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Commonwealth meets in Canada

... a unique and vital relationship

Canada attracts record UK investment

Olympia and York rescues Dockland development

Canadian film balances art and commerce



In this issue

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Brian Mulroney with Her
Majesty the Queen**

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Editorial

Canada is the only nation in the world that combines memberships in the Commonwealth and la Francophonie, and that participates in the annual Economic Summit of Western industrialised nations.

The opportunity to host three summits within the next 12-months gives Canada a unique opportunity, and a pressing responsibility, to act as a force for international cohesion and co-operation.

Prime Minister Brian Mulroney set the tone for Canada's participation in the three summits, with his recent observation that 'Canadians are united in one simple conviction: to better the human condition and to achieve international peace and security. Nations acting together can always do much more than nations acting apart.'

A tradition of leadership

Canada has always been one of the Commonwealth's most solid supporters. Historically, as the first self-governing Dominion within the British Empire, Canada demonstrated a way for other countries to assert their own independence while retaining friendly links with Britain.

With the development of the modern Commonwealth, Canada has supported a broadly based association in which all members have a close interest and a contribution to make.

In recent years, Canada has been the second-largest financial contributor to the Commonwealth, and has been deeply involved in pioneering a number of important policy initiatives.

It was Canada that first proposed the establishment of the Commonwealth Scholarship and Fellowship Programme, urged that women be equally represented among scholarship recipients, promoted

the idea of an annual Commonwealth Day, and suggested that the Commonwealth Games be complemented with a parallel arts festival that was first held in Edmonton in 1978.

New style and format

Another Canadian initiative was the introduction of a new style and format for the Heads of Government Meetings that emphasize the informal discussion and collegial decision-making that have been so important to the success of Commonwealth summits.

Participants gather in a relaxed, private atmosphere conducive to a forthright exchange of ideas. Much of the discussion takes place in executive sessions that are generally restricted to three delegates from each country, while difficult issues are left for a 'retreat' away from the conference table in which only Heads of Government themselves participate.

The structure of Heads of Government Meetings often enables Canada to pursue a role of 'honest broker' between developing and developed nations – a function that is strongly reinforced by that simultaneous membership in the Commonwealth, la Francophonie and the Group of Seven.



Canadian High Commissioner

Vancouver conference

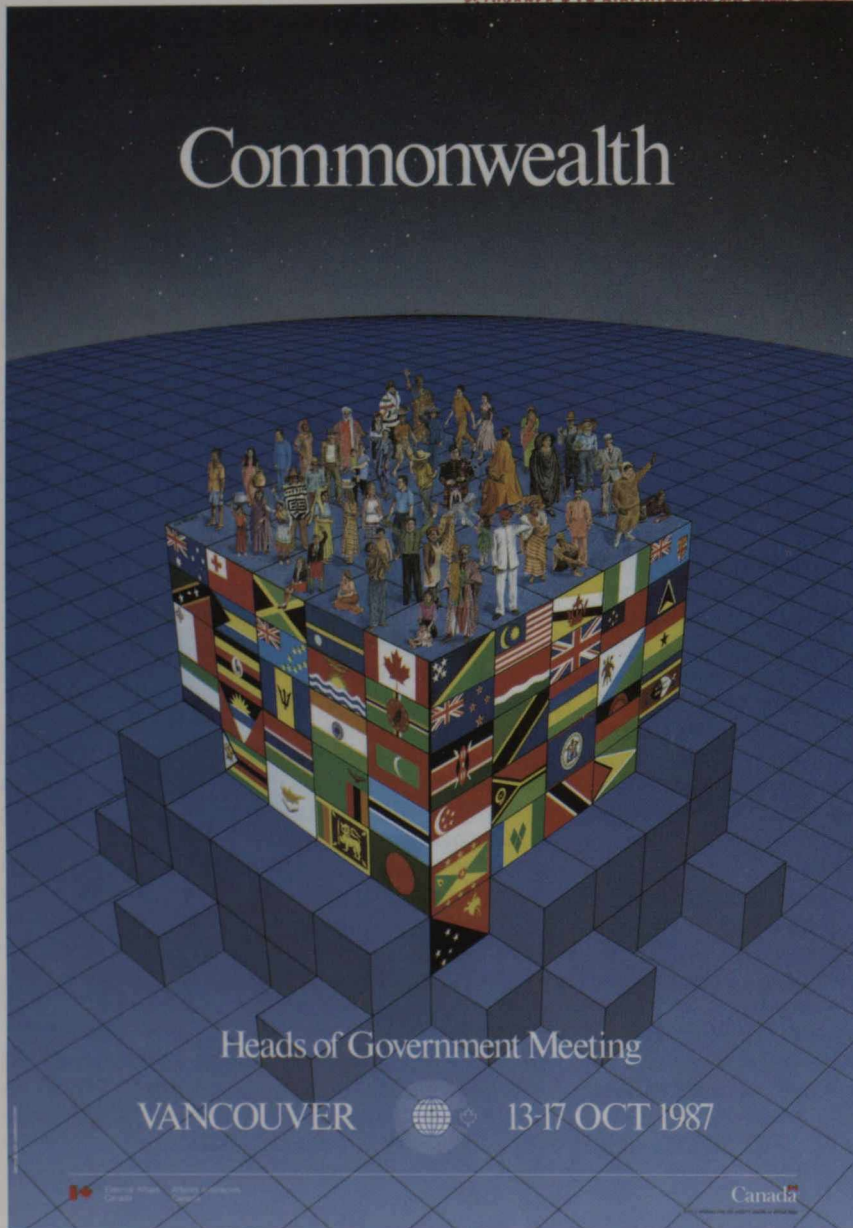
Dept. of External Affairs
Min. des Affaires étrangères
OTTAWA

NOV 20 1987

Summit shows Commonwealth is still a vital force

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Poster courtesy of The Commonwealth Secretariat, designed by Gingko Design + Communications.

years; they speak a common language and share common values, both of which greatly facilitate communication.

They also represent the whole spectrum of humanity — from the very rich to the very poor. Some are technologically advanced while others are struggling to develop their potential. The most populous member is India with over 700 million people; the smallest ones are the island states of Nauru and Tuvalu, each of which has just 8000 inhabitants.

Membership of the Commonwealth does not affect a nation's sovereignty. Each member decides its own form of government and political orientation, so there is a wide range of political systems among the nations that make up the Commonwealth.

Yet despite this diversity, the Commonwealth has strong roots that hold the various countries together. In many ways, it is these roots that make the Commonwealth unique as a world organisation.

The path from Empire to Commonwealth

The modern Commonwealth may seem a youthful institution, but its history goes back quite a long way — to Canada, in fact. Lord Durham's Report of 1839 led to a concept of self-government and national self-respect, which is basic to the Commonwealth idea. It also led — in 1867, under the British North America Act — to Canada becoming the first Dominion, a status which came to imply equality with Britain.

At the 1926 Imperial Conference, Britain and the Dominions were defined as 'autonomous communities, equal in status, united by a common allegiance to the Crown' and 'freely associated as members of the Commonwealth of Nations'. That meeting was followed by the Statute of Westminster in 1931, under which the independence of Canada, Australia, New Zealand and South Africa was given legal expression.

The next major step in the Commonwealth's development was taken in the late 1940s with the granting of independence to India, Pakistan and Sri Lanka. India's leader at the time, Jawaharlal Nehru, while recognising the advantages of belonging to the Commonwealth, wanted his country to become an independent republic. This meant India would no longer be able to recognise the British monarch as its head of state.

However, the Commonwealth has always been an adaptable body. Its leaders met again in 1949 and agreed that the principle of membership of the Commonwealth should be changed to acceptance of the British monarch as the symbol of association, regardless of whether the member country retained allegiance to the British crown. India, therefore, was able to join.

As more countries gained their independence, so the Commonwealth grew in membership and diversity. Five countries participated in the Prime Ministers' Meeting of 1944. In 1948, the number had risen to eight. In the 1960s, the growth was much more noticeable, as 20 newly independent countries participated in the Heads of Government meeting for the first time. Today, there are 49 independent member states.

Every two years, the Commonwealth Heads of Government meet for a week of intensive discussion held in an atmosphere of informality. This October, it was Canada's turn to host the meeting, and leaders from 49 member nations all over the globe headed for the British Columbia Convention Centre, a dramatic building with a graceful sail-like roof situated on Vancouver's waterfront.

