

mining, power plants, waste treatment plants, etc.). Annual production of pulp and paper machinery was some \$200 million in 1979, approximately 30 per cent of it directed to export markets.

Canadian equipment production capabilities and expertise cover all grades of pulp, paper, and paperboard but are particularly strong in such areas as pulpmill and newsprint mill machinery. The Canadian machinery sector has developed a technological expertise second to none in newsprint manufacturing. One of the most significant developments of the last decade was the design in Canada of twin-wire sheet formers. Major technological advances were realized, also in recent years, in energy conservation and environment protection. They have been highlighted by full-scale installations of: a) chemi-mechanical pulping systems resulting in higher process yield with less energy consumption; and b) close-cycle chemical pulping systems with drastically reduced polluting effluent.

Subsidiaries of foreign companies, mostly American, comprise roughly 75 per cent of the Canadian pulp and paper equipment industry. The transfer of foreign capital and technology, and access by the subsidiaries to the parents' marketing networks, have enabled a rapid development of the Canadian industry. On the other hand, foreign control has contributed to limited R&D, restriction on market development (generally not applicable when Canadian government export financing is in place) and fragmentation of industrial activities. In recent years, some product rationalization agreements between U.S. parents and their subsidiaries have succeeded in offsetting some of those disadvantages.

c) Recent Canadian Marketing Activity

Prior to the 1980 Forestry Show at Myrtleford, Victoria, Canadian activity was marginal, due in part to the economic sluggishness of the Australian forestry sector. The timing of FIME 80 and the highly successful display of Canadian harvesting and milling machinery was the turning point for active interest by Canadian suppliers. A follow-up to FIME 80 (which had resulted in on-site sales of \$1.8 million by the Canadian exhibitors) was the Australian trade mission to Canada in September 1980, jointly sponsored by the B.C. provincial government and the federal government. One result of the visit was the sale of equipment for SAPFOR's extension at Tarpeena,