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ANNUAL REPORT 1979-1980



Government
of Canada

Gouvernement
du Canada

Industry, Trade
and Commerce

Industrie
et Commerce

The Hon. Mr. Herb Gray
Minister of Industry, Trade and Commerce
Ottawa, Ontario



Dear Sir:

I have the honor to submit the annual report of the Department of Industry, Trade and Commerce covering the activities during the period April 1, 1979 to March 31, 1980.

Respectfully submitted,

Department of Industry, Trade and Commerce

ANNUAL REPORT

1979 - 80

OTTAWA

The Director General
Department of Industry, Trade and Commerce
Ottawa, Ontario

Enclosed for you are:

1. A copy of the annual report of the Department of Industry, Trade and Commerce covering the period April 1, 1979 to March 31, 1980.

2. A copy of the annual report of the Department of Industry, Trade and Commerce covering the period April 1, 1978 to March 31, 1979.

Library
Industry, Trade and Commerce
Ottawa, Ontario
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OTTAWA

The Honourable Herb Gray
Minister of Industry, Trade and Commerce
Ottawa, Ontario

Dear Sir:

I have the honour to submit the annual report of the Department of Industry, Trade and Commerce covering the activities during the period April 1, 1979 to March 31, 1980.

Respectfully submitted



Robert Johnstone
Deputy Minister

OTTAWA

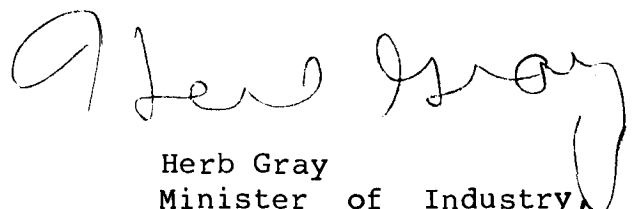
To His Excellency
The Right Honourable Edward Schreyer, C.C.
Governor General of Canada

May it please your Excellency:

I have the honour to submit to your Excellency the annual report for the Department of Industry, Trade and Commerce covering the period April 1, 1979 to March 31, 1980.

A summary of the Department's policies, activities and services is laid before Your Excellency.

Respectfully submitted



Herb Gray
Minister of Industry,
Trade and Commerce

Minister of State for Trade - C Lemley
Minister of State for Small Business - Lapointe

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HIGHLIGHTS

The Department of Industry, Trade and Commerce carried out a vigorous program in its promotion of Canadian goods and services abroad during fiscal year 1979-80. During the year:

- * Canadian exports totalled \$65.2 billion during 1979 while imports were \$61.2 billion for a record \$4.0 billion surplus in merchandise trade. The value of Canadian exports increased by about 24 per cent.
- * Approximately 300 Canadian business-people took part in 29 IT&C sponsored trade missions to 24 countries. Participation by 785 companies was organized in 62 trade shows that produced on-site sales for Canada of \$44 million.
- * Total employment in the manufacturing sector broke through the two million level for the first time ever. An average of 115,000 more people were employed in 1979 than was the case in 1978.
- * The Multilateral Trade Negotiations (MTN) were brought to a successful conclusion in 1979, marking an important step towards larger scale and more specified production in Canada, and contributing to the development of a more rational, efficient and competitive industrial structure.
- * Canada's tourism deficit decreased by 37 per cent from \$1.7 billion in 1978 to \$1.1 billion in 1979, as a record 30 million Americans and two million overseas tourists visited Canada.
- * Canadian exports to Eastern Europe increased by 30.6 per cent in 1979 to a record level of \$1.2 billion. Exports to Western Europe were up 51.1 per cent to \$8.3 billion.
- * A total of \$150.3 million, provided in the form of adjustment assistance loan guarantees, went to 144 firms through the Enterprise Development Program (EDP). The same program provided \$69 million in loan insurance for loans to 137 manufacturing firms.
- * The Program for Export Market Development (PEMD) was extended to cover market identification in the U.S. and incoming buyers missions from that country. Two new features were added to PEMD: sustained export market development and export market development assistance for agriculture, fisheries and food products.
- * In excess of 11,500 loans, valued at more than \$280 million, were made to small businesses under the Small Businesses Loans Act.
- * Trade missions led by Ministers went to Colombia, Ecuador, Peru, Argentina, Brazil and a number of African countries.

ENTERPRISE DEVELOPMENT

Programs

Enterprise Development Program

The Enterprise Development Program, designed for all businesses but primarily used by small to medium-size enterprises, provided assistance to manufacturing and processing firms to help increase their viability and international competitiveness. The program encourages innovation in the design and development of new or improved products or processes, and helps companies adjust to changing circumstances.