In the past, sceptics have said that the Commonwealth no longer serves a useful purpose — even though it represents one quarter of the world's population. The Vancouver summit proved them wrong. It showed that the Commonwealth is a dynamic, forward-looking organisation, which has developed a momentum all of its own.

A unique and dynamic partnership of equals

The Commonwealth is a voluntary association of independent countries that share a common heritage. Their education and legal systems are similar; they have trade and economic links that go back many



Vancouver skyline

Meanwhile, the focus of attention was shifting away from Britain. In 1951, the word 'British' was dropped from the title of the final communiqué, and from the mid-1960s, meetings began to be held outside Britain. The first one was held in Lagos in 1966; other venues have been Singapore (1971), Kingston (1975), Lusaka (1979), Melbourne (1981), New Delhi (1983) and Nassau (1985).

Canada has now hosted two Commonwealth Heads of Government meetings — the first one being in Ottawa in 1973.

Forum for discussion: the Heads of Government meetings

Heads of Government meetings have a twofold purpose. First, they are an important forum for discussing issues of concern to the world community at large. Second, they are the setting for decisions on Commonwealth co-operation and joint action in service of wider goals.

In 1971, for example, Commonwealth leaders adopted the Declaration of Commonwealth Principles and decided to establish the Commonwealth Fund for Technical Co-operation to assist development. In 1973, they set up the Commonwealth Youth Programme to enable young people to take a more active part in development.

The Kingston summit of 1975 appointed a Group of Commonwealth Experts to assist progress towards a new world economic order aimed at narrowing the gulf between rich and poor nations. This commitment was taken a step further in 1977, when a Technical Group was set up to work towards a Common Fund which would stabilise commodity prices.

The 1981 conference culminated in the Melbourne Declaration on north-south issues, which lays down principles for greater justice in world economic relationships. Expert groups were set up to study the global problems of protectionism in trade and of obstacles inhibiting the progress of north-south negotiations.

Half the member countries of the Commonwealth

have populations of less than one million, and this factor was a major preoccupation of the 1983 summit in New Delhi. A study was commissioned on the security and economic problems of small states, and special assistance was recommended to help them. The Goa Declaration on International Security called for a constructive east-west dialogue and the strengthening of international machinery to reduce tension and resolve disputes.

'A touch of healing to a troubled world'

Racial equality has always been upheld as a cardinal principle of the Commonwealth, and this has led to a number of resolutions on Southern Africa at conferences over the years. One of the most significant was the Gleneagles Agreement in 1977, under which Commonwealth leaders affirmed their opposition to apartheid and undertook to discourage sporting links with South Africa.

The meetings have developed a character which is perhaps unique among large international gatherings. Sessions are private, and stylised discussion is avoided. It is 'statesmanship in shirt sleeves'. The keynote is frankness and informality; and the opportunity they afford for genuine personal contact and interaction is especially valued by Commonwealth leaders.

Furthermore, links do not stop at the official level. There are, in addition, 300 voluntary organisations that span the Commonwealth, helping to bring people together in a spirit of friendship and co-operation — organisations such as the Royal Commonwealth Society and the English Speaking Union.

The world-wide, multi-racial character of the Commonwealth enables it to have a bridge-building role, or as Jawaharlal Nehru put it, to bring 'a touch of healing to a troubled world'. In an increasingly complex world plagued by misunderstandings, at least one organisation seems to be successful in bringing diverse peoples together — peoples who might otherwise not communicate at all. ♦



Photo courtesy of the Commonwealth Secretariat

Commonwealth Training Award holders, Cyprus Forestry College

The Commonwealth in action CFTC helps developing nations

The Commonwealth operates in three main ways. First, it is a forum for consultation (which is not just confined to the biennial meeting of Heads of State; consultation also takes place at many other levels). Secondly, it helps to build bridges between rich and poor nations, and thirdly, it provides technical assistance through its own multilateral agency, the Commonwealth Fund for Technical Co-operation.

The CFTC was established by the Commonwealth Heads of Government at their meeting in 1971 as a way of expressing the Commonwealth spirit in a vital, practical way. The CFTC offers various kinds of assistance. It supplies experts, offers training in

other Commonwealth countries, finances economic studies, and helps countries with their export drives.

In addition, the Fund gives specialist advice to governments, helps to establish new industries as well as to improve productivity in existing ones, and it supports practical co-operation between countries in areas that range from food production to management development.

Most of its resources come from the more developed Commonwealth members; nevertheless, Nigeria is the fourth largest subscriber and India the sixth. Annual expenditure is currently in the region of £30 million.



Technical education,
Grenada

Photo courtesy of the Commonwealth Secretariat

Developing countries help one another

One area in which the Fund has broken new ground is technical co-operation among developing countries. In 1984-5, for instance, developing Commonwealth countries welcomed — and subsidised — about 97% of CFTC trainees at their own training centres, and were the source of nearly 70% of all the experts provided.

This makes sense, since experts from developing countries often have experience which is more relevant to their country of assignment than do experts from the developed countries. Furthermore, training is usually more effective if it is carried out in an environment similar to the one in which the trainee is going to work.

Experts are provided through the CFTC's General Technical Assistance programme. One such expert is Canadian Koit Teng, who has set up a government micro-computer systems programme on the South Pacific Island of Vanuatu. This is a project that calls for considerable versatility. Teng's job is diagnosing and repairing computer faults and developing suitable software. He is also responsible for the selection and training of computer programmers, operators and technicians.

The Fellowships and Training Programme is another CFTC venture. It is at the heart of the CFTC's manpower training activities and now forms part of the Human Resource Development Group of the Commonwealth Secretariat. Since 1972, the programme has sponsored the training of over 15,000 people.

It is currently supporting a large number of projects; these range from a special training programme for Namibian refugees to specialist courses on micro-processors and agricultural statistics in Sri Lanka.

CFTC structural engineer
working in Barbados



Photo courtesy of the Commonwealth Secretariat

'CFTC is more than the sum of its parts'

While these two programmes aim to satisfy long-term needs, the CFTC also maintains a Technical Assistance Group to provide consultancy services in key sectors. One area in which TAG has been extensively involved is the design of the legal and fiscal frameworks within which petroleum exploration and development can successfully take place.

Assistance has also been provided on some 15 projects — in Africa, the Caribbean and the Pacific — involving mining legislation, exploration and development agreements.

The CFTC also directs substantial resources to an Export Marketing Programme, which is designed to help governments to improve their export performance and thus to earn more foreign exchange. In St Lucia, for example, the quality of local handicrafts is being improved with the help of a Canadian handicraft marketing expert.

In 1980, another new Programme was started. It is the Industrial Development Unit, which was set up to identify and launch new industries and to improve the performance of existing ones. Finally, the CFTC has also started a Food Production and Rural Development Division, which is geared to solving the problems of the agricultural sector.

Speed, flexibility and cost-effectiveness are the hallmarks of the CFTC's operations, and the high esteem in which the Fund is held is reflected in the increased contributions from governments and in the volume of requests it receives. But, as Commonwealth Secretary-General Shridath Ramphal observes, 'The value of the CFTC is more than the sum of its parts. It has come to be the touchstone of caring for the Commonwealth'.

Structure of Commonwealth: Secretariat supports relationships

The informality which characterises the Commonwealth is a key part of its ability to function effectively. The organisation has no constitution or charter like other international bodies such as the United Nations. Instead, it has a set of Principles, which bind its members together.

The Declaration of Principles was agreed at the Heads of Government meeting in Singapore in 1971. It pledges support for the United Nations in its efforts to secure international peace and order. It affirms the liberty of the individual and opposes racial discrimination. It condemns colonial domination and racial oppression. And it seeks to achieve a more equitable distribution of wealth among nations.

It also affirms the belief that 'international co-operation is essential to remove the causes of war, promote tolerance, combat injustice and secure development among the peoples of the world'.

However, regardless of how informal it tries to be,

an organisation still requires some kind of structure. At one time, the British government was responsible for coordinating the work of the association; but in 1965, the Heads of Government decided that this was an anachronistic situation. The Commonwealth needed an agency of its own to organise its various affairs.'

