

dians. So that when we are talking to Canadians about exporting to this part of the world, we don't talk about New Zealand separately, we talk about New Zealand and Australia together, because there is a commonality in the marketplace. Together, they have a population of 18 million people, which is a very attractive marketplace. We don't have any language problems and there are very few cultural problems that we have to get around once they have learned to understand some of the nuances.

But I think perhaps the biggest option to New Zealanders in looking at Canada is that Canada is a North American technological base. We have a commonality of history and language, so it provides an opportunity for Canadian or North American technology to enter New Zealand through Canada without New Zealand having to go to the extremely large companies of the United States which can swallow up the New Zealand companies. There is a commonality in company size, which, along with business ethics, makes an excellent combination.

Closer Economic Relations: The Way Ahead, Mr Finkle, is one of the phrases used in the review of the agreement between Australia and New Zealand. Where do you see, as a New Zealander, Canada fitting into that relationship?

Finkle: Can I answer that one by going back to something that Jim Ganderton said: That New Zealand certainly doesn't feel swamped in dealing with Canada. I said it was a very large country geographically, but the size of many of the Canadian cities and the friendliness with which the Canadian importer deals with the New Zealand exporter makes it an ideal market for us to develop into. To some extent that familiarity between the two countries has not created the ginger perhaps necessary to make a marriage or relationship work. Maybe if we had an issue between us, a really big issue that upset us, we might find in fact a greater reason to talk with each other.

Canada, with 24 million, is certainly not a huge market in population numbers, and they are well spread out across the country with the bulk, of course, in the central Canadian area. The market for New Zealand is, in my view, an obvious market for New Zealand exporters to look at after Australia. I believe that Canada is a more obvious market for New Zealand to begin marketing in after Australia. That is because it is still Commonwealth.

I am not saying that because of any great long-standing Commonwealth ties, as important as they are, but the fact is that many of the standards, many of the attitudes in business, have developed from the association of Canada with the United



Canada has more than 160,000km of oil and gas pipelines. The solid lines show existing pipelines, the dotted lines proposed pipelines.

Kingdom. Because of that we find there are many similarities between, for example, standards for two-way radio systems, which we can develop into the Canadian market but which are not as easy to develop into the US market. So I see Canada becoming an increasingly important trading partner as our exporters of non-traditional products bleed themselves in Australia and then move on.

Other countries

Third country marketing. Are there prospects for greater cooperation between New Zealand and Canada in selling products to other countries?

Ganderton: Yes. It is probably sensible to look at the forestry industry. There are a number of companies which have joint relationships for marketing not only in New Zealand and in Canada but into third countries. For example, Nicholson Murdie has just recently purchased a company in New Zealand to manufacture in and for New Zealand and also for Australian requirements, to take advantage of CER.

Another example of third country marketing is the joining together of the consulting services provided by H. A. Simons in Vancouver and with Beca Carter Holdings here in New Zealand. They have formed together to create a company by the name of Beca Simons. The purpose of Beca Simons is to combine the forest industry consulting activities of H.A. Simons and Beca Carter for requirements in New Zealand and in third countries. They both have strengths

which are complementary and in that case they are marketing abroad.

Investment: As the economic relationship between the two countries deepens, there will doubtless be more evidence of real investment both in equities and in the financial sectors. What do you see happening at the moment?

Ganderton: Canadian investment in New Zealand has traditionally been primarily in the manufacturing sectors — be it in Bata's manufacturing of shoes, to agricultural machinery, to oil and gas machinery, to forest machinery, to the airlines, but I think that when examining the investment opportunities you should be looking at the financial community itself, at the banking community.

In the past, in fact, there has been no significant Canadian investment of facilities in the banking community in New Zealand, although there has been a very large assumption by Canadian banks of the debt in New Zealand. But this year there are two of the major Canadian banks making sorties into New Zealand. The first of those is the Royal Bank of Canada. It is joining together with the National Mutual to create the Royal Bank National Mutual Organisation, which is active both in Australia and New Zealand.

The second one, perhaps more of a separate Canadian entity, is the Canadian Imperial Bank of Commerce. It has recently received a merchant banking licence in New Zealand, and in 1986 will