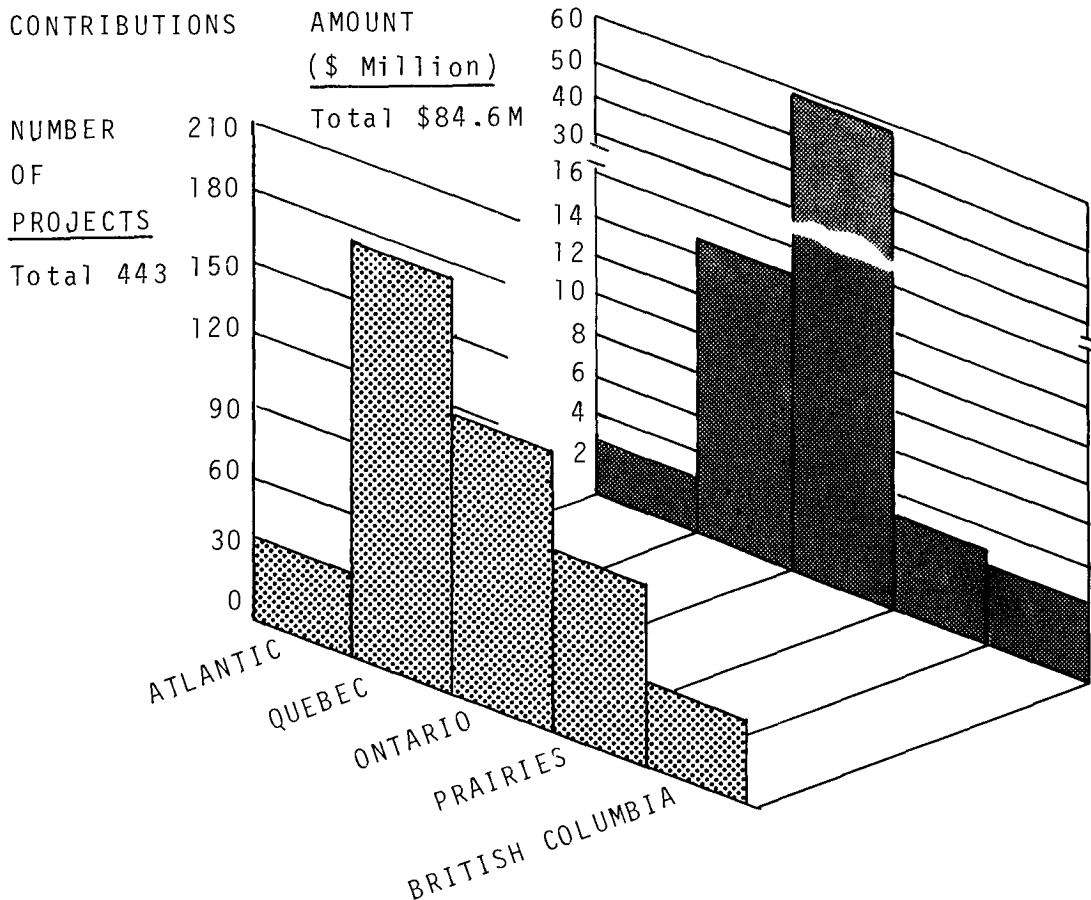
The program is administered by the Central Enterprise Development

Board and 10 regional boards. While these boards have different levels of authority, firms with annual sales of less than \$5 million can receive up to \$200,000.

During the year under review, the central and regional boards authorized 144 adjustment assistance loan guarantees valued at \$150.3 million. They also provided \$84.6 million in contributions towards the cost of 443 innovation and product development projects.

Innovation projects covered a wide industrial spectrum including machinery, electronic instruments, ship components, communication equipment, automotive vehicles and parts, building components, tex-

Expenditures Under the Enterprise Development Program, by Region 1979-80



tiles, sporting goods and various chemical processes.

A total of \$5 million was approved for 180 projects involving productivity improvement, industrial design capability and consulting assistance in developing restructuring proposals. Regional boards approved 152 of these projects, valued at \$4 million.

