

# GOOD FOR BUSINESS

*Canada's third largest city is gaining heightened importance as a centre for Pacific Rim trade, high-tech manufacturing, conventions, and movie production*

BY TONY WHITNEY

With an economy so heavily dependent on natural resources, Canada's third largest business centre lends plenty of credence to the adage that Canadians are traditionally "hewers of wood and drawers of water." However, while forestry and mining company head offices still dominate the Vancouver skyline, there has been some progress in the high-technology manufacturing sector in recent years that may be a better indication of what lies ahead.

It is hard to discuss the Vancouver business world without dwelling on British Columbia as a whole. After all, the activities of most companies based in Vancouver take place in areas of the province that are often very remote. There are no logging or mining operations within the confines of the city, but these are the industries that dominate the business scene on the coast. It might be argued that logging began here when Navigator Captain James Cook sent a crew ashore to cut trees for masts and spars damaged during a voyage from New Zealand. Cook's pioneer loggers must have had a good eye for timber,

for the Douglas fir they cut was later judged by the British Admiralty as being superior in strength and durability to European lumber used at that time.

It did not take too long (about 50 years) for entrepreneurs and investors to found a thriving forest industry, and the area around Burrard Inlet was soon dotted with sawmills. There was timber in profusion and giant 200-foot-high Douglas firs stood where downtown Vancouver is located today. Sheltered inlets provided natural harbors, and forests of fir, cedar and spruce gave way to forests of sailing ship masts in the cramped port facilities of the day.

Vancouverites are fond of pointing out what foresight the city fathers had when they set aside Stanley Park in 1888, but huge rotting stumps stand testimony to the fact that the area was logged off several times before it truly became a park. Back then, Vancouver really was a logging town.

While the rugged terrain of the coastal regions dictates that a substantial amount of harvesting is done with chainsaws, as it was decades

ago, the forest industry of today is very different than when Vancouver became a city in 1886. Forests are now scientifically managed for optimum yield, much harvesting is carried out with mechanized equipment, and sawmills are often computer-controlled.

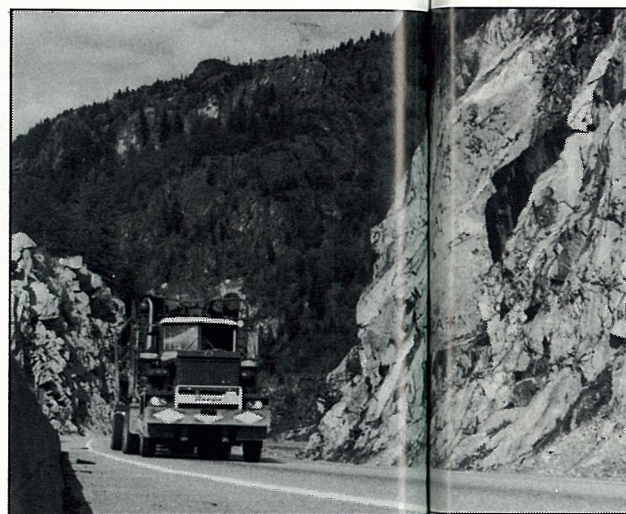
Most of B.C.'s major forest companies are headquartered in Vancouver and the city is also home to several industry trade associations and research bodies. The last decade has seen some companies lose control to eastern Canadian concerns and one

major firm (Crown Forest Products) is part of the New Zealand-based Fletcher Challenge group.

Recent years have been good for the sector and in 1986 the province shipped over \$20 billion worth of forest products. The forest sector employs around 78,000 people in B.C. and 156,000 other workers depend indirectly on forestry. About 34 percent of B.C. lumber goes to Canadian customers, 48 percent to the U.S.A., and about 16 percent to Japan and Europe. Other markets include Australia, North Africa and the Middle East.

*A logging truck hauls its precious cargo through rugged coastal terrain. Forestry still dominates the local economy, and almost half of all lumber produced in the province is exported to the U.S.A.*

*Vancouver's success as a business centre has always been closely tied to its superb deepwater port, linked by rail to the rest of the country. Latest addition to the waterfront is Canada Place, with its distinctive roof of "sails," which houses a new trade and convention centre and a mammoth cruise ship terminal*



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significant amounts of zinc, silver and gold produced. Coal is by far the most important product of B.C. mines and the bulk of this is exported to Japan.