This decision led to the establishment of the Commonwealth Secretariat. A Canadian diplomat, Arnold Smith, was elected its first Secretary-General. The present holder of the post is Shridath Ramphal, former Minister of Foreign Affairs and Justice of Guyana.

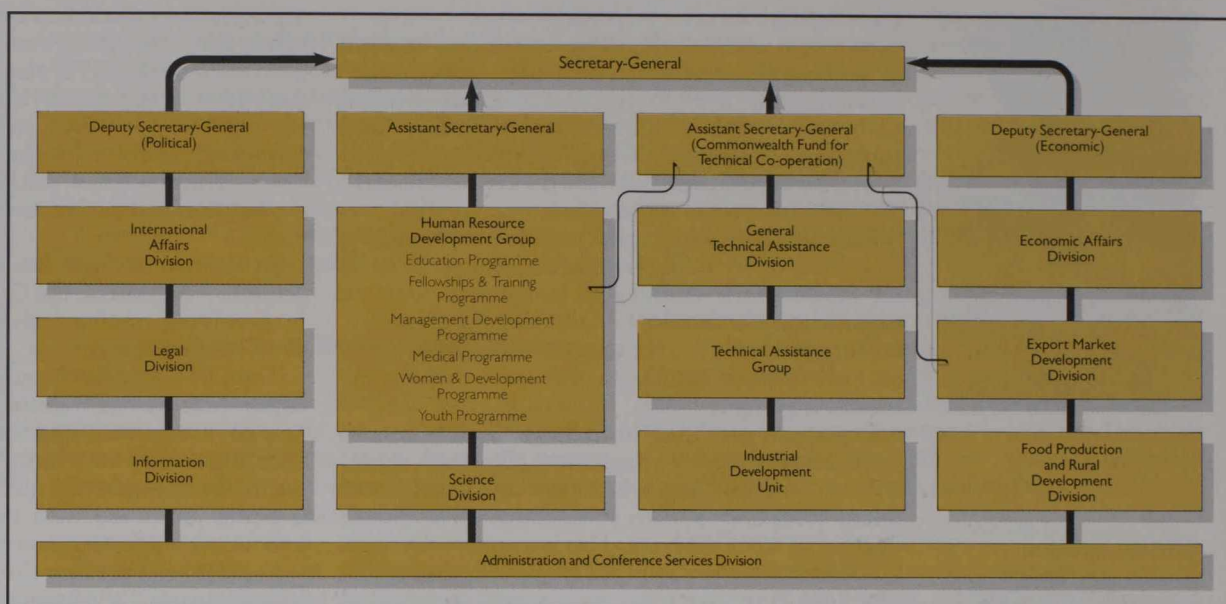
He is supported by two Deputy Secretaries-General (both elected) and two Assistant Secretaries-General. The Secretariat has a staff of about 400 people drawn from 30 member countries; among them are high-ranking officials on secondment from their governments. The cost of the operations is met



Commonwealth vets
inspect project, Botswana

Photo courtesy of the Commonwealth Secretariat

Structure of the Commonwealth Secretariat



by subscriptions from members assessed according to population and income.

The Secretariat's International Affairs Division assists the consultation between member governments on political issues, in addition to organising meetings and serving committees. The Economic Affairs Division has an analogous role on economic issues and publishes a number of bulletins.

Many of the other divisions are related to development. For example, the Human Resource Development Group brings together six programmes designed to help governments strengthen their manpower capability in key fields. It also includes a Management Development Programme and a Youth Programme.

Interview with Canada's High Commissioner

'Commonwealth more relevant now than it has ever been'

Just before the Heads of Government Meeting in Vancouver, Canada Today interviewed H.E. Mr Roy McMurtry, Canadian High Commissioner to Great Britain, about the role of the Commonwealth in the modern world and the part that Canada can play in it.

Mr McMurtry, does the Commonwealth really have a role to play in the modern world?

I think the answer to this is obviously, 'Yes'. Because of common bonds of history and language, the Commonwealth is often in a position to contribute to the world's understanding of major issues and to encourage efforts to resolve them. It plays a helpful role in north-south 'bridge-building' by providing a forum for dialogue on how to bring about more equitable distribution of the world's resources.

It is especially suited to cooperate in assisting the development of the many small states within the Commonwealth. It is also taking a lead in international efforts to eradicate apartheid in South Africa and to bring about a peaceful change there to non-racial representative government.

How do you answer the critics who say that the Commonwealth is largely irrelevant?

I think the Commonwealth is more relevant now than it has ever been, but like other international organisations it is vulnerable to scepticism and complacency.

The Commonwealth played an active role in facilitating the process toward Zimbabwe's indepen-

dence and I have already referred to its active efforts to bring about the end of apartheid in South Africa. The Commonwealth is thus an important agency for bringing about significant political change.

But it is not only in the areas of highly publicised political issues that the strength of the Commonwealth lies. Much of the solid progress made by the Commonwealth — on such issues as the survival of small island-nations, pioneering studies on the world financial and trading system, and on the indebtedness among developing countries as well as the nurturing of nearly 300 non-governmental Commonwealth organisations — goes unnoticed by the media.

The Commonwealth also has a continuing role in assisting its developing members through the Commonwealth Fund for Technical Cooperation.

What exactly is the Commonwealth? How would you define or describe it? Is it merely a group of countries linked by the accident of history; or is it something more than that?

The Commonwealth is an organisation with a very special character based on a common language, common aspirations and common elements of history, rather than an accident of history. It is held



Photo courtesy of the Commonwealth Secretariat

There are forty nine independent members of the Commonwealth, representing one quarter of the world's nations and one quarter of its population. The member countries are:

- Antigua & Barbuda
- Australia
- Bahamas
- Bangladesh
- Barbados
- Belize
- Botswana
- Britain
- Brunei
- Canada
- Cyprus
- Dominica
- Gambia
- Ghana
- Grenada
- Guyana
- India
- Jamaica
- Kenya
- Kiribati
- Lesotho
- Malawi
- Malaysia
- Maldives
- Malta
- Mauritius
- Nauru
- New Zealand
- Nigeria
- Papua New Guinea
- Seychelles
- Sierra Leone
- Singapore
- Solomon Islands
- Sri Lanka
- St Christopher-Nevis
- St Lucia
- St Vincent
- Swaziland
- Tanzania
- Tonga
- Trinidad & Tobago
- Tuvalu
- Uganda
- Vanuatu
- Western Samoa
- Zambia
- Zimbabwe



together largely by a feeling of kinship based on these common elements.

I think the strength of the bonds that hold the Commonwealth together should not be underestimated. The Commonwealth, unlike most other international organisations, has no formal constitution and its governing body is the biennial Heads of Government Meeting.

It also has a large secretariat which, since 1965, has had its headquarters in London. Decisions in the Commonwealth are reached by consensus which, as much as anything, symbolises its cooperative role.

Is there any one example you would like to cite which shows what the Commonwealth has achieved? Or are its achievements best measured in less tangible terms — for example, in helping to foster the cooperation you mention?

I think I have already pointed to some of the Commonwealth's achievements. Certainly, its role in helping to bring about the independence of Zimbabwe was important. The work of the Commonwealth Fund for Technical Cooperation in assisting developing countries of the Commonwealth is another of its major achievements.

But the Commonwealth is continually evolving and responding to new issues as they arise. I would refer you to the recent successful Conference of Commonwealth Ministers of Education held in Nairobi and to the meeting of Commonwealth Ministers Responsible for Women's Affairs that was held in Harare.

How do you see the Commonwealth developing in the future? In the last 20-25 years, it has grown enormously in size, but clearly its expansion cannot continue: so how will the Commonwealth keep on developing? Where will it get new energy in order to avoid being taken too much for granted?

It is true that the Commonwealth has expanded enormously in the past 20-25 years and in 1965 established its own permanent secretariat. Commonwealth membership can clearly not continue to expand at the same rate as there are a limited number of countries remaining that would be eligible for such membership.

Governments in international organisations are now faced with carrying out their objectives and aspirations with limited resources. Consequently, one of the major challenges to the Commonwealth will be to carry out its programmes more efficiently and effectively in a climate where expansion of its resources will be limited.

Perhaps the greatest challenge now facing the Commonwealth is the need to make progress to end the scourge of apartheid in South Africa.