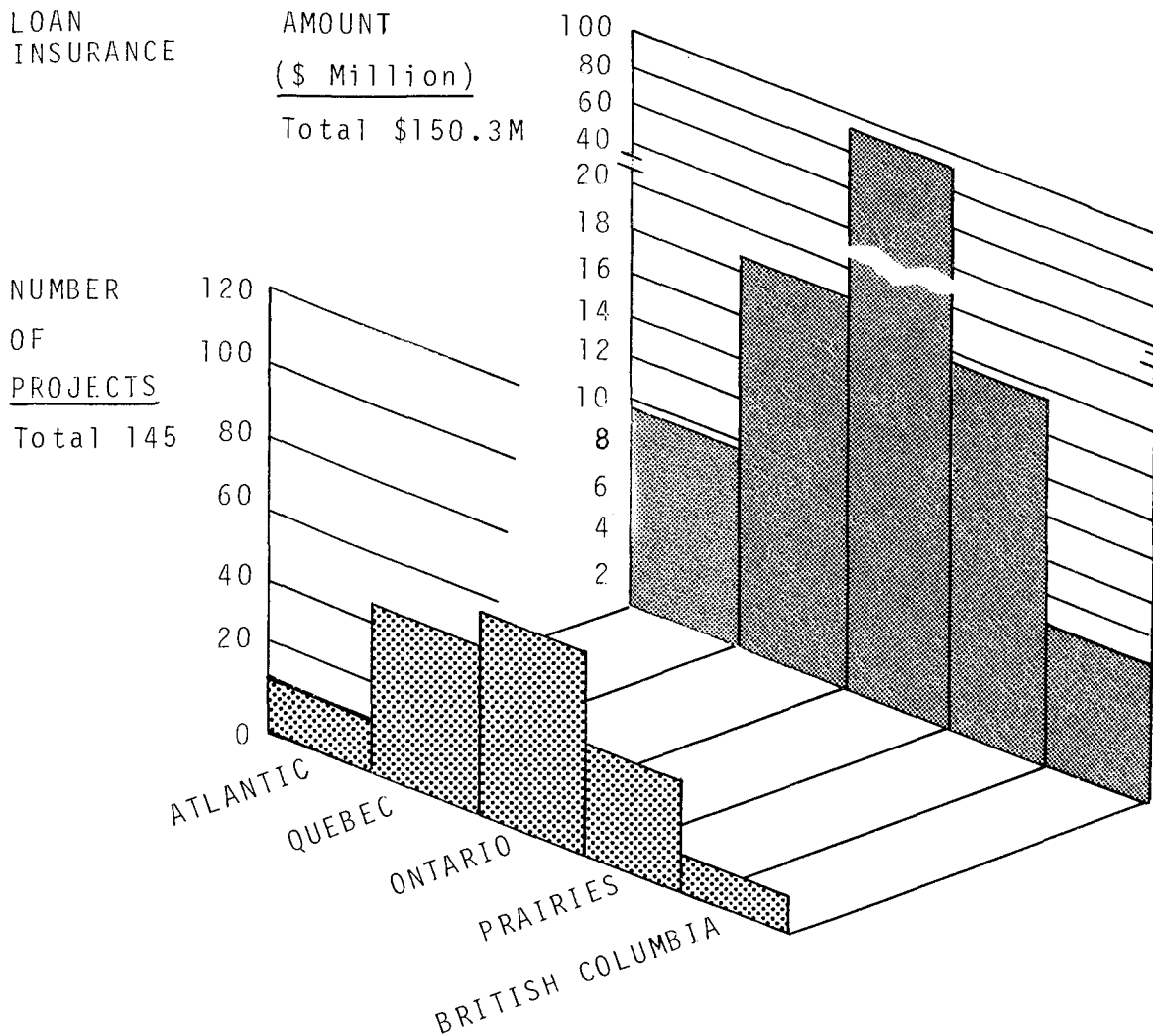
Insurance of \$69 million was authorized for loans made to 137 manufacturing firms by private lenders.

Regional boards authorized 78 of these loans, valued at \$9 million.

The program provided \$82 million in insurance to help finance sales of the Dash-7 aircraft.

Because of EDP loan insurance, an estimated 3,125 new jobs were created. Estimates are that projects receiving assistance during the year will produce sales of \$4.42 billion, and 11,950 jobs over the next five years.

Expenditures Under the Enterprise Development Program, by Region 1979-80



Export Market Development Program

The Program for Export Market Development (PEMD) helped develop and increase the export of Canadian goods and services by sharing with the business community the financial risks of entering foreign markets.

The program's five sections cover specific product bidding, market identification, participation in trade fairs, incoming buyers, and formation of export consortia. Effective April 1, 1979, the sections providing support for market identification and incoming buyers were made available for activities directed towards the United States. New sections added to the program during the year covered sustained export market development, export markets for agriculture, fisheries and food products and contributions to non-profit organizations. Sustained export market development provides support for the develop-

ment of market penetration plans and the implementation of approved activities by companies seeking to become established in a foreign market. Export market development assistance for agriculture, fisheries and food products consolidates all previous PEMD support for the food industry, and covers export marketing activities previously supported by the Agriculture and Grain Marketing Assistance Program and the Grain and Oil Seeds Marketing Incentives Program.

