



To the Honourable
HENRY P.
BELL-IRVING, D.S.O.,
O.B.E., E.D.
Lieutenant-Governor of
British Columbia
MAY IT PLEASE YOUR
HONOUR:

I beg to submit the
Report of the Ministry of
Economic Development
for the fiscal year ended
March 31, 1978.

DON PHILLIPS
Minister of Economic
Development.



To the Honourable DON
PHILLIPS, Minister of
Economic Development,
Victoria, British
Columbia

SIR:
I have the honour to
submit herewith the
Report of the Ministry of
Economic Development
for the fiscal year ended
March 31, 1978.

A. L. PEEL
Deputy Minister of

TABLE OF CONTENTS

	Page No.
1. BUSINESS & INDUSTRIAL DEVELOPMENT BRANCH	3
TRADE AND INDUSTRY DIVISION	4
SMALL BUSINESS ASSISTANCE DIVISION	8
INDUSTRIAL LOCATIONS DIVISION	10
2. POLICY PLANNING AND RESEARCH BRANCH	11
POLICY PLANNING DIVISION	12
ECONOMIC ANALYSIS DIVISION	13
FINANCIAL ANALYSIS AND PROGRAM IMPLEMENTATION DIVISION	15
SPECIAL PROJECTS DIVISION	17
CENTRAL STATISTICS BUREAU	18
TRADE AND TARIFF ANALYSIS UNIT	19
WOMEN'S ECONOMIC RIGHTS DIVISION	20
3. EUROPEAN ECONOMIC ADVISER	21
4. GRANTS	22
5. STAFF COMPLEMENT	23
6. ORGANIZATION CHART	23
7. PUBLICATIONS	25



Left to right: Mr. Fred Spoke, General Manager of the IBC, Vancouver, Economic Development Minister Mr. Phillips and the Right Honourable Roy Jefferies, President of the Commission of European Communities seen together during a tour of the Vancouver Harbour facility.

1

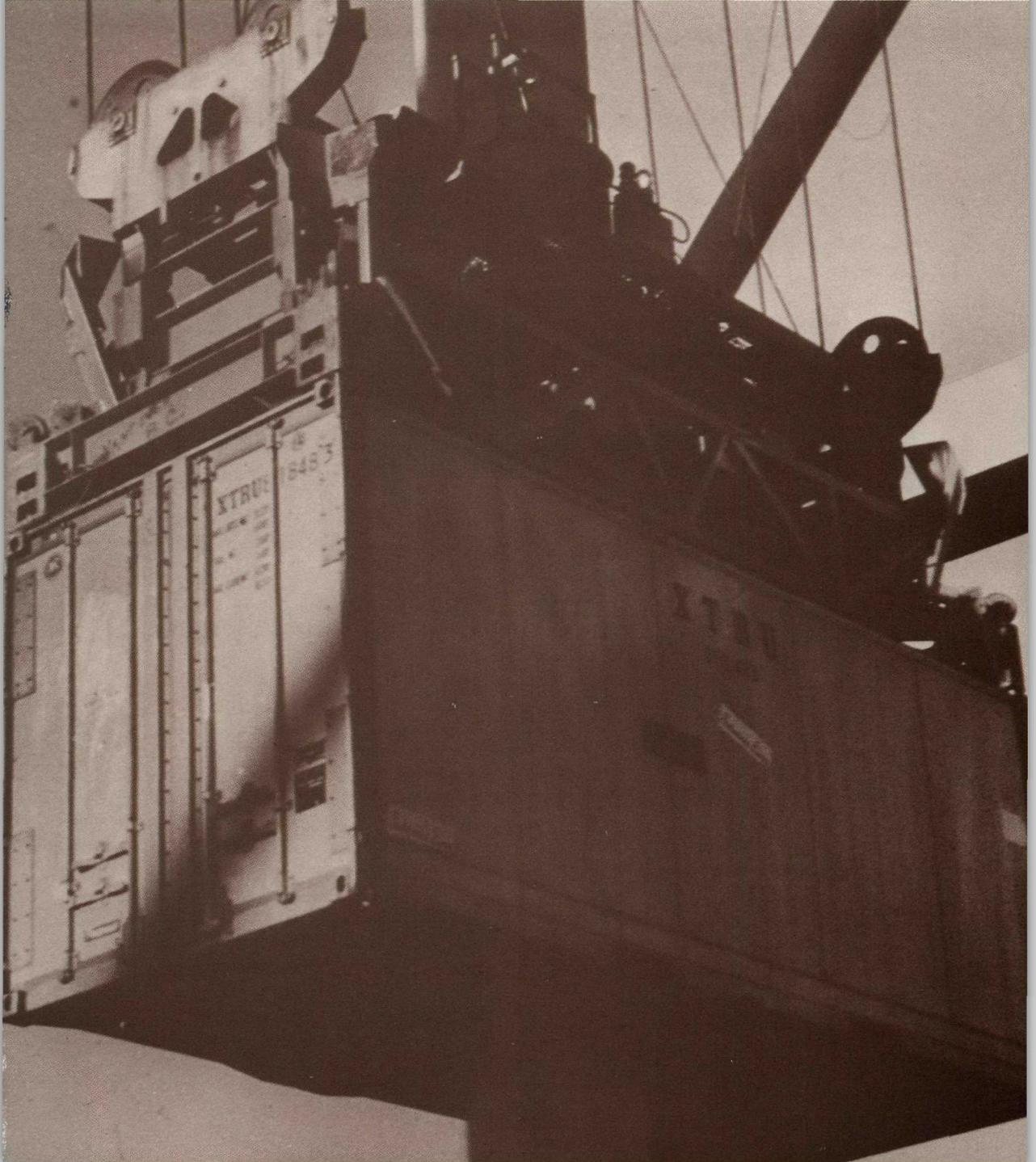
BUSINESS AND INDUSTRIAL DEVELOPMENT BRANCH

Objective

The objective of the BUSINESS AND INDUSTRIAL DEVELOPMENT BRANCH is to promote strength, growth and diversity in the B.C. business community through the development of new export markets, the addition

of new investment and new industries, the expansion of existing operations and the servicing of small business.

The Branch is composed of three Divisions: Trade and Industry; Small Business Assistance, and Industrial Locations Division.



TRADE AND INDUSTRY DIVISION

Objective

The TRADE AND INDUSTRY DIVISION has the capability to pursue two major objectives: to increase the production and export of British Columbia goods and services and to attract and encourage new investment into the province.

In order to accomplish these objectives the Division completed a number of specific projects that included trade missions, trade shows, industrial development seminars and a series of export assistance programs.

In addition, officers of the Division visited 2,000 companies throughout the Province and held 1,800 interviews in the Vancouver office with business people seeking advice and help. During the year the Division handled in excess of 1,000 incoming telephone calls per month.

Export Assistance Programs

The Division is responsible for the implementation of four programs designed to assist individual British Columbia manufacturers explore new export markets. During the year, 166 B.C. companies took advantage of the *Market Development*, *Incoming Buyers*, and *Trade Show Assistance* programs. In addition, approximately 100 British Columbia companies participated in the *Trade Mission* program. This year a total of 16 trade missions visited almost every major market in the world. The trade missions sponsored by the Ministry were as follows:

Trade Missions

South East Asia	Food Products
South East Asia	Fishing and Marine Equipment
Middle East	Construction Products
West Germany	Fabricated Metal Products
South East Asia	Forestry Equipment
Japan	Forest Products
Korea	Construction Products
Western Europe	Lumber/Manufactured Wood Products
Australia	High Technology Equipment
Ottawa	Miscellaneous Products
Central America	Construction Equipment/Products
Washington, D.C.	Consulting Engineers
Western Europe	Fish Products
West Africa	Forestry Equipment
Middle East	Construction Industries
South America	Fishing Equipment

Trade Shows

The Division's exhibit was on display at the *Construction Equipment Show* held at the Pacific National Exhibition in November 1977. The Division also participated in the following shows:

