FOREIGN INVESTMENT REVIEW

A journal on investment conditions in CANADA

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Canada's forest products industry
Ontario's economy
Foreign investment in the service sector

FOREIGN INVESTMENT REVIEW

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FOREIGN INVESTMENT REVIEW

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Mr. Gray is seen here with Mr. Rokusuke Tanaka, Minister of International Trade and Industry

Mr. Gray's visit to Japan

Arriving in Japan in August, only two months after Canadian and Japanese business representatives met in Kyoto at the third joint Japan-Canada Businessmen's Conference, the Honourable Herb Gray undertook an ambitious series of meetings with Japanese government and business representatives. The Minister covered a wide range of investment and trade issues including energy, increased access to the Japanese market for Canadian manufactured goods and Japanese investment in Canada. In fact, most of the issues considered during the Minister's visit had been the object of considerable discussion at the Kyoto conference.

At the top of the policy issues was the Foreign Investment Review Act, which some Japanese businessmen still view as a policy designed to block U.S. investment in Canada and consequently to reduce Canada's dependence on U.S. capital. Mr. E. Hashimoto, who was the head of the Japanese delegation at the May conference, made comments which were very representative of that view of the Act in his closing remarks: "According to our interpretation, the Act was legislation for the purpose of breaking away from the excessively heavy influence of U.S. capital on Canada's economy." He complained that in spite of the relatively small influence of Japanese business on Canada's economy, Japanese investments ". . . are . . . subject to strictly uniform screening on the same basis at U.S. investments in. . . applying the Act." Mr. Hashimoto's comments on "strictly uniform screening" reinforce what Canada has been saying for a long time; that its foreign investment policy is non-discriminatory and that all investment proposals are decided on the same basis.

In a speech which he delivered to the Keidanren business group, Mr. Gray pointed out that Canada was interested in any investment that brings net benefits to this country. He also referred to the fact that most countries have an investment screening mechanism of one form or another and that Canada's policy was created for the same purpose as that of other countries, including Japan.

In that same speech, the Minister discussed the future of Canadian foreign investment policy, especially three new measures that are under active consideration by the federal government. Briefly stated, the first measure provides for the periodic performance review of the activities of large multinationals in Canada. The second would make possible the publication of major acquisition proposals by foreign firms prior to a decision being made by the Government to allow or disallow them. The third measure would involve the provision of financial assistance to Canadian companies wishing to repatriate assets under foreign control or to bid for ownership or control of companies in Canada which are the object of takeover offers by non-Canadians.

Mr. Gray underlined that these measures, in fact Canada's foreign investment policy, were closely allied to the federal government's industrial policy, the main objectives of which are the following: to make it possible for Canada to take advantage of opportunities opening up; to promote the development of strong Canadian-owned businesses; to ensure that the activities of large foreign multinationals contribute to Canada's industrial goals; to encourage the growth and competitiveness of Canadian business; and to draw maximum benefit from foreign investments already in Canada.

The Minister summarized the new mesures by saying that they were designed to strengthen the Canadian economy and to show foreign investors how they can contribute to improving Canada's industrial and economic performance.

Capital investment expected to rise

Capital spending in Canada is expected to increase significantly in 1980, according to three surveys released last Spring. Statistics Canada, the Government of Canada's official statistics agency, the federal Department of Industry, Trade and Commerce, and the Conference Board in Canada, an independent research organization, all reached this conclusion after having carried out independent surveys on capital investment plans and attitudes.

Statistics Canada estimated that the total capital expenditures would be $64.3 billion in 1980, an increase of 12 percent over 1979. This improvement will be mostly due to a 17-percent increase in business spending. In particular, large increases are expected in oil and gas, mining and in certain manufacturing industries. On the other hand, capital expenditures by governments and institutions are expected to increase by only 6 percent, much less than the anticipated rate of inflation.

The federal Department of Industry, Trade and Commerce's survey of 300 major corporations noted that real capital spending by these companies is expected to increase by 15 percent in 1980 to $25 billion, which is about half a billion dollars more than had been estimated six months earlier. The manufacturing sector, especially transportation equipment, primary metals and forest products, is expected to be responsible for most of the growth, with an expected increase in real terms of 36 percent. In non-manufacturing industries, strong increases are anticipated in oil and gas pipelines as well as in mining. Also of interest in the Department's survey is that the rate of increase in capital spending by foreign-controlled firms (22 percent) in Canada is expected to be twice as high as that of Canadian-controlled firms (11 percent) in 1980. From the

survey figures, the Department estimated that, for the economy as a whole, 1980 business spending on new plant and equipment may be up by 5 to 7 percent in real terms.

According to the second quarter survey of the Conference Board in Canada, opinion was divided among the 200 or so chief executive officers regularly surveyed as to whether or not it was a good time to invest in new plant and equipment. In fact, while just over 35 percent of those surveyed felt that it was a good time, 37 percent did not. The other respondents could not state one way or the other any definite opinion. This contrasts rather sharply with a year ago when close to 60 percent of the respondents felt that it was a good time to undertake such expenditures in the second quarter. Higher interest rates and weaker market demand seem to be the major factors behind the change of attitude in the second quarter of 1980.

Foreign direct investment in industrial countries

The importance of two-way direct investment between the major industrial countries has been emphasized in two recent studies, one by the Conference Board (Multinational Corporations and Developing Countries) and the other by the Federal Reserve Bank of New York (FRBNY) in its Quarterly Review. Not only are the industrial countries the main source of investment funds for other industrial countries, accounting for some 90 percent of the total in countries studied by FRBNY, but an increasing share of their foreign investment is directed towards each other. The Conference Board shows that between 1967 and 1975 developed countries' share of the total stock of foreign direct investment by developed countries increased from 69 percent to 74 percent.

As a result, foreign-controlled firms have become an increasingly important factor in the economies of many of the developed countries. Their importance is greater even than the book value of their investment would suggest because a high proportion of their investment is financed from sources other than the parent company. According to the FRBNY, foreign-controlled companies account for some 20 percent of total sales or output in Germany, France and the U.K. and about 5 percent in Japan and the United States. In Canada, where foreign investment has long played a major role, the proportion is about 60 percent. In all countries, the areas of greatest foreign influence are the high-technology industries, petroleum, chemicals, rubber, transport equipment, electrical machinery and other engineering — industries in which multinational enterprises are able to achieve economies of scale in production and distribution.

The FRBNY notes that major industrialized countries are developing policies on foreign direct investment that are increasingly similar, though some differences remain. It points out that all countries restrict foreign investment to some extent and most ". . . seem to follow . . . conflicting principles of encouraging investment in weak sectors . . . or in industries where domestic investment is inadequate, while resisting increased foreign dominance of any important industry."

The FRBNY underlined the fact, however, that in spite of a growing similarity of policies a number of difficult problems remain to be solved, namely the ". . . harmonization of industrial subsidy programs as well as the regulatory treatment of multinational corporations." The FRBNY believes that effective and sustained cooperation between governments and international agencies will be needed to resolve such questions.

Deadline for regional development incentives extended

The requirement that projects assisted under the Regional Development Incentives Act must be in commercial operation by the end of 1981 has been changed and the deadline extended to December 31, 1984. This was the second time the program's deadline has been extended, the first being in 1975.

The extension, passed by an Act of Parliament on July 10, allows the Department of Regional Economic Expansion to continue offering incentives, primarily in the form of grants, to qualified manufacturing and processing firms for the establishment, expansion or modernization of plants in regions designated under the Act.

The extension also enables industry to continue to take advantage of the Department of Finance's Investment Tax Credit program, which complements the DREE program by providing higher benefits in designated regions.

Ontario introduces buy-back program

Last June, the Government of Ontario announced that it would help Canadians buy foreign-controlled branch plants that would otherwise be closed down or sold to foreign investors. This assistance will consist of up to $500,000 in direct loans and $1 million in loan guarantees which will be provided to Canadian-owned or Canadian-controlled companies, Canadian investment groups or Canadian employee-management groups.

Applicants will be required to demonstrate that the target-firm is viable and that they are prepared to make a sizeable investment themselves, that is at least 10 percent of the purchase price. Employee-management groups will receive a high priority in this program. The funds will be made available through the Ontario Development Corporation, the Northern Ontario Development Corporation and the Eastern Ontario Development Corporation.

In announcing the program, the Government emphasized that it will be highly selective and that it will apply tough commercial standards to applications including market potential, long-term viability, technological competitiveness and management capabilities.

Nova Scotia helps small businesses

In late June the Government of Nova Scotia introduced two new programs which are designed to help small businesses in their export marketing efforts and in making their operations more efficient.

The first is the Market Agent Program, a one-year pilot project, which will provide 50 percent of the expenses of a marketing agent for groups of small businesses. The program will place the resources of a marketing agent at the disposal of companies with complementary products who have shown a commitment to strengthen their marketing efforts by banding together. It is hoped that this program will substantially boost exporting by firms which otherwise lack the resources to penetrate markets outside the province.

The second program, called the Consulting Assistance Program, will provide government financial assistance for sharing the costs of professional consultants hired by small businesses to diagnose operational problems, recommend solutions and help implement them in such areas as financial systems, marketing and management planning. For new enterprises, the program will cost-share the hiring of consultants to prepare an assessment of the viability of a business proposal or a business plan.

The program will fund up to 75 percent of the costs of the consulting services, to a maximum contribution of $2,000. Assistance will be available to new and existing small firms engaged in goods producing, business services, construction and tourism related services.

Canada's forest products industry

The forest industry has played a crucial role in shaping modern day Canada. It has been responsible for the creation of towns and ports, the generation of hundreds of thousands of jobs and, in part, for the high standard of living enjoyed by Canadians. It is a vigorous industry that is presently undergoing significant change.

by Jim Lyon

The forest products industry is Canada's largest manufacturer and is the single most important contributor to the country's balance of payments. More than 10 percent of the labour force works in this industry, which manufactures such diverse products as newsprint, fine paper for books and a variety of business forms, packaging materials, paper bags, lumber for home construction, plywood, panelboard, railway ties and furniture.

Not only is the industry significant in its Canadian setting, it is among the world leaders in the production of many products. In fact, Canada is the world's leading producer of newsprint, is second only to the United States in the production of wood pulp and is a major producer of round wood. Canada is also a leading exporter, supplying the largest part of world trade in most forest products. For example, it accounts for about 70 percent of world exports of newsprint and about one-third of world pulp exports. This strong export performance contributed $11.6 billion to Canada's balance of trade in 1979, including $3.9 billion worth of lumber, $138 million worth of plywood, $3 billion worth of pulp, $3.2 billion worth of newsprint and $765 million for other grades of paper. Because of its proximity, the United States absorbs a very large part of these exports.

Background and structure of the industry

Forest resources played a vital role in the earliest commercial history of the country. At first less important than fish and furs, timber soon became the principal item of Canada's trade. Before 1700, quantities of tall pines for masts were already being exported to France, a trade diverted to Britain after 1763. But it was Napoleon's blockade of Baltic trade to Britain that led to the creation of a huge forest industry in the early years of the 19th century. Many of Canada's cities owe their beginnings to that industry which was soon supplying the largest part of Britain's timber needs. In a sense, trees provided much of the capital needed in Canada's first years of development. Subsequently, Americans also turned to Canadian sources as their own accessible supplies diminished, investing in mills that could supply lumber, pulp and paper to the growing U.S. market. And, as the United States expanded westward, so did the Canadian forest industry.

The industry, therefore, stretches right across the country. It is by far the most important industrial sector in British Columbia, accounting for about half of all manufacturing activity in the province, and is vitally important in the provinces of Quebec and New Brunswick. Significant forest industries can also be found in Ontario, Manitoba, Saskatchewan, Nova Scotia and Newfoundland. In many communities it is virtually the only employer. There are, however, some significant regional differences. Broadly speaking, the pulp and paper industry is strongest in Eastern Canada, where nearly 80 percent of its mills are located, whereas lumber and plywood production is more important in British Columbia, source of over two-thirds of Canada's softwood lumber and the bulk of its softwood plywood. In terms of the selling value of goods produced, Quebec is the leading producer, followed closely by British Columbia and Ontario.