Slump notwithstanding, the B.C. mining industry, largely controlled from Vancouver, retains some bright spots and considerable sums are expended on equipment, supplies and other ancillaries that keep mines operating productively.

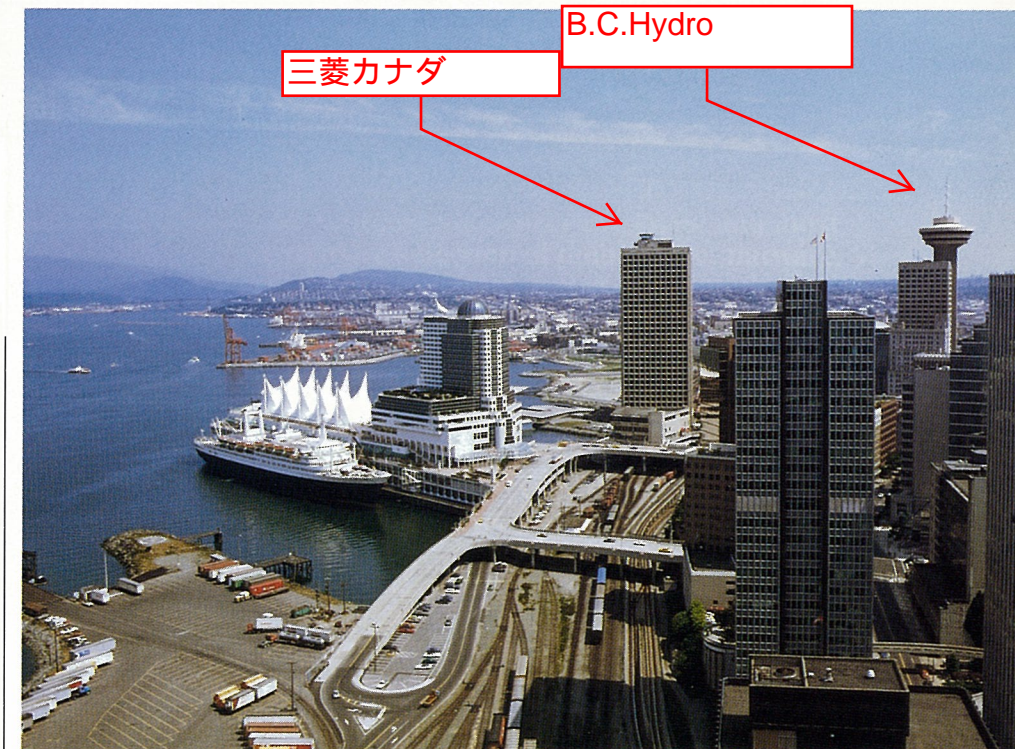
The prosperity of the commercial fishing industry has fluctuated too in recent years, but continues to be important to the economy of the region. The B.C. coast is known worldwide for its salmon and several species are fished by vessels working out of Burrard Inlet, the Fraser River, and coastal waters. At one time there were numerous canneries along the B.C. coast, but today these have dwindled to fewer, though more efficient, operations. Canned fish is exported to many parts of the world from the Vancouver area, with the U.K. predominating as a particularly strong market for salmon.

Problems with available fish stocks

have prompted growth in the aquaculture industry, and several operations function in the sheltered coastal waters characteristic of the region. Old-time fishermen swear that you can tell a fish reared this way, but proponents of the new method of maritime harvesting say that there is simply no difference.

Since Vancouver, and British Columbia generally, cannot continue to depend heavily on the resource sector for its growth, successive provincial governments have worked extensively to develop secondary industry in the region. As the resource industries grow more mechanized and jobs are lost, secondary industry is seen as a way to maintain, and increase, employment levels.

Ten years ago, manufacturing and high-technology industries were a weak point in the west coast economy. Today, numerous progressive operations manufacture everything from aircraft components to auto parts. One local electronics manufacturer produces complex defence-oriented systems for military authorities



HUGH MARTELL

While forestry has bounced back from a serious recession in the early 1980s, the mining industry has spent some years wallowing in red ink. The industry in B.C. still employs nearly 57,000 people directly or indirectly, but continued depressed world mineral prices — a result of oversupply — have stifled growth and cut employment levels. In 1986, gold was the only mineral to experience a price increase.

Coal and copper dominate mining in B.C., although there are