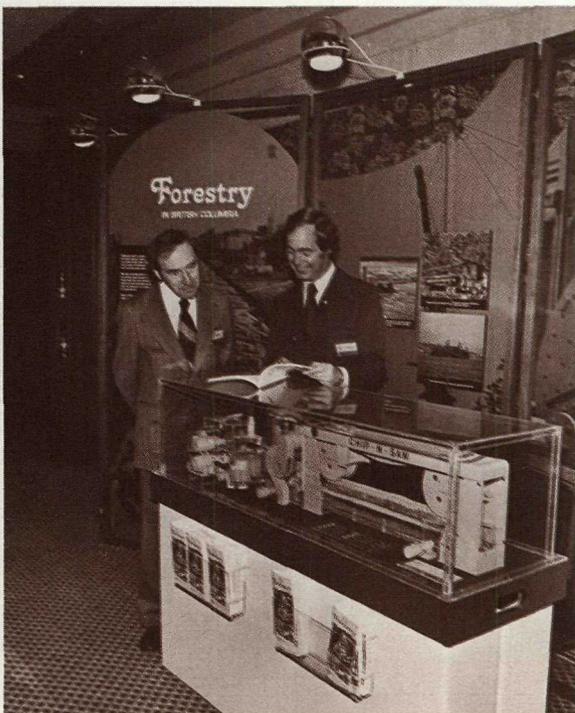
Hostex Show in Toronto in June 1977 was a national exhibition aimed at the hotel and catering trade. This year marked the first time that a large contingent of B.C. manufacturers and suppliers exhibited together in a common display sponsored by the Ministry.

Western Manufacturers' Opportunity Show was organized by the four western provinces to promote inter-regional trade between the manufacturers of industrial materials and components. Seventeen B.C. companies attended the Edmonton Show in September 1977.

World Fishing Exhibition was held in Halifax in August 1977. Nine B.C. manufacturers of commercial fishing boat equipment participated. In addition, Ministry personnel staffed an information booth where numerous enquiries were received concerning West Coast fish products and marine equipment.

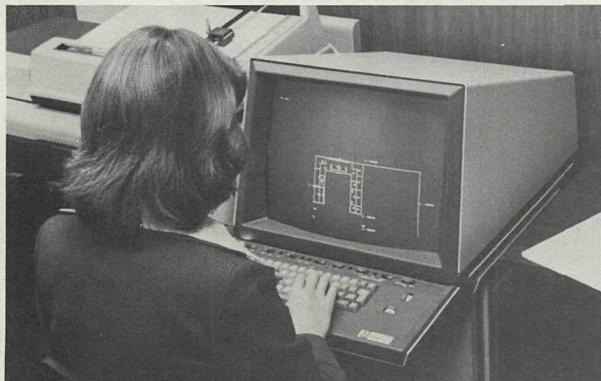
South East Asia Sawmill Show was held in Manila in November 1977. A British Columbia display featured photographs and information on 20 local firms involved in the design and manufacture of logging, sawmilling, plywood and waferboard equipment.

Gift Shows were held in *Seattle* in August 1977 and *Toronto* in February 1978. A total of 30 British Columbia giftware manufacturers attended the Shows, exhibiting such products as North West Coast carvings and sculptures, wood



DIEFFENBACHER





high quality jade and ivory sculptures.

Seattle Book Show. In September 1977 a one day exhibit of B.C. published books was jointly sponsored by the Ministry of Economic Development and the Seattle office of the Canadian Consulate. Twenty-two B.C. publishers were the only exhibitors in this mini-show, which drew over 150 buyers from the U.S. Pacific Northwest.

Apparel Shows held in *Toronto* in March 1977 and *Montreal* in February 1978 drew 12 British Columbia participants from the fashion industry. On display were a wide range of styles from leisure suits and sportswear to the latest in business and formal suits for both men and women.

Business Development Seminars

Trade: Over 1,000 company representatives attended a series of trade-oriented seminars co-sponsored by the Ministry of Economic Development and the Federal Department of Industry, Trade and Commerce. These seminars, which were part of *Enterprise Canada 77*, were held in Vancouver, Victoria, Kelowna, Kamloops, Trail and Prince Rupert. Opportunities for trading in Latin America, the European Economic Community, Japan and the U.S. were among the subjects included for discussion.

Business Development: A series of seminars on *Investment Opportunities in British Columbia* were held during the year in Toronto, Phoenix, Los Angeles, San Francisco, Seattle and Portland. More than 350 companies attended these seminars.

Offset Projects: The Division has been active in maximizing British Columbia participation in offset agreements negotiated between Canada and the suppliers of Leopard Tanks, Long Range Patrol Aircraft and new Fighter Aircraft. "Offset" refers to the concept where in order to offset major purchases made outside Canada, foreign suppliers agree to purchase their other company requirements in Canada. To promote this concept, a series of opportunity briefings were held for B.C. industries. Representatives from such companies as Northrop, Lockheed, and Krauss-Maffei were on hand to identify the types of Canadian goods and services they could purchase to satisfy the production requirements of their own manufacturing activities and those of their sub-contractors.

Special Projects

Pacific Rim Specialist: During 1977 the Ministry's Pacific Rim Specialist met with over 300 British Columbia companies either to tell them about specific opportunities in the Pacific Rim Market or to identify how he could help them sell their products in those markets. Six solo visits were

major capital projects with business opportunities for British Columbia companies. He was also associated with three Ministry trade missions into the area.

Alaska Highway Pipeline Project: In September 1977 Canada and the U.S. formally signed an agreement to build the northern natural gas pipeline. In order to identify key opportunities for B.C. suppliers the Ministry hired a special consultant to be "our man on the pipeline". The consultant will also assist B.C. companies understand the procurement procedures of the pipeline companies, and their requirements for goods and services.

Results

The Ministry's support to British Columbia exporters resulted in \$90 million of increased exports during 1977; the equivalent of 2,500 jobs.

Some of the successful export contracts included:

- Homexpo Canada Ltd. (a consortium of B.C. pre-fabricated housing manufacturers) sold \$25 million worth of pre-fabricated housing into Saudi Arabia.
- Seaboard Lumber Sales Co. Ltd. sold plywood to West Germany valued at \$1 million. The sale was a direct result of the Leopard Tank Offset Program.
- Sales of B.C. kiln dried SPF (spruce, pine, fir) lumber valued at \$10 million were concluded with the Middle East.
- Sales of British Columbia food and other consumer products in Australia are now worth \$10 million per year.
- As a result of two years development work undertaken by the Division, sales of winter herring have been concluded with Western European Markets. It is estimated that these sales could reach \$25 million per year.



SMALL BUSINESS ASSISTANCE DIVISION

Objective

The role of the SMALL BUSINESS ASSISTANCE DIVISION is to improve the stability and assist in the orderly startup and development of individual small businesses and thereby strengthen the small business sector of the community.

Management Development

Through the support and promotion of small business training and education, seminars/workshops, speaking engagements, and counselling, the Division is striving to increase the knowledge and develop the skills of small business owners and managers throughout the Province. Emphasis is directed to the practical rather than the theoretical aspects of business operation.

Seminar/workshop subjects covered advertising and business promotion, sales forecasting and cash flow, financing and the availability of government assistance programs. For example, the cash flow seminar explains to business people how to estimate the amount of money that will have to be borrowed to finance day to day operations.



During 1977 the Division conducted and participated in 34 seminar/workshops which attracted 770 participants comprised of actual or aspiring business people. Business advisers also spoke at secondary schools, colleges, business associations, trade conferences and other business and education functions.

The Small Business Education Subsidization Program helped defray the costs of 87 business courses and assisted in the advertising and promotion of 293 others.

Business Development

Business advisers work with owner/operators counselling in the startup, expansion and operation of individual business enterprises. They diagnose, analyze, and solve small business problems and advise on marketing and financing.

Working out of the Division's headquarters in the Ministry's Vancouver office, the business advisers responded in 1977 to some 4,500 requests for assistance and replied to a similar number of general business information enquiries.

Information Services

Business information is made available through publication of appropriate business aids, bulletins and newsletters.