Why does Canada continue to offer such strong support of the Commonwealth?

Membership in the Commonwealth is a vital part of Canada's international role. It reflects a part of the Canadian personality. Our role in *la francophonie* is another manifestation of our national character.

There has been a steady link between the development of the modern Commonwealth and Canada's emergence as an independent actor in the world.

After World War II, the new Commonwealth enlarged Canada's contacts with Asia and Africa and strengthened those with the Caribbean and the Pacific. The Commonwealth continues to provide vital avenues for Canadians to reach out to the world and to play a distinctive role in North America itself.

Also, with both Canada's prosperity and security depending on a smoothly functioning international system, the Commonwealth provides a unique avenue for promoting international cooperation.

What role does Canada play in the Commonwealth?

As the Commonwealth has evolved over the years, the pre-eminent role that Britain played has diminished, and the organisation is now very much based on the assumption of equal partnership among its members. That being said, however, Canada is certainly one of the Commonwealth's strongest supporters and most active members.

Canada is the largest contributor to the Commonwealth Fund for Technical Cooperation and the second largest contributor to the Secretariat's budget. Canada's hosting of the Commonwealth Heads of Government Meeting this year in Vancouver is an indication of its firm support for the Commonwealth.

What are the major challenges facing the Commonwealth today? And how can Canada help meet those challenges?

There are several challenges facing the Commonwealth. The first is to maintain its cohesion and common purpose and aspirations. In a world where we have seen a move away from multi-lateralism and a tendency for governments to return to a more inward-looking nationalism, it is one of the great challenges of the Commonwealth to promote the commitment of nations to the concept of an international community.

Canada can help meet this challenge by continuing its active role in the Commonwealth and promoting its own sense of commitment, both to the organisation and to the efficient functioning of the international system.

In doing so, it is important to recognise the Commonwealth's limitations. It is not the United Nations and it cannot act like the United Nations. It does not represent the whole of the international community, but it has a great contribution in terms of promoting cooperation to make to that community.

In the Nassau Declaration on World Order, issued by the Commonwealth Heads of Government Meeting in October 1985, the Heads of Government expressed their commitment in the following terms: 'We commit ourselves and our nations to work tirelessly in the pursuit of a world marked not by disorder and the use of competitive power, but one governed by the principles of collective international cooperation and respect for the rights of all nations and peoples as the necessary foundation for lasting peace and assured economic and social development'.

Canada subscribes fully to that commitment. ♦

Canada's economic strength

Canada's economy is sound and offers excellent growth potential. That is the message getting through to UK investors. During 1986 asset values acquired and invested in Canada reached £1.7 billion. This represents a doubling over the previous year and does not include reinvestment by UK companies already based in Canada.

Why all this interest? One important consideration is that the Canadian economy is strong and expanding. Last year, for example, real GDP growth in Canada was the fastest among all the OECD countries (chart 1), thanks to an expansion of domestic demand (3.1%) and inventory accumulation (52%). In the first half of 1987 real growth has been 4.5% better than all other G-7 countries.

This is no flash in the pan. Canada's real GDP growth since 1983 has been consistently among the highest of major economies; while Chase Econometrics predicts that Canada will have the highest average growth rate of any developed country from now until the year 2000. With an average expansion of 3%, this means it could outshine even Japan with its rate of 2.9%.

Moreover, unemployment in Canada is falling faster than in any other OECD member nation, and now stands at 8.8% compared with the peak of 12% in 1983. The federal deficit as a share of GDP is also declining. It will drop to 4.9% in 1987/88 — down from the 1984 figure of 8.6%.

Canadian companies more profitable than US ones
One noteworthy trend is that Canadian companies are outperforming their American counterparts as far as profits are concerned. Measured in terms of profitability as a share of GDP, profitability in Canada is 1% higher (chart 2).

With corporate profitability up 23.8% in the first quarter of 1987 compared with the same period in 1986, many experts believe that Canada will experience a substantial increase for the whole of this year. The increase should be worth some £14 billion.

Mining is the sector that performed particularly well in the first quarter. Its profits increased by 120%. However, manufacturing also showed a healthy rise — 31% over the previous year.

The recession of the early 1980s was a difficult time for Canadian corporations. Many of them had relied heavily on short-term and variable rate debt to finance investment and acquisitions, and were unprepared for the increase in interest rates combined with a decline in output and productivity.

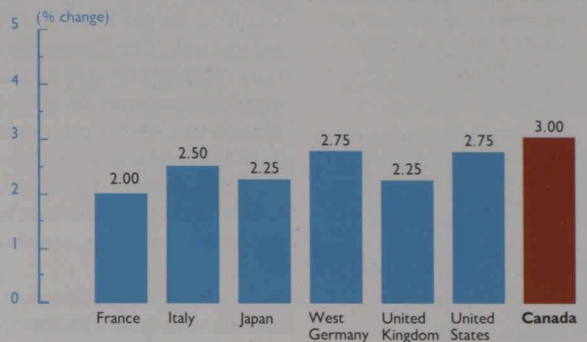
Since then, firms have made an effort to restructure their balance sheets, and the situation now looks much more promising. By the end of last year, the non-resource sector as a whole had recovered to its pre-1981 financial position, although the natural resource sector had fared less well owing to the continuing international weakness in commodity prices.

This contrasts with the experience in the US, where profit improvements have been weaker and corporate reliance on debt has increased substantially.

A skilled and disciplined workforce

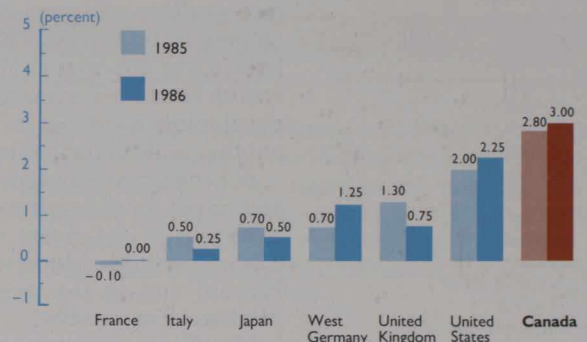
However, restructuring is not the only explanation

1. Growth of real GDP* among the major OECD countries, 1986



* At current prices and exchange rates. Source: OECD Observer, May 1987

3. Employment growth among major OECD countries, 1985-1986



Source: OECD Economic Outlook, December 1986

for the increase in profitability. Canada has a skilled workforce representing more than 50% of the population. This is a higher percentage than in any other OECD country.

During the past two years, Canada has also had the best record in employment growth in the OECD (chart 3). Yet because such a high number of people are still entering the work force, the level of unemployment remains relatively high.

Canada is also ahead of the pack when it comes to investment in human resources. Seven per cent of the nation's resources are spent on education — the highest figure for any major industrial country. This investment is clearly paying off: Canada now enjoys the second highest level of productivity in the OECD, after the United States (chart 4).

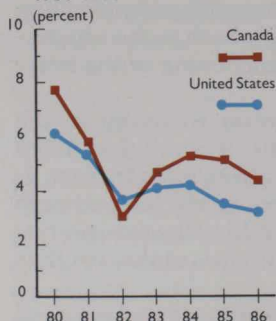
Canada's buoyant and expanding market place

A century ago, the Canadian economy was based largely on natural resources. Nowadays, it is an advanced industrial country.

While exports account for nearly one third of GDP — with the fastest growing export sector being communications equipment — the growth in the economy is not merely export-driven. The fact is that the domestic market is expanding rapidly as well.

Over the next decade, there will be an increase of 1.6 million adults in the 35–49 age group, thanks to the post-war baby boom. The number of households will increase by 2.7% per annum, stimulating demand for housing, furniture, appliances and a whole range of consumer products. Furthermore,

2. After tax profits as a percentage of GDP, Canada and United States, 1980-1986



attracts UK investors

personal disposable income per household exceeded £17 500 last year, and looks set to rise steadily in the years to come.

Canada moving up competitive league

Canada ranks sixth in the international competitiveness league, according to the European Management Forum. The EMF is an independent, non-commercial organisation based in Geneva.

Each year, the EMF looks at 340 criteria grouped under ten principal factors in assessing competitiveness. These include industrial efficacy, financial dynamism, human resources, outward orientation, the dynamism of the economy, and socio-political consensus and stability.