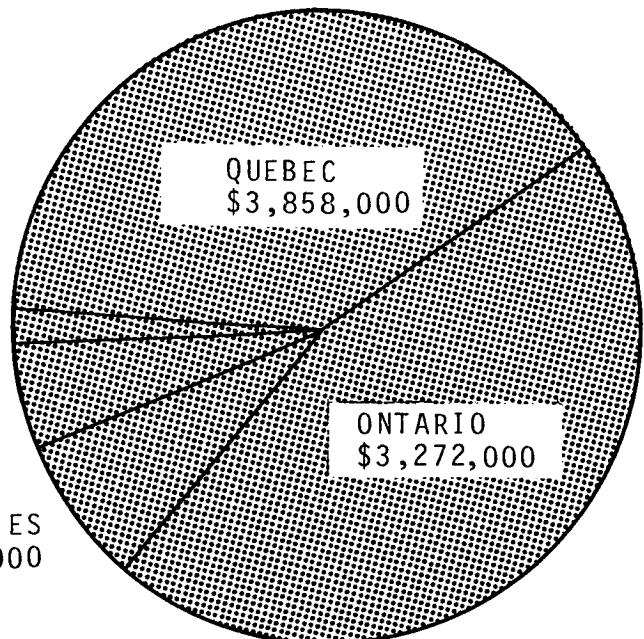
During the year, PEMD assistance of \$20.1 million was approved, and \$8.9 million was paid out as compared to \$16.5 million approved and \$7.1 million paid out in the previous year.

Companies reported that PEMD assistance helped produce \$500 million of export sales bringing to \$4.2 billion the amount of exports generated with PEMD assistance since the program was started in 1971.

EXPENDITURES UNDER THE PROGRAM FOR EXPORT MARKET DEVELOPMENT FISCAL YEAR 1979-80

TOTAL \$8,856,000

ATLANTIC
\$229,000
BRITISH COLUMBIA
\$625,000
PRAIRIES
\$872,000



Small Businesses Loans Act

During the year, 11,523 loans for \$284,852,265 were made under the Small Businesses Loans Act, compared to 7,844 loans for \$190,074,576 during 1978-79.

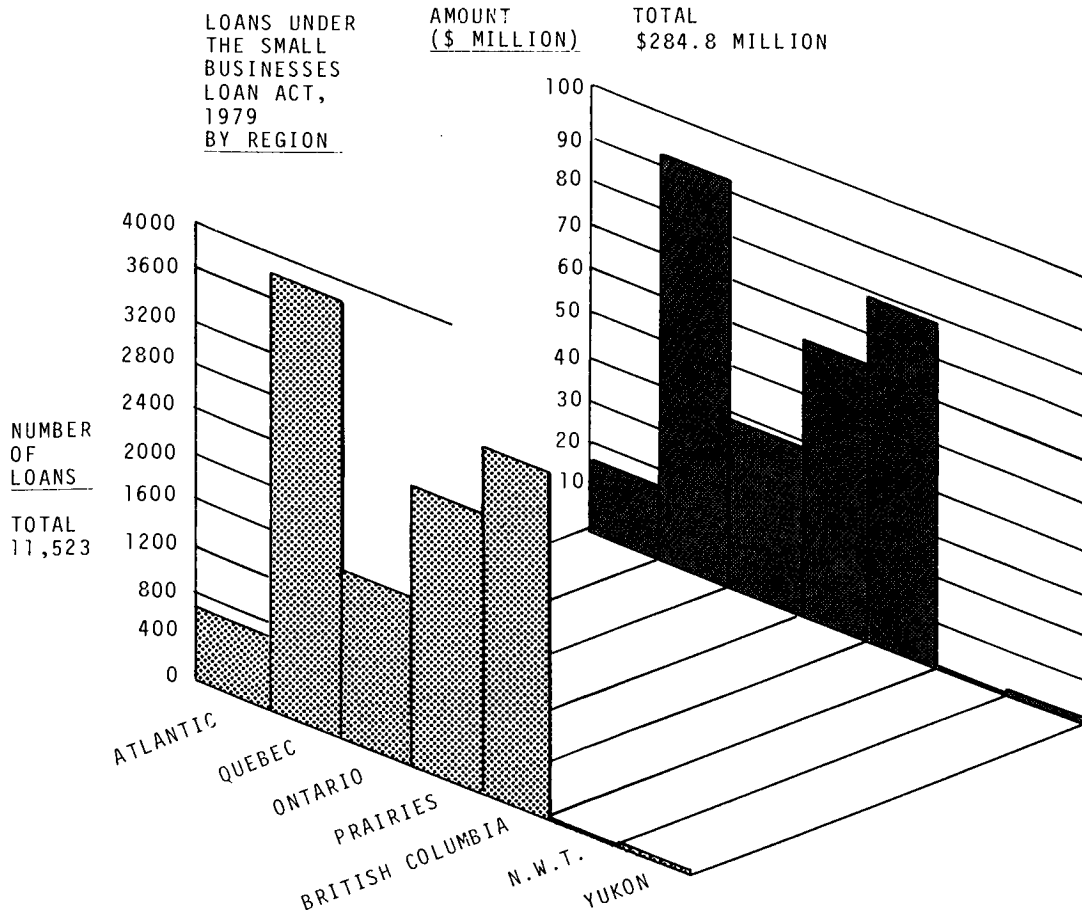
The program encourages lenders in the private sector to make term loans available to small Canadian businesses for a wide variety of capital improvements. The loans, guaranteed by the federal government, bear maximum interest rates of bank prime plus one per

cent. The maximum term is 10 years.