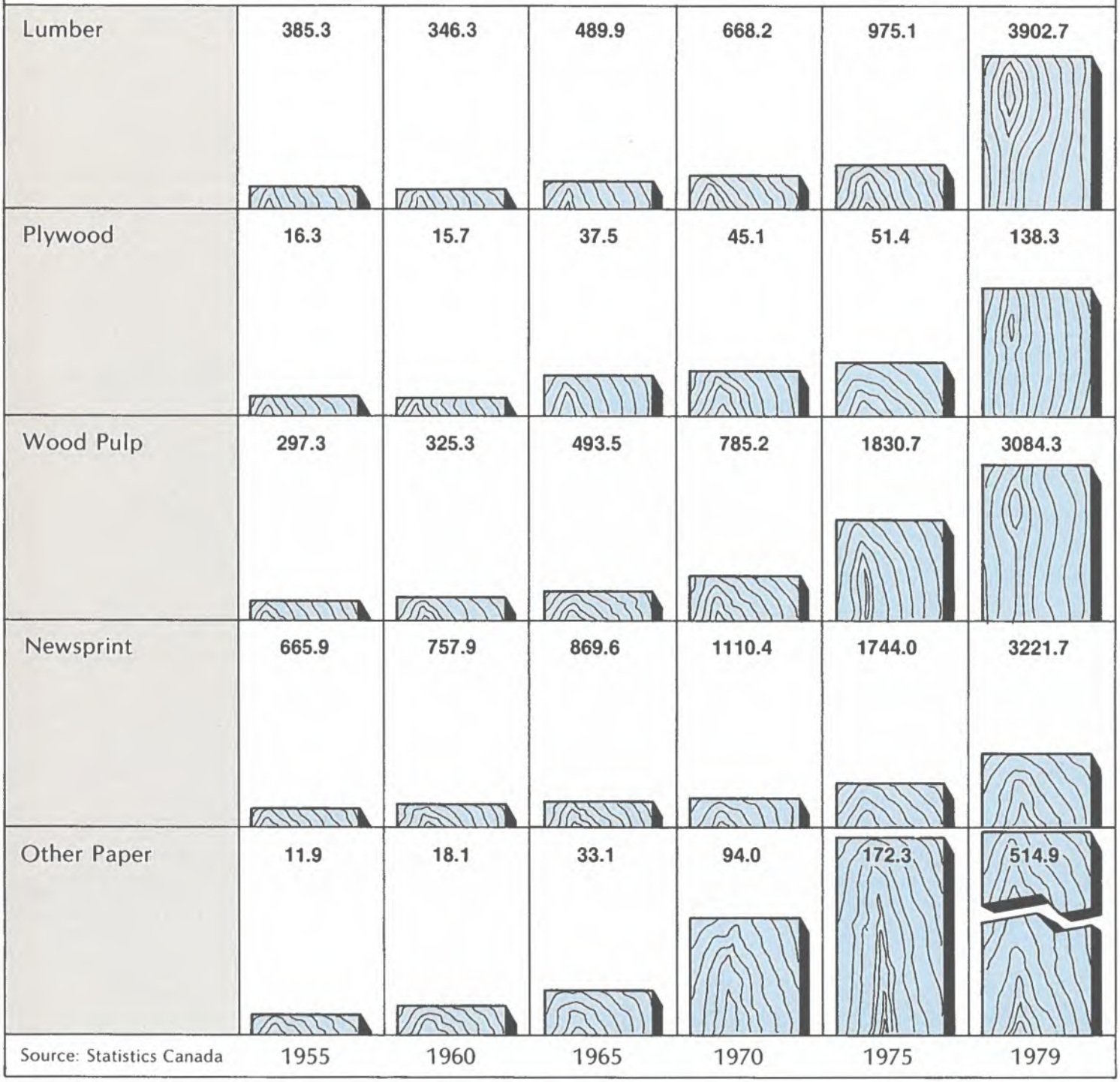
A few companies in the Canadian industry are completely integrated: they log trees from their own forests; transport logs by their own trucks to their sawmills; "peel" the larger logs to manufacture plywood; saw lumber for housing; chip what fibre remains and turn it first into pulp and then newsprint or other paper products; and finally sell their products through their own distribution networks. Other companies are active in only some of these operations, the smaller firms typically specializing in logging or sawmilling operations. Virtually all companies, however, are dependent on others within the industry; pulp mills, for example, must often obtain a big portion of their wood chips from independent sawmills. One result of this interdependence is that newsprint production costs may rise as by-product wood chips become scarce during a lumber market downturn.

Challenges

Over the past 30 years, the growth of the Canadian industry has been quite remarkable. Pulpwood and sawn lumber production has nearly tripled, and newsprint production has doubled. Shipments of pulp, paper and paperboard have more than doubled in quantity, employment has risen by over 50 percent and the value of capital employed is more than 10 times what it was in 1950. Yet, in spite of that growth, Canada's share of the faster-growing world pulp and paper markets has

Jim Lyon is a writer for the Financial Post in Vancouver.

Forest Products Exports
in millions of dollars



slipped. For instance, installed Canadian newsprint capacity, which in 1950 could supply 55 percent of the world's demand, could only supply 37.6 percent in 1979. For total wood pulp, Canada once had the capacity to supply 22.2 percent of world demand, but now can only supply 14.3 percent. Moreover, timber availability could constrain the Canadian industry's ability to increase capacity.

The problem is now being faced head on with the industry placing considerable emphasis on improved forest management and "close utilization", which is a policy of using every piece of wood fibre that can be handled at a profit rather than leaving it behind. Canada's trees are no longer considered by the industry as an infinite resource to be "mined" indiscriminately.

From the air Canada's forests give the illusion of being limitless and inexhaustable. Many areas, however, are facing serious timber shortages as the result of past practices. In the 18th and 19th centuries forests were often regarded as a menace, an impediment to progress. Trees were cut down and their roots laboriously torn from the ground to make way for agriculture and settlement. Canada's his-

tory books tell of big fires burning day and night in Eastern Canada as large stretches of inconvenient forests were eliminated. In British Columbia, at the start of this century, miners seeking gold started huge conflagrations to facilitate access to their mines. Loggers took what was most accessible and most valuable, often without regard to reforestation.

Today, most of the first-growth forest in British Columbia, including the giant Douglas firs, western Red Cedar and hemlock that grew for many centuries, has been logged. As a result, the industry must retool and redesign its mills to handle smaller trees, which are often located high on remote mountains. So remote are some of these forest resources that a few companies have resorted to helicopter logging, particularly in areas where road building would be impossible or prohibitively expensive, and experiments are now underway with balloons to remove timber from the forests.

A number of sobering reports, both by government and industry, have stressed the need for significant new investment in forest management. A joint government-industry survey indicated that there was considerable scope for extending timber supplies through better utilization, improved access to remote areas and more intensive management practices.

Ownership of the forest resource rests mainly with the provincial governments, who are now making a determined attack on the problems of forest management. In British Columbia alone, the provincial government plans to see $1.4 billion spent over the next five years in order to improve silviculture and ensure more tree planting.

Foreign control

Although foreign capital contributed to the development of the industry in Canada, Canadian control has always been significant and, for some time, dominant in the industry's manufacturing capacity. According to the Canadian Pulp and Paper Association, 63 percent of the pulp and paper industry's manufacturing capacity is controlled by Canadians, 30 percent by Americans and 7 percent by other interests. Nevertheless, there are some large foreign-controlled companies, including the Canadian International Paper Company, Crown Zellerbach Canada Ltd. and Ontario Paper Co., which are American-controlled, and Reed Paper Ltd., which is controlled in Britain. A royal commission report to the Government of British Columbia in 1976 indicated that 29 major companies in that province had majority foreign ownership, 26 of which held significant timber rights. It also pointed out that companies with majority foreign ownership held 29 percent of the sawmilling capacity, 37 percent of pulp capacity and 43 percent of veneer and plywood capacity, but only 18 percent of paper capacity.

Outlook

Most forest industry leaders are optimistic. They expect that demand for wood fibre will be intense in this decade and beyond, barring any cataclysmic barriers to economic growth. Apart from the availability of timber, the only constraining factor the Canadian industry will face is its own production costs relative to those of its competitors. For despite its strength, the Canadian industry faces strong competition from foreign producers, notably in the southern pine belt of the United States and in the fast-developing areas of South America, particularly Brazil. On the other hand, it now appears that the Soviet Union will provide less competition than previously thought, and Scandinavian countries, traditional competitors, face serious timber shortages.

The relative weakness of the Canadian dollar over the past three years (about 85 cents U.S.) has given Canadian producers a sharp competitive edge. Other steps are being taken, however, to reduce industry costs and improve competitiveness. One of these is the reduction of energy costs. The forest industry is recognized as the largest energy consumer of all Canada's industrial sectors; in British Columbia, it is estimated to consume about a third of all the energy purchased. A 1977 survey showed that energy represented roughly 2 percent of the cost of lumber production in that province. About 6.5 percent of the cost of a ton of market pulp was attributable to energy and 10 percent of newsprint manufacturing costs. For many years the industry has been burning "hog fuel" (bark, sawdust and wood debris) to generate steam power for its boilers. With the increasing cost of energy this effort is being intensified, although there are limits to the use of wood waste since it is bulky and expensive to transport.

In 1976, the pulp and paper industry, whose 130 mills across the country are by far the biggest energy consumers in the forest products sector, made a commitment to reduce by 1980 its use of purchased energy by 12 percent from 1972 levels. That target was achieved well ahead of schedule and further reductions are planned.

After years of inadequate returns, healthy cash flows in 1978 and 1979 enabled companies in the forest industry to undertake much-needed capital spending programs to modernize aging facilities, up-grade machines and conserve energy. As much as $1 billion a year will be spent during the next several years to complete projects already started or recently announced. These projects involve every province, but are particularly notable in British Columbia and Ontario. The largest of them are in the pulp and paper sector, where production has been at capacity, but they also include substantial sawmill expansions and improved logging operations.

Although Canadian sales of lumber, pulp and standard newsprint to most major world markets have been duty-free for many years, other products such as particleboard, waferboard, softwood plywood, linerboard and certain grades of groundwood specialty papers have been subject to tariffs. As a result of the 1979 multilateral trade negotiations and related agreements, tariffs on these products traded between Canada and other nations will be reduced over time. Canadian companies expect to benefit from the elimination of U.S. tariffs on groundwood printing papers and the reduction from 10 percent to 4 percent of the U.S. tariff on waferboard over an eight-year period. However, they expect increased competition in the domestic market as the result of reduced Canadian tariffs on products such as fine paper, paperboard and particleboard.

The United Nations Food and Agriculture Organization forecasts annual growth of 4.3 percent in pulp and paperboard consumption and a 1 to 2 percent increase for lumber and wood-based panels. While not everyone accepts these figures uncritically, the industry generally sees the balance of the 20th century as presenting great opportunities for increased employment, higher output and export earnings.

Major foreign-owned corporations in the forest products industry

Company	Sales	Assets	Country of control
	($ millions)		
Canadian International Paper Co	1,000	n.a.	USA
Crown Zellerbach Canada Limited	614	451	USA
Ontario Paper Company	350	n.a.	USA
Scott Paper Ltd.	141	95	USA
Crestbrook Forest Industries Ltd	110	98	Japan
Reed Paper Ltd	307	359	UK

German investment in Canada

German business is involved in every sector of the Canadian economy from mining in the high Arctic to manufacturing in southern Ontario. The increasing number of German business missions, the growing flow of German tourists into Canada and the appearance in Germany of articles about Canada and investment in this country are all signs which point to an even stronger German participation in the Canadian economy.

by Gorse Howarth

The recent growth of West German investment in Canada and all the attention given to it tend to make us forget that West Germans have been investing here for many years. In fact, many well-known German companies, including BASF, Bayer, Kuhne & Nagel, Mannesmann and Volkswagen incorporated Canadian subsidiaries in the 1950's. Between 1952 and 1979 businesses from West Germany have invested well over DM 4 billion in Canada. This figure, provided by the federal Department of Economics of West Germany, makes Canada the sixth most important recipient of West German investment in the world. Moreover, that German presence in Canada's economy is expected to grow at an accelerating rate because of factors identified by a high-level German business mission to Canada in September 1979. The group pointed out several reasons for investing in Canada as an operating base for North America, including: its proximity to the huge U.S. market, an abundance of relatively cheap energy, reasonable labour costs and political stability.

Interest in Canada's resources could be another factor leading to higher levels of investment. In the past, German investment in resource exploration and development has led to some interesting and, at times, dramatic ventures. One of the more interesting phenomena in recent years was the rush by West Germans to invest in drilling funds in the Canadian oil and gas industry. Since 1974, West Germans are said to have bought over $700 million worth of these tax-induced offerings. Germans have also taken an equity interest in oil and gas exploration companies and in ventures related to other energy resources such as uranium and coal. One such venture, in which Uranerz Exploration and Mining Ltd. has a one-third interest, is expected to be producing uranium from deposits at Key Lake, Saskatchewan in the next few years.

In addition, Germans have made sizeable investments in metal mining. One of the more dramatic of these is Nanisivik Mines Ltd., a new zinc-lead mine high in the Canadian Arctic, at the northern tip of Baffin island. The large German corporation Metallgesellschaft is an important participant in this, the world's most northerly metal mine. Further south, the same corporation has considerable interests in other mineral exploration and development projects including oil and gas and uranium.

While much attention and publicity have been given to German resource investment, there is an impressive list of well-known German firms which have invested in manufacturing. One thinks of O&K Orenstein & Koppel, GWS Krupp Industries, BASF, August-Thyssen-Hutte, Siemens, Bayer, Klockner-Humboldt-Deutz, Klockner-Moeller, Demag and many others. German investments have introduced new technology, have resulted in increased exports and import replacement, have boosted research and development, as well as creating jobs involving both plant and managerial skills. An interesting example of West German manufacturing investment is provided by Deutsche Babcock Beteiligungs of Aberhausen. In 1978, it entered a joint venture with A.K. Velan of Monteal whose firm was producing a wide range of high pressure valves and steam traps for use in marine, fossil and nuclear power installations, petrochemical and other industries. The transaction provided Deutsche Babcock a manufacturing base and an established market in North America and Velan Engineering gained improved access to international markets, opportunities for joint ventures and participation in major turnkey projects and the financial strength of a very large and successful multinational corporation.

Deutsche Canada Grundbesitz, Wilh. Werhahn Canada, Schenber and Allianz Versicherungs-Aktiengesellschaft are just a few of the many German investors in Canada's service sector. By far the greatest object of West German investment in this sector has been real estate, particularly major urban and industrial properties. By no means, however, is it limited to real estate. There have also been a considerable number of investments in the wholesale and retail trade. In addition, there has been some German investment in finance. For example, the giant Deutsche Genossenschaftsbank of Frankfurt is a shareholder of one of Canada's newest chartered banks, the Northland Bank. Not to be forgotten is German investment related to recreation and tourism. The underlying

Mr. Howarth is Commissioner of the Foreign Investment Review Agency. The article first appeared in "Salute to the Federal Republic of Germany", which was a special magazine published in September by the Canadian-German Chamber of Industry and Commerce Inc. on the occasion of an exhibition in Toronto on German investment which the Chamber organized.

German investment may go increasingly West in pursuit of opportunities related to huge energy-related projects.

reason for this more recent category of investment is that, with the exception of Great Britain, West Germany is now Canada's most important source of tourist revenue from overseas. In 1979 alone, approximately 235,000 West Germans visited Canada, particularly British Columbia, Alberta and Ontario.

Hegel, the German philosopher, once argued that what "... experience and history teach is ... that people and governments have never learned anything from history or acted on principles deduced from it." This, however, has not been the case with Canada's policy on foreign investment. Experience and history have taught Canada that foreign investment can be beneficial to a country's development and prosperity only inasmuch as that country takes the steps necessary to make it so. That is precisely why the Foreign Investment Review Agency was created. By reviewing foreign investment proposals according to an open set of economic criteria, the Government can ensure, on a just and equitable basis, that foreign investment will be beneficial to Canada as well as to foreign investors.

German business, through its investment, has long distinguished itself by its contribution to the Canadian economy in the form of its world-renowned technological expertise, its managerial and entrepreneurial excellence and its proven willingness to join Canadians in resource and industrial ventures. These outstanding qualities no doubt account in great part for the high rate of allowance of German investment proposals under the Foreign Investment Review Act. Since the Act came into effect, 90 percent of all West German proposals have been allowed. In fact, of the 168 proposals from West Germany that were resolved between April 1974 and June 20, 1980, only 7 have been disallowed and, of these, 3 were subsequently re-submitted and allowed. These investment proposals, which include both acquisitions and new businesses, refer only to investments involving control the the enterprise and do not cover portfolio investments.

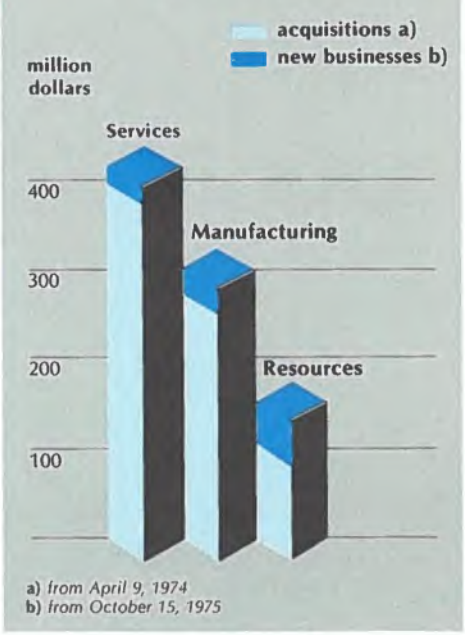
The total value of the investments allowed during this period was approximately $875 million, making Germany the third largest investor after the United States and Britain.

Although a slight majority of those applications were for the establishment of new businesses, the smaller number of acquisition proposals accounted for fully 85 percent of the total assets involved. Almost half of the total investment was in the service sector, mainly in wholesale and retail trade and in finance, insurance and real estate. A further 30 percent was in manufacturing industries, of which machinery and metal fabricating were the most important. Only 17 percent of the total concerned the primary (resource) sector although this sector actually attracted the largest proportion of proposed investment in new businesses.

FIRA statistics show that most German investments are directed to three provinces, namely Ontario, Alberta and Quebec. While Ontario was the location for most acquisitions (69 percent of the assets involved), Alberta was the chief beneficiary of new business investment (40 percent), and particularly of new mining enterprise. This latter development, together with the evidence of strong portfolio investment in Western resources, has undoubtedly encouraged recent speculation that German investment may go increasingly to the West in pursuit of opportunities created by the vast energy-related potential there.

Whether or not it moves in that direction, further large increases in the stock of German capital will likely occur as Canada continues to welcome investments that are of benefit to this country as well as the investor.

Value of allowed German investments to June 20, 1980



a) *from April 9, 1974*
b) *from October 15, 1975*

Ontario's economy: strength through diversification

The huge energy projects in Western Canada and all the attention surrounding them have tended to take Ontario out of the country's economic limelight. And yet, when one looks closely at that province, one finds an economy which is highly sophisticated and fundamentally sound and, which holds the promise of considerable growth over the next decade.

by Elaine Wyatt

It is hard not to be impressed by Ontario. In 1978 it accounted for over 38 percent of the country's labour force, 36 percent of national retail sales, 44 percent of the export trade and about 40 percent of personal income. In that same year, the province had a 41-percent share of Canada's real domestic product. More than one-third of Canada's population lives in Ontario, which covers approximately 11 percent of the country's land mass.

Ontario's economy performed well throughout the turbulent 1970s, the great strength and diversity of its industry allowing it to thrive in spite of such shocks as the oil-price increases and the more recent problems of the automobile industry. While world economic conditions deteriorated during that decade, the province's economy continued to grow at an impressive pace. Employment in Ontario grew at an average annual rate of three percent. In 1979 alone, 161,000 jobs were created in the private sector, an increase of over 4 percent. In spite of combined inflationary and recessionary pressures, the province's real output grew at an average rate of 3.7 percent annually. This performance outpaced that of West Germany, the United States, the U.K., indeed that of all OECD countries. In particular, Ontario's annual employment record outstripped that of both Japan (0.1 percent) and West Germany (-2.1 percent), countries often cited as having fared the best in recent years. This strong growth is all the more impressive when one takes into account the fact that the appreciation of the yen and the mark effectively softened the potential impact on Japan and West Germany of the rise in oil prices (in U.S. dollars) at a time when the Canadian dollar was losing some ground to the U.S. dollar.

Resources, manufacturing and services are all fully developed sectors in Ontario; mining and forestry are particularly strong in the North; manufacturing in the South; and services (public sector) in the East. As time passes, however, the traditional regional economic lines are becoming increasingly blurred because Eastern Ontario is the locus of a veritable explosion of high-technology industries and government policy is encouraging the development of secondary industry closer to resources in the North. Furthermore, Southern Ontario has always been the center for financial and other services and is one of the richest agricultural areas of Canada.

Ontario is endowed with immense natural resources, including 15 basic minerals such as copper, iron ore, zinc, silver, gold and platinum. The province has half the world's supply of nickel and the largest supply of uranium in the Western World. Total value of mineral production in 1978 is estimated at $2 billion, making it the second largest provincial mineral producer in Canada. Additionally, Ontario is the largest producer of structural materials such as cement, lime, clay products, sand and gravel.

Ontario's forest resources, the third largest in Canada, cover 570,000 square kilometres of land, largely in Northern Ontario and to a lesser extent in Eastern Ontario. Although the resource already supports a substantial wood products industry, there remains considerable potential for further exploitation. Ontario accounted for only 14.7 percent of Canada's production in 1977 while it had 21.1 percent of the productive, economically accessible and inventoried forests. And there's room for expansion. Furthermore, experiments with fast growing, hybrid tree farming in Eastern Ontario may help to alleviate concern about forest regeneration.

When one thinks of Canadian agriculture, the usual tendency is to think of the Prairies with their huge grain production and immense ranches. But for a great number of commodities, Ontario is the largest producer in Canada. Ontario farmers grow almost half the fruit and two-thirds of the vegetables produced in Canada. They produce almost twice as many eggs and finish more beef for market than farmers from any other province. The province is the largest producer of fluid milk and poultry and the second largest producer of hogs. And, a good combination of soil and climate supports a wide variety of special crops such as winter wheat, tender fruits, tobacco and grapes. Furthermore, over half of all the food processed in Canada is processed in Ontario.

Characteristic of a well-developed, self-sustained economy, Ontario has a strong service sector, which offers specialized

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services and skills not available elsewhere in Canada as well as a large pool of capital necessary for major projects. The province is home for over 42 percent of Canadians employed in finance, insurance and real estate, and Toronto, Ontario's capital, is the financial heart of the country. One finds in that city the head offices or marketing divisions of Canada's 11 chartered banks, whose combined assets are valued at more than U.S. $200 billion. In addition, it is the home of the head offices of 80 percent of Canada's national corporations and, the Toronto Stock Exchange is by far the largest share-trading center in the country.

Though activity is intense in Ontario's resource and service sectors, it is manufacturing which has made the province's reputation. Two facts serve to illustrate this point: Ontario accounts for half of Canada's manufacturing shipments and 80 percent of the country's exports of fully manufactured products.

The leading manufacturing industry in Ontario is transportation equipment, in particular the automotive industry which accounts for one in every six manufacturing jobs in the province. Recently, however, the automotive industry has faced a dramatically changed world environment, which has caused serious adjustment problems and has resulted in the lay-off of more than 20,000 workers.

Ontario's automotive industry is very much a part of the North American industry and has, therefore, pursued a policy of gradual product differentiation to serve a distinctly North American market. Europe and Asia have been served by substantially different products. Consequently, the world was until recently divided into three major markets. With the gradual elimination of the distinguishing features of those markets and the dramatic rise in fuel costs, which has led the North American consumer to demand the kind of car produced in Europe and Japan, an integrated world market has emerged and is challenging North America's and, therefore, Ontario's automotive industry.

At first glance these new developments might be seen as a threat to the industry, but many observers see them as a great opportunity for growth. This optimism is explained by the fact that, though the "world car" is smaller and requires fewer components than the traditional North American model, it requires higher technological content and the kinds of material that Ontario can and does produce. In particular, more plastic, aluminum, magnesium and high-technology electronic parts will be needed to replace the usual grey iron and zinc castings, steel components and power options. Ontario's plastics industry has one of the world's best and most secure supplies of feedstocks. The province's aluminum industry can count on relatively cheap and secure supplies of electricity.

Provincial government assistance to the automotive industry has taken the form of an Autoparts Technical Centre, attached to the Ontario Research Foundation, and grants from the province's Employment Development Fund. The technical centre provides technical information, industrial engineering services, access to materials testing facilities and training programs. Provincial government grants have supported $71 million worth of expansions in the industry. The Government has also sought to help the industry by calling for modifications of the 1965 Auto Pact with the United States in order to rectify certain inadequacies and problems identified in recent years.

Transportation equipment, however, is just one of many strong manufacturing industries in Ontario. Traditional resource-based industries as well as more sophisticated types of manufacturing such as electronics, electrical products, machinery, chemicals and aerospace products give the provincial economy the depth and breadth necessary to absorb the kinds of cyclical or transitional shocks created by problems in certain industries such as the automotive industry. Highly developed inter-industry links enhance the province's potential for growth as well as provide a solid economic balance.

Ontario is experiencing the kind of technological evolution that other complex industrialized economies are experiencing, an evolution which promises to lead to unparalleled social and economic change. Microelectronics is being applied to computer-assisted design and manufacture in industries such as footwear and tool and die, and industrial robots are being used by General Motors of Canada for spot welding.

Though these are interesting developments, the most exciting news is coming from Canada's capital, Ottawa, in Eastern Ontario. Gradually, the city's longstanding reputation of being nothing more than a government town is becoming an anachronism as a community of highly innovative and young entrepreneurs push their way into the world of high technology with products and ideas that even the giants of their field cannot resist. Though Ontario's electronics industry is characterized by a diversity of small companies, many of which have annual sales of less than $1 million, Ottawa's 80 high-technology companies already employ 15,000 people, have a payroll of $200 million and estimated revenues of $500 million. One such firm, Mitel Corporation, has had an astonishing brief history. Producing semiconductors and telecommunications equipment, this miniature multinational has eight plants around the world and has grown by 100 percent each year since 1975, when its sales totalled only $12,000. Some have predicted that its sales will reach $100 million this year.

A number of other Ottawa firms are doing well. In the very competitive field of word processing, one finds AES, with sales of $125 million in 1979, and Gandalf Data Communications Ltd., with sales in the $20-million range. Another notable example is Linear Technology Inc., which designs and manufactures specialized silicon chips for hearing aids and exports 90 percent of its production. Others are Lumonics Research Ltd., an $8 million-a-year laser producer, and Epitek Electronics Ltd., whose development of thick film hybrids has turned it into a $3-million business.

Industrial robots, such as the one above in a General Motors of Canada truck plant, are just one example of the new technology being used in Ontario's industry.

Companies such as Northern Telecom and Bell Northern have set world standards for telecommunications equipment and systems. The announcement earlier this year that Northern Telecom's TELIDON system, a communications system that links central computers to home television sets, was chosen over competing European systems for a major U.S. field trial, represents a major breakthrough for Canadian videotext technology.

It was also in Ontario that significant achievements were made in satellite communications, in fibre optic technology, in space control systems (Spar Aerospace Ltd. developed a retractable arm for the U.S. NASA space shuttle) and in two-way interactive communications systems.

Still in manufacturing, industries such as metal fabricating and primary metal production have been expanding. Ontario's steel industry, which has become highly competitive and technically advanced, has been successfully competing with U.S. and Japanese producers in the U.S. market. Furthermore, the recent growth of two of its leading companies, Dofasco and Stelco, is expected to spark the development of some related heavy industries.

Recent additions to Southwestern Ontario's chemical industry will boost prospects for the plastics industry. Shell Canada Ltd. has recently completed a $230-million polypropylene and isopropyl plant, Imperial Oil Ltd.'s $100-million polyethylene plant will come on stream in 1982, and Union Carbide Canada Ltd. has also recently completed a $170-million plant.

All this manufacturing activity tends to make one forget Ontario's second largest single industry, tourism. Supported by a thriving food and beverage industry, tourism employs more than 200,000 people and generates over $5 billion a year in revenues. In 1979 alone, Ontario received nearly 21 million tourists from the United States who spent over $900 million during their visit. The industry seems destined for further growth as the number of overseas tourists has increased steadily in recent years.

Ontario's prospects

The 1980s promise to be a decade of sweeping change, thus of pain and opportunity. Ontario will share with other industrialized economies a number of short-term problems such as slow growth rates for the economy as a whole and for productivity and capital accumulation in particular, as well as persistent inflation and underutilization of resources. Though these international factors tend to cloud the horizon, a number of domestic factors have made Ontario watchers enthusiastic, if not sanguine, about the province's economic future.

The recent round of multilateral trade negotiations (GATT) is expected to improve the access of Ontario products to the U.S. market. In fact, 90 percent of Canada's exports will enter the United States with no more than a 5 percent tariff and 80 percent will enter tariff-free. In addition, it is expected that the current favourable exchange value of the Canadian dollar (U.S. $.85) will remain in the 85 to 90 cent range for the foreseeable future, thus ensuring that Ontario products retain that extra competitive edge both at home and abroad.