Japan, the US, Switzerland, Germany and Denmark remain in the top five positions in the league, but Canada has good reason to be satisfied with its sixth place showing. The country has moved up from seventh place in 1985 after coming 11th in 1984.

The EMF finds certain aspects of Canada's progress particularly noteworthy. As far as the dynamism of the economy is concerned, the country has moved from 11th to 7th position, and in the socio-political consensus and stability category the advance is even more pronounced — from 13th to 7th place.

This resource rich country — with a huge, affluent and accessible market at its doorstep — harbours great potential,' says the EMF. 'And it has been doing rather better in recent years than previously in exploiting this potential'.

Canadian subsidiary acts as springboard to US markets

One UK firm which has no regrets about investing in Canada is Granada Group PLC. Its Canadian subsidiary is the largest and most profitable overseas subsidiary in the Group's Rental and Retail Division.

Granada Canada was launched some 20 years ago. From a small operation confined to the Toronto area, it has grown into the largest national TV and video rental business in the country with a workforce of 1200 and a turnover of around £80 million.

Division Chairman Bill Andrewes believes that Granada's success on the other side of the Atlantic is due in no small measure to the strong cultural affinity between Britain and Canada. 'That makes it much easier for a British company to become established there than in the US,' he says.

However, that does not mean that a Canadian offshoot is necessarily a carbon copy of its parent company. 'Our Canadian rental business has developed quite differently from our British operation,' he says.

Furthermore, it is still developing. Last year, Granada Canada acquired Sterisystems, the pioneer and market leader in personalised TV and video systems for rental to hospital patients. This represents an important step towards the establishment of a substantial business services division with the subsidiary.

Even more interesting is Granada's subsequent move into the US. At the end of last year, it acquired the share capital of WNY Hospital Television Inc, a company providing TV rental services to 170 hospitals south of the border. This will provide the company with an opportunity to expand throughout North America.

Says Andrewes: 'In Canada we have established a beachhead which will act as a stepping stone into other markets. Sterisystems has proved to be a good route for Granada to enter the US.'

Canada introduces tax reforms

Many modern industrial countries are reviewing their tax structures in order to meet the challenges of the 1990s and beyond. Canada is no exception. In June of this year, Federal Minister of Finance Michael Wilson announced major reforms to the personal and corporate income tax system, which will take effect from January 1988. The second stage of tax reform, expected in 1989, will lead to a VAT type business transfer tax and further reductions in personal and corporate tax rates.

Among the changes he outlined are:

- a reduction in personal income tax rates;
- a simplification of the personal income tax system whereby the number of tax brackets is reduced to three;
- a reduction in corporate tax rates;
- the replacement of a wide range of tax exemptions and deductions by a system of tax credits;
- the reduction of allowances for capital gains, interest and dividend income, entertainment, etc.

The aim is to create a fairer tax system by reducing the tax burden of many salaried employees and eliminating many of the tax exemptions which applied mostly to selected groups — companies, investors and the self-employed.

During the course of his speech, Mr Wilson pointed to Canada's constructive efforts to reduce the large international trade and fiscal imbalances that cast a shadow over world growth.

'Our fiscal outlook continues to be encouraging,' he said. 'I expect the deficit for this fiscal year to be \$29.3 billion. The debt-to-GDP ratio is expected to stabilize by 1991-92. This is a key objective of the government's medium-term fiscal strategy.'

4. Productivity* among the major OECD countries, 1984



* Real GDP per employee. Source: World Economic Forum

Canary Wharf

Canadians rescue key dockland



Paul Reichmann,
Olympia and York
Developments Ltd



First Canadian Place
complex, Toronto

The future of Europe's largest commercial property development project is now secure, thanks to the intervention of a leading Canadian corporation. The Toronto-based company Olympia and York has taken over control of the £3-billion Canary Wharf Scheme on a 71-acre site in London's Docklands.

The move was received with a sigh of relief from the City of London and the London Docklands Development Corporation after the project ran into difficulties earlier this year. The Canadian company is much respected in commercial property circles. 'If anyone can build Canary Wharf and fill it with tenants, it is the Reichmann brothers from Olympia and York,' commented the Times.

The Canary Wharf development is central to the revitalisation of the Isle of Dogs and has acted as a stimulus to other commercial development in the area. When completed, the waterfront complex will provide 10 million square feet of office space, shops, restaurants, leisure facilities and two hotels.

Olympia and York becomes world's largest developer

As a result of the Canary Wharf takeover, Olympia and York has become the largest property developer in the world. This is the company's first venture into Europe, since the sale of EPC, and it looks set to enhance the formidable reputation it has made for itself in North America.

It is, for example, the biggest commercial landlord in New York, where it owns and operates 24 million square feet — more than the Rockefellers. This is in addition to the prime office properties it has in all the main Canadian centres. Altogether, it is reckoned to own and operate some 50 million square feet of property.

One of its New York properties has been rated Aa1 by Moody's Investors' Service — the first ever rating by Moody's on a specific property basis and an indication of the financial strength of the Canadian company.

Half of the company's earnings come from its property in New York alone. With enormous resources behind it, Olympia and York is in a position to fund the Isle of Dogs development out of its own pocket.

This means that the project can go ahead without further delay, and the management is obviously keen to get started. Indeed, the company hopes to complete the project in half the time envisaged by the original consortium — seven years instead of fifteen.

The building materials importer that diversified into property

Although Olympia and York is now reckoned to be Canada's third largest concern, it maintains a fairly low profile and has a reputation for secrecy. The company is privately owned by the Reichmann family and run by three brothers — Paul, Alfred and Ralph.

The Reichmanns went to Canada in 1955 from Tangiers, where the family had fled after Hitler's invasion of their native Hungary. Their first business venture in Canada was a ceramic tile importing company, which they ran with characteristic efficiency and commitment.

The move into property occurred when the brothers decided to build a warehouse for themselves because they thought the tenders they received were too high. Their venture proved a great success, for they were able to complete the building for little more than half the cost of the lowest outside bid.

Their first major coup occurred ten years ago when they bought the Uris Building Corporation, one of the biggest landowners in New York. Uris had fallen on bad times in the worst property bear market since the 1930s, and the Canadians were able to snap up eight buildings in Manhattan for £200 million.

Soon after, the property rental market began to pick up and the brothers' foresight brought them handsome dividends. That property is now conservatively valued at £2.6 billion.

Battery Park team will develop Canary Wharf

Uris became the backbone of the groups property empire, with Paul Reichmann using the Uris portfolio as collateral to fund a number of other developments in New York. One of these was Battery Park City in Lower Manhattan.

The £1.4 billion World Financial Centre at Battery Park near Wall Street was regarded as a tremendous gamble at the time, but once more the brothers' boldness paid off. They have succeeded in renting the complex to some of the most illustrious financial institutions in the world, such as American Express, Merrill Lynch, Dow Jones and Oppenheimer.

The company clearly believes it can repeat its success at Canary Wharf, although so far only Morgan Stanley and Credit Suisse First Boston — members of the original consortium — have signed leases for space.

Canary Wharf is the biggest challenge Olympia

Canary Wharf development



development

and York has taken on, but there seems little doubt that the Reichmann brothers will pull it off. Canary Wharf is a 50% larger project than Battery Park City. The plan is to use the same people who built the New York complex — and the First Canadian Place complex in Toronto before it — as the nucleus of the Canary Wharf development team.

Reichmanns' track record will boost Canary Wharf scheme

The Reichmanns have found that it pays to think big and act boldly in areas other than property. Two years ago, they created a stir when they bought Canada's second largest oil company, Gulf Canada,

for £1.4 billion, and last year they paid £1.5 billion for a majority stake in Hiram Walker Resources.

But apart from financial clout, they have a track record of reliability and efficiency that is the envy of many. 'We have never said we would do something and failed to do it,' says Paul Reichmann, who masterminds the property side of the business.

According to Peter Foster, author of *The Master Builders*, Reichmann is the most important businessman to emerge in Canada since the war. His presence at the helm of Canary Wharf should restore much needed credibility to this exciting and controversial project. ❀

Canada provides essential link for docklands airport

Among the most notable features of London's Dockland development is the £20 million London City Airport which came into operation in October. This is a compact airport designed for small commuter aircraft with a short takeoff and landing capability, and for the moment at least it is the preserve of a Canadian product — the Dash-7.