Advisers direct business people to other sources of information if appropriate.

Community Calls

Visits are made to communities throughout the Province on a regular basis working with chartered banks, the Federal Business Development Bank, government agencies,



Chambers of Commerce, and individual businesses. These visits, which are known as "transfers of office", are designed to provide a counselling service for businesses outside the immediate Vancouver area.

In 1977, 65 such visits were made to 38 communities. This represented 364 calls outside of the Lower Mainland and Southern Vancouver Island.

Technical Assistance

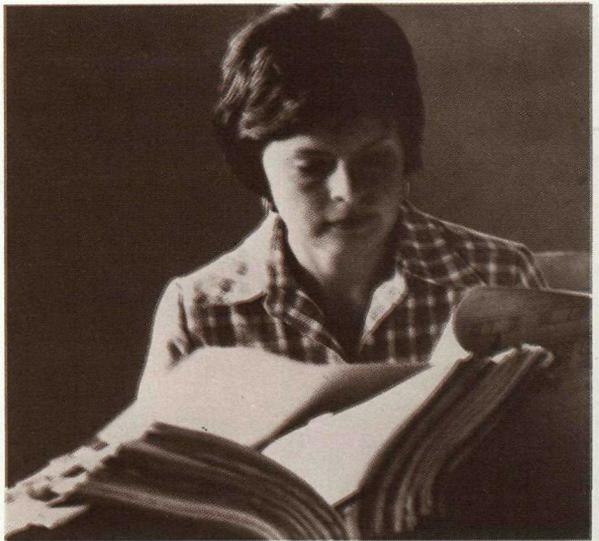
Twenty-five B.C. companies were assisted by the Ministry's *Technical Assistance Program* to hire outside consultants to carry out research and studies for business improvement.

The Ministry also used a portion of the technical assistance funds to conduct studies or support the activities of nine particular industry sectors. As an example the craft industry was surveyed, research done and the resulting information included in the Ministry's new *Crafts Directory*. The directory is being made available to crafts people throughout the Province.

Assistance to Small Enterprise Program

Since the program's inception in November 1977, until March 31, 1978, over 1,000 general enquiries were received. This in turn generated 118 specific applications for financial assistance. From these applications 33 small manufacturing or processing companies have had loans approved to assist them in purchasing manufacturing equipment, to erect or buy buildings or to carry out leasehold improvements.

The total amount of loans made was \$623,000 with the average size of loan being \$18,880.



INDUSTRIAL LOCATIONS DIVISION

Objective

The staff of the INDUSTRIAL LOCATIONS DIVISION provides guidance and assistance to Regional Districts and local governments throughout the Province, helping them improve the climate for the business and industrial development within their jurisdiction. Assistance is also provided in coordinating these development projects with provincial government ministries and agencies.

Activities

In July 1977 the Industrial Development Subsidiary Agreement (IDSA) was signed between the Province of British Columbia and the Federal Government. One section of this agreement provides for Regional Districts, outside Victoria and the Lower Mainland, to take further responsibility for the economic development of the region and apply for financial assistance in setting up an office for an Economic Development Commissioner.

During the latter part of 1977 meetings were held with Regional Districts, business and industrial development groups and local government representatives to explain the program and give guidance in submitting applications for funding.

Communication has also been maintained with a large number of communities through a program designed to help communities organize and improve their own economic well being. This program ranges from documenting detailed information on industrial facilities in the community, to coordinating their plans with government ministries and agencies, and guidance, discussions and negotiations with potential industrial developers. In all cases, the objective is to improve lines of communication, coordinate activities, and cut government red tape.

Other important activities involved participating actively with other ministries or government agencies leading to recommendations affecting policy and legislative changes related to community development.

POLICY PLANNING AND RESEARCH BRANCH

Objective

The objective of the POLICY PLANNING AND RESEARCH BRANCH is to coordinate overall policy development, undertake economic and financial analysis and collect and tabulate statistical data. In this role the Branch formulates economic development strategies for the government, and helps coordinate the activities of other

ministries and agencies in matters affecting the economic development of the province.

The Branch is composed of seven Divisions: Policy Planning, Economic Analysis, Financial Analysis and Program Implementation, Special Projects, Central Statistics Bureau, Trade and Tariff Analysis Unit and Women's Economic Rights.

Economic Development Minister Don Phillips, Mel Smith, Deputy Minister in the Premier's Office, Dr. Jim Rae, Assistant Deputy Minister of Economic Development and Premier Bill Bennett during the First Ministers' Conference in Ottawa.



POLICY PLANNING DIVISION

Objective

The objective of the POLICY PLANNING DIVISION is to develop an overall economic strategy, or policy framework, for the Province. Within the overall policy framework the Division develops and evaluates alternative substrategies for major policy areas, specific policy proposals and investment projects appropriate to the economic development of British Columbia.

The Operation of the Division

The staff of the Policy Planning Division serve as project managers for the required policy work. The Division utilizes the expertise of other Divisions and Ministries in addition to providing guidance on policy development priorities consistent with the economic strategy and objectives. Since the Division's role is primarily *advisory*, there is heavy emphasis on preparing clear, understandable presentations to Cabinet on alternative strategies and policies. Policy advice is normally based on frequent complex technical studies and considerable effort is required to ensure that the options put forward are readily understood by decision-makers.

Main Policy Areas

Federal/Provincial Policy Issues — The Division coordinated the preparation of the documents "Towards an Economic Strategy for Canada" tabled by Premier Bennett at the First Ministers' Conference in February 1978. Work continues toward the development of British Columbia positions on a broad range of national policy issues and on means of ensuring that the Province's views are incorporated in the framing of such policies. Positions developed on federal government policies are based on analysis regarding the kinds of measures, falling within federal jurisdiction, that are required to support the Province's own economic strategy and objectives.

Industry Strategy — Part of the Division's work on economic strategy is devoted to the development of an industrial strategy for the Province. This work requires considerable coordination of work with Divisions such as Trade and Tariff Analysis. It is essentially concerned with identifying and prioritizing industrial development opportunities and adjustments likely to arise as a result of changing domestic and international market conditions, domestic and international policy changes, and emerging economic circumstances within British Columbia.

Sector Policies — The Division also undertook policy developmental work specific to certain sectors of the British Columbia economy. Policy analysis covered such areas as the Government's role in the funding and provision of roads primarily constructed to access resources; pipeline policy; energy policy; and evaluation of policies and approaches to the development of various natural resources sectors.

