

From P3

be establishing a Merchant banking facility here.

What place does Investment Canada play in all this?

Ganderton: Investment Canada's role is to attract investment into Canada. It is the successor to the Foreign Investment Review Agency which existed in Canada up until 1986. The Foreign Investment Review Agency was viewed by foreign investors to be a somewhat inhibiting factor in placing investment in Canada. The Canadian government replaced it with Investment Canada, with a much more open investment promotion policy.

Finkle: The Canadian investment is welcomed in New Zealand. There is no competition to match it dollar for dollar in Canada. However, there are some major moves of New Zealand investment, in areas such as forestry and timber products development [Ed note: Mr Finkle is talking of the F.C.L. ownership of Crown Forests Ltd in Vancouver] and on a smaller scale the purchase of commercial real estate. New Zealand equity in Canadian operations is growing. New Zealand investors feel comfortable with Canadian partners and I believe the feeling is reciprocated. The New Zealand-Canada Trade and Economic Cooperation Agreement (1981) specifically encourages two-way investment and scientific-technology exchange.

Would you like to briefly list the sectors where you feel that technology is likely to be transferred more in the future.

Ganderton: The computer industry is probably the best example, the telecommunications industry is another very strong example. Both of Canada's two largest telecommunications companies are established in New Zealand — Northern Telecoms and Mitel both have

facilities in New Zealand. They both produce in New Zealand, they both manufacture in New Zealand, and that is resulting in technology transfer. The computer industry in Canada and New Zealand has a common history and the computer industry will continue to be an example of technology transfer.

Finkle: New Zealand-developed technology may not hit the world headlines but perhaps it should. Our farmers have been adept for years at using on-farm experience to develop ideas for more cost-efficient animal and crop systems. The electric fence, maybe controlled by solar power, or to keep bears away from honey, is the type of technology I'm thinking of. Our plastic ear tags for Alberta cattle, or computer software for farmers, or small fruit grading machines for cooperatives of orchardists.

Manufacturing

Manufactured Goods. Canada is evident in the supply of manufactured goods to New Zealand. What are the likely growth items in this trade?

Ganderton: The growth manufactured items would be in the telecommunications industry, in the forest equipment industry and in the consumer products area. The telecommunications industry and the forest machinery sectors are both traditional areas in which Canadian companies have supplied to New Zealand industry. The consumer sector is a new one for Canada because of New Zealand's new desire to join the world and welcome the importation of more foreign products — this has opened up greater opportunities for Canadian exporters.

Again, keep in mind that many Canadian exporters would fall into the category of small and medium sized corporations. They are able to export to New Zealand,

whereas in fact, many of the mass producers are not able to do so because they are not able to provide product in small enough quantities.

New Zealand normally does not buy 40 or 50 containers of pots and pans — it buys a container which would consist of some pots and pans, some of this, some of that and some of the other thing. That is where Canadian small and medium sized Canadian industries are able to contribute.

That is the classic claim that New Zealand makes about its ability to supply short-run lines to other countries — there is a similarity there.

Ganderton: There most certainly is. Canadian industry has had that niche in supplying into the United States market for many many years. We do not compete with the mass production scale of some of the American classics.

Finkle: I don't like splitting up trade or international commercial opportunities into little boxes of primary, secondary and tertiary. It sounds like the progression of some awful debilitating disease. There will continue to be opportunities for our primary agricultural products but, hopefully, much more will be in an added value form.

Energy

Energy: Canada has been very visible in one of New Zealand's Think Big projects in the energy sector. New Zealand, on the other hand, has been visible in seeking to promote a range of energy technologies to Canada. What is the Canadian perspective on the New Zealand energy market?

Ganderton: Canadian Industry is very interested in the developments that are going on in New Zealand. In the past those developments, or as you said, the Think Big projects, have been important to Canadian industry. The most obvious one is the Petralgas project which is a 50-50 joint venture between Petrocorp and Alberta Gas Chemicals to produce a plant in Taranaki which is identical to a plant recently completed in Alberta for the production of methanol.

In the production of that methanol, one of the responsibilities that Alberta Gas Chemicals has is the marketing of the methanol produced by the Taranaki plant. Therefore, the interest of that company, which is a subsidiary of one of Canada's largest oil and gas companies, the Nova Corporation, has a very important stake in energy in New Zealand. They also have a very strong interest in the development of coal fields. They have strong interests in the development of methanol from coal seams.



A Dash-7 aircraft manufactured in Canada and flown by Newmans Air in New Zealand.