De Havilland of Canada, which manufactures the aircraft, is a world leader in the field of STOL and commuter aircraft. The turboprop Dash-7 has been in service for over a decade and has been used in difficult geographic and weather conditions all over the world. It is inherently quiet, climbs rapidly and descends steeply keeping noise disturbance to a minimum.

It is, in fact, the only aircraft in the world to conform to all the noise and landing requirements of London City Airport. And it was this plane which demonstrated the feasibility of the airport scheme back in 1982 when Captain Harry Gee of Brymon Airways landed one on the Isle of Dogs.

Appropriately, Captain Gee was the first pilot to

land at the completed airport on May 31 this year, and onlookers could not fail to be impressed by the manoeuvrability of the Canadian aircraft. It was able to take off from London City's 760-metre runway with ease, although this is barely a quarter the length of a conventional airport runway. Landings were equally impressive after a steep 7.5 degree approach.

The pressurised cabin has room for up to 50 passengers, but both the carriers operating from the airport — Brymon and Eurocity Express — have reduced the seating to 44 in order to install a hot meal service.

From Central London to Paris in two hours

With a cruising speed of 250 mph, the Dash-7 is a good deal slower than a jet, but city-centre to city-centre over short distances it should be able to more than hold its own. Brymon claims that it will take a businessman less than two hours to get from his office desk in the City to Charles de Gaulle Airport in Paris.

The airport will be much more accessible to the City, central and eastern London than Heathrow or Gatwick and will reduce the amount of time a traveller spends on the ground.

It is less than 20 minutes away from the Bank of England by taxi, for instance, and 15 minute check-in times mean that a passenger can be airborne while his jet-setting counterpart is still struggling through the traffic to Heathrow.

The time advantage disappears, however, if a flight exceeds 400 miles, so both Brymon and Eurocity Express intend to limit themselves to this radius. Yet even this gives the City access to a population of 150 million and includes such destinations as Frankfurt, Edinburgh and Dublin.

Estimates of the number of passengers that will pass through the airport in its first year vary between one quarter and one half a million. Most are expected to be flying on business, although it is expected that tourists will make use of the facility for day trips to the Continent.

The concept of an inner city airport is not a new one. The closest parallel is perhaps Toronto's downtown airport which is a hub for domestic regional services. And there, as at London City, the star of the show is the versatile and reliable Dash-7. ❀

London City Airport



International

Quebec hosts second Francophone summit

Delegates from 40 countries representing 200 million French speakers throughout the world came together in Quebec at the beginning of September for the second Francophone Summit meeting.

The idea of an association of French-speaking nations was first suggested by President Senghor of Senegal and President Bourguiba of Tunisia in the late 1960s. It then gained momentum with the formation in 1970 of the Agency for Cultural and Technical Co-operation (ACCT), which was set up to promote co-operation in the fields of culture, communications and technology.

Although Quebec (and later New Brunswick) were able to participate in the ACCT through the 'participating government' formula, there were constitutional obstacles to their taking part in a full summit. These obstacles were finally resolved in November, 1984.

Canada has now become a major force in La Francophonie. Besides contributing 34.6% of the budget of the agency for Cultural and Technical Co-operation and an even larger percentage of the programme budget of the Conferences of Education and of Youth and Sports, it also spends £750 000 on the Special Development Programme it initiated and contributes largely to the Association of French Language Universities and many other non-governmental organizations.

Canadian contributions to La Francophonie have increased considerably in the last 18 months in order to implement a number of special projects adopted by the first Francophonie Summit of Paris.

Business

Thomson Group acquires Associated Book Publishers

Canada's International Thomson Organisation has pulled off its biggest acquisition ever. It has bought Associated Book Publishers for well over £200 million.

Associated Book, which has

operations on three continents, includes some of the most illustrious names in British publishing, such as Routledge and Kegan Paul, Eyre and Spottiswoode, and Methuen. It covers the whole spectrum of publishing from academic and technical subjects to children's books and fiction.

Thomson, which once owned The Times, already has publishing interests as well as oil and gas operations and leisure travel businesses. Its operating profits last year were around £150 million on a turnover of £1.5 billion.

Capel and Schroder move into Canada

The internationalisation of Canada's securities markets is gaining momentum as two major British financial institutions announce that they are moving across the Atlantic.

Stockbroker James Capel is buying a substantial stake in Brown, Baldwin, Nisker, a small Toronto broker with a highly regarded research department.

At present, no foreign institution may own more than 50% of a stock broking firm in Canada, but under the federal government's deregulation plans, this will rise to 100% in mid 1988.

Meanwhile, Schroder Ventures, the venture capital arm of the merchant banking group, has also moved west. The company has set up a £37.4 million fund to finance management buy-outs in Canada.

Technology

UK defence ministry orders submarine detection equipment from Canada

Canada's burgeoning high-tech electronics industry received a boost recently when Britain's Ministry of Defence placed a £17-million order for submarine detection equipment with CAE Electronics. This is the largest single Canadian defence sale to the UK in recent years.

The equipment – magnetic anomaly detectors (MAD) – will be fitted to the Royal Navy's Lynx and Sea King anti-submarine helicopters and replace older

equipment aboard the RAF Nimrod 2. It works by detecting small disturbances caused by submarines in the earth's magnetic field and is intended to complement existing acoustic systems.

The MAD technology was originally developed by Canada's Department of National Defence and later licensed to CAE Electronics of Montreal for commercial production and marketing purposes. CAE already enjoyed a worldwide reputation as a leading manufacturer of flight simulators for military and civil aircraft.

The company says it has increased the sensitivity of the detectors by a factor of ten and has produced a more compact integrated package, which reduces the possibility of human error. Since it can be installed inside a helicopter, it overcomes the operational restrictions imposed by towed systems.

The CAE system is already in operation with the Australian defence forces, and earlier versions are in use in Canada. CAE believes that its new system will find important markets elsewhere.

CAE, which won the order in the face of keen competition, will undertake the contract in partnership with a UK firm – Normalair Garrett Ltd (part of the Westland Group). At a press conference to announce the contract, Canadian High Commissioner, Roy McMurtry said, 'It is an important day for the whole concept of expanding co-operation between Canadian and British industry in the high-technology defence sector'.

People

Duke of Gloucester reopens memorial to a Canadian founder

A restored memorial to a founder of Canada – Lord Strathcona – has been officially opened to the public by the Duke of Gloucester.

The Strathcona Mausoleum in Highgate Cemetery, London, is the burial place of Lord Strathcona and Mount Royal who is often described as the most eminent Canadian of his century

– fur trader, railroad financier, banker, politician, diplomat and benefactor.

After being vandalised and falling into disrepair over the years, the mausoleum has now been refurbished. The restored memorial is expected to attract interest from Canada, Britain and elsewhere.

Pictures and text lining the mausoleum illustrate Scots-born Lord Strathcona's life and achievements. A plaque depicting the badge of the Strathcona Horse – a regiment he raised to support the Empire in the Boer War and which is still in existence – is to be erected.

The family were involved in the restorative work. Also, Canadian Pacific (Lord Strathcona was a director – he drove the stake that completed the trans-Canada railroad) and British Petroleum (he was the first chairman of its forerunner company, Anglo Persian Oil) contributed towards the cost.

Quebec appoints new Agent General

Quebec's new Agent General in London is Reed Scowen, who took over from his predecessor Patrick Hyndman, in August this year.



A graduate of Bishop's University Lennoxville, Harvard Business School and the London School of Economics, Reed Scowen spent 17 years building and expanding the Montreal based paper manufacturing company, Perkins Papers Ltd. In 1975 he moved into the public sector as special advisor to the Minister of Industry and Commerce for the Government of Quebec. This was followed by two appointments in the Federal Government before he was elected to the National Assembly

for the riding of Notre-Dame-de-Grâce, in 1978. Later appointments held at the Federal level included Parliamentary Assistant and Economic Advisor to the Prime Minister and President of the Commission on Deregulation.

In addition to his duties in Britain, Reed Scowen will represent Quebec's interest in Scandinavia and Ireland.

Culture

Montreal symphony orchestra plays in Belfast and London

The Montreal Symphony Orchestra flies into Belfast on November 10, with their internationally acclaimed conductor, Charles Dutoit, to open the Belfast Festival with a concert at the Ulster Hall.

The programme will consist of Richard Strauss's Don Juan, Brahms' First Piano Concerto played by Barry Douglas, and Bartok's Concerto for Orchestra.

From Belfast, the orchestra will go to London for engagements at the Royal Festival Hall and the Barbican. In the latter concert, they will be joined by the distinguished Cuban pianist Jorge Bolet in a performance of the Piano Concerto No 2 by Rachmaninov.

The UK concerts represent one leg of the orchestra's European tour. Among the other cities where the orchestra will perform are Barcelona, Madrid, Lisbon, Zurich, Munich, Berlin, Frankfurt, Paris and Leipzig.

Two exhibitions run at Canada House Gallery

Until November 10, two exhibitions will be on display at the Canada House Gallery in Trafalgar Square, London. They are The Northern Suite: Paintings by Wanda Koop and The Book of Dreams: Marianna Kennedy.

The Northern Suite, organised in conjunction with the Winnipeg Art Gallery, consists of six large-scale works on free-standing panels, reflecting elements of life in the North West Territories of Canada.

The Book of Dreams is a boxed book, which unfolds to become a table-top narrative sequence of lithographs and etchings incorpor-

ating three-dimensional and architectural elements. A number of related drawings will also be on display.

Tourism

British Columbia aims to attract British skiers

Canada has always been an ideal place for winter sports, as the Calgary Winter Olympics next February will demonstrate. And it now seems that British winter sports enthusiasts are beginning to recognise that Canadian resorts have just as much to offer as their European counterparts.



One such location is Blackcomb Mountain in Whistler, British Columbia, a 90-minute drive from Vancouver. Blackcomb offers all-year-round skiing, and features the greatest vertical rise in North America – 5280 feet.

In response to increased demand at the site, a £10-million expansion is underway, which will include the installation of three ultra-modern express chair lifts. These travel at twice the speed of the existing lifts, but slow to less than half their speed for loading and unloading. The lower lift will also be fitted with a clear cover to provide protection in bad weather.

This is the most expensive mountain lift and trail-run project in North American history and will provide access to 95 ski runs as well as to open glacier skiing. Canadian tourism officials are enthusiastic about the development, believing that it represents a challenge to the more traditional European resorts.

Blackcomb Mountain offers a wide range of facilities, so that top class skiers as well as rank amateurs will find their needs catered for. In anticipation of demand from the UK, Hickie Borman Holidays has introduced a Canadian ski package for British

skiers; it looks as if other operators will soon follow suit.

Canada-UK Links

Two conferences to discuss Canadian issues

November will see the convening of two conferences in Britain devoted to Canada and Canadian studies. The first one, to be held November 2-4 at Gleneagles in Scotland, will discuss privatisation in Britain and Canada.

This conference – the sixth in what is now part of a series of annual Canada-UK colloquia – will be attended by an invited audience of academics, politicians and business people.

The other conference, to be held November 26-27 in London, will discuss recent changes in Western Canada. It is being organised by the London Conference of Canadian Studies and jointly sponsored by the Government of Alberta, the Canadian High Commission and BP. The organisers may be contacted through the Academic Relations Officer in Canada House.

Famous Canadian is sculpted in bronze

A famous Canadian with a record of 18 years' faithful service in this country has just received the supreme accolade – a limited edition bronze sculpture of herself.

However, she is unlikely to tire people with a long speech to mark her retirement, since she happens to be a mare. She is, of course, Burmese, the much-feted pure black mare that has been the Queen's mount at Trooping the Colour since 1969.

Burmese was a gift to the Queen from the Royal Canadian Mounted Police, and when not engaged on ceremonial duties still works on the streets of Pimlico with the Metropolitan Police. However, it seems that even her time on the beat is drawing to a close.

The sculptor of the bronze is James Osborne, whose equestrian works are much admired. The study stands some seven inches tall and is set on a marble plinth bearing the inscription

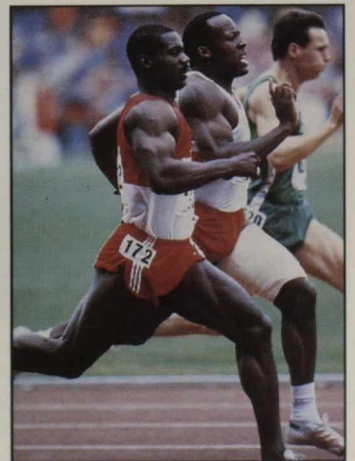
'Burmese' on a brass plaque. Five thousand bronzes will be made, the final one to be presented to the Queen.

Each is cast in solid bronze by the classical method of 'lost-wax' casting, and then hand-finished and chased so as to ensure a faithful reproduction of every detail in the original model. The saddle cloth and equipment are picked out in gold.

Sport

Ben Johnson beats world record

The 25-year-old sprinter from Toronto, Ben Johnson became the world's fastest man when he competed recently in the 100 metres race at the Rome World Championships. His time of 9.83 seconds beat the longstanding record of 9.93 set by Calvin Smith in 1983. Ben Johnson's feat was seen as nothing short of spectacular given that the previous record was accomplished in the rarified air of Colorado Springs.



Ben Johnson is pictured above at last year's Commonwealth Games in Edinburgh where he came from behind the field to win the 100 metres and earn another gold medal for Canada.

Politics

Liberal victory in Ontario

In the Ontario provincial elections held early September, the Liberal party were returned to power with a landslide victory. Of the 130 seats contested the Liberals won 95, the New Democratic Party 19 and the Progressive Conservatives 16.

Canada's film industry

Finding the balance between art and commerce

Canada's film industry has known both boom and bust. But one constant has always prevailed: how to find the right mix that will lead to the production of worthwhile films.

In the fickle world of popular cinema, a comment often heard from film producers is: 'To make good films, you need the right mix of art and commerce.' Evidence from the 1987 Cannes film festival seems to indicate that Canadian film makers have managed to find that elusive mix. For the second year running, Canadian films premiered in the festival received both critical and popular acclaim.

Last year, it was Denys Arcand's *Le Déclin de l'empire américain* that opened the Directors' Fortnight and walked away with the International Film Critics' Prize; this year, it was Jean-Claude Lauzon's *Un Zoo, la nuit*, which opened the Directors' Fortnight and also stole the show. The audience literally stood and cheered. While in another category, Patrica Rozema's low budget feature *I've Heard the Mermaids Singing* won this year's Prix de la Jeunesse.



Patrica Rozema's delightful first feature *I've Heard the Mermaids Singing*

Photo: Cinéma Québec

In Canada, producers, directors and crews working in the film industry *also* stood and cheered, because it confirmed that Canada has succeeded in establishing a viable film industry that produces good films. Both Lauzon and Rozema will have their films featured in this year's London Film Festival in November.

Quintessentially Canadian issues

Since the earliest days of filmmaking in Canada, which can be traced to the turn of the century, Canadian filmmakers have had to face up to those quintessentially Canadian issues: a small domestic market and close proximity to (and in the case of the film industry, domination by) the American market. How to respond to these realities has been the subject of argument and discussion for many years — but the keystone of that response is undoubtedly the federal government's National Broadcasting Policy, which came into effect in April 1983.

Under this policy, the federal government places itself squarely behind the film industry as a major source of investment capital for both film and television production. A total of £57 million was

available in 1986 for films needing investment that could not be obtained from the private sector. Also, an agency called Telefilm Canada has been mandated to invest in film and television production that supports the Canadian industry, and to fund related work in the areas of dubbing, sub-titling, script development and film promotion.

As an independent Crown corporation, Telefilm is able to invest in projects on a co-financing basis with private or public sector producers, so long as those producers can present evidence of pre-sales to Canadian-owned television broadcasters or film distributors. Decisions at Telefilm regarding investments are made on a project-by-project basis in a committee headed by the agency's executive director, Peter Pearson, formerly a filmmaker himself.

Provincial schemes also operating

In addition to Telefilm Canada, there are programmes in Quebec, Ontario, Alberta and Manitoba that work on roughly the same principle as the federal scheme. By approaching both levels of government, a filmmaker can therefore obtain a sizeable portion of his or her financing before having to approach private investors.

Of particular note is the Quebec scheme which was the first established and so far has had the greatest impact in the area of feature film production. Unlike Telefilm Canada, which allocates a significant portion of its budget to made-for-TV production, the Quebec programme focuses its resources on modestly budgeted feature films indigenous to Quebec.

Under the aegis of an agency called the Société Générale du Cinéma du Québec (SGC), it will consider proposals for investment at every stage of production — from the first moments of scripting through to distribution, promotion and exhibition — and will allow itself to become committed to up to 60 per cent of a film's total financing (compared with Telefilm's upper limit of 49 per cent).

By limiting itself to a maximum investment of £0.25 million per film, the agency has managed to spin out its £5.5 million annual budget, so that from 1983 to 1986, it managed to invest in 32 feature films.

NFB a major player

One other government agency associated with full-length feature film production is the National Film Board. It has regularly produced drama films for some years now, although since the late 1960s, this part of its work has been overshadowed by its documentary and animated filmmaking.

Nevertheless, the NFB is an important player in the industry, working on full-length feature films in partnership with both private and/or public sector corporations. With its strong technical and administrative services, and an annual budget of £32 million, the NFB is an attractive partner for small independent companies needing assistance in the areas of script development, editing and dubbing.

As a co-producer, it played a key role in the development of what are now the best-known films of recent Quebec cinema, including *Le Déclin*, *Un Zoo*, *Pouvoir Intime* and *Anne Trister*.

CANNES 1987 • SÉLECTION OFFICIELLE
QUINZAINE DES RÉALISATEURS • DIRECTOR'S FORTNIGHT

UN ZOO LA NUIT

UN FILM DE JEAN-CLAUDE LAUZON



LES PRODUCTIONS OZ EN ASSOCIATION AVEC L'OFFICE NATIONAL DU FILM DU CANADA

PRÉSENTENT

UN FILM DE JEAN-CLAUDE LAUZON

UNE PRODUCTION DE ROGER FRAPPIER ET PIERRE GENDRON

AVEC GILLES MAHEU ET ROGER LE BEL IMAGE GUY DUFAUX MUSIQUE JEAN CORRIVEAU

CINÉ
move

Second key element

The experience of the NFB as a co-producer with private sector companies illuminates a second key element in the Canadian solution for its film industry — because, in addition to the federal and provincial investment schemes, there is a place in the industry for public sector producers working on a co-production basis with independent firms.

Certainly in television, where agencies such as the

Verbal foreplay in Denys
Arcand's *Le Déclin de
l'empire américain*



CBC, the BBC, and the various networks in France are facing reduced budgets for in-house production, this sort of arrangement will become more common. Of increasing interest to British filmmakers are the international co-productions that are being set up by Canadian and overseas companies. A host of alternatives exist for producers wishing to become involved in such projects; these range from equity investment to the sharing of creative and technical expertise, and yield a number of advantages that include broadcast fees, tax exemptions and access to government co-financing schemes.

These benefits have been attractive to producers on both sides of the Atlantic, and were the impetus behind more than £32 million of investment in Canadian production from European sources, on an equity or pre-sales basis from 1983 to the end of September 1986.

A Canadian company called Primedia Productions has been particularly active as a partner with public and private sector UK firms on projects for both television and the cinema. It has been able to draw co-financing from Canadian and English investors, notably Telefilm Canada, the Ontario Film Development Corporation and BBC Wales.

Bustling film industry

From this array of funding and institutional arrangements, there has emerged in Canada a bustling film industry ready to meet any cinematic taste. Currently, production is underway for children's television, animated cartoons, documentary travelogues and full-length drama; and, each of the main centres of business — Toronto, Montreal, and Vancouver — has developed a complex network needed to support the finished films.

Rates of film production are, in fact, as high as those seen during the boom that occurred during the Capital Cost Allowance era of the late 1970s, when the industry experience a massive influx of capital, mostly from foreign sources, for the production of low-quality films with little relevance to a Canadian audience.

At the height of that boom the total value of feature film production in Canada was estimated to be £75 million per annum. Today, the industry has Telefilm Canada ready to invest close to that amount on a co-finance basis alone; so the total value of production is several times this figure.

One estimate — made by the Canadian Film and Television Association — puts the total value of production in 1986 at £0.5 billion, and suggests that 35 000 people are employed in the industry.

However, experience from the recent past has shown that a buoyant today is no guarantee of long-term prosperity. The boom of the late 1970s was a bust by the early 1980s, when film producers realised that only a few of the hundreds of films being made were actually drawing an audience.

Without paying attention to the quality of films and to the tastes of the national and international audiences, it is unlikely that Canadian producers will continue to find funding in either the private or public sectors. Hence the on-going search for the right mix of art and commerce that will lead to the production of worthwhile films. ♦

Hunters of the Canadian North

Anthony Qrunnut working on a kamotik or sled for the British Museum in Igloodik, August 1986.

Living North is an exhibition of Inuit and Indian life in Canada's north, opening December 3 at the Museum of Mankind in London. This article previews what's in store.



Photo: John MacDonald

The friendly cold

The extraordinary variation of the seasons, and the great migrations of land and sea mammals, mean that people are constantly on the move. In each season they seek out the birds, fish and mammals that will provide them with food, and the fur bearing animals — fox, beaver and marten — whose skins will provide the money for the new necessities of Canadian life — snowmobiles, fuel and rifles. For while many people today are based in modern villages or hamlets with access to medical facilities, schools and government offices, hunters and trappers spend most of their time on the land in camps: tents, log cabins or snow houses. Although they live in what may seem to be the most inhospitable part of the globe, they accept the cold as part of their lives, and make use of it. Ice and snow make travel by sled and toboggan easy, while snow helps in the tracking of animals and provides a ready building material for occasional use by Inuit in the creation of snow houses. The furs, and the skins of animals and birds, provide a wide variety of warm, waterproof clothing to meet the requirements of the seasons and the job.

Four houses

The exhibition introduces the history of the Arctic, from the time 300 — 400 years ago when European explorers and fur traders first visited eastern Canada, to today when the aboriginal peoples of the north are striving to obtain self-government. The Indian section of the exhibition includes superb nineteenth century costume and equipment from the Subarctic, and two full size hunting camps. The first is a tipi or tent from Mistassini in Quebec, which was erected by Crees and is shown as it would be in spring with all the appropriate food and equipment. A full size Dogrib log cabin from the Western Subarctic is shown in winter, during the season for trapping marten and mink. The Inuit section includes 18th and 19th century materials — sleds, kayaks, harpoons and clothing — from the heroic period of British exploration of the North. This is followed by a full size snow house shown as it would have been used in the late 1950s, with an Inuit family, and a typical bungalow of the Iglulingmiut as it might be today, with people watching television, using word processors, and preparing meat and skins in the age old fashion.

Most of the exhibition materials come from the Museum's own collections, which include Cree and Inuit materials collected 250 years ago for the Cabinet or Sir Hans Sloane, the Museum's main founder. Much of the contemporary material was acquired in the last couple of years specially for the exhibition, with the assistance of Indians and Inuit across Canada.

The importance of, and enthusiasm for, this major exhibition is illustrated by the large number of sponsors and contributors who include; Indigenous Survival International — Ottawa, Department of Indian and Northern Affairs, the Secretary of State for Canada, the Governments of Ontario, Quebec and Northwest Territories, the Department of External Affairs, Fur Institute of Canada and International Fur Trade Federation.

The exhibition is designed to contrast life today for the Indian and Inuit peoples of the Canadian North with their life in the recent past. It focuses on their relationship to the land, from which they gain a living as hunters and trappers, and on the way in which their ancient way of life has been successfully adapted to meet the demands and opportunities presented by the development of Canadian society over the last four centuries. This will be the largest exhibition about the circumpolar north ever mounted in Europe.

The Canadian North is the least known and least populated area of the Americas. The 150 000 or so aboriginal people living over many millions of square kilometres are the Athapaskan and Algonquian Indians of the Subarctic and the Inuit of the Arctic. They are often seen as mere survivors fighting a constant battle against cold and hunger. In reality they live rich and varied lives, with an unlimited supply of that food — meat — often most valued in western society.



A beaded Dene baby's bag, probably collected in the Mackenzie Valley at the end of the nineteenth century.

Photo: British Museum