Defence Industry Productivity Program

The Defence Industry Productivity Program (DIPP) helped develop and sustain the technological capability of the Canadian defence industry, thereby generating exports.

It operates under international agreements for defence development and production sharing.



A total of 74 projects, generating sales of \$889 million, were completed under DIPP during the year. There were program expenditures of \$57.9 million and 66 projects were contracted. Sixty per cent of the sales generated under the program were in the defence export market, while 40 per cent were related civil exports. Approximately 85 per cent of defence sales were to foreign markets.

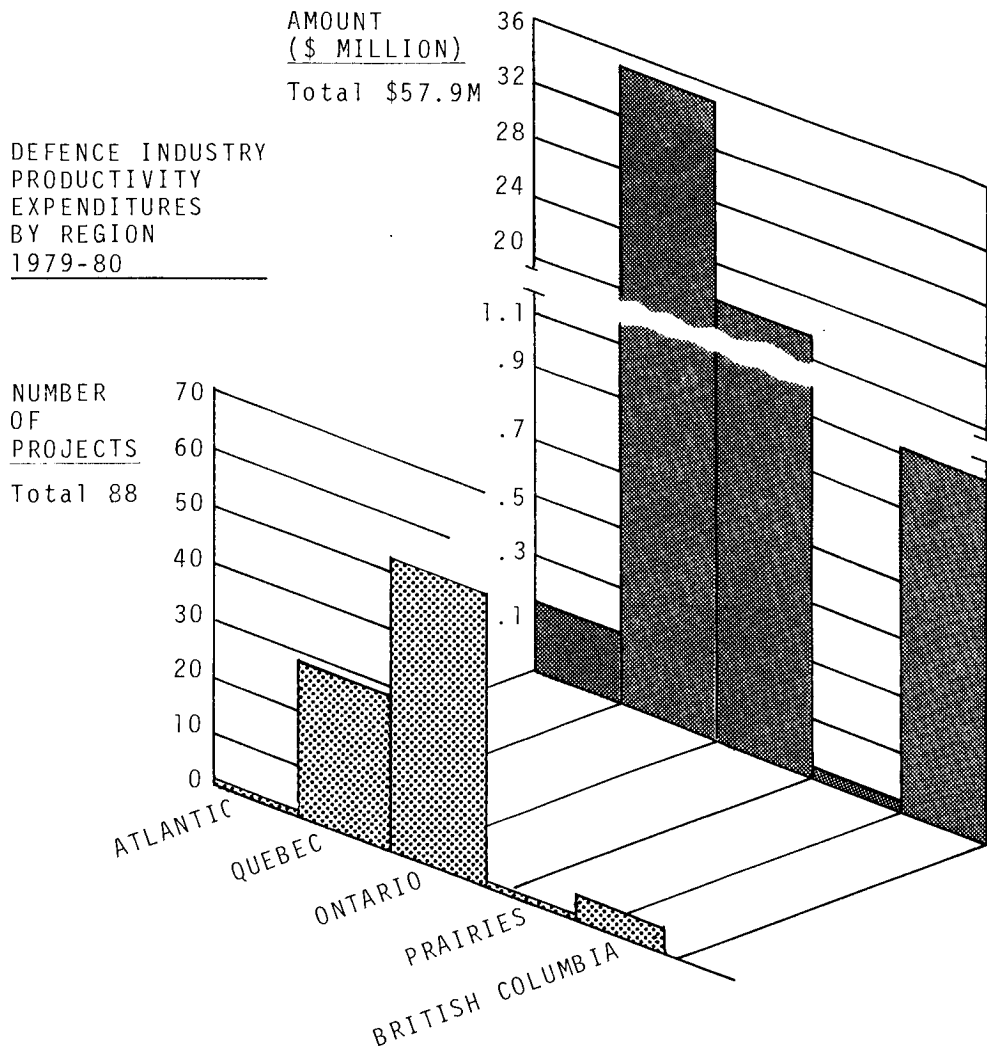
Industry Energy Research and Development Program

The Industry Energy Research and Development Program (IERD), introduced in October, 1977, assisted

Canadian industry with research and development of new and improved processes and equipment to reduce industrial energy consumption. The program also helped promote and market this technology.

Since its inception, 11 projects requiring total funding of \$2,021,400 have been approved. In 1979-80, \$247,800 was expended under IERD. The program, which normally contributes up to 50 per cent of the estimated costs, operates within a \$1.5 million annual budget.