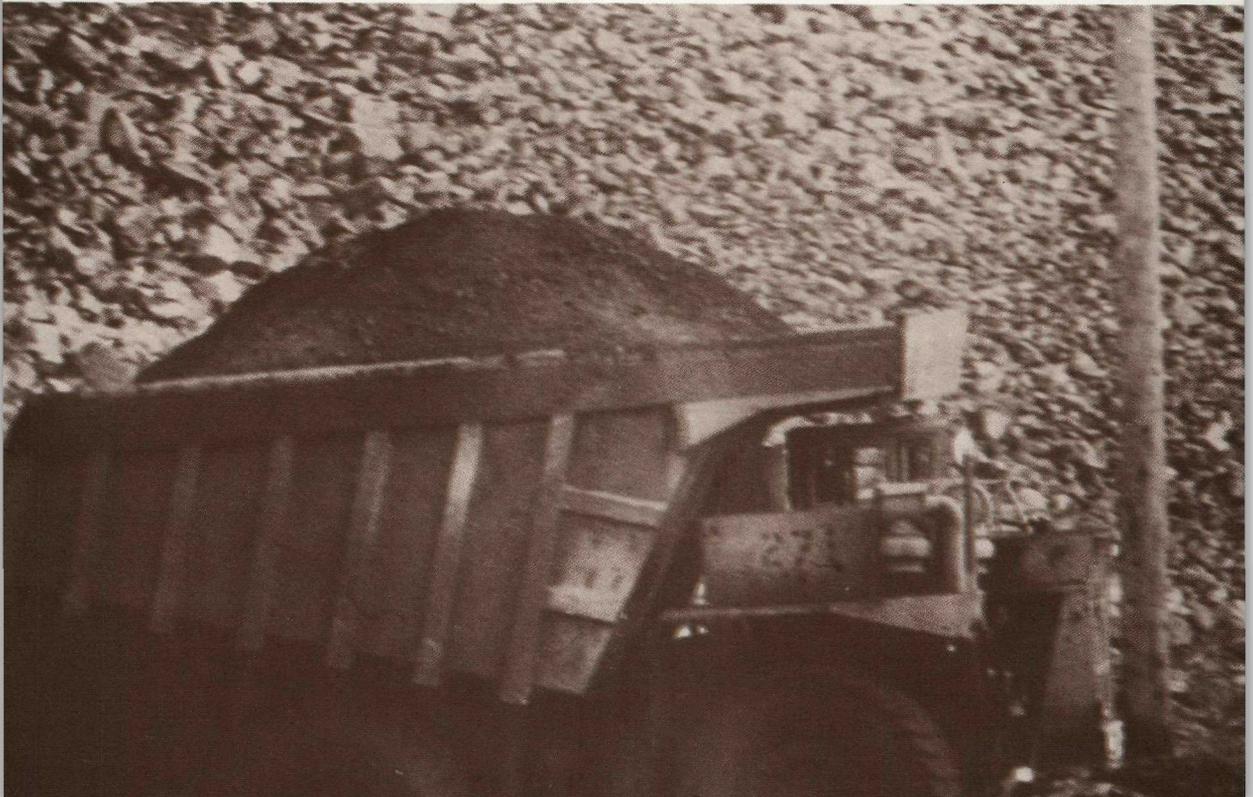
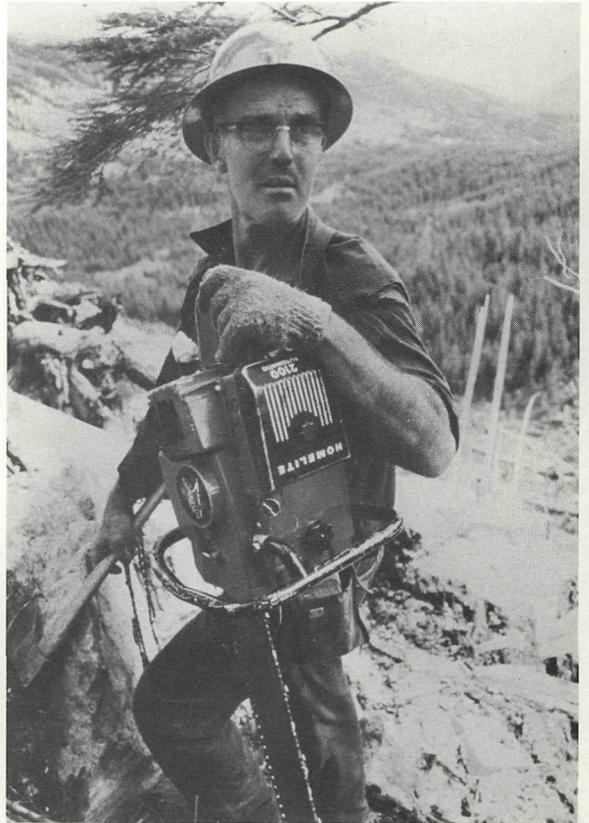
Prominent among sectors where considerable policy advice was generated were coal development and the forest sector. With regard to coal, extensive analysis was undertaken on developmental alternatives in both the northeastern and southeastern parts of the Province. Studies dealt with evaluation of the coal resource, market analysis, transportation and infrastructural alternatives. In terms of the forest sector, the Division participated on the British Columbia Forest Policy Advisory Committee in its review of forest policy and the disposition of timber rights in the Province. Primary Divisional responsibility was to analyze the financial and economic impacts of the recommendations contained in the Pearse Royal Commission Report and the new forestry legislation. Related policies such as the taxation of private forest land and the British Columbia Logging Tax were also analyzed.

ECONOMIC ANALYSIS DIVISION

Objective

The objective of the ECONOMIC ANALYSIS DIVISION is to analyze, interpret and record the sectoral, regional and international forces affecting the provincial economy.

The assessment and understanding of the provincial economy requires an intimate appreciation of its parts. These include not only the major resource and industrial sectors that form the backbone of the economy but also the system of regional economies contained in British Columbia and the role of international and inter-provincial trade. These various parts, sectoral, regional and international are analyzed individually, then assembled to form an economic blueprint.



Activities

Improvement in the economic performance of the Province is a major objective of the government. The Economic Analysis Division is seeking to contribute to this aim through constant analysis and study of certain key aspects of the economy. These include: productivity, cost competitiveness of industry, problems of the economy, past and present economic performance, long term development prospects, unemployment and provincial taxation. From these and other economic activities the Province's economic development strategy can be kept current, relevant and dynamic.

During the year the market potential (foreign and domestic) for a wide range of commodities was explored, using both statistical and survey approaches.

A variety of economic studies were underway or completed by the Division in 1977. These included an econometric modeling of the British Columbia energy sector, an analysis of the Province's strategy with respect to the Alcan Pipeline, non-ferrous metal market analyses, land use studies, the Regional Index of British Columbia, taxation and land tenure studies.

Background Papers/Briefing Notes

During 1977 the Division prepared a number of background papers and briefing notes for ministers and government officials. They included:

- Premier's European Mission
- Visit by Republic of Korea Ambassador

Byung Ki Han

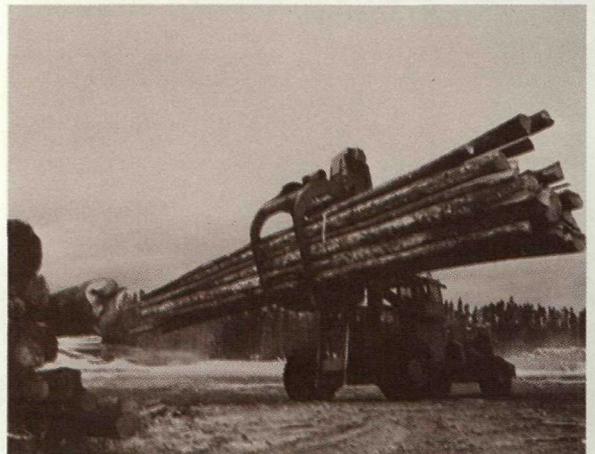
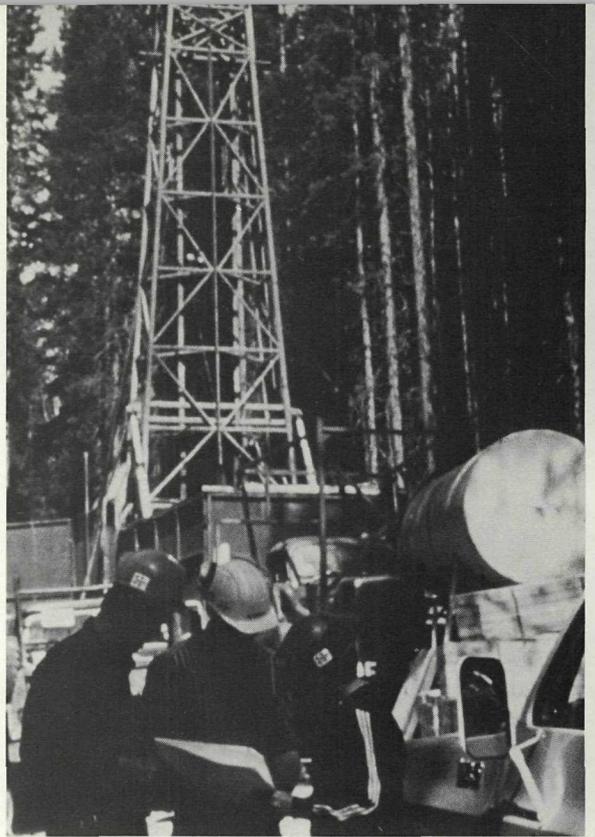
- Visit by German Chancellor Helmut

Schmidt

- Visit by Roy Jenkins, European Economic

Communities

- B.C. Ministerial Mission to Japan and Korea



FINANCIAL ANALYSIS AND PROGRAM IMPLEMENTATION DIVISION

Objective

The objective of the FINANCIAL ANALYSIS AND PROGRAM IMPLEMENTATION DIVISION is to perform analyses and provide information of a financial, accounting, and taxation nature in response to requests from government ministries and agencies. It also implements and coordinates inter-governmental and joint government-industry programs, particularly relating to financial management aspects.

Activities

Project Appraisal and Evaluation:

The Division is responsible for financial appraisals of private and public sector project proposals so as to determine overall viability and impact; preparation of cash flow projections and financial implications of government initiatives; evaluation of projects, briefs, and requests from other ministries and agencies.

Recent activity included capital and operating cost development and analyses for joint North-East coal proposals.

Provision of Information of an Accounting, Financial and Economic Nature:

The Division provides financial research and analysis as input in the preparation of Cabinet documents prepared at the Minister's request by virtue of his role as Chairman of the Cabinet committees responsible for Economic Development and Coal. Further, the Division provides advice and counsel on a broad range of financial, investment and taxation matters.

Special Studies:

Special studies of an accounting, taxation, or financial nature are undertaken by the Division. This year the Division, jointly with the Ministry of Consumer and Corporate Affairs, directed an intensive analysis of capital markets in British Columbia.



Premier Bill Bennett, Prime Minister Pierre Trudeau and Justice Minister Ron Basford witness the signing of the Industrial Development Subsidiary Agreement on July 8, 1977 following a news conference in Vancouver. Looking on from left to right are – British Columbia Economic Development Minister Don Phillips, British Columbia Agriculture Minister Jim Hewitt, Federal Minister of Regional Economic Expansion Marcel Lessard and Minister of

Program Development:

The Division has a direct responsibility for the drafting and negotiation of proposed Federal-Provincial cost-sharing agreements under the terms of the General Development Agreement. These agreements involve not only the Ministry of Economic Development, but also the Ministry of Agriculture (Agriculture & Rural Development Sub-Agreement).

During 1977 the Division was responsible for or assisted in the execution of the following agreements:

- Industrial Development Sub-Agreement (IDSA) (Executed July 8, 1977.)
— A \$110 million joint B.C.-Canada Industrial Development Sub-Agreement which will encourage greater sectoral and spatial diversification of economic activity in the Province.
- Agriculture and Rural Development Sub-Agreement (ARDSA) (Executed July 8, 1977.)
— A \$60 million joint B.C.-Canada program to promote more efficient and economic development of rural lands in the Province.
- Special ARDA (Executed May 18, 1977.)
— A DREE funded program to assist native people in rural areas.
- Amendment to extend the N.E. Coal Sub-Agreement to 1980.

Program Implementation:

The Division is responsible for delivery of various industrial development and business assistance programs, and in 1977 these included:

- Implementation of the Coal Planning Sub-Agreement (signed in January 1977, providing for the cost-sharing of studies related to North-East coal.)
- Implementation of the Fort Nelson Sewer and Water Sub-Agreement (jointly with

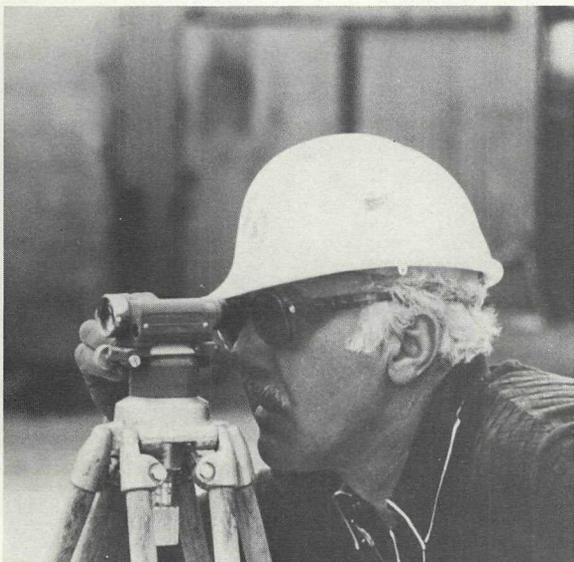
Department of Regional Economic Expansion.)

- Budgeting and financial planning aspects of the Co-operative Overseas Market Development Program. (Sponsored jointly by Economic Development; the Department of Industry, Trade and Commerce; and the Council of Forest Industries of British Columbia.)
- Representation of the Ministry on the Management Committee for the N.W. Rail Agreement, ARDSA, and Special ARDA.
- Implementation of the IDSA program; jointly with the Business and Industrial Development Branch.
- The Director also serves as the Provincial member of the Secretariat to the Federal-Provincial Industrial Development Committee for IDSA.

Foreign Investment:

The Foreign Investment Review Act, a Federal Statute, provides for the consultation of provinces likely to be affected by an investment proposal subject to review under the Act. The Division was responsible for review of foreign investment proposals, and for recommending to the Minister and Cabinet a provincial position which, once approved, is forwarded to the Federal Agency. During the year, 103 such cases were handled.

In addition, the Division performed research on overall investment levels and requirements and closely monitored the Federal Agency to ensure that the Province's economic interests were respected. The Division also participated in investment seminars held in Los Angeles, San Francisco and Seattle. Over 160 American company representatives attended these seminars.



SPECIAL PROJECTS DIVISION

Objective

The objective of the SPECIAL PROJECTS DIVISION is to plan, coordinate and direct Ministerial operations associated with special development projects in the mineral, forest and other natural resource fields; in resource processing; in manufacturing; and in related areas.

It also provides close liaison with other branches in the Ministry, other government ministries, consultants and business organizations in order to develop concepts and coordinate activities to produce specific economic development objectives for British Columbia.

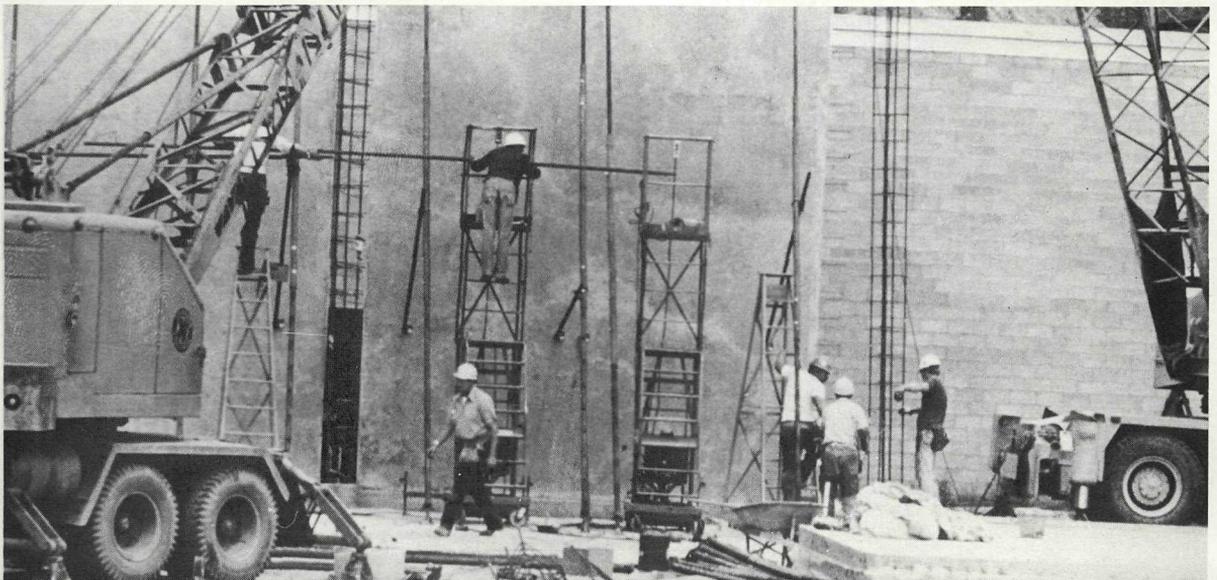
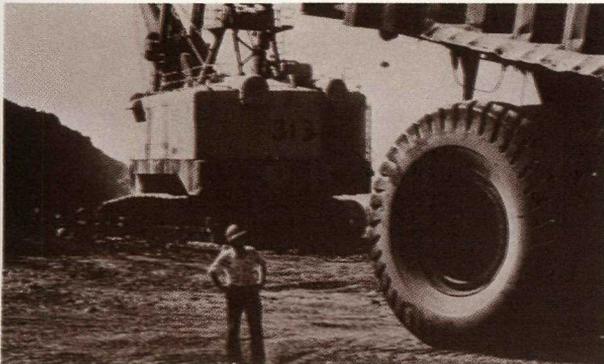
In addition, the Division is responsible for the preparation of the Ministry's economic publications including the Monthly Bulletin of Business Activity, the Annual Review and Outlook, as well as other sectoral and regional publications.

Activities

- Conducted, along with the Financial Analysis

Division, a two-phased analysis of capital markets in British Columbia and the financing of industrial development.

- Commenced a joint study with Energy, Mines and Resources, Ottawa, of the feasibility of processing deep sea ocean nodules at a B.C. location.
- Currently conducting a feasibility analysis of establishing a zinc smelter complex at a B.C. coastal location.
- Completed Ocean Industry Study, designed to provide information for assessment of opportunities for development.
- Director served as council member of the Canada West Foundation and participated in March conference to explore alternatives towards developing a more effective federal system for Canada.
- Division co-ordinated metric conversion activities of the Ministry along with the Business and Industrial Development Branch.



CENTRAL STATISTICS BUREAU

Objective

The objective of the CENTRAL STATISTICS BUREAU is to satisfy the requirements of government, business, and the public for statistical information and forecasts on the economic and social characteristics of the Province and its regions, through the utilization of existing data sources and the development of new statistical programs. Also the Bureau accesses administrative data for statistical purposes, and provides technical statistical advice and services to government Ministries.

Activities

The British Columbia Statistics Act was proclaimed in late 1977 and creates within the Ministry a Bureau which will be able to compile and access data not previously available to Government. This activity can now be undertaken by the Bureau because of the confidentiality safeguards inherent in the Act.

The Act also provides for access to data collected by Statistics Canada; enables the setting of standards for data quality; and provides for coordination of statistical activity of the government. The coordination of questionnaire mailing, for example, should help reduce duplication and red tape.

The number and complexity of enquiries received by the Bureau increased from the previous year. In order to service this demand, increased utilization was made of computer systems for both retrieval and processing of data. The Bureau also continued to expand its inventory of data available in microfilm and published form.

Through the use of personnel with expertise in theoretical and applied statistics, a relatively greater proportion of the Bureau's activities was directed to providing technical advice and consultation to users both within and outside the government.

Special Projects

- Continued to develop and update a set of economic accounts for British Columbia which provide detailed information on the structure of the provincial economy and major sectors.
- Provided statistical material to government members and senior public servants for use in various federal-provincial conferences and meetings, including extensive data inputs to the provincial government group working on the National Economic Strategy.
- Continued to develop and test various computer models for analysis and study of the potential for coal development in northeast British Columbia.
- Developed a financial simulation model of the pulp and paper industry.
- Developed an on-line, interactive computer system for the retrieval and assembly of 1976 Census data.
- Examined financial and investment flows for the major sectors of the British Columbia economy. Undertook preliminary work on developing domestic sectors of the provincial financial flow accounts.
- Prepared and updated forecasts of the British Columbia economy; laid the groundwork for developing a forecast model of the provincial economy.
- Examined Crown land holdings for the possibility of developing an information base for potential industrial and commercial locations.
- Developed a preliminary version of a composite leading indicator of the British Columbia economy.
- Developed and compiled data on federal and provincial government spending, revenue, deficit, borrowing and debt.

Federal-Provincial Liaison

Extensive consultations were held with Statistics Canada, on a wide range of statistical topics including: census data, household statistics, administrative records, manufacturing and primary industries, merchandising, construction, prices, labor, transportation and communications, provincial accounts, and standards and classifications.

TRADE AND TARIFF ANALYSIS UNIT

Objective

The primary objective of the TRADE AND TARIFF ANALYSIS UNIT is to assess and to recommend Provincial commercial policy positions to foster the achievement of the Province's economic development objectives. Much of the Unit's immediate focus has been on the developments in the intermediate trade negotiations under the General Agreement on Tariffs and Trade (GATT). General and specific Provincial GATT policy positions have been formulated to ensure that British Columbia's interests are reflected in the Canadian GATT bargaining strategy.

Concurrently, the unit has undertaken analysis of other Federal trade policies that adversely affect British Columbia consumer and producer interests. Prominent examples include the clothing and footwear quotas and the recent intervention by the British Columbia Government before the Anti-dumping Tribunal on Wide Flanged Steel on behalf of industrial users in the Province.

Activities

Research Program

With the anticipated resolution of the negotiations at the July Summit of the major western countries in Bonn, the Unit has undertaken an evaluation of the likely impact of the trade barrier reductions on both British Columbia producers and consumers. A major element of this analysis is an appraisal of the inter-regional impact of the negotiated Canadian tariff reductions, and an assessment of Canada's success in obtaining export access. The purpose of this analysis is to identify export opportunities which will emerge over the next decade, to assess the impact of the evolving international commercial policy environment upon the cost-competitiveness of British Columbia industries, and to recommend policies which will promote industrial adaptation to exploit the potential gains from freer trade.

Federal-Provincial GATT Consultations

During the past year the Unit has maintained a constant liaison with the Federal GATT negotiations. This has included detailing the specific tariff and non-tariff barrier reductions that the Province sees as necessary to conclude a successful negotiation. The Province has also defined Canadian trade barrier reductions that will assist competitive industrial production and will yield substantial consumer benefits.

The Unit has continued to cooperate with

Manitoba in preparing a "Western" position on common trade policy requirements. Two documents were released at the recent Western Premiers' Conference at Yorkton, Saskatchewan. They are:

1. The Non-tariff Barrier Codes in the Multilateral Trade Negotiations;
2. Western Trade Objectives.

Intensive negotiations on international codes to regulate non-tariff barriers to trade will continue in Geneva into the spring of 1979. The non-tariff barrier codes involve many issues under Provincial jurisdiction and are becoming increasingly important to achieving meaningful trade liberalization. It will be necessary to monitor the negotiations on international non-tariff barriers and to identify the implications for British Columbia.

Other Commercial Policy Issues

During 1977 the Unit became actively involved in appraising Canadian commercial policies outside the realm of GATT. The Province has intervened on behalf of its producer and consumer interests where Federal policies have been found to be contrary to British Columbia's interests. Prominent examples of this include the use of quotas on imports or voluntary export restrictions in the clothing and footwear sectors. The Unit is in the process of estimating the cost of these programs and is examining alternatives to this type of industry support which will facilitate longer-term adjustment.

The Unit recently intervened on behalf of the Province's industrial consumers of wide flanged steel before the Anti-dumping Tribunal. The case was the first in which a provincial government had intervened. The British Columbia submission documented the traditional reliance upon offshore suppliers and indicated the disruption of normal regional trade patterns and loss of employment in British Columbia that would result from the imposition of dumping duties. The case served to focus attention on the potential negative impacts that the application of national commercial regulations have upon the diverse economic regions in Canada. As a result of British Columbia's representations, the Federal Government has granted some relief to the British Columbia wide flanged steel consumers by temporarily exempting the Province from the extra duties levied in other regions as a result of the Tribunal's decision. The temporary exemption is in effect pending final resolution of the whole issue.

WOMEN'S ECONOMIC RIGHTS DIVISION

Objective

The objective of the WOMEN'S ECONOMIC RIGHTS DIVISION is to examine, plan and recommend on all issues affecting the economic rights, economic development and socio-economic status of women in British Columbia.

The Division worked within the framework of this mandate to ensure that all economic development projects of the Ministry offered equivalent benefits to women and men. Staff from the Division concentrated much of their attention on policy review and participation in policy making committees. Much of this work area involved review or development of terms of reference of development studies along with review of socio-economic impact of economic development on areas and communities, and identified target groups within those areas and communities. Division personnel participated in impact reviews of coal and pipeline development and were responsible for developing studies on *Women in Mining and Labour Turnover and Community Stability*.

Activities

Business Workshops — A series of business workshops co-sponsored by community groups or women's organizations was coordinated by the Division to provide information and guidance to women interested in starting a business of their own. Most of these workshops were held in the north of the Province to satisfy a growing demand from craftspeople attempting to make or making a full-time living from crafts. The Division also made available three papers entitled *Making a Living from Crafts*, *A Market Handbook*, and *Bookkeeping for Craftspeople* to further encourage the growth of crafts as a small business.

Resource Centre — The Division served as a resource centre for many individuals and groups in British Columbia. It is estimated that over 200 requests for information and statistical data were processed in 1977. These requests encompassed requests for survey design assistance, acceptance and forwarding briefs from women's organizations, providing resource persons for workshops, putting together LEAP proposals, providing research material on employment outreach schemes for native Indians, providing assistance in planning a university outreach "Women in Management" course, as well as answering requests from many individual women in the Province.

In 1977 Division staff attended conferences and participated in conference seminars dealing with Women and Economic Development, Canadian Research Institute for the Advancement of Women, Canada West Conference and the Canadian Institute of Planners biennial meeting.

Federal/Provincial Co-operation — The Co-ordinator of the Division acted as a provincial delegate to a federal/provincial/territorial meeting on the status of women held in Ottawa in February 1978. The purpose of this meeting was to design and develop outlines for policy papers on such subjects as Women in the Development Process and Women in the Economy aimed at providing a base for both national and provincial action plans to promote equality of opportunity for Canadian people.

**Objective**

In May 1977, Mr. Lance Howey was appointed to the position of European Economic Adviser to work out of British Columbia House, London. Mr. Howey's many years of experience in senior federal trade positions and as the person responsible for implementing the Canada-EEC Trade Agreement give him a unique background for this responsibility. His appointment reflects British Columbia's increasing involvement in international economic affairs. Mr. Howey has economic, industrial investment, and trade promotion responsibilities.

The top priority of the EUROPEAN ECONOMIC ADVISER is to inform the Minister of Economic Development on the issues and progress in the GATT negotiations in Geneva and on economic and trade developments in the European Economic Community that may present opportunities for British Columbia. He also calls on European industrialists, bankers, and their trade associations to stimulate increased participation in British Columbia development.

The current GATT negotiations involve many questions of provincial jurisdiction and concern which could have a major impact on business development in the Province. Mr. Howey has maintained regular and close contacts with Canada's negotiation team, our foreign trade representatives in Europe, the GATT Secretariat and others close to the negotiations to ensure that the British Columbia Government was well briefed on the issues as they developed. He also advised our negotiators and trade representatives of provincial priorities and the impact which decisions could have on the B.C. Economy.

One of Mr. Howey's first tasks was the preparation for and European coordination of the Premier's Mission to Europe in the fall of 1977. The response of European business and government officials to this mission was excellent and Mr. Howey has been welcomed and encouraged in his follow-up calls on the many businessmen who met the Premier and his Ministers. The main areas of interest are participation in the development of our coal and mineral resources and the possibilities of joint ventures with Canadians in the production and servicing of the machinery, equipment and supplies used by our resource industries.

Mr. Howey advised and assisted European officials in the planning of European Economic Community missions to Canada which included Mr. Roy Jenkins' successful visit to British Columbia in March.

From his strategic vantage spot in London, Mr. Howey has been able to provide invaluable assistance and intelligence to the Trade and Industry Division in planning and conducting its European trade development activities. In some instances Mr. Howey accompanied provincial mission members on their visits to European trade fairs and markets.

In carrying out his responsibility to promote trade, Mr. Howey alerted both the businessmen and government of British Columbia of developments in Europe which could have provided opportunities for new investments and increased trade between British Columbia and Europe. He also advised European business representatives on business and economic matters in British Columbia and Canada.

The Ministry of Economic Development provided in its 1977/78 estimates for a number of grants and other financial contributions to support the following specific activities:

Cooperative Overseas Market Development Program \$740,000

This program, jointly financed by the Ministry, the Federal Department of Industry, Trade and Commerce, and the B.C. Council of Forest Industries, was established to promote the development of new overseas markets for B.C. lumber and plywood products.

In spite of slack markets around the world the COMDP promotional and market development initiatives continued to make inroads into overseas markets; these activities were supported in part by the lower Canadian dollar. The Program continued to promote the Canadian Wood Frame Housing methods in Japan.

British Columbia Research Council . . . \$320,000

The Research Council is a provincial institute located adjacent to the University of British Columbia, Vancouver. The Council works closely with industry and government and maintains cooperative relationships with other research facilities.

The grant funded a number of projects during the year; for example it was used to establish a technical information service for use by industry and government. A portion of the grant funded an "action research" program, a problem-solving technique used successfully on one occasion to reduce labour turnover in areas removed from urban centres. The funds were also used to improve the Ocean Engineering Centre, a facility for testing models of ships and offshore structures.

Canada West Foundation \$30,000

The Ministry contributes a grant to this non-profit society whose broad objective is the representation and realization of Western Canada within Confederation. The Ministry has an elected representative to the Foundation.

Several studies have been completed by the Foundation. One such study is called: *Alternatives Towards the Development of an Effective Federal System for Canada*. The Foundation also held a major conference on confederation in Banff in March 1978.

Junior Achievement \$15,000

The Junior Achievement Program is designed to introduce students to the workings of business enterprise. This grant is used to fund awards for students showing the most imagination and enterprise in their mini-business ventures. The grant is indicative of the Government's recognition of the important role played by the organization.

5

MINISTRY OF ECONOMIC DEVELOPMENT STAFF COMPLEMENT

	Employed	Vacancies	Total
March 31, 1977	87	27	114
March 31, 1978	103	41	144

DISTRIBUTION

Victoria

Minister's office	7
General Administration	22
Policy Planning and Research	78

Vancouver

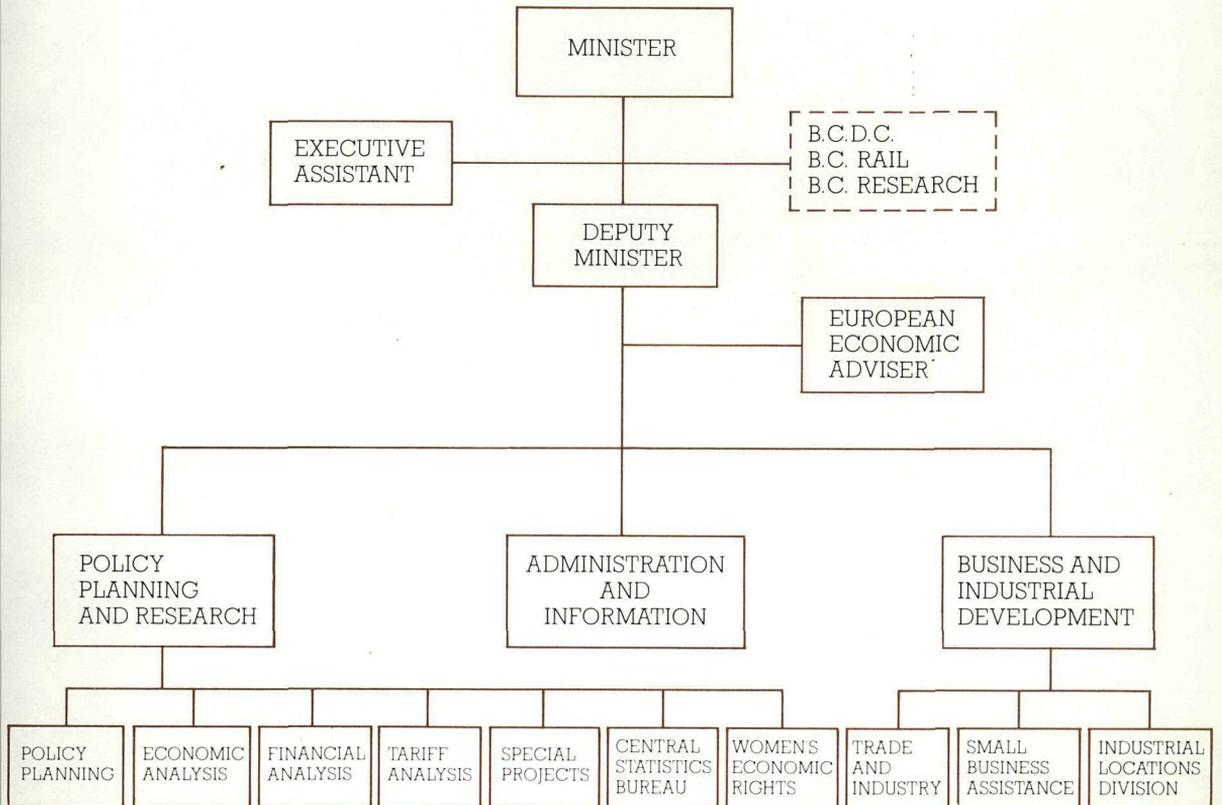
Business and Industrial Development	36
---	----

London

TOTAL 144

6

MINISTRY OF ECONOMIC DEVELOPMENT ORGANIZATION CHART



TRADE AND INDUSTRY BULLETIN

Province of British Columbia
Ministry of Economic Development

Volume 29 No. 3 July 1978

EXPORT OPPORTUNITIES

- Inquiry No.1 - Bangladesh** - Company seeks medicines, pharmaceutical raw material chemicals, milk foods, second-hand clothing, cycle parts, surgical and scientific instruments, coconut oil, and ball bearings. Contact M. Rashid Jamal & Co., P.O. Box No.8551/13, Sadarbari Rd., Dhaka, Bangladesh.
- Inquiry No.2 - Japan** - Company seeks manufacturer of sheep and Lamb skin coats. Contact Osaka Trading, No.308, 1-26-1, Kofuku Sago Bldg., Kawaramachi, Higashi-ku, Osaka, Japan. Telephone (06) 201-3610.
- Inquiry No.3 - Japan** - Company wishes to import fur skins. Contact Sanyei Sangh Trading Co. Ltd., Aashi Bldg., 13 Katagami-2-Chome, Hara-ku, Kobe, 650 Japan.
- Inquiry No.4 - Japan** - Importer seeking fur dried for skins especially Canadian red fox. Contact Tsami Trading Co. Ltd., Yotsubashi Central Bldg., 3, 1-Chome, Shjomiuchi - Nissansdori, Nishi-ku, Osaka, Japan.
- Inquiry No.5 - Nigeria** - Company searching for machinery to produce rubber sheet selling used for the manufacture of footwear and shoe soles. Contact U. Eze Brothers & Co. (Sig.) Ltd., 66 St. Michael's Rd., P.O. Box 458, Abu-E-C-S, Niger
- Inquiry No.6 - Nigeria** - Importer/Dealer searching for used Mercedes 911 and Red trucks, Mercedes and Bedford tippers, new tires 700x14, and motor parts. Contact Akhai K. O. Omondi (Dealer for J. Allen & Co-Ltd) 37, Thadan Rd., P.O. Box 81, Ilesha, Nigeria.
- Inquiry No.7 - Nigeria** - Jewellery, TV's, stereo, milk, liquor, salt or Nigerpendant of N

MONTHLY BULLETIN OF BUSINESS ACTIVITY

Victoria
Vol. 29 No. 4 & 5 British Columbia
Issued: June 1978

BUSINESS HIGHLIGHTS

Provincial economic activity advanced at a moderate pace in most major sectors.

April employment at 1,091,000 was 5.4 percent greater than the April 1977 total of 1,035,000. The seasonally adjusted unemployment rate at 7.3 percent compared favourably with the April 1977 rate of 8.9 percent. The national unemployment rate was 8.6 percent, up from 8.2 percent a year earlier.

Most manufacturing sectors recorded advances over last year, with pulp sales rising moderately above last year's levels. Mining failed to show any upturn in activity. Agriculture and fishing remained close to 1977 levels and logging experienced a minor slowdown. Construction activity remained unchanged from

Province of British Columbia
Ministry of Economic Development

Contents

Articles

- Business Highlights 1
- Merrie Notes 2
- Current Business
- Federal Government Contracts A

Statistics

- Business & British
- Trade Statistics
- Grain
- Electric

B.C. market news

Advertising Campaign Helps Launch Assistance to Small Enterprise Program

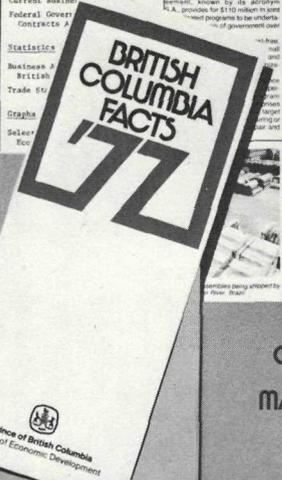
Small enterprises located outside the Lower Mainland and Southern Vancouver Island are now being targeted for special assistance by the Ministry of Economic Development and the Industrial Development Corporation of British Columbia.

The campaign is designed to promote the Assistance to Small Enterprise Program, one in a series of programs contained in the recently signed Pacific British Columbia Industrial Development Subsidy Agreement. This program, known by its acronym I.D.E.A., provides for \$10 million in interest-free loans to be administered by the government over a five-year period.

The answer to that question can be found in the General Development Agreement (GDA) signed in 1975. The GDA, the progenitor of all these subsequent agreements, was guided by very real needs to

WHAT IS ASSISTANCE TO SMALL ENTERPRISE AND WHAT CAN IT DO FOR YOU?

Are you a small business owner? Do you need financial assistance to expand your business? Do you need help with marketing, sales and distribution? Do you need help with equipment, inventory and working capital? Do you need help with research and development? Do you need help with training and education? Do you need help with legal and accounting services? Do you need help with insurance and risk management? Do you need help with public relations and advertising? Do you need help with government relations and lobbying? Do you need help with industry associations and trade organizations? Do you need help with networking and referrals? Do you need help with mentorship and coaching? Do you need help with consulting and advisory services? Do you need help with all of these things? If so, the Assistance to Small Enterprise Program may be able to help you. Contact your local Small Enterprise Program office for more information.



A1 Steel Sells Castings to Brazilian Sawmill

The first order, worth \$1.2 million, was placed in the second week of May. The first shipment of castings from the A1 Steel Foundry Division of the British Columbia Industrial Development Corporation, Vancouver, B.C., is expected to leave for Brazil in the next few days. The first has already left Vancouver for Houston, Texas, where it will be transported directly to the sawmill construction site in Brazil. The second shipment will leave here early in December.

Chain and drive gearcastings, made of manganese steel, will make up the majority of the castings. Manganese steel has many applications in both the logging and

Province of British Columbia
Ministry of Economic Development

ESTABLISHING A BUSINESS IN BRITISH COLUMBIA

GOVERNMENT LEGISLATION AND REGULATIONS



Import Items
Meriting Further Investigation
January 1977

external trade report 1976

Province of British Columbia
Ministry of Economic Development
Program Evaluation
Export-Import
Regulatory

DIRECTORY OF IMPORTERS AND MANUFACTURERS AGENTS IN BRITISH COLUMBIA



BRITISH COLUMBIA FACTS & STATISTICS

BRITISH COLUMBIA ECONOMIC ACTIVITY 1977 REVIEW AND OUTLOOK

The North West Report '77

Industrial Development Subsidiary Agreement

Province of British Columbia
Ministry of Economic Development