Continued record activity at the Toronto Stock Exchange is a clear sign of investor confidence

Certain investment indicators are encouraging. Activity at the Toronto Stock Exchange continues to reach record levels, a sign of investor confidence. Manufacturing activity will be stimulated by the approximately $200 billion worth of energy projects slated for the next 20 years, including pipelines, tar sands, heavy-oil upgrader plants and major coal developments. A number of significant mining projects as well as the upgrading of Canada's grain transportation system will also stimulate the economy. Not to be forgotten is business investment in plant and equipment which is expected to be very strong in 1980. In current dollars, business investment will total nearly $13 billion in Ontario this year, which is nearly 16 percent higher than in 1979. Large manufacturing firms are expected to increase their investment spending in real terms by 29 percent. Moreover, though personal savings are still high, lower interest rates could lead to significantly greater consumer spending.

Certain production factors, in particular labour, are giving rise to optimism. For example, U.S. Department of Labor figures show that Ontario's output per hour in 1978 increased by 4.2 percent, which, with the exception of Japan (8.3 percent) and France (4.9 percent), was considerably better than that of Germany (3.7 percent), Italy (2.9 percent), the United States (2.5 percent), and the United Kingdom (1.6 percent). Also in 1978 and on a U.S. dollar basis, Ontario's unit labour costs decreased by 4.3 percent, whereas they increased in Japan and the United Kingdom (26 percent), France, Italy and West Germany (15 to 20 percent) and the United States (7 percent). Furthermore, though Ontario's work force is expected to increase annually at a rate of only 1.9 percent in the 1980s compared to 3.3 percent in the 1970s, the most productive and entrepreneurial age group (25 to 54 years) is expected to experience dramatic increases during this decade.

In addition to the above factors, which are subject to change, one must keep in mind longstanding features of Ontario which have played and will continue to play major roles in the province's economic development. Ontario's strategic location in North America gives it access to 300 million consumers, 120 million of whom are within a single day's trucking from Toronto. The province's industrial core around Lake Ontario and Lake Erie is served by 6 deep-water ports, which are part of the St. Lawrence Seaway connecting mid-North America with the Atlantic Ocean. Furthermore, abundant fresh water, an excellent network of roads, and modern air and rail facilities are all trump cards in Ontario's industrial future. One factor that could become the greatest advantage of all is energy. The province has abundant and secure supplies of relatively cheap hydrocarbons and, thanks to nuclear energy and water power, the province currently has a 20 percent surplus electricity generation capacity with more facilities under construction.

Tidal power: the new wave in electricity generation

The historical scarcity and escalating costs of hydrocarbons used for the generation of electricity in the Maritime provinces have made that region acutely aware of the need for alternative sources of energy. The most interesting and exciting of these is tidal power, which, according to some estimates, could produce billions of kilowatt-hours a year. Exploiting this renewable source of energy in the Bay of Fundy could help alleviate the increasingly burdensome cost of the region's dependence on imported oil for the generation of electricity.

The concept is simple and straightforward: it is a matter of using the powerful movement of the Bay of Fundy's tides to turn turbines which generate electricity. The principle is the same as the one involved in the lumber and flour mills of old, the exception being that tides and not river currents turn the wheels. Why, then, has this energy source not been developed earlier?

The answer is economics. Tidal power has been debated, discussed and studied for several decades and its technical feasibility has been widely accepted for a very long time. However, as late as the 1960s, most analysts discounted it as being uneconomic in an age of cheap hydrocarbons. Nevertheless, there were some dissenting voices. In its October 1969 report, the Atlantic Tidal Power Programming Board suggested that changes might very well occur in the economic assumptions used in evaluating tidal power. In fact, the Board recommended more studies in the event of significant changes in interest rates, construction costs, conventional energy prices, or possible exhaustion of conventional supplies. Needless to say that the Board's foresight proved to be very accurate. It was thus the steep climb of the price of hydrocarbons, in particular imported oil on which the Maritime provinces are heavily dependent for the generation of electricity, which made tidal power economically desirable as well as technically feasible.

Within three years of the 1969 report, energy price and supply patterns were such that the Governments of Canada, Nova Scotia and New Brunswick agreed to create the Bay of Fundy Tidal Power Review Board, which was instrumental in laying the technical and economic groundwork necessary for the current tidal power project.

The Annapolis River project

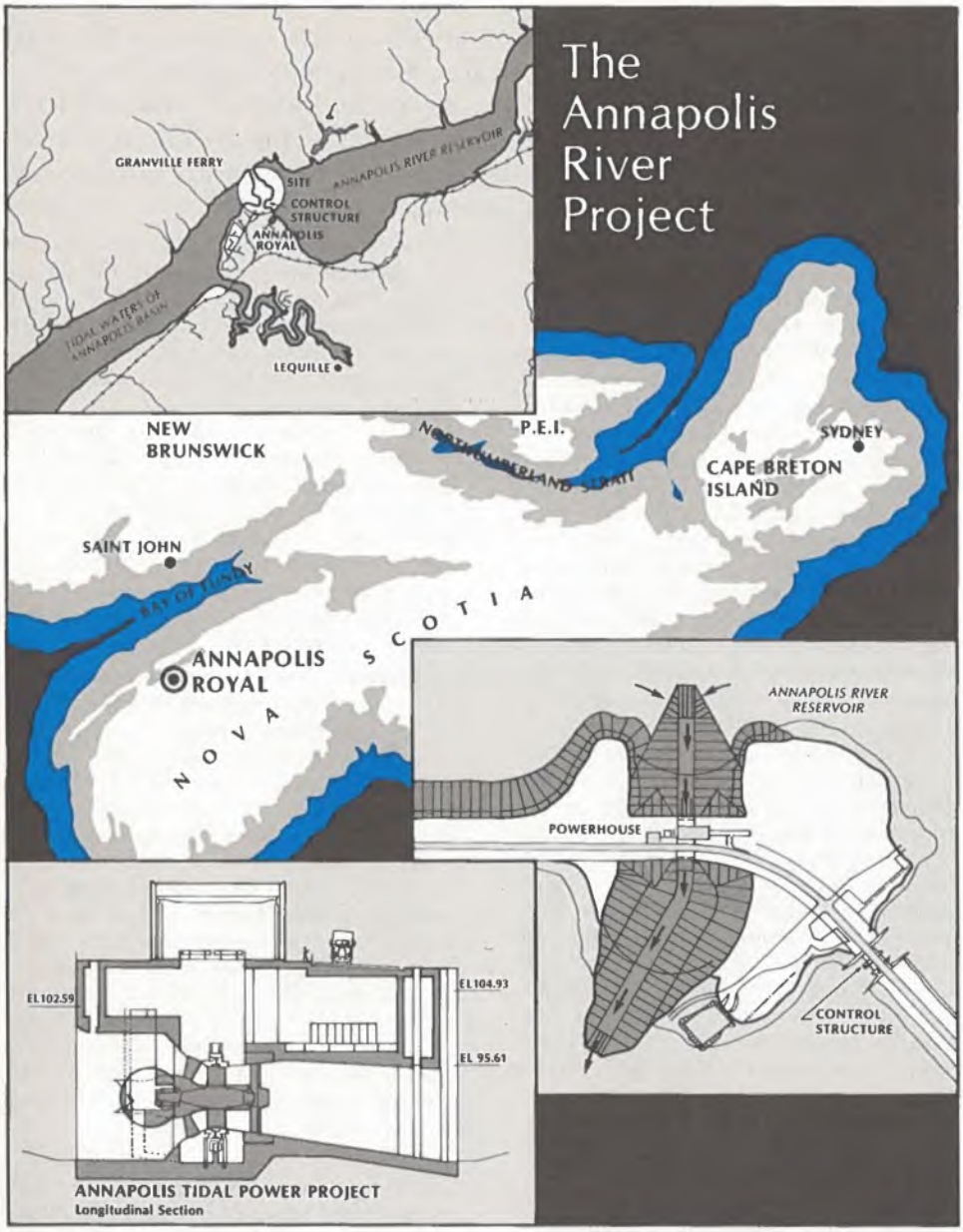
Though the principle involved is quite simple, its application requires sophisticated technology. Making use of a barrage built across the Annapolis River in the 1960s, the Tidal Power Corporation, a Nova Scotia provincial Crown corporation, will construct a generating station which is designed to assess the suitability of a prototype turbine for the development of major tidal projects in the upper reaches of the Bay of Fundy, where tides of about 11 to 14 metres are common. Also to be assessed is the turbine's suitability for low-head river hydro potential elsewhere in Canada. The station will have an immediately practical as well as an experimental vocation, generating 50 million killowatt-hours of electricity to replace an equivalent amount currently generated mainly from imported oil.

The $46-million project involves the construction of an underground powerhouse, connecting canals, modification of existing sluices and construction of a transmission line between the powerhouse and an existing substation.

The centerpiece of the project, however, is the straight-flow turbine developed by Escher Wyss of Switzerland for its Staflo unit. In this system, the turbine wheel (runner) turns on a horizontal shaft and operates with a straight flow of water through the sluices (water passages). It is suitable for "run-of-the-river" and tidal applications using low water heads (below 40 metres). Though Escher Wyss has installed a number of Staflo units in Europe, the unit it will build and install in the Annapolis project will be the largest in the world and, if successful, would represent a significant technical breakthrough in the field of hydraulic turbine engineering.

In addition to monitoring the performance of the turbo-generator unit, the project will assess environmental effects,

The editors wish to thank the Nova Scotia Communications and Information Centre for the cooperation and information they so willingly provided.



Approval of the Swiss investment proposal

The large turbine, which is a central feature of the Annapolis River project, will incorporate a design developed by Escher Wyss Ltd., which is a subsidiary of Sulzer Brothers Limited of Winterthur (Switzerland). The Swiss multinational designs and manufactures a wide variety of heavy engineered products such as industrial heating and air conditioning systems, textile machines, industrial pumps, steam generators and, of course, water and pump turbines.

In anticipation of the Annapolis River project, Sulzer Brothers Limited submitted an application to the Foreign Investment Review Agency for the establishment of a joint-venture company with Dominion Bridge Company Limited, a Canadian public company which designs and manufactures industrial products such as material handling equipment, structural steel erection machine tools and hydraulic excavators. The object of the joint-venture acquisition was Dominion Bridge's machine operations in Lachine (Quebec). Sulzer Brothers proposed to acquire 49 percent of the voting shares in the joint venture, Dominion Bridge owning the rest. The joint venture, to be known as DB-Sulzer Inc., was to become a member of the Escher Wyss hydraulic engineering group in which it would be the specialist on large Straflo-type turbines. The proposal was approved by the Government in January 1980.

in particular drainage and salt water intrusion into the valuable agricultural lands surrounding the basin. The project will be equipped for remote control operation and will be connected to the Nova Scotia Power Corporation's system. Construction is scheduled to be completed by the Spring of 1983.

Beyond the Annapolis River project

The Annapolis pilot project is a test run for the multi-billion dollar development of the Bay of Fundy's Cumberland Basin, which is located between the provinces of Nova Scotia and New Brunswick. In fact, the Cumberland Basin is only one of three sites found to be viable for tidal power development, the others being Cobequid Bay (Nova Scotia) and Shepody Bay (New Brunswick).

The Cumberland Basin was chosen as the site for the first major development principally because it is the smallest of the three sites, making it possible to minimize both technical and financial requirements. Another reason was that both Nova Scotia and New Brunswick could benefit from its development because the two provinces share the basin. Moreover, though it is the smallest of the three sites, the basin is large enough to provide a substantial contribution to the energy requirements of the Maritime region. Environmental and other cost considerations also played in its favor.

In its 1977 reassessment of the Fundy tidal power concept, the Bay of Fundy Tidal Power Review Board made an extensive and convincing case for undertaking the project. It pointed out that the exploitation of this indigenous renewable resource will reduce the need for imported oil and, consequently, result in significant foreign exchange savings. The cost stability throughout the long plant life (75 years) will be a decided advantage over the cost volatility associated with continued dependence on imported oil, and it is expected that system generation costs in the Maritimes would be significantly lower with tidal power. It is a clean form of energy and its development would place Canada in the forefront of this kind of technology, creating opportunities for related industrial development and application of the technology to other forms of electricity generation.

If successful, the Bay of Fundy tidal power development will probably rate as one of the most exciting and ingenious engineering feats of the next few decades. It will be an operating model for other countries to study. Though tidal power is by no means a complete solution to the fuel problems associated with the generation of electricity, it should prove to be an invaluable tool for coping with the growing scarcity and ever-increasing costs of fossil fuels.

Foreign investment in the service sector

by Frank Swedlove

In its review of acquisition and new-business cases over the past six years, the Foreign Investment Review Agency has been in a unique position to observe the degree of and identify reasons for new foreign investment in the service sector. This article draws on this experience and on other sources of information to provide an insight into foreign investment activity in that sector.

The service sector has been the least studied and most misunderstood sector in the economy. The tone was set long ago in Adam Smith's Wealth of Nations where he stated that "The sovereign . . . with all the officers both of justice and war who serve him, the whole army and navy are unproductive laborers; also — churchmen, lawyers, physicians, men of letters of all kinds: players, buffoons, musicians, opera singers, opera dancers, etc. . . . the work of all of them perishes in the very instant of its production." While most economists no longer share Smith's bias against services, many still hesitate to deal with that sector because it does not lend itself easily to measurement by traditional economic gauges such as production or output.

The first obstacle to overcome in any discussion of the service sector is its very definition. For the purposes of this article, all industries which are not included traditionally in the primary sector or do not involve the manufacturing or processing of goods are included in the service sector, namely: construction, transportation, communications and other utilities; wholesale and retail trade; finance, insurance and real estate; and community, business and personal service industries. Though state-owned corporations in these industries are included, public administration and defence are not.

The high barriers that inhibit entry into other sectors, notably mining and manufacturing, do not exist in the service sector because little commitment is required, generally, in machinery and equipment so that quick entries into and exits from most service businesses are possible. In fact, the only real constraint for most investors in the service sector is the limit of their own capabilities and imagination. Fast-food restaurants, day-care centres and the adaptation of computer program and consulting services to a wide variety of businesses are all examples of how quickly service-sector investments can take root and of how innovative such investments can be.

Level of foreign control

Compared with the rest of Canadian industry, foreign control in the service sector is not large. In 1977, the last year for which data are available under the Corporations and Labour Unions Returns Act (CALURA), only 13 percent of assets in this sector were foreign-controlled. Although the CALURA data exclude financial industries, which in terms of assets are the most important part of the service sector, that percentage would still seem to be reasonably accurate for the sector as a whole since foreign control in the financial industries has been separately estimated at about 12 percent.

Within the service industries surveyed by CALURA, foreign control is lowest (7 percent) in transportation, communications and other utilities and highest in wholesale trade, at 23 percent. But even the latter figure is low by comparison with other industrial sectors, such as mining (51 percent foreign-controlled) or manufacturing (54 percent).

There are a number of reasons why Canadian control remains at a high level in some parts of the service sector. One of these is the protection of key sectors through legislation requiring that at least a large proportion of the firms will be Canadian-controlled. Banking and other financial institutions, broadcasting and newspapers are covered by such regulations. Another is direct federal, provincial or municipal government equity participation in certain activities. Examples are rail and air transportation, broadcasting, electric and water utilities and telephone companies. This factor is largely responsible for the high level of Canadian control in the transportation, communications and utilities sector.

Nevertheless, foreign-controlled companies occupy an important place in quite a number of service industries. The Financial Post's list of Canada's largest corporations shows how many of them are among the largest in each industry. Of the 50 largest merchandisers in Canada, 20 are considered to be foreign-controlled: 13 in the United States (including Sears, Canada Safeway, Woolworths, the three foreign-controlled companies in the "top ten"); 4 in the United Kingdom, 2 in Japan and 1 in West Germany. Seventeen of the 35 largest insurance companies are foreign-controlled. Nine of these are controlled in the United States, including Royal Insurance, the largest property and casualty insurer, Allstate and Metropolitan Life, while another seven, including Commercial Union, Lloyd's of London and Prudential are U.K.-controlled. Even among the leading financial institutions, where the "top ten" companies are all Canadian-controlled, there are substantial foreign-owned companies such as General Motors Acceptance Corp., Ford Motor Credit Co. of Canada and Household Finance Corp. In addition, two the 15 largest real estate developers are foreign-controlled.

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Table 1
Foreign control in the service sector, 1977

Industry	Foreign control of industry assets	
	— $ millions —	— % —
Construction	1,905	12
Transportation, communications and other utilities	6,032	7
Wholesale trade	7,572	26
Retail trade	3,221	16
Business and personal services	3,723	18
Total	22,453	13

Source: Statistics Canada, Catalogue No. 61-210, CALURA, 1980, p. 136.

The United States is by far the most important foreign investor in the service sector, accounting for roughly 73 percent of foreign-controlled assets, followed by the United Kingdom, Japan and West Germany. In fact, in three of the five categories listed in Table 2, U.S. control exceeded 85 percent. Construction was the only category where the total for all other foreign countries was greater than that of the United States.

FIRA's experience with the service sector

In view of the service sector's relatively low level of foreign investment, its share of applications to the Foreign Investment Review Agency may seem surprising. Between April 1974 and the end of March 1980 applications in this sector exceeded the combined total for manufacturing and resource industries. Its predominance was particularly strong in new-business applications (62 percent). The wholesale and retail trade was by far the most frequently targeted industry in that sector. It is interesting to note that while the United States was identified as the country of control of the applicants in over 60 percent of the cases in four of the five industries listed, this is considerably below its 73-percent share of foreign-controlled assets in the sector as a whole. The only industry category in the service sector in which the United States did not account for the majority of cases was finance, insurance and real estate, Europe accounting for over half the cases.

Investments in the service sector tended to be smaller than those in other sectors, particularly in new businesses for which the average planned investment was about $520,000 in services compared to over $1.6 million in other sectors. On the other hand, the average asset value in acquisition cases was roughly the same in services as it was in other sectors (about $8 million). Only 4 percent of all service sector cases received between April 1974 and March 1980 involved assets of more than $10 million and most of these were in real estate, construction and insurance. Furthermore, the average service sector case involved fewer employees than did cases in other sectors. New businesses were to create on average 17 jobs in the service sector compared to 20 in other sectors. On average, service sector acquisitions involved 107 employees, whereas acquisitions in other sectors involved 133.

Nature of foreign investment in services

Unlike goods-producing industries, which can expand their markets by exporting their products, most service industries must establish themselves directly in the market they want to capture. Foreign investments in that sector usually involve horizontal integration through which foreign firms hope to expand the market for their services by carrying out in Canada the same activities they carry out at home. Furthermore, many of these new entrants propose to offer services almost identical to those already offered in Canada. For instance, in the retail trade, firms such as Boots (drugs), Marks and Spencer (clothing), Rustcraft (greeting cards) and Barcley-Lane's (shoes) all expanded their markets by investing in Canada and at a time when there already were well-established firms in those service fields in this country. Another way that foreign companies, notably American, have expanded their operations in Canada has been franchising agreements. Since the establishment of the Agency, firms in such industries as fast foods, auto repairs and service, residential real estate and day care centres have set up Canadian umbrella organizations to oversee independent Canadian franchisees.

While some investments involve services already available in Canada, others introduce ones that are entirely new to

Table 2 Percentage of foreign-controlled assets by country of control, 1977

Industry	U.S.	U.K.	Japan	West Germany	Other OECD	Other foreign
Construction	43.2	15.8	x	0.4	38.7	1.5
Transportation, communications & other utilities	91.7	2.7	0.1	1.1	2.2	2.3
Wholesale trade	51.5	15.2	11.9	5.7	13.5	2.2
Retail trade	86.6	10.6	0.9	0.3	1.4	0.3
Business and personal services	86.4	8.6	x	1.1	1.4	1.4
Total	72.4	10.1	4.3[e]	2.5	9.0[e]	1.7

x confidential
e estimated

Source: Statistics Canada, Catalogue No. 61-210, CALURA, 1980, pp. 126-130.

Table 3
Reviewable service sector applications
April 1974 — March 1980

Industry	Acquisitions	New businesses[a]	Total
Construction	11	26	37
Transportation, communications and other utilities	41	29	70
Wholesale and retail trade	290	327	617
Finance, insurance and real estate	68	43	111
Community, business and personal services	102	159	261
Total	512	584	1,096

[a]*The new-business provisions of the Act came into force in October 1975.*

this market. These "new idea" investments may be innovations in the delivery of a service or may represent a wholly new specialization of a segment of an existing market. They generally occur in the business and personal service categories. Commercial mausoleums and mini-warehouses are two concepts introduced to Canada in last few years. But the greatest growth for "new idea" investments has been in the computer service and consulting fields. The Foreign Investment Review Agency has received applications by foreign computer companies offering speciality software programs to lotteries, the dental profession, auto dealerships, aircraft maintenance firms, racetracks and real estate firms. In addition, foreign consulting firms have offered specialized services to companies concerned with air and water pollution, footwear manufacturers, the forest products industry, and waste disposal firms. Having already incurred the original costs of developing software or expertise in their home market, these computer and consulting firms can offer Canadian companies or individuals their services at attractive prices.

Another major form of investment in the sector is the acquisition or establishment by foreign manufacturers of a distribution capability in Canada. It is almost an axiom of business that the greater the complexity of the product, the greater the advantages of owning one's own distribution network. The underlying reason is that the more complex products require more sophisticated selling and after-sales servicing. Firms that have pursued this strategy include manufacturers of cars, cameras, computers and audio equipment.

A third category of foreign investment in the service sector is the adaptation of an international scale or the internationalization of services. This often results either from a gradual change in business practices or from an abrupt change in government or industry policy. A most cogent example of internationalization is provided by the insurance brokerage business. Multinational enterprises increasingly prefer to deal with one brokerage company which is familiar with their firm, the industry and the equipment used by their firm in their operations worldwide. Many brokerage firms have established fully-owned subsidiaries to respond to the needs of their multinational clients. Internationalization, however, is not limited to financial industries. For example, parcel delivery firms, which historically were organized on a national basis, are now attempting to establish subsidiaries to handle trans-border shipments as well as serve the local markets.

Occasionally, foreign individuals or companies detect a new need for a particular service in the Canadian market which they do not provide at home. An example of meeting new needs was the recent proposal to FIRA by two U.S. firms to establish a recruitment firm in Canada to provide technical personnel to Canada's provide technical personnel to Canada's aerospace industry, whose recent expansion has led to shortages of engineers, draftsmen and other technical experts in the field.

Table 4
Reviewable service sector applications: average size of investments

Industry	Averaged planned investment — new-business cases	Average value of assets acquired — acquisition cases
	— $ thousands —	
Construction	5,746	3,944
Transportation, communications and other utilities	288	3,211
Wholesale and retail trade	67	6,342
Finance, insurance and real estate	509	25,632
Community, business and personal services	644	4,922
Sector	520	8,060

Outlook

Though the rapid evolution of technology makes identifying trends a rather risky business, some major changes in society will quite probably be the harbingers of certain kinds of investment in the service sector by both foreign and domestic entrepreneurs. The growing participation of women in the labour force and the increasing number of single parents are developments that have and will continue to increase demand for services such as child-care and home cleaning. The recent rapid improvement in communications and computer technology should foster the development of several service activities, particularly for small businesses and individuals. For example, demand may soon increase for paging services, computer time-sharing and more sophisticated security systems.

The internationalization of finance will almost definitely continue. Expected changes in Canada's Bank Act should bring about substantial investment activity by foreign banks. Credit corporations, involved in the issuing and checking of credit, will probably follow this course and insurance, security brokerage and investment counselling services will become even more internationalized.

Capital investment projects in Canada

Electric power, oil and gas, and mining

This list shows major capital spending projects now in progress or firmly committed in the electric power, oil and gas, and mining sectors. Only projects costing over $10 million are included. Other sectors will be covered in subsequent issues of the Foreign Investment Review. Information has been obtained from press reports.

This report was prepared by the staff of Foreign Investment Review.

Capital spending in these sectors is expected to remain particularly strong in 1980 and beyond. A recent survey of large firms carried out by Industry, Trade and Commerce reported capital expenditures of nearly $7 billion for mining and oil and gas companies in 1980 and a further $6 billion by utilities. Many more projects are still at the planning stage and will involve large expenditures in subsequent years. Thermal coal developments in Northeastern British Columbia, for example, could require nearly $1 billion over the next several years. In Saskatchewan, the Saskatchewan Potash Corporation plans to spend $2.5 billion over the next 10 years, and heavy oil projects in Alberta will involve investment of many billions of dollars.

Company and project description		Completion date	Cost ($ million)	Location
British Columbia				
Electric power				
New power plants				
B.C. Hydro and Power Authority	hydro	1983-84	1,600	Revelstoke
	hydro	1980	500	Pend d'Oreille River
	hydro	1980	410	Peace Canyon
	hydro	1987-88	1,500	Peace River, Site C
	transmission link		57	mainland to Vancouver Island
Oil and gas				
Westcoast Transmission Co. Ltd.				
Gas transmission line (planned)		1983	183	Williams Lake to Comox
Pacific Northern Gas Ltd.				
Gas transmission line		1983	75	Vancouver Island
Mining				
British Petroleum				
Coal development		1983	400	near Chetwynd
Carolin Mines Ltd. and Aquarius Group				
New gold mine		1981	20	Hope area
Climax Molybdenum Corp. of B.C. Ltd.				
Re-activate and expand molybdenum mine		1982	145	Alice Arm area
Cominco Ltd.				
Electrolytic and melting plant, zinc refinery		1982	210	Trail
New zinc leaching plant		n.a.	23	Trail
Modernization of Sullivan lead-zinc mine		1985	20	Kimberley
Dupont Canada Inc.				
New gold-silver mine and mill		1981	12	Chappelle
Fording Coal Ltd.				
Expansion, coal mine		1982	115	Elkford

Imperial Oil Ltd.			
Re-open copper mine	1980	10	Stewart area
Kaiser Resources Ltd.			
Expand coal preparation plant	n.a.	16	Sparwood
Addition to coke plant	n.a.	10	Sparwood
New coal mine	n.a.	200	Greenhills
Lornex Mining Corp. Ltd.			
Expansion, copper-molybdenum mine and mill	n.a.	160	Highland Valley
Newmont Mines Ltd., Similkameen Division			
Open-pit mines	1981	23	Copper Mountain
Noranda Mines Ltd.			
Develop copper-zinc mine	n.a.	62	Goldstream Valley
Shell Canada Ltd.			
Thermal coal development	1982	180	Lime Creek
Teck Corp. Ltd.			
Copper-molybdenum mine and mill	1980	161	Highland Valley
Valley Copper Mines			
Copper mine	n.a.	300	Highland Valley
Western Mines Ltd.			
Copper-lead-zinc mine	1983	20	Buttle Lake

Alberta

Electric power			
New power plants			
Alberta Power Ltd. thermal	1985-86	750	Sheerness
thermal	1981	242	Battle River
Calgary Power Ltd. thermal	1984	500	Keephills
Edmonton Power thermal	1987-88	663	Genesee
Oil and gas			
Amoco Canada Petroleum Co. Ltd.			
Oil sands pilot project	1982	46	near Fort McMurray
Aquitaine Co. of Canada Ltd.			
Sulphur prilling plant	1981	10	Ram River
Expansion, gas processing plant	1980	17	Ram River
Chevron Standard Ltd.			
Gas processing plant	1981	10	West Pembina field
Esso Resources Canada Ltd.			
Oil sands project	1985	6,000	Cold Lake
Hydrocarbon processing plant	n.a.	12	Everdell
Expansion, gas facilities	1981	75	Judy Creek field
Foothills Pipe Lines Ltd.			
"Prebuild" for Alaska gas pipeline	1981	655	S.W. Alberta
Gulf Canada Resources Inc.			
Gas processing plant	1982	200	Robb
Gulf Canada Ltd.			
Expansion, oil refinery	1983	100	Edmonton
Imperial Oil Ltd.			
Expansion, oil refinery	1982	100	Edmonton
Shell Canada Ltd.			
Oil sands project (Alsands)	1987	6,000	Fort McMurray
Oil refinery	1983	750	Edmonton
Suncor Inc.			
Expansion, heavy oil plant	1982	200	Fort McMurray
Suncor Inc. and Worldwide Energy Co.			
Heavy oil thermal recovery project	1987	75	Cold Lake area
Mining			
Petro Canada			
Coal mine	1981	38	Kipp
Forestburg Collieries Ltd.			
Coal mine	1982	n.a.	near Sheerness
Manalta Coal Ltd.			
Expansion, coal mine	1982	n.a.	near Sheerness

Saskatchewan

Oil and gas			
Husky Oil Ltd.			
Increase capacity, heavy oil refinery	n.a.	55	Lloydminster
Mining			
Amok Ltd.			
Phase 2, uranium mine and mill	1984	85	Cluff Lake
Potash Corporation of Saskatchewan Ltd.			
Expansion, potash mine	1981	73	Rocanville
Expansion, potash mine	1980	27	Lanigan
Ideal Basic Industries Inc.			
Expansion, potash operations	n.a.	26	Northern Saskatchewan
Esso Minerals Canada, Numas Oil & Gas Ltd., Bow Valley Industries Ltd.			
New uranium mine-mill	1984	300	Midwest Lake
International Minerals & Chemical Corp.			
Modernization, potash mine	1982	55	Esterhazy
Saskatchewan Mining and Development Corp., Uranerz Exploration and Eldor Resources			
Uranium mine	1983	300	Key Lake

Manitoba

Electric power			
New power plant			
Manitoba Hydro hydro	1989	n.a.	Limestone, Nelson River
Mining			
Hudson Bay Mining and Smelting Co. Ltd.			
Copper-zinc mine development	1982	10	near Snow Lake
Inco Ltd.			
Ore processing	1980	10	Thompson
Deepening Birchtree mine shaft	1982	31	Thompson

Ontario

Electric power				
New power plants				
Ontario Hydro	thermal	1984-88	850	Atikokan
	thermal	1981	400	Thunder Bay
	nuclear	1983-87	4,200	Bruce B, Lake Huron
	nuclear	1982-84	2,900	Pickering, Lake Ontario
	nuclear	1988-91	7,000	Darlington, Lake Ontario
Great Lakes Power Co. Ltd.		1982	95	Sault Ste-Marie
Mining				
Campbell Red Lake Mines Ltd.				
Expansion, gold mine-mill		1982	10	Red Lake area
New gold mine		1983	75	Detour Lake
Denison Mines Ltd.				
Expansion, uranium mines		1984	250	Elliot Lake
Dome Mines Ltd.				
Expansion, gold mine		n.a.	50	Porcupine area
Domtar Inc.				
Expansion, rock salt mine		1982	25	Goderich
Eldorado Nuclear Ltd.				
New uranium refinery		1982	130	near Port Hope
Inco Ltd.				
Ventilation system, Creighton mine		1982	72	near Sudbury
Preston Mines Ltd.				
Re-activate uranium mine		1984	186	Elliot Lake

Quebec

Electric power				
New power plants				
Société d'énergie de la Baie James	hydro	1979-85	15,000	James Bay area
Hydro Québec	hydro	1985	900	Manic River
Mining				
Alcan Aluminum Ltd.				
New aluminum smelter		1981	200	La Baie
Asbestos Corp.				
Improvements, asbestos mine		1983	122	Thetford Mines
Carey Canadian Mines				
Improving environmental controls		1980	11	East Broughton
Dumagami Mines				
Molybdenum concentrator		1980	10	Cadillac
Hudson's Bay Oil and Gas Co. Ltd. and Selco Mining Corp.				
New concentrator		1981	80	Joutel
Johns-Manville Canada Inc.				
Modernization, asbestos mine-mill		1981	77	Asbestos
Kiena Gold Mines				
New gold mine		1982	22	Dubuisson Twp.
Quebec Cartier Mining				
Improvements		1983	179	Port Cartier
Teck Corp. Ltd. and Niobec Inc.				
Expansion, columbium mine		1981	10	St-Honoré

Atlantic Region

Electric power				
New power plants				
Newfoundland and Labrador Hydro Commission	hydro	1980	83	Hinds Lake, Nfld.
	hydro	1982	155	Upper Salmon River, Nfld.
Lower Churchill Development Corp.	hydro	n.a.	2,000	Muskrat Falls, Nfld.
Nova Scotia Power Corporation	hydro (tidal project)	1983	47	Bay of Fundy, N.S.
New Brunswick Electric Power Commission	nuclear	1981	1,100	Point Lepreau, N.B.
Mining				
Brinco Ltd.				
Uranium mine (possible)		n.a.	160	Kaipokok Bay, Labrador, Nfld.
Brunswick Mining & Smelting				
Expansion and improvements, zinc-lead mine and smelter		1981	44	Bathurst, N.B.
Brunswick Tin Mines Ltd.				
New tungsten-molybdenum mine and mill		1981	80	near Fredericton, N.B.
Cape Breton Development Corp.				
Phase 2, Donkin coal mine		1981	30	Cape Breton Island, N.S.
Denison Mines				
Salt-potash development		1983	150	Sussex, N.B.
Home Oil				
Underground storage facilities		1983	100	Cape Breton Island, N.B.
Potash Co. of America				
New potash mine		1981	265	Sussex, N.B.

Yukon and Northwest Territories

Mining			
Arvik Mines Ltd.			
Zinc-lead mine development	1982	150	Little Cornwallis Island
Cyprus Anvil Mining Corp.			
Mill expansion, lead-zinc mine	1981	72	near Faro, YT

Provincial incentives

In an effort to attract new investment and industry, Canada's provincial governments have developed a range of programs designed to provide professional, technical and financial services to both foreign and Canadian firms. These incentive programs vary from province to province according to their economic vocation, industrial structure and priorities. In addition to providing technical assistance, such as the information and advisory services offered usually by their departments of industry and commerce, several provinces have created economic development corporations which offer financial assistance in the form of subsidies, loan guarantees and participation in share capital. Other provincial corporations work with industry to take advantage of certain market opportunities. All these provincial incentives should be viewed together with the federal government's programs and services. The latter were described in the last issue of the Review (volume 3, number 2).

Newfoundland

"Energy" could become a key word in Newfoundland's future economic vocabulary. The province has already harnessed enormous reserves of hydroelectric power. In addition, several years of intensive offshore oil exploration have produced some very promising results. Currently, however, the cornerstones of the province's economy are fishing, pulp and paper and mining, particularly iron ore. Uranium and gold have also been found. Newfoundland has a limited manufacturing sector in electronics and food and beverages. The province's scenic beauty and unique folklore have made it the site for the development of a significant tourist industry.

Newfoundland and Labrador Development Corporation Limited

The Corporation assists small- and medium-sized business enterprises in the primary and manufacturing sectors to carry out capital projects not exceeding $2.5 million by lending up to 80 percent of the total capital costs for up to 15 years at the prevailing interest rate. The Corporation can provide up to 49 percent of equity requirements with holdings to be in the form of preference shares.

To encourage the secondary and final processing of fish and fish products, the Department provides loans, interest free for the first two years if principal repayment is within program guidelines, for the purchase of suitable machinery and equipment approved by the Department. **Contact**: Newfoundland and Labrador Development Corporation, P.O. Box 1738, 44 Torbay Road, St. John's, Newfoundland, Canada A1C 5P5.

Department of Industrial Development

The Department has a marketing and product development program for small- and medium-sized companies in which it provides up to 50 percent of a project's total cost, which cannot exceed $50,000. **Contact**: Department of Industrial Development, Confederation Building, St. John's, Newfoundland, Canada A1C 5T7.

Department of Rural Development

The Department offers rural development authority loans to encourage the development of small resource-based industries. It provides interest-free loans of up to $20,000 for the purchase of land or buildings, or the construction or renovation of buildings, and the purchase of equipment and machinery. Loans can also be used for working capital.

Development grants, covering up to 50 percent of approved capital costs, are offered to manufacturing and processing industries and to industries utilizing the primary resources of the province. Manufacturing and processing companies that wish to establish themselves, expand or modernize can receive up to 50 percent of approved capital costs for projects not exceeding $25,000. The same kind of grant is

available for industries utilizing the primary resources of the province, the difference being the maximum value of the projects which is $60,000 for establishment purposes and $30,000 for expansion purposes. In addition, grants, covering up to 75 percent of approved costs, are offered for research and development projects not exceeding $10,000, which may lead to the establishment or expansion of manufacturing or processing facilities within the province or the utilization of the province's primary resources. **Contact**: Department of Rural Development, Confederation Building, St. John's, Newfoundland, Canada A1C 5T7.

A number of other programs are available. Interested readers should contact the Planning and Priorities Secretariat, Executive Council, Confederation Building, St. John's, Newfoundland, Canada A1C 5T7

Prince Edward Island

Prince Edward Island is Canada's smallest province. Traditionally, agriculture and fishing have been its economic cornerstones. The Island's charming scenery has made tourism one of the province's principal industries. In recent years, however, the province has enjoyed considerable industrial growth, notably in specialized manufacturing and food processing. This has added greater balance to the province's economy. Prince Edward Island has two significant industrial programs for the development of light industry.

Industrial Enterprises Incorporated

This organization provides serviced lands and facilities in industrial parks at attractive rates and flexible terms. It also provides assistance for capital expenditures in the form of first mortgage loans on real estate and equipment. **Contact**: Industrial Enterprises Incorporated, West Royalty Industrial Park, Charlottetown, Prince Edward Island, Canada C1E 1B0

Industrial Assistance Program

Administered by the Department of Industry and Commerce, the program provides financial assistance in the form of interest-free forgivable performance loans (FPL) to manufacturing and processing businesses, as well as to selected service industries. Eligible manufacturing and processing businesses may receive a maximum FPL of up to $30,000 for any one project. In addition, the program provides assistance for the purchase of new, used or reconditioned equipment and machinery. It also assists in the financing of construction or renovation of production facilities. Financing for the program is on a joint federal-provincial basis. **Contact**: Department of Industry and Commerce, P.O. Box 2000, Charlottetown, Prince Edward Island, Canada C1A 7N8

Nova Scotia

A peninsula situated on the Atlantic coast, Nova Scotia has developed an international reputation for its oceanographic and aquacultural research. Fishing is naturally one of the province's most important industries. Nova Scotia has a long mining history with its significant deposits of coal, lead and zinc. In addition, the province has been the setting for considerable off-shore oil and gas exploration. Manufacturing in Nova Scotia is based principally on resource processing, although companies such as Crossley-Karastan, Volvo and Michelin have an increasing input to the economy of the province. There is also a growing number of high-technology industries related to ocean industry, an area which is receiving keen attention from business and government as the province trains its attention to profiting from the 200-mile economic zone. The province also has a vigorous tourist industry. Nova Scotia is and has always been an active trading province, as is shown by the tonnage which passes through its capital, Halifax, which also is one of the largest ports on the east coast.

Industrial Estates Ltd.

Industrial Estates Ltd. is a crown corporation for the development of secondary industry in Nova Scotia. It provides long-term loans on 20-year first mortgages on 100 percent of the cost of land and buildings of secondary manufacturers and up to 60-percent financing of machinery with 10 years to repay. **Contact**: Industrial Estates Ltd., 5151 George Street, 7th Floor, Halifax, Nova Scotia, Canada B3J 1M5

Nova Scotia Department of Development

The Nova Scotia Department of Development is responsible for the development of businesses and industry. It offers loans to primary industries, tourism and fishing through the Nova Scotia Resources Development Board. The department also has specific assistance programs in marketing, management development, product design and development and opportunity identification, as well as a rural industry program offering capital grants to businesses wishing to expand, establish or modernize outside the Halifax-Dartmouth area. An industrial malls program encourages new small businesses and industries with rental and other assistance in the first year of their existence. Other programs are offered by the departments of agriculture, lands and forests, tourism, labour, fisheries and education which may be relevant to businesses and industries. **Contact**: Nova Scotia Department of Development, 5151 George Street, Halifax, Nova Scotia, Canada, B3J 1M5

New Brunswick

New Brunswick offers some very real geographic advantages to investors; on one side of the province is its common border with the United States and on the other, its seaports provide easy access to both North American and European markets. As a result, New Brunswick is an important trade area on the Atlantic coast. Agriculture, forestry and mining are all important economic activities in the province. In recent years, manufacturing has grown significantly, particularly pulp and paper, food processing and non-ferrous metals.

Department of Commerce and Development

The Department offers firms established in New Brunswick an extensive support program in the areas of management, marketing, production and distribution. The Department also seeks out and processes new industrial projects, and evaluates applications for financial assistance submitted to the New Brunswick Industrial Development Board by entrepreneurs wishing to establish businesses in New Brunswick. **Contact**: The Department of Commerce and Development, P.O. Box 6000, Fredericton, New Brunswick, Canada, E3B 5H1

New Brunswick Industrial Development Board

The Board offers financial assistance to firms in the form of direct loans, bonds or loan guarantees, or the acquisition of shares. The Board also administers a joint federal-provincial grant and loans program for small businesses. **Contact**: The Department of Commerce and Development, P.O. Box 6000, Fredericton, New Brunswick, Canada E3B 5H1

Provincial Holdings Ltd.

This Crown corporation has holdings in the share capital of manufacturing companies located in New Brunswick. The agency can hold equity in manufacturing and processing industries that wish to become established in New Brunswick. **Contact**: The Department of Commerce and Development, P.O. Box 6000, Fredericton, New Brunswick, Canada E3B 5H1

Quebec

Quebec has a wealth of natural resources on which it can base further economic expansion. The province has a relatively strong industrial base, particularly in aeronautics, shipbuilding and public transport equipment. It has strong growth prospects in the machinery and electrical products industries. Quebec's tremendous reserves of hydroelectric power, available at a very competitive price, make the province an attractive location for the development of highly productive manufacturing industries, particularly in the electrometallurgical and electrochemical sectors. Also worth mentioning are Quebec's relative strength and technological competence in transport equipment, communications instruments, electrical equipment and pharmaceuticals.

Quebec Industrial Development Corporation (QIDC)

The QIDC is the Government of Quebec's principal tool for providing financial asistance to manufacturing firms established in Quebec. This assistance is offered in different forms according to the nature and needs of the recipient firm: loans at prevailing market interest rates; partial reimbursement of debt costs; partial reimbursement of loans when certain criteria are met; and participation in share capital. **Contact**: Quebec Industrial Development Corporation, 1126 Chemin Saint-Louis, Room 700, Sillery, Quebec, Canada G1S 1E5

Fiscal incentives for industrial development

These incentives are based on an industrial development fund designed to assist small- and medium-sized firms through fiscal abatement and a tax rebate to encourage regional industrial development in the manufacturing sector. **Contact**: Industrial development fund administration, Department of Industry and Commerce, 710 Place d'Youville, Room 403, Quebec, Quebec, Canada G1R 4Y4

Department of Industry and Commerce

The Department provides technical services to firms in marketing, financing, management, manpower and production, the negotiation of licensing agreements, market studies and statistics. It has permanent delegations or economic counsellors in Atlanta, Boston, Brussels, Chicago, Dallas, Dusseldorf, London, Los Angeles, Milan, New York, Paris, Tokyo and Toronto. **Contact**: Quebec Department of Industry and Commerce, Industrial Promotion Branch, 1 Place Ville-Marie, Suite 2300, Montreal, Quebec, Canada H3B 3M6

Quebec enterprise development corporations (SODEQ)

These are private corporations that invest in small- and medium-sized Quebec manufacturing firms to which they offer management assistance. **Contact**: Department of Industry and Commerce, Enterprise services branch, 710 Place d'Youville, 8th Floor, Quebec, Quebec, Canada G1R 4Y4

SOQUEM, SOQUIM, SOQUIP, SOQUIA, REXFOR

These Quebec government-owned societies are involved in financial participation in joint ventures with Canadian or foreign private sector investors in the mining sector (SOQUEM), oil and gas (SOQUIP), agriculture and food industries (SOQUIA) and forestry (REXFOR). **Contact**: Quebec Ministry of Industry and Commerce, Industrial Promotion Directorate, Place Ville-Marie, Suite 2300, Montreal, Quebec, Canada H3B 3M6

Processing firms can also receive exemptions from the provincial sales tax on certain products, tax rebates on fuel purchases and on industrial machinery used for processing in Quebec.

Ontario

Ontario is one of Canada's most important centres of economic activity. Of all the provinces, it has the largest number of manufacturing firms and is the home of numerous head offices. Its capital, Toronto, is the financial heart of this country and the service industry is highly concentrated there. Its most important industries are automobile manufacturing, steel, tourism, mining and pulp and paper. The Government of Ontario offers various programs which provide financial incentives and advisory services to stimulate the economy and create jobs.

Development Corporations

Ontario has three development corporations: the Ontario Development Corporation, the Eastern Ontario Development Corporation and the Northern Ontario Development Corporation. They are responsible for the administration of the Ontario Business Incentive Program, which offers special incentives to encourage the establishment of new manufacturing enterprises and the expansion of existing industries. Loans made under the program are repayable, but repayment may be deferred and interest waived for up to five years.

The corporations also assist manufacturing, service industries, tourist operators and exporters who want to expand and establish new facilities or to market new products and technology. This assistance can include industrial mortgages, lease-backs, export assistance, business capital loans and small business loans. Funding to the corporations is being doubled to $25 million in 1980-81 and its credit limit under the export support loan program is being raised to $1 million from $500,000. **Contact**: Ontario Development Corporation, Mowat Building, 900 Bay Street, Toronto, Ontario, Canada M7A 2E7

Employment Development Board

An Employment Development Fund was created in 1979 to stimulate growth of Ontario's economy by attracting new investments. Applications for assistance by Ontario businesses are judged on a case-by-case basis in terms of how well they satisfy the objectives of the Board, which also must consider competing requests and the funds available. Applications for less than $250,000 should be directed to the Ontario Development Corporation. **Contact**: Program Director, Ontario Employment Development Board, 6th Floor, Hearst Block, 900 Bay Street, Toronto, Ontario, Canada M7A 2E1

Small Business Development Corporations Program

Incentives in the form of a share credit program are provided to encourage equity investment in Ontario-based small business ventures. The incentives are available only on new issues of SBDC shares.

Subject to certain conditions, investors may establish their own small business development corporation through a straightforward registration procedure. In 1980-81, the minimum capital requirement for an SBDC is $100,000. Businesses involved in mining, oil and gas exploration, development and production do not qualify as eligible investments, but will be handled in separate incentive programs.

For individuals, upon receipt of their share certificates from the SBDC, they may apply to the Ontario Ministry of Revenue for their share credit. A special statement concerning the share purchase will be provided by the SBDC to the Ministry of Revenue for this purpose. For corporations, the statement will be submitted to the Ministry of Revenue and, when approved, installment payments not fully applied in the year of investment may be carried forward indefinitely. **Contact**: Taxation and Fiscal Policy Branch, Ministry of Treasury and Economics, Parliament Buildings, Queen's Park, Toronto, Ontario, Canada M7A 1Y7 or SBDC Program, Ministry of Revenue, Parliament Buildings, Queen's Park, Toronto, Ontario, Canada M7A 2B3

Ministry of Industry and Tourism

Ontario's Ministry of Industry and Tourism offers industry services to manufacturing companies and service industries to expand in the province, to find new business opportunities, to seek out and apply new technologies, to establish new production facilities and to market their products domestically and internationally. It also makes available an array of trade services to identify and develop export markets, to assist selected industries to increase export market penetration, to identify and develop import replacement opportunities and to help target industries increase their share of the domestic market. **Contact**: Ontario Ministry of Industry and Tourism, Parliament Buildings, Queen's Park, Toronto, Ontario, Canada M7A 2E1

Manitoba*

Gateway to Canada's West, Manitoba has an economy based primarily on agriculture and mining. In recent years, however, the province has seen its economic base expand and diversify as a result of a growing manufacturing industry which is less closely tied to natural resources.

Department of Economic Development and Tourism

For the next three years, the major thrust of the Department's programs for business will be the $44-million federal-provincial Industrial Development Agreement known as Enterprise Manitoba, whose purpose is to stimulate growth in the manufacturing sector by focussing on six specific industries: aerospace, electronics, food and beverages, health care products, light machinery and transportation. In addition to the direct funding assistance provided to business by Enterprise Manitoba, the Department provides strong service support through its pool of experienced industrial consultants.

The Department offers a variety of programs to business. The Rural Small Enterprise Incentives Program provides interest-free forgiveable loans to manufacturing, processing or related maintenance or repair businesses: for new firms, the loans are on the basis of 50 percent of eligible capital costs up to $30,000; for existing businesses, they are on the basis of 30 percent of eligible capital costs up to $18,000. To be eligible, businesses must have yearly sales not exceeding $500,000 and be located outside Winnipeg and adjacent municipalities.

Advance factory space can be provided in one of the two Enterprise Development Centres located in Brandon and Winnipeg to businesses that are new or that are introducing a new product or are embarked on a marked departure from previous operations. Self-contained modules of factory space, ranging in size from 1,350 m^2 to 3,600m^2, will be offered to businesses on a cost-shared basis. Also offered through the Enterprise Development Centres, specifically for small manufacturing firms, are technical and business consulting services for the purpose of improving products, sales and profitability, upgrading management skills, and starting or expanding businesses. Expertise will be available generally through staff resources at the Centres, but provision has been made for cost-sharing of up to 50 percent of the cost of hiring private consultants when highly specialized expertise is required.

The Department also has a Human Resources Management program which offers educational programs and courses to Manitoba businesses to assist them in upgrading their management skills, specifically as they relate to human resources. **Contact**: Department of Economic Development and Tourism, 155 Carlton Street, Winnipeg, Manitoba, Canada R3C 3H8

Market Development Group

The Market Development Group coordinates export sales and administers a promotional assistance program which provides cost-shared financing for participation in trade fairs and missions, assistance related to incoming buyers and general promotional activities.

The Manitoba Trading Corporation, an arm of the Market Development Group, provides export financing by extending credit to agents, distributors and organizations. The Corporation may act as an export merchant by taking title to presold export orders, or may act as an agent. **Contact**: Market Development, Department of Economic Development and Tourism, 155 Carlton Street, Winnipeg, Manitoba, Canada R3C 3H8

Travel Manitoba

Operators of packaged tours within or bringing visitors to Manitoba are assisted with grants for the initial development and marketing of new tour products. Grant assistance to a maximum of $15,000 or 50 percent of approved costs in the first year and $3,000 or 25 percent of approved costs in the second year of a new product may be obtained.

Consultative, research and advisory services to prospective investors in the tourism industry in Manitoba are also provided. **Contact**: Travel Manitoba, Department of Economic Development and Tourism, 155 Carlton Street, Winnipeg, Manitoba, Canada R3C 3H8

Manitoba Design Institute

The Institute provides consulting and advisory services for market research, design and redesign of products, graphic materials and packages. Assistance funding is also made available. **Contact**: Manitoba Design Institute, 155 Carlton Street, Winnipeg, Manitoba, Canada R3C 3H8

Manitoba Research Council

The Council provides technical assistance by industrially experienced scientists and engineers in the general area of product and processes development, raw material selection and testing, product testing, quality control, product costing and so on. **Contact**: Manitoba Research Council, 155 Carlton Street, Winnipeg, Manitoba, Canada R3C 3H8

Saskatchewan*

Saskatchewan is Canada's most important agricultural province and, given the importance of this industry to the province's economy, it is not surprising that a number of agricultural equipment manufacturers have established themselves there. In addition, Saskatchewan is the home of the Canadian West's largest steel industry and its production of iron and steel products has been steadily growing. The province has a special interest in industries related to food processing, electronics, plastics, pharmaceuticals and those supplying its growth resource sector, particularly petroleum, uranium and potash.

Department of Industry and Commerce

The Department of Industry and Commerce offers a multitude of development programs to assist manufacturers and processors located in the province. These include: the Aid to Trade Program for manufacturers who wish to extend their market areas through promotion; the Product Development Program to help develop new products and to finance tests; the Management Development Program; the Small Business Interest Abatement Program and the Small Industry Development Program. These programs provide assistance up to 50 percent of approved costs,

**Manitoba, Saskatchewan, as well as the Yukon Territories are designated regions for federal industrial incentives provided by the Department of Regional Economic Expansion (DREE). Reference to them was omitted in the last issue of the Foreign Investment Review, in which federal incentive programs were summarized.*

except for the latter which provide forgivable loans, according to region and population, and abatement grants. **Contact**: Saskatchewan Department of Industry and Commerce, Power Building, 7th Floor, Regina, Saskatchewan, Canada S4P 3V7

Saskatchewan Economic Development Corporation (SEDCO)

Provides mortgages up to 20 years, loan guarantees, venture capital and industrial land for lease or sale. **Contact**: Saskatchewan Economic Development Corporation, 1106 Winnipeg Street, Regina, Saskatchewan, Canada S4R 6N9

Alberta

With its abundant petroleum, natural gas and coal resources, Alberta is Canada's most important energy-producing province. In addition to intense exploration and development activities in Alberta's conventional and non-conventional energy resources, the manufacturing and service sectors have grown extensively. Alberta is also an important agricultural producer, particularly in grains and livestock. The volume of government revenues from petroleum production royalties and exploration and development permits has made it possible for Alberta to have the lowest personal and corporate income tax rates in Canada.

Department of Economic Development

The Department offers a variety of services relevant to industry. Its Strategic Planning Services are responsible for coordinating economic activity related to a number of government departments. Its Industry Development Branch has as its goal to improve the performance of Alberta's manufacturing and processing industries by means of sector development programs, business expansion assistance and new-business establishment programs. The Department offers marketing services, seeking to match product and manufacturing capacities with domestic and foreign market opportunities as well as assisting business on marketing problems. The Department also offers trade-development services by assisting the industrial and consulting sectors to expand export sales through trade shows, exhibits, missions, joint ventures and licensing opportunities. **Contact**: Department of Economic Development, Government of Alberta, Industry Development Branch, 9th Floor, Pacific Plaza, 10909 Jasper Avenue, Edmonton, Alberta, Canada T5J 0M8

Alberta Opportunity Company

The company provides funds for growth, expansion and diversification of industry when other forms of conventional financing are not readily available. This includes direct loans at market rates for up to 15 years and loan guarantees. Emphasis is placed on small business in smaller communities. **Contact**: Alberta Opportunity Company, P.O. Box 1860, Ponoka, Alberta, Canada T0C 2H0

Department of Tourism and Small Business

The Department aims to develop Alberta as a year-round destination for tourists by offering marketing and development services to the tourist industry. Small business is assisted by means of counselling activities, management consulting, small business guides, community economic development, and an industrial land and business site location program. **Contact**: Department of Tourism and Small Business, Government of Alberta, 16th Floor, Capital Square, 10065 Jasper Avenue, Edmonton, Alberta, Canada T5J 0H4

British Columbia

Canada's Pacific province, British Columbia has an extensive export-oriented resource-based economy in which forestry, mining, fishing and agriculture predominate. British Columbia's geographical position has made it a natural site for the development of important export industries with direct access to Pacific Rim and other world markets. In fact, the province's largest city, Vancouver, is Canada's gateway for trade with Japan, China and other Asian countries, the Western United States, Latin America and Europe. British Columbia's principal manufacturing firms are closely tied to the province's natural resources, essentially forest products, pulp and paper, mineral commodities and hydrocarbons. Several of the province's industries have recently experienced substantial growth with pulp and paper, lumber and plywood production and fish products heading the list.

Ministry of Industry and Small Business Development

The Ministry offers a variety of programs designed to stimulate industrial and export development, especially in secondary manufacturing. Its export services include programs related to trade missions, market development, incoming buyers and trade shows. The Ministry's technical services assist companies to expand their facilities, diversify their product lines or establish new businesses by means of financial support for hiring outside professionals to help develop corporate plans and operations.

The Ministry also coordinates and manages a number of federal-provincial programs designed to encourage the economic and industrial development of the province. One such program is a $70-million agreement to provide assistance for research, regional economic development commissions, small business and community industrial development (industrial parks, sites, malls and advance factory space). A $60-million agriculture and rural commissions, small business and community industrial development (industrial parks, sites, malls and advance factory space). A $60-million agriculture and rural development program provides assistance for research, planning, training, market promotion, coordinated resource management, primary resource development, support services and community development. A third program, the result of a $50-million agreement, provides assistance to the province's tourist industry. All these programs have geographical target areas which generally exclude the areas in and around Vancouver and Victoria. Because of geographical exclusions, the Ministry has implemented, on a year-by-year basis a low-interest loan program for small businesses in the Vancouver and Victoria areas. **Contact**: Director, Business Development, Ministry of Economic Development, Robson Square, 800 Hornby Street, Vancouver, British Columbia, Canada V6Z 2C5; or, Assistant Deputy Minister, Program Implementation and Coordination Branch, Ministry of Economic Development, Parliament Buildings, Victoria, British Columbia, Canada V8V 1X4

British Columbia Development Corporation (BCDC)

The BCDC provides financing in the form of term loans, loan guarantees, performance bonds, indemnities to chartered banks and leasing of buildings. While there is no limit on the amount of funds the Corporation may provide, in large-scale projects it prefers to provide assistance in conjunction with other financial institutions. As well as its own corporate lending activity, the BCDC administers the province's Low Interest Loan Assistance Program by virtue of which loans can be made to manufacturing or processing businesses that wish to modernize, expand or establish in the less developed areas of the province. Finally, the BCDC provides serviced land on a sale or lease basis to secondary manufacturing and related service industries. Land is available through the Land Development Division. The BCDC acts as project manager of large capital projects in British Columbia. **Contact**: British Columbia Development Corporation, 272 Granville Square, 200 Granville Street, Vancouver, British Columbia, Canada V6C 1S4

Statistical tables

REVIEWABLE ACQUISITION CASES*

Table 1 — Outcome or status					First six months	
	1976	1977	1978	1979	1979	1980
Reviewable new cases	171	261	360	380	195	179
Carryover from previous period	54	65	73	106	106	114
Total of above	225	326	433	486	301	293
Total resolved	160	253	327	372	176r	182
Allowed	124	231	282	320	152	151
Disallowed	19	12	28	24	5	19
Withdrawn	17	10	17	28	19r	12
Carried over to next period	65	73	106	114	125r	111
Allowed cases as percent of resolved (%)	78	91	86	86	86r	83
Value of assets, all cases ($000,000)	1,069	1,145	4,491	4,049r	2,138	1,134

Table 2 — Country of control					First six months	
	1976	1977	1978	1979	1979	1980
Total	171	261	360	380	195	179
United States	109	171	243	248	137r	101
United Kingdom	23	40	47	52	27r	30
Other Europe	34	41	52	68	25	34
Austria	–	–	–	1	1	–
Belgium	1	2	1	2	1r	–
Denmark	–	2	1	1	–	1
Finland	–	–	–	2	–	1
France	6	6	5	9	6	5
Germany, West	10	15	17	22	10r	9
Greece	–	–	–	1	1r	–
Italy	1	3	1	2	–	2
Liechtenstein	–	–	1	1	–	1
Luxembourg	3	–	1	–	–	–
Netherlands	–	4	8	6	–	5
Norway	–	–	1	–	–r	–
Spain	–	–	–	1	–	–
Sweden	9	2	7	13	4	4
Switzerland	4	7	9	7	2	6
All other	5	9	18	12	6	14
Australia	–	1	–	3	–	3
Bermuda	1	–	–	1	1	1
Japan	3	3	7	2	1	2
Others	1	5	11	6	4	8
Allowed cases as percent of resolved	%	%	%	%	%	%
United States	73	91	87	85	89	81
United Kingdom	82	95	78	87r	90	86
Other Europe	86	90	89	88	83	89
All other	100	80	80	93	89	92

Table 3 — Industrial sector					First six months	
	1976	1977	1978	1979	1979	1980
Total	171	261	360	380	195	179
Primary	15	20	30	29	18	9
Agriculture, fishing and trapping	2	4	5	4	1	–
Forestry	–	1	1	–	–	1
Mines, quarries, oil wells	13	15	24	25	17	8
Manufacturing	93	108	162r	178	87r	71
Food, beverage and tobacco	9	15	15	14	7	5
Rubber, plastic and leather	4	6	12	5	1	3
Textiles, knitting and clothing	3	5	4	14	7	3
Wood, furniture and paper	7	12	14	10	4	3
Printing, publishing, and allied	1	2	4	5	2	2
Primary metal and metal fabrication	19	12	20	34	13r	11
Machinery and transport equipment	7	14	28r	43	27	15
Electrical products	11	12	16	20	12	12
Non metallic mineral products	9	5	8	4	3	2
Petroleum and coal products	2	1	1	1	–	–
Chemical	15	10	22	17	9	6
Miscellaneous	6	14	18	11	2	9
Construction and services	63	133	168r	173	90r	99
Construction	2	3	1	6	3	2
Transportation, communication, utilities	9	10	10r	9	3	3
Trade	38	72	101r	93	55r	59
Finance, insurance, real estate	8	15	19	12	3	9
Community, business, personal services	6	33	37r	53	26	26

* Provision for review of acquisitions came into force April 9, 1974.

REVIEWABLE NEW BUSINESS CASES*

Table 4 — Outcome or status					First six months	
	1976	1977	1978	1979	1979	1980
Reviewable new cases	196	328	331	379	183r	199
Carryover from previous period	6	58	52	64	64	70
Total of above	202	386	383	443	247r	269
Total resolved	144	334	319	373r	160r	182
Allowed	115	297	273	323r	139	160
Disallowed	9	12	21	22	7	14
Withdrawn	20	25	25	28	14r	8
Carried over to next period	58	52	64	70r	87r	87
Allowed cases as percent of resolved (%)	80	89	86	87	87r	88
Planned investment, all cases ($000,000)	324	803	323	202	107	339

Table 5 — Country of control					First six months	
	1976	1977	1978	1979	1979	1980
Total	196	328	331	379	183r	199
United States	90	184	192r	205	111	114
United Kingdom	22	30	26	45	18	14
Other Europe	63	85	80	82	33r	57
Austria	-	-	3	-	-	1
Belgium	1	-	1	5	2r	-
Denmark	5	6	4	2	1	4
Finland	1	1	1	7	3r	1
France	9	17	16	15	4r	5
Germany, West	22	26	18	19	9r	12
Gibralter	-	-	-	-	-	1
Greece	-	1	1	-	-	1
Ireland	-	-	1	1	-r	-
Italy	9	10	10	6	3r	10
Liechtenstein	2	-	-	-	-	1
Luxembourg	-	-	1	-	-	-
Monaco	-	1	-	-	-	-
Netherlands	2	3	1	4	1	6
Norway	-	3	3	1	1	2
Portugal	-	-	1	-	-	-
Spain	1	-	2	1	1r	2
Sweden	3	9	5	6	2	7
Switzerland	8	8	12	15	6	4
All other	21	29	33r	47	21	14
Australia	2	3	3	2	1	2
Hong Kong	3	3	3	4	1	3
India	3	1	1	1	1	-
Japan	4	10	6	17	6	1
Others	9	12	20r	23	12	8
Allowed cases as percent of resolved	%	%	%	%	%	%
United States	73	88	86	86	90	92
United Kingdom	93	82	85	92	93	88
Other Europe	80	95	87	88	84	90
All other	91	81	79	83	82	61

Table 6 — Industrial sector					First six months	
	1976	1977	1978	1979	1979	1980
Total	196	328	331	379	183r	199
Primary	12	22	27	16	12	22
Agriculture, fishing and trapping	2	6	2	-	-	4
Forestry	-	2	2	1	1	1
Mines, quarries, oil wells	10	14	23	15	11	17
Manufacturing	67	94	99	100	50r	60
Food, beverage and tobacco	3	7	6	11	5	5
Rubber, plastic and leather	4	5	5	9	5	6
Textiles, knitting and clothing	4	9	5	8	3	3
Wood, furniture and paper	5	5	6	9	2	4
Printing, publishing, and allied	-	-	4	5	2	1
Primary metal and metal fabrication	15	19	12	13	8r	15
Machinery and transport equipment	6	19	19	20	13r	5
Electrical products	7	5	7	8	4	10
Non metallic mineral products	3	5	6	1	-	2
Petroleum and coal products	-	-	-	-	-	-
Chemical	6	3	6	7	5	6
Miscellaneous	14	17	23	9	3	3
Construction and services	117	212	205	263	121	117
Construction	4	4	14	12	9r	6
Transportation, communication, utilities	10	5	11	11	5	5
Trade	68	133	103r	156	69	63
Finance, insurance, real estate	10	16	11	14	6	3
Community, business, personal services	25	54	66r	70	32r	40

* Provisions for review of new businesses came into force October 15, 1979

Books

International business and investment

International Business Prospects 1977-1999

Van Zandt, Howard F. (editor)

Indianapolis: Bobbs-Merrill Company, 1978

Seven papers on the future of international business. Originally presented as part of a "Key Issues" lecture series sponsored by International Telephone and Telegraph Corporation, they cover investment prospects in several regions, human relations, tourism and travel, and food and energy needs.

Working on the Quality of Human Life: Developments in Europe

International Council for the Quality of Working Life

Boston, The Hague and London: Martinus Nijhoff, 1979

Papers covering programs, projects and issues in connection with improvements in the quality of working life in a number of European countries.

Going International: The Experience of smaller companies overseas

Newbould, Gerald D.; Peter J. Buckley and Jane Thurwell

New York: John Wiley & Sons, 1979
London: Associated Business Press, 1978

Based on interviews with management of 43 smaller companies that had recently set up their first overseas operating subsidiary, this study seeks to identify the factors which promote success in such a venture.

Assessment of Managers: An International Comparison

Bass, Bernard M. and Philip C. Burger in collaboration with Robert Doktor and Gerald V. Barrett

Riverside, N.J.: The Free Press, 1979

An international survey of attitudes and behaviour of corporate executives showing which traits lead to success in different countries.

Corporate Diversification: Entry, Strategy and Performance

Biggadike, E. Ralph

Cambridge, Mass.: Harvard University Press, 1979

This study draws on the experience of forty business units which entered product markets new to the parent company to provide guidelines and measures for new entry performance.

Industry and Business in Japan

Sato, Kazuo (editor)

White Plains, NY: M.E. Sharpe, Inc., 1980

Papers by Japanese economists on such topics as Japanese industrial growth, dual structure, industry studies, business groupings and industrial policy.

Canada: Business, investment, government policy

Key Economic and Social Issues of the Early 1980's

Barrett, Charles A. (editor)

Ottawa: The Conference Board in Canada, 1980 (Canadian Study No. 62)

Results of a round-table meeting to define social and economic issues that Canada will face in the 1980's and to discuss some possible directions for the Canadian economy. Includes papers on specific issues, including demographic developments, competitive environment, energy and agricultural prices and supply, as well as summaries of discussion.

Privatization: Theory and Practice

Ohashi, T.M. and T.P. Roth

Vancouver: The Fraser Institute, 1980

Analyzes the British Columbia Government's divestiture of the British Columbia Resources Investment Corporation, as well as the effects of Generalized Stock Ownership plans.

Foreign and Domestic Firms in Canada: a comparative study of financial structure and performance

Shapiro, Daniel M.

Toronto: Butterworth, 1980

Compares the financial structure, patterns of profitability and growth of some 750 foreign-owned and domestic firms in Canada.

Multinationals in Canada: Theory, Performance and Economic Impact

Rugman, Alan M.

Hingham (MA): Martinus Nijhoff Publishing, 1980
The Hague: Martinus Nijhoff Publishers BV, 1980

Theory of internationalization applied to a case study of multinationals operating in Canada.

Industrial Relations 1980: Outlook and Issues

Grier, Martha E. (editor)

Ottawa: The Conference Board in Canada, 1980 (Executive Bulletin No. 10)

Views of a panel of industrial relations specialists on the likely outcome of the 1980 round of collective bargaining in Canada, including such issues as wage increases and benefits, job security, strikes and union growth.

Canadian Business Handbook

Newman, Dorothy and Jean Newman

Scarborough, Ont.: McGraw-Hill Ryerson, 1979

Revised edition of a business reference covering most recent information on business procedures, policies, techniques and trends.

Assessing Canada's Potential Economic Growth

Carmichael, Edward A.

Ottawa: The Conference Board in Canada, 1979

Estimates the economy's potential GNP and assesses its recent performance and outlook for the next several years.

The Chartered Banks in Canada . . . Their Role and Organization

Toronto and Montreal: The Canadian Bankers' Association, 1979

An interim re-print (pending Bank Act revision) describing the organization and management of the chartered banks in Canada, the services they provide and their role in the Canadian financial system.

Handbook of Canadian Consumer Markets, 1979

Conference Board in Canada

Ottawa: The Conference Board in Canada, 1979

Consumer market data drawn from a variety of sources.

1978 Assessment of Canada's Uranium Supply and Demand

Department of Energy, Mines and Resources

Ottawa, 1979 (Catalogue No. M23-12/79-3)

Assessment of Canadian uranium resources, current and projected levels of production and domestic requirements.

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