Projects undertaken include development of new technology in steel



soaking pits, the use of coal dust waste to replace other fuels, use of waste heat in paper machines to reduce total consumption of energy, and the use of paint solvent as fuel in drying ovens.

Small Business

The Small Business Secretariat, the focal point for small business issues, developed and assessed national policies and programs affecting SME's.

The Small Business Intern Program, which resulted in approximately 1,500 jobs in the small business sector, concluded at the end of 1979-80. Funding was provided through the Canada Employment and Immigration Commission's (CEIC) Canada Works Economic Growth component.

The new Business Associations Program, with funding from CEIC's Youth Job Corps Program, was instituted in nine provinces in April, 1979. The program helped create jobs for 130 university and college graduates in business associations across the country, representing nine areas of industry or trade responsibility. Work performed included research, market studies, statistical analysis, administrative and clerical duties.

A second edition of New Statistics on Small Business in Canada (1979) was published for professional researchers, with a new publication, Small Business in Canada: A Statistical Profile, aimed at a general audience. Approximately 10,000 people have received these publications.

In addition, a survey of management courses offered at post-secondary institutions across Canada was

conducted and the results published for industry's use. Approximately 600 courses were catalogued, and the educational activities of other institutions and trade associations were examined.

The first issue of the quarterly newsletter "Small Business World" was published in the spring of 1979. Containing information on government policies and legislation impacting on small business, it was distributed to business associations, universities, banks and IT&C regional offices.

The Secretariat helped support the federal government's Canadian Business Sub-Contracting Opportunities Program in cooperation with the Department of Supply and Services. Initially proposed in 1978, the program has been the subject of extensive negotiations encouraging the 50 largest suppliers of the government to award subcontracts to Canadian companies. Small businesses, especially in the area of high technology, are expected to be the prime benefactors of the program.

Financial Institutions and Corporate Liaison

The Financial Institutions and Corporate Liaison Branch studied financial institutions, markets and instruments involved in achieving departmental objectives.

The branch was the focal point for studies on the competitiveness of Canadian export financing, and represented the department in a series of international meetings on this subject.

The branch advises the department on financial Crown corporations, other Crown corporations, financial

institutions, and financial trends, structures and activities of Canadian industry.

Administrative Services

Progress continued during the year towards optimizing centralized administrative services to the department's activities at Headquarters and in the Regional Offices.

Major activities included:

- establishment of three additional word processing centres, bringing the number to eight;
- revision of procedures and forms for transmission of telecommunications to coincide with the installation of an Optical Character Recognition (OCR) reader;
- introduction of a new system designed to monitor the correspondence to the department's Ministers through the combination of micrographics and electronic data processing techniques.

A study of the department's office accommodation needs was done under contract with the Bureau of Management Consulting (DSS).

TRADE COMMISSIONER SERVICE & INTERNATIONAL MARKETING

Office of Overseas Projects

The Office of Overseas Projects, which assists Canadian companies seeking contracts for capital projects abroad, concentrated its activities in the lesser developed countries where fully-integrated projects are most often required. Foreign projects were identified and Canadian industry assisted in responding to these opportunities. The Office encouraged industry to form consortia, provided assistance and advice in assembling competitive financing proposals and mobilized the support of the federal government in the pursuit of overseas projects.

The Office coordinated the operational aspects of export financing with the Export Development Corporation, the Canadian International Development Agency, the World Bank, the Inter-American Development Bank, and various other regional banks and financing institutions. Competitive and special financing mechanisms were arranged for Canadian exporters. Recent examples of successes in this activity were the Suralaya thermal power plant project in Indonesia, worth approximately \$200 million, and the Ruzomberok bleached pulp mill project in Czechoslovakia, valued at \$300 million.

Agreements negotiated under the technical assistance program designed to provide public sector expertise on a cost recoverable basis to improve Canada's export marketing performance provided for two airports and a prison complex for the Government of Trinidad and Tobago.

Promotional Projects

The Promotional Projects Program spent \$6.5 million in 1979-80 to promote the sale of Canadian goods and services abroad.

The program helped 785 companies participate in 62 trade exhibits. Information booths were set up at another 17 trade fairs. On-site Canadian sales from these shows were estimated at \$44 million, while follow-up sales should reach \$1,450 million.

Approximately 300 Canadian businessmen participated in 29 ITC-sponsored trade missions to 24 countries. As well, 892 foreign businessmen, government officials, buyers and trade delegates from 43 countries were brought to Canada.

Defence Programs

Canada continued to work with her allies primarily through cooperative defence research, development and production (RDP) agreements.

Meetings held under the Canada-United States Defence Production and Development Sharing Arrangement resulted in the formation of new working groups to enhance trade with the U.S. military and defence contractors.

Regular RDP meetings were held with the governments of Britain, France, Italy, Norway, Sweden, the Federal Republic of Germany and the Netherlands. Increased emphasis was given to promoting direct industry-to-industry contacts between Canada and NATO nations. Resulting defence cooperative efforts and programs, many of which have commercial application, related to high technology areas such as transport aircraft, aircraft engines and parts, flight simulators and navigation and communication equipment.

Defence trade programs were developed with a number of non-NATO friendly countries. These ranged from participation in a High Technology Conference in Japan to export opportunities to countries like Egypt, India, Indonesia, Malaysia and Morocco.

Canadian defence export contracts amounted to \$556.1 million, while Canadian imports of defence equipment totalled \$409.1 million.

Trade Commissioner Service and Canadian Regional Offices

Trade Commissioner Service and Canadian Regional Offices maintained 11 regional offices in Canada and 89 posts in 66 foreign countries during 1979-80.

De-centralization significantly improved access to the broad range of trade and industrial development programs offered by the department. The regional offices continued to serve as a focal point for the department's relations with provincial governments.

The 10 Business Information Centres, which provided information on business assistance programs of the federal and provincial governments, received 80,000 enquiries and 4,200 visitors during 1979-80.

The posts continued to play a significant role in trade relations, trade policy and export development by identifying export opportunities and assisting Canadian firms to exploit these opportunities.

Close to 120,000 enquiries were processed by the posts during the year, and assistance was provided to more than 26,000 visitors. In excess of 2,200 new buying connections and 1,500 agency agreements resulted.

Export Canada '79

Export Canada '79, a new one year program to assist small and medium size companies to penetrate the United States market for the first time or to expand their current export activities in the U.S., was estimated to have increased sales to the U.S. by some \$50 million in the year under review. The program, recommended in a special departmental task force report, was funded by \$1.6 million arranged through the Ministry of State for Economic Development.

The program attracted about 850 firms to a series of 44 in-depth educational workshops designed to prepare first-time exporters for business in the U.S., and to inform business communities on the importance of exports to the Canadian economy. The workshops were held in small and large centres across the country.

The program made wide use of trade events which had potential for increased exports to the U.S. by small and medium size companies. The department, provincial governments and industry helped Export Canada '79 identify a number of smaller regional trade events particularly suited to the objectives and capabilities of smaller firms. These included:

- Empire Farm Days in Syracuse, New York, where nine Canadian manufacturers of agricultural equipment generated on-site sales of \$70,000 with projected sales of almost \$2 million;

- the Canadian Outerwear Fashion Fair (COFF) in Winnipeg, attended by an incoming mission of approximately 200 U.S. buyers;

- the High Technology Marketplace in Boston which attracted more than 500 U.S. buyers. Ninety-seven companies from eight provinces attended this solo trade fair, making it the largest solo Canadian trade promotion event ever organized by the department abroad.

Several regionally focused activities of Export Canada '79 have been integrated into the department's ongoing Trade Fairs and Missions Program.

INTERNATIONAL TRADE RELATIONS

Office of General Relations

The multilateral Trade Negotiations (MTN) were brought to a successful conclusion in 1979, marking an important step toward larger scale and more specialized production in Canada. This is expected to contribute to the development of a more rational, efficient and competitive industrial structure.

The conclusion of MTN was marked by the signing of a number of agreements in December, including the Tariff Protocol Agreement and the Agreement on Trade in Civil Aircraft. In addition, several non-tariff measure agreements were signed, including Technical Barriers to Trade, Subsidies and Countervailing Duties, Antidumping, Customs Valuation and Import Licensing Procedures.

Implementation of the MTN agreements should simplify and liberalize international trade.

General Trade Relations

Canadian trade policies were coordinated to current and potential implications of major developments in international policy and practice. Areas of activity included the MTN, North-South relations and federal-provincial trade policy consultations.

Canada participated actively in international policy coordination efforts at both the general and sector-specific levels. General issues raised included export financing, transportation, northern development, competition policy and transfer of technology. Discussions were held on problems and developments in such sectors as motor

vehicles, steel, ocean industries, urban mass transit equipment, energy and minerals.

Commodity Trade Relations

Canada participated in the successful negotiation of a new International Natural Rubber Agreement and in preparatory meetings for international agreements on copper, tea, tungsten, tropical timber, jute and hard fibres.

International Agreements on sugar, tin, cocoa and coffee continued in effect. Canadian participation was directed at fulfilling obligations and protecting Canada's interests as a consumer member.

In addition, agricultural aspects of the GATT MTN were concluded. However, accord was not reached on a new International Wheat Agreement, and discussions will continue into 1980-81.

Eastern Europe

Canadian exports to Eastern Europe increased by 30.6 per cent in 1979 to a record level of \$1.2 billion. Imports increased by 29.9 per cent to \$327 million, leaving Canada with a positive trade balance of \$877 million.

Grain sales to Poland and the Soviet Union again dominated exports to the area, with sales in the Food, Feed, Beverages and Tobacco category accounting for 53.7 per cent of total exports. The U.S.S.R. remained Canada's major trading partner in the region, absorbing 63.4 per cent of Canada's exports. Trade relations with the Soviet Union were affected by decisions to limit political and economic relations as a result of the U.S.S.R. invasion of Afghanistan.

Bilateral trade consultations were held with Eastern European countries, including Poland, Romania and Bulgaria. The Mixed Economic Commission meeting with the Soviet Union was postponed, and trade talks with Hungary were delayed until mid-1980.

The fifth Long Term Grain Agreement between Canada and Poland, which calls for annual deliveries of between 1.1 and 1.5 million tonnes from 1980 to 1982 inclusive, was signed in Warsaw.

Atomic Energy of Canada Ltd. (AECL) promoted the CANDU nuclear power system in Yugoslavia, which is expected to make a final decision in

1981 regarding a nuclear power program. Success with Yugoslavia would complement earlier contracts signed with Romania that took effect May 11, 1979.

The department sponsored information booths at trade fairs in Czechoslovakia, Poland, Yugoslavia and the German Democratic Republic. A full-scale promotion was staged for Lesdrevmash, the forestry equipment show in the Soviet Union. Trade missions to Canada during the year included visits by the Czechoslovak Minister of Industry, and representatives of the Yugoslav forestry industry and Hungarian rapeseed industry.



Western Europe

Canadian exports to Western Europe rose by 51.1 per cent to \$8.3 billion in 1979 while imports increased by 19.9 per cent to \$6.8 billion. Britain continued to be Canada's largest market in Europe accounting for 31.2 per cent of total exports to that region.

The European Economic Community is the world's largest trading entity and Canada's second-largest trading partner. In 1979, Canadian sales to the Community rose to \$5.6 billion.

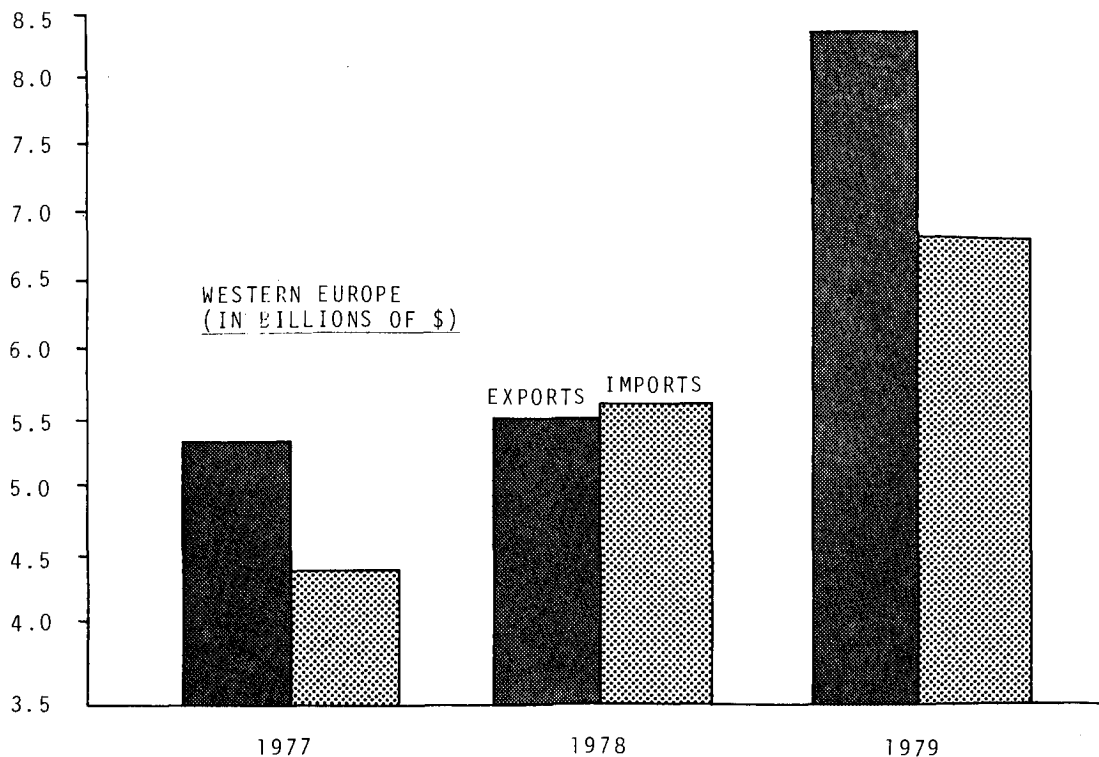
Canadian trade with other Western European countries continued to grow with exports rising from \$642 million in 1978 to \$1.1 billion in 1979. Imports increased from \$1.0 billion to \$1.2 billion.

A major objective of the department is development and maintenance of a favourