. Imports, especially of "luxuries", were considered detrimental to national prosperity and curbed through high duties or prohibitions.

Essentially, the variety of mercantilist doctrines and practices amounted to economic warfare for national gain. It was based on a widespread belief that the sum of wealth in the world was constant. Accordingly, in foreign trade one country could only benefit at the expense of another country. To put it in modern terminology, trade between two nations was then considered a zero-sum game.

The basic premise of early mercantilism, that a nation's wealth is equivalent to the amount of precious metals within its borders, seems naïve to us now. We are inclined to think of a nation's wealth in terms of *real* capital: man-made riches in the form of *infrastructure*, including railways, airports, harbors, highways, telecommunications, power systems, etc., and the *superstructure* built on this base, such as factories, refineries, office buildings, farms, shopping centres, homes and the rolling stock that goes with it.

Natural resources, like good soil, forest or minerals, are *potential* wealth — until they are exploited.

Trade in Aid of War

The mercantilist emphasis on attracting gold and silver through boosting exports was so widespread in the 16th and 17th Centuries, however, that there must have been some reason for it, other than sheer ignorance.

One possible explanation of the thirst for gold in emerging nation-states is to attribute it to the need for a foreign exchange reserve or "war chest", to finance their numerous wars.

Mercantilism, according to Professor Jacob Viner, a noted authority on the subject, had political as well as economic objectives. Wealth was seen as a strategic resource.

"With wealth one could finance and equip armies, hire foreign mercenaries, bribe potential enemies, and subsidize allies."

The power thus attained could be used to establish colonies or trading posts, to gain overseas markets, to monopolize trade routes, to dominate fishing grounds on the high seas, or the slave trade from Africa.

From War to Sheep

Apart from war, sheep played a role in mercantilism, especially in Spain and England. Spain had developed a hardy breed of sheep, the Merinos, yielding a fine wool that could be sold at high prices abroad. A fully mercantilist country, as noted earlier, would have restricted the outflow of *wool* to encourage the export of cloth. Instead, Spain forbade the export of Merino *sheep*, even on pain of death.

The question arises as to why Spain stayed in the raw material stage. Of course, Merino flocks were profitable for many generations. In this respect, Spain was no different from any other country, past or present, cashing in on the benefits of an abundant natural resource in high demand.

There was more to it than that, however. Because of centuries of battles against Muslim invaders from North Africa, Spain had developed a cast of *grandees* and *hidalgos* (lower nobility), whose principal vocation in life was fighting against the so-called Moors.

A noble, however poor, would not get involved with anything related to manual labour, like crafts or farming. Collective ownership by nobles of huge flocks of sheep tended by herders was socially acceptable, however. By Royal consent, massive herds of sheep roamed without restriction during annual migrations over vast territories in the heartland of Spain, destroying the crops and pasture of lowly peasants in the process.

For these and other reasons, Spain became unable to feed its own population and had to use its American treasure to buy grain from Northern Europe.

Now let us turn to England.

Wool as the Wealth of England

England also had sheep in abundance, on the estates of lords and bishops as well as on ordinary farms. England's position as a prominent raw wool producer thus formed the basis of cottage industries like spinning and weaving. The various craftspeople possessed their own tools but enterprising middlemen provided the materials and disposed of the finished goods. The new skills and industries, capable of producing cloth of export quality, thus spread new wealth among classes high and low, by individual initiative, in many shires of England.

The cloth trade and the discovery of the ocean routes combined to create a new era in English maritime commerce.

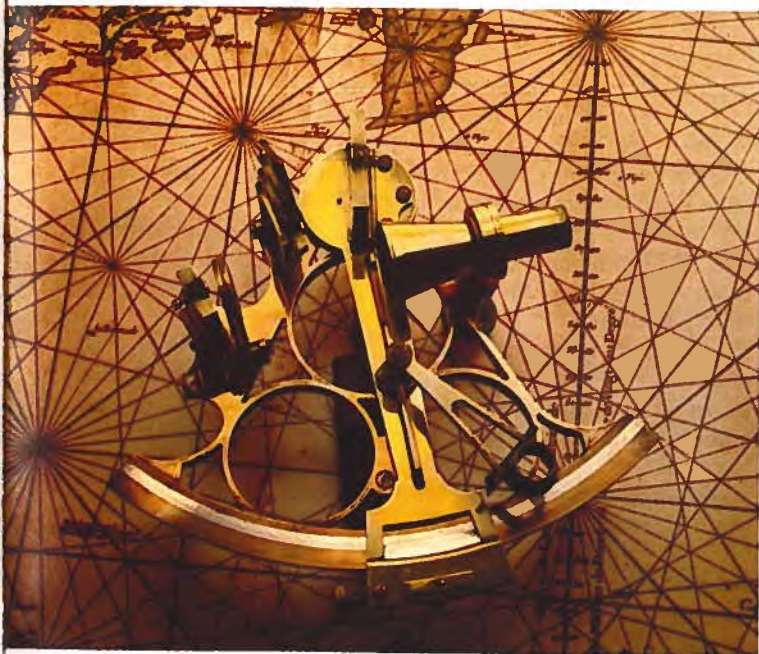
From the point of view of income distribution, Spanish Merinos created wealth for kings and nobles, while sheep farming in England became the basis of regional and industrial development and a wider distribution of income.

This comparison between Spain and England shows that mercantilism — economic warfare for national gain — can take many forms, depending on the particular circumstances a country find itself in, its national character, political and religious factors and the social environment.

Now we will compare two northern nations, both with a maritime tradition — England and the Dutch Republic.

From Sheep to Ships at Sea

The English rode to riches on the backs of rams and sheep, the basis of their flourishing cloth trade. Woolens around 1600 amounted to four-fifths of English exports and, when that market turned down, clothiers had no jobs for weavers or spinners and “the fleece from the squire’s flock was scarcely worth selling”.



Holland initially floated to fortune on its fishing fleet, harvesting herring in the North Sea and thereby spawning a host of complementary activities, from shipbuilding and auxiliary industries to a profitable carrying trade ranging from the Baltic to the Mediterranean.

In both countries, therefore, one primary product provided the take-off to economic growth. For England it was a domestic, land-based resource. In the case of Holland it was a marine commodity, extra-territorial and hence more vulnerable.

There is an interesting historic parallel to be drawn here. Just as Atlantic Portugal, the smaller nation, was far ahead of Spain with its Mediterranean preoccupations at the start of the Great Discoveries, so the Dutch Republic became the world’s foremost trading nation in the 17th Century, until England took over towards the end of it. How did this come about?

For a good part of the 17th Century, the large European nations were preoccupied with serious domestic disturbances and wars against each other, which created openings for the Dutch Republic. A brief overview of Spain, the Germanic countries, France and England will demonstrate this.

The economic decline of **Spain** under Philip II continued under Philips III and IV. Among the causes were Spain’s participation in the Thirty Years’ War (1618 to 1648) and the revolt of Portugal against Spanish rule (1640). Over this period, Spanish state bankruptcies “occurred about every twenty years” (Sydney Homer, *The History of Interest Rates*, 1963).

Germany, a checkerboard of Protestant and Catholic domains, became the main theatre of the devastating Thirty Years’ War. It started as a religious conflict and turned into a bitter political and military power struggle in which nearly all European nations (except Britain and East Europe) became involved. The German principalities lost one-third of their population and control over the formerly prosperous Hanseatic ports in the north. “Nothing more was heard of great German bankers like the Fuggers,” notes Sydney Homer.

France emerged from the Thirty Years’ War with its power greatly enhanced. It had conducted the war in strict accordance with its *raison d’état*. Cardinal Richelieu, prime minister under Louis XIII, had no qualms about aiding ardently Protestant countries (Sweden and the Dutch Republic) in prolonged wars against Catholic Austria and Spain.

France suffered, however, from severe internal conflicts. The French Calvinists (Huguenots) almost formed a state within the state, with fortified towns. Around 1650, a confusing series of civil wars broke out (*Les Frondes*).

The aggressive foreign policy of Cardinal Richelieu and extravagance of the Crown led to a huge floating debt and bankruptcy in 1648, ruining Florentine bankers, notes Sydney Homer.

In **England**, after the glorious age of Elizabeth Tudor (1558-1603), the Crown passed, in Winston Churchill’s words, “to an alien Scottish line, hostile in political instincts to the class which administered England” — the Stuarts.

James I (James VI of Scotland) neglected the Royal Navy. King and Parliament clashed under Charles I, leading to civil wars, regicide — and Oliver Cromwell. After Cromwell’s Roundheads came the conciliatory restoration of Charles II in 1660 which, in the end, however, approached absolute rule. James II, the Catholic king (1685 to 1688) had to flee the country.

Oxford historian J.M. Roberts believes that the Stuarts “gave the country four bad kings in a row”. This statement may be a bit too strong. As Canadians, we should perhaps give at least some credit to Charles II who established the Hudson’s Bay Company in 1668. Also, under the Stuarts, England started to establish several American colonies — acorns for a future oak.

What distinguished the *Dutch Republic* from the large nations of the period? For one thing, it had broken away from the old domination of monarchy and landed nobility. This society of *burghers* thus avoided at least some of the turmoil seen elsewhere.

The fall of Antwerp to Spain (1585) brought many Calvinist merchants and craftspeople to Amsterdam, with their capital, know-how and trade connections. There would be religious disputes among reformers in the north but no rivalries between Protestants and Catholics like elsewhere.

The strategic location of the Netherlands was also a crucial advantage. Located at the Rhine Estuary, surrounded by England, Scandinavia, the Baltics, Germany and France, the Dutch Republic in the 17th Century built up the largest merchant fleet in the world.

While the English and other nations built sturdier warships, the Dutch created, in their "fly-boat", the merchantman par excellence. It was a light, flat-bottomed vessel, easy to operate with a small crew and often designed for specific bulk cargoes. The Dutch could offer much lower freight rates than their competitors, often benefitting from specialized, large-scale warehousing, comprehensive insurance services and plentiful economic intelligence.

The European Money Chaos

Amsterdam became not only Europe's foremost staple market but also its prominent financial centre. At the time, European money supply was a chaos. Coins were minted by great monarchs, dukes and small city states alike. Old coins were succeeded by debased coins from the same issuers.

To cope with this, the Bank of Amsterdam, originally an Exchange Bank, was established in 1609 as a public institution. This bank accepted deposits of all kinds of international money from Amsterdam merchants and foreign depositors alike, assessed the gold and silver content and allowed depositors to withdraw equivalent values in gold florins (Dutch guilders) minted by the bank — at rates of exchange fixed by the bank itself.

These gold florins were of known and unchanging weight and purity. They became an internationally acceptable means of payment and measure of value. Depositors were allowed to draw cheques against their accounts and their safety was guaranteed by the authorities. Capital from all quarters was thus attracted to Amsterdam, leading to low interest rates and providing another competitive advantage for its merchants.

Sydney Homer gives further reasons for these low Dutch interest rates. "There was no expensive court. The frugal people saved and invested." Nearly all debt was funded debt, raised by provinces and towns on their general credit standing from their own citizens. "Confidence in the honesty of administration was unshaken."

However, there was no published budget; the amount of public debt could only be guessed at. "It remained for the English to develop the principle of public disclosure," observed Sydney Homer.

The English Mercantilists

The Dutch of the period, as H.W. Spiegel observed, "produced no economic thinker of note". The success of the Dutch merchants in finance and in trade with the East Indies, however, drew the attention of the highly literate English mercantilists who were often merchants themselves or officials of the English East India Company.

The English East India Company was licensed to export specie (coins of silver and gold) to cover the cost of imports from the East. It was, however, criticized by some for shipping such treasure "out of Christendom". Oriental poten-

tates would merely hoard precious metals, it was said, instead of buying English goods with them, like good Christians apparently would.

This shows that some mercantilists did not only strive for an overall merchandise trade surplus but also for a bilateral trade surplus with specific regions. Similar conditions, of course, are not unknown in trade discussions in the world today, especially when bilateral trade *deficits* occur.

Thomas Mun (1571-1641) defended the East India Company, saying that re-exports to the continent of Asian spices and other commodities at higher prices were profitable and that the trade encouraged shipbuilding.

He noted with approval that England had gone from exporting "natural wealth" like fleece-wools to cloth, which was "artificial wealth", hence more profitable and also offering greater "diversity of employments". He favoured greater emphasis on these "artificial" (i.e. manufactured) exports and also stressed the importance of invisible items, such as shipping, in the balance of payments.

Low interest rates in the Dutch Republic, according to Professor Spiegel, also drew the attention of the English mercantilists. Sir Josiah Child, a prominent director of the English East Indian Company, argued that it was cheap credit which made Dutch merchants so successful.

In 1668, Child proposed a lowering of the maximum interest rate in England from six to four per cent to make English merchants competitive. A lower rate, of course, would have reduced the *supply* of capital.

Another pamphleteer, therefore, suggested an alternative. Why not increase the supply of capital by borrowing from Amsterdam? Sir Josiah's response was in the mercantilist tradition.

Interest rates on *domestic* borrowing did not affect national prosperity, he said, as it was merely an internal transfer of funds. But when the lender was a *foreigner*, the payment of interest became "a clear loss to the nation". This parallels the mercantilist view noted earlier — that in foreign *merchandise* transactions, one nation can only gain if the other loses (zero-sum game).

Anglo-Dutch Trade Rivalry

In spite of its strong points, the extensive Dutch trading system became vulnerable once the large nations had gotten their houses in order and found dependence on Dutch merchants for their exports and imports intolerable. The sheer size of the Dutch merchant fleet, spread out over the Seven Seas, made adequate protection through navy convoys in wartime virtually impossible.

During the Anglo-Dutch trade wars, initially triggered by Cromwell's protective Navigation Acts, the Dutch herring fleet was simply ordered to stay in port, and returning Dutch East Indiamen had to make a detour north of Scotland, often in stormy weather, to sneak home.

The central position of the Netherlands, so advantageous in peacetime, thus became a serious disadvantage in war. As the English historian J.R. Jones noted, "Survival in these wars was all the Dutch could hope for."

The "Glorious Revolution"

In 1672, few people would have given long odds on the survival of the Dutch Republic. However, under the leadership of Prince William of Orange (later William III of England),

then barely 22 years old, it narrowly avoided defeat in a combined attack from France under Louis XIV and England under Charles II. The strain of the ensuing European wars weakened the Dutch Republic. However, Prince William skillfully organized a European alliance against Louis XIV.

In 1688, England's unpopular King James II was forced to flee when William, now husband of James' daughter Mary, set sail for England at the invitation of prominent lords and agreed to reign with Mary, as joint sovereigns, under a constitutional monarchy — the so-called "Glorious Revolution".

It was after this that English national credit was established. Now the English Crown and Parliament could borrow in the name of a united country and offer some promise of joint fiscal responsibility. England was now ready to achieve financial leadership and innovations, in the words of Sydney Homer.

Let us now cross the Channel.

Mercantilism in France

State regulation and promotion of manufacturing reached a summit under the "Sun King", Louis XIV, when Jean-Baptiste Colbert became the king's Controller-General of Finance. (The energetic Jean Talon became one of his *intendants* in *La Nouvelle France* — a link with Canadian history.)

Manufacturing in France was encouraged by Colbert through subsidies, tariff protection and monopoly status, often through Crown corporations (*les manufactures royales*). Detailed regulations prescribed uniform standards of high quality and price control for luxury items like tapestries, glassware, jewellery, clocks, silks and clothes. All these were much in demand abroad.

Colbert aimed at making France as self-sufficient as possible through protectionism towards the outside world and easier trade at home. To this end, he built roads and canals and created in central France a large free-trade area through abolishing local tariffs. His attempts to establish foreign trade companies for particular areas were less successful and, while he built up a strong navy, England would emerge as the world's largest seapower.

Also, his attempts at fiscal reform were ultimately frustrated by the extravagance of the Crown and the expenses of the King's successive wars.

The Physiocrats: Fertile Farming Against Sterile Trade

The reaction against Colbertism, with its penchant for regulating trade and industry, was articulated in France by the "Physiocrats". The leader of this school was *François Quesnay* (1694-1774).

While Colbert saw industry, trade and shipping as the road to wealth, Quesnay daringly championed agriculture as the unique activity which yielded a surplus (the net product).

The lowly peasants working with fertile seed and cattle were thus the truly *productive* class. Landowners providing resources were involved in this process and qualified as a *distributive* class — a respectful bow to the traditional feudal establishment and the monarchy. The craftspeople, manufacturers and merchants, who merely transformed or shipped natural resources, constituted the *sterile* class.

All groups, however, received part of the net product of agriculture. As the system thus ensured harmony among the classes, it was seen (shortly before the French Revolution!) as an immutable part of the divine order.

The flaws in Quesnay's starkly simplified reasoning are obvious. Transportation of a physically unchanged product, for instance, clearly adds a desired location to its usefulness.

More effective was his attack on mercantilist monopolies and overregulation. The Physiocrats proclaimed: "Laissez faire, laissez passer, le monde va de lui-même". This leads us toward Adam Smith, who met Quesnay and shared these ideas.

Many mercantilists believed the sum of wealth in the world was constant. If two countries traded, one would gain, the other lose. One of Adam Smith's discoveries, outlined in *The Wealth of Nations*, was that division of labour and specialization brings greater productivity, leading to more exchange of a larger supply of goods, both domestically and internationally.

Finale — Is History "Bunk"?

Our exploration of the dim, distant past has surprisingly shown that some ancient problems have resurfaced.

The reconciliation of religious precepts about interest rates and the requirements of commerce has again become topical through the renewed prominence of Islamic countries. The conflicts between Christians and Muslims, or Catholics and Calvinists, each considering the other as an evil to be eradicated, have their counterpart in our time.

In a seminar paper of 1973, a prominent Canadian economist, the late Harry G. Johnson, saw a "New Mercantilism" in the use of non-tariff barriers, the formation of supra-national trading blocs and widespread protection.

Is Colbert irrelevant? Alain Peyrefitte, a French diplomat and cabinet minister under de Gaulle, published a controversial best-seller, *Le Mal Français*, in which he attributed the relative economic decline of France and other Latin countries in modern history to an excessive dirigisme from one centre, à la Colbert.

A noted German economist, Dr. Ralf Dahrendorf, has detected in Adam Smith's writings about the need for public undertakings in a free market environment, the first seeds of Germany's post-war *soziale Marktwirtschaft* (socially oriented market economy).

Therefore, let us not say that history is passé and exploring it is "bunk". By studying the past, we gain insight into the present. □

This is the final of three articles adapted by permission from the magazine Canadian Banker.

— by Herbert C. Byleveld
Economic Analysis and Strategic Planning
DRIE



British Columbia Makes Sure Consumers "Think Canadian"

When Bucky Beaver meandered through British Columbia shopping malls this past summer, he created a "pied piper" effect. Smiling children lined up for hugs while adults snapped pictures and shook his paw.

Six-foot Bucky was only one component of a successful federal government exhibit program set up in B.C., part of the national "Think Canadian" campaign to create consumer awareness of Canadian-made goods and to boost Canadian industry.

The B.C. segment of the program was projected to attract a quarter of a million shoppers. Tally at the end of the eight-week tour of the exhibit revealed that more than 500 000 B.C. residents and tourists had viewed the display.

"The results of our program went far beyond our expectations," says Sy Uhrich, British Columbia regional communications officer for the federal Department of Regional Industrial Expansion (DRIE), creator and enthusiastic co-ordinator of the travelling campaign. "Public, merchant and community response was most gratifying."

In all, 18 shopping centres displayed the "Think Canadian" exhibit for week-long periods from June to the end of August. These centres ranged from small, 12-store malls with shopper attendance of around 7 000 a week, to B.C.'s largest shopping complex, Guildford, in Surrey, with approximately 100 000 shoppers a week.

The Exhibit

The exhibit backdrop, easy to set up, dismantle and transport, featured large colour photos of consumers and manufacturing, the Canadian flag and such slogans as "Canadian Goods Made With Skill and Pride" and "Expect the Best".

Complementing this illuminated backdrop were matching display towers placed prominently at all mall entry points and heavy traffic areas so that every shopper would be exposed to a minimum of five "Think Canadian" encounters per visit.

At the main display, summer students staffed two tables, one set up as an information counter and the other supporting button-making equipment. Students, who provided answers to the many questions, travelled with each display in order to ensure continuity.

High school students, hired locally in the neighbourhood of each mall, were trained as Bucky Beaver and donned the costume enthusiastically. They were also trained in running the button-making equipment and helping visitors make the two-inch buttons.

Buttons Popular

The button machine provided constant source of fascination for children and adults alike. Using the same principle as a bottle-capper, the small portable machine gave exhibit visitors of all ages a chance to print their names on a "Think Canadian" tag which they pressed between the metal back of the button and a plastic cover.

The buttons, ready to be pinned on and worn, attracted not only resident

shoppers but also visitors to B.C. who requested any number of them to take back as souvenirs for relatives and friends. It was estimated that an average of 2 100 buttons were made every day at each mall on the exhibit's eight-week tour.

"There was a constant line-up at the button-making display," reports Uhrich. "Japanese and Hong Kong visitors had an inexhaustible desire for our handout material, particularly the buttons. In total, we gave out over 60 000 buttons, some of which are now promoting 'Think Canadian' around the world."

As well as travelling with the exhibit to set it up and take it down, each student co-ordinator spent time in the visited centres making contacts and leaving sample kits with the media, Chambers of Commerce and local manufacturers.





"Bucky Beaver" introduces British Columbia shoppers to "Think Canadian".

Radio interviews and local newspaper coverage resulted from these initial contacts.

Merchant Participation

Starter kits containing "Think Canadian" merchandise hang-tags and stickers were distributed to every merchant in each mall. An order sheet was included in the kits so that merchants could purchase more of these items from the Canadian Manufacturers Association.

Outstanding among the merchants who used the "Think Canadian" promotional material was Leonard Friesen, owner of Leonard Friesen Ltd. in the Guildford Mall and president of the Community Business and Professionals Association of Canada.

He requested and received additional display items from DRIE to use as backdrops in his two large display windows.

Pre-exhibit contacts with the media, the Chambers of Commerce and manufacturers resulted in local radio and newspaper coverage.

Friesen believes in Canadian products to the point where his stock of quality men's clothing is 95 per cent Canadian-made. He outfits from small to outsize and makes a point of tracking down requested clothing items not in stock. His guest book contains the signatures of international customers and out-of-country shoppers are always presented with small Canadian flags or lapel pins.

Handouts

Besides buttons, handouts at the displays included plastic shopping bags, name stickers for luggage, bookmarks and 14 000 copies of *Canada Commerce* which some people took with the idea of mailing them away to family and friends.

"The bookmarks were popular with students," says Uhrich, "and many school teachers asked for extra material to use in their classrooms."

Awareness Polls

In order to get a picture of the impact the display was having on shoppers, on-site awareness polls were conducted by the co-ordinating students.

At the start of the display tour, sample surveys of adult shoppers revealed a three per cent awareness of the "Think Canadian" program. This increased to more than 30 per cent with most of the shoppers interviewed recalling seeing the display previously at some other mall.

"That," emphasizes Uhrich, "shows that continual exposure reinforces programs."

Program Extended

The B.C. summer exposure program for "Think Canadian" was extended into a lifestyle and consumer product trade show held in Vancouver's B.C. Place and included the installation of displays in eight regional airports in centres not visited by the summer campaign.

"Take one" order cards dispensed from the airport displays encourage local retailers and manufacturers to take part in the program by requesting information and sample material all imprinted with the "Think Canadian" slogan.

In total assessment, the British Columbian promotion did what it set out to do and more. Half a million consumers now more aware of Canadian products are bound to give Canadian industry a boost.

— DRIE Vancouver

1985 Canada Export Award Recipients

The 1985 Canada Export Award recipients were announced by the Minister for International Trade, James Kelleher on October 8 during the Canadian Export Association's annual convention.

A selection committee of prominent Canadians made its selections on the basis of outstanding performance through strong growth in export sales; the introduction of new products to the export market; the entry into new export markets; and outstanding service to the exporting community.

Representing Canada's economic, sectoral and geographic diversity, the 12 recipients are:

Fletcher's Fine Foods Ltd., employing 250 men and women in Vancouver, British Columbia, is a pork processing company. Exported products include fresh and processed pork items to wholesalers and retailers in the U.S., Mexico, Chile, Malaysia and Japan. Its major achievement over the past 15 years has been its substantial breakthrough into the U.S. Pacific northwest markets. Key strategy, employed after careful market research, is a sampling program aimed at getting buyers and potential consumers to taste products. Natural smoked pork taste appeal is achieved using natural smoke combined with lower salt content. Fletcher's demonstrated a significant growth rate in its export sales as a result of their growth in the U.S. market. Fletcher's is now aiming at establishing itself as the leading supplier of premium processed meat products in the U.S.

Develcon Electronics Ltd. is a Saskatchewan-based developer and manufacturer of technologically advanced data communications products. Develcon's swift growth has been a result of increased technological achievement. The Develswitch accounts for approximately 90 per cent of export sales into the U.S., Europe and Hong Kong. Develcon's success has been and will continue to be built on a Canadian image which should be further enhanced by the Canada Export Award.



XCAN Grain Ltd. in Winnipeg, Manitoba, was established in 1970 as the export marketing arm of the three Prairie farm-owned co-operatives: Alberta Wheat Pool, Saskatchewan Wheat Pool and Manitoba Pool Elevators. XCAN Grains Ltd. sales volume of almost 2 million tonnes in 1984 is approximately 200 000 tonnes higher than in the previous year. Export achievements were assisted by XCAN's efforts in locating credit financing from international banks for buyers. Another initiative contributing to XCAN's success has been the charter of a sail-assisted vessel which enables XCAN to lower freight costs, making it more competitive in the major market of Japan.

Faultless-Doerner Manufacturing Inc., a Canadian-founded company located in Waterloo, Ontario, has been in the business of manufacturing office chair controls and hardware components since 1946. Aggressive marketing and global sales development have con-

tributed to Faultless-Doerner's substantial increase in export sales over the past three years. Improved quality and a dedicated and aggressive approach to international marketing in the U.S. have seen dynamic export increases in that market. Increased business requires aggressive selling and marketing to ensure reliability of products and that delivery can be maintained for the customer.

Linear Technology Inc. is a Canadian-owned high technology company in Burlington, Ontario, which designs, manufactures and markets miniature integrated circuits for special applications. The company's product line consists of audio amplifiers sold to the world hearing aid industry and custom and semi-custom ICs which have numerous industrial applications. A compounded rate of sales growth of 35 per cent per year over an 11-year history has ensured a profitable business. Linear Technology's selection as a Canada Export Award recipient is attributed to consis-

tently strong growth in export sales and diversity of export markets. Over 90 per cent of its products are exported.

Babcock & Wilcox Canada, located in Cambridge, Ontario, manufactures and installs custom-engineered fossil-fired steam generators and auxiliaries for electric utilities and industrial steam users. Employing 1 200 people, Babcock & Wilcox Canada has been given the world mandate to direct the marketing and sales of all Babcock & Wilcox overseas projects for steam generating equipment. Concentration on research and development of new utility boiler designs, financing optimization, countertrade, extended scope engineering and supply and on developing competitive consortia has enabled this company to increase significantly its export sales, developing new markets and maintaining existing ones.

Electrovert Ltd.'s major success story is the Century 2000 computer-controlled wavesoldering system used in the electronics industry to solder printed circuit boards. Designed and built by Electrovert at Laprairie, Québec, the Century 2000 has set new performance records and sold better than any product in Electrovert's history. In undertaking the Century 2000, Electrovert created 55 permanent jobs, and spent over \$5 million on parts and materials in the Montréal area alone. As a world competitor, the Century 2000 has generated valuable foreign exchange with sales to major nations such as England, France, Japan and the United States. The company has been successfully exporting to over 70 countries, most notable being Taiwan, Korea, Japan, Hong Kong and the Republic of China.

Established in Oromocto, New Brunswick, in 1982, **Process Technology Limited** manufactures and sells equipment for generating the film in silicon and gallium arsenide wafers. The generation of these layers constitutes an integral part of the fabrication of integrated circuits. Process Technology employs 61 people. Export sales have shown significant increases in each year of its operations. Over 90 per cent of all products manufactured are exported to the U.S., Japan and Israel. Growing interest in its products is being expressed by customers from other parts of the world as well. Process Technology attributes its success in the export market to technical excellence combined with the ability to develop new processes and products to satisfy customer demand.

Canterra Engineering Ltd., a small Alberta company, designs and manufactures a line of specialized portable drilling equipment and off-road vehicles. Canterra's exports have grown significantly for the past three years to a point where more than 90 per cent of its products are exported. Export markets include China, U.S., Peru and the Asian countries. New product technology, support of the equipment in the field and meeting customer performance requirements have made Canterra a successful exporter. Attending trade shows and trips abroad have helped open many doors for Canterra.

Polymer International (N.S.) Limited produces high quality, custom designed Nova Pac bags from a manufacturing base in Truro, Nova Scotia. Despite initial impressions to the contrary, the location of the plant has proved to be highly successful. From sales of \$15 mil-

lion in 1982, Polymer has doubled its sales in an industry not known for rapid growth. The company now supplies at least 80 per cent of the woven poly-valve bags used by the petrochemical industry in the United States. The integrated manufacture that enables Polymer to custom-design a quality product and promptly deliver it in industrial packaging for a variety of needs to a variety of customers and markets, is the main reason for Polymer's export success. As a result of steady export sales growth, Polymer has increased its workforce by almost 50 new employees.

B. Terfloth + CIE (CANADA) Inc., employing 30 people, is an international trading house, specifically a "merchant house" specializing in food and agricultural products. Thirty years in the Canadian export business with hundreds of different countries and working with many government departments have made B. Terfloth + CIE (CANADA) Inc. an expert in providing cost-effective services in complex areas such as documentation, packaging, shipping, insurance, foreign exchange, market opportunities and countertrade. Working with such a wide range of clients and products is a challenge since needs and conditions, procedures and regulations are changing continuously.

CEGIR is a service company composed of consultants specializing in the transfer of technology through consulting, technical assistance, training, design and management. From its offices in Montréal, Ottawa, Toronto, Abidjan, Dakar and Manila, the firm manages projects and provides expertise to clients of the private, public and parapublic sectors in 25 countries. CEGIR is supported by a network of offices in foreign markets, and is constantly in contact with customers, international financing institutions and bilateral agencies. The growth of CEGIR projects has provided benefits to other Canadian exporters as suppliers to these projects for which CEGIR provides management or technical assistance. CEGIR has introduced Canadian firms or initiatives to the international market, and to new foreign markets. Its main objective is to help its clients become, in the shortest possible time, independent and professional. The one resource that gives value to technical and material resources is the human resource. □



Canadian Export Association Annual Meeting

Canadian Exporters Study World and Canada-U.S. Trade

The Message — "Get Out and Sell!"

The packed conference room at the session, "Canada-U.S. Trade Policy and Market Access", left little doubt that the topic was uppermost in the minds of the delegates to the 42nd Annual Convention of the Canadian Export Association (CEA). The convention was held early in October at Montreal's Bonaventure Hilton Hotel.

A major event of the *Canada Export Month* program in October, the convention attracted well over 300 delegates from coast to coast for wide-ranging discussions on Canada's trade performance and future in an increasingly competitive and fast-changing world market.

In addition to the question of Canada-U.S. trade, the delegates studied the impacts of deregulation on international transportation; agricultural

trade; third country co-operation with Japan; countertrade; priority offshore markets for exporters; export financing; and Third World markets through trading houses.

To add icing to the proceedings, the Department of External Affairs and the Canadian Export Association announced the winners of the 1985 Canada Export Awards. The presentation had all the fanfare of an "Oscar" awards evening, including a large (and noisy) band, roving spotlights, a multi-screen visual presentation and an excellent Master of Ceremonies, Jean Paul Gourdeau, chairman of the CEA.

In sponsoring the awards, External Affairs recognizes the winners' outstanding contributions to the Canadian economy through their notable successes in exporting Canadian goods and services.

Canada-U.S. Trade Relations

Canada-United States trade relations were addressed by government representatives — Bill Dymond, senior advisor and co-ordinator of the Canada-U.S. Task Force, External Affairs; and William Merkin, deputy assistant, Office of the U.S. Trade Representative.

Outlining the U.S. position, Merkin emphasized that the administration was committed to freeing up world trade through reductions in both tariff and non-tariff restrictions.

While full consideration of the methods of achieving freer trade between Canada and the U.S. had not been addressed by the Americans, he pointed out that several committees were working on the American approach for the next round of negotiations for the General Agreement on Tariffs and Trade (GATT).



These committees, Merkin continued, would be in an excellent position to assess the pros and cons of various proposals coming out of any talks between the two countries. Tapped into the process for information was a private apparatus made up of manufacturing, agricultural and labour sections.

While the U.S. Congress and Senate still had to approve any administration involvement in such bilateral talks, Merkin felt that such approval would be given but in the face of much opposition from both houses.

Negotiations by 1986

Questioned on timing, Merkin believed it was unlikely that serious negotiations could begin before the biennial elections to be held in the fall of 1986.

As for implementation of changes, he felt that, depending on the sector addressed and conditions at the time, full implementation would stretch out over several years to allow each country to face the adjustment problems in vulnerable industries and to live up to their commitments under GATT and other international accords.

For this reason, Merkin believed that any agreement would set out, in general terms, the criteria and ground rules for negotiations with specific matters dealt with on a sectoral basis.

Generally, he felt that the U.S. manufacturing sector was supportive of such a bilateral agreement while the service sector — banking, transportation, communications and insurance — was most favourable.

Continued Access Necessary

For Tom Burns and Bob Latimer, both one-time executives of the former Canadian Trade Commissioner Service and now industry consultants, Canada must enter into negotiations to be assured of continued access to American markets.

While agreeing there was a danger that employment in certain industries and sectors was threatened by freer trade, a much greater threat to employment was posed by current trends toward protectionism.

Protectionism would affect the Canadian economy, with its small markets, much more severely than that of its considerably larger neighbour.

During a question and answer period and as a thread running through most of the formal presentations, the absolute necessity of developing a tribu-

nal system of settling disputes was put forward as a cornerstone of any negotiations.

For Canadians, there was a realization that many of the present barriers to free trade in Canada between provinces must be resolved before similar bilateral Canada-U.S. barriers can be addressed. Other problems include subsidies, marketing boards, standards and regulations which often act as deterrents to the free flow of goods.

It was the general consensus of the conference that, in spite of all the perceived and real problems facing the negotiators, it is in the best interests of both countries to come to an accommo-

Some of the initiatives required include countertrade, bridge and long-term financing, technology transfers, co-production and even long-term leasing.

Trade/Aid Linkages

The important linkages between trade and aid were outlined by Sylvain Cloutier, chairman and president of the Export Development Corporation (EDC), and Margaret Catley-Carlson, president of the Canadian Industrial Development Agency (CIDA).

In particular, Mrs. Catley-Carlson outlined CIDA's Industrial Co-operation Program (INC) designed to



date on trade matters if only as a model for the wider implications of world trade in general and the next round of GATT negotiations in particular.

Offshore Trade

While Canada-U.S. relations were main topics during formal sessions and in the halls and corridors between sessions, enhanced development of offshore trade, particularly with Third World countries was also discussed in detail.

In spite of the problems these countries were having with their debt loads and general world economic conditions, they were still the fastest growing markets for goods and services. To tap these markets, however, requires patience, skill and intuitiveness.

stimulate increased participation by Canada's private sector in the industrial development and growth of the Third World.

The program does this through such devices as joint ventures and other forms of business initiatives beneficial to both the developing countries and Canada. These business linkages can occur in well over 100 countries where Canadian business sees a market and wants to develop further.

Designed for small- and medium-sized industry, the program assists financially in product identification, project definition and implementation as well as through the work of program officers who are experienced in the various facets of market development in Third World countries.

Market Development

For his part, Sylvain Cloutier outlined the close co-operation that exists between CIDA and EDC, not only to avoid duplication of effort but to assist Canadian businesses better.

While CIDA projects are primarily aimed at aid, those of the EDC are designed to assist the Canadian export community. EDC assumes much of the financial risk faced in the international marketplace, particularly in the Third World, but also including major industrial nations, even the U.S.

Many of the delegates to the conference expressed the hope that, due to the ever-increasing complexity of the international trading scene, banks and private insurance underwriters would undertake some of these risks to supplement EDC activities, particularly in the areas of countertrade, credit mix and the longer-term leasing arrangements now sought by a growing number of countries.

Anne Aurelius, vice-president of Barclays Bank of Canada and a member of a Canadian banking task force on the subject, assured delegates that the Canadian banking industry was anxious to participate in many of these new forms of finance for overseas markets within the terms of the present Bank Act. The banks were seriously considering the necessary safeguards required for future development along these lines.

As for insurance of some of the risks now assumed by the EDC, Jim Edwards, vice-president, Reed Stonehouse Ltd., pointed out that Canadian



insurers had not yet entered the field but would probably be interested if enough members could be found to spread the risk.

Priority Markets

Priority markets for trade in various parts of the world were discussed by four assistant deputy ministers of the Department of External Affairs — Earl Drake, Pacific and Asia; Mike Bell, Latin America and the Caribbean; Joe Stanford, Europe; and Mark Brault, Africa and the Middle East.

Throughout all areas there were potential markets in transportation, communications, energy and natural

resources and, in South America and Africa, in agriculture, forestry and education.


With the exception of Western Europe which operates largely on a cash transaction basis, most other areas of the world are cash poor and looking to other forms of payment. However, all speakers agreed that this was no reason to turn away from these markets since many of them were among the fastest growing in the world.

As Earl Drake pointed out, with some four billion people in Asia who need practically every commodity known, a long-term commitment is an assurance of future growth and the same situation exists for the other underdeveloped regions.

While conditions are different in Europe, it is still the second largest market for Canadian exports. However, Canadian penetration into this market accounts for only two per cent of the import trade which amounts to \$500 billion in Western Europe and \$60 billion in Eastern Europe.

“Get Out There and Hustle”

As one business delegate to the CEA conference expressed it, “The markets are there. We have the technology and infrastructure in place. All we have to do is get out there and hustle.”

It was a sentiment that was on a lot of delegates’ minds — a major reason for their attendance. 

— by Robert J. McDonnell
Canada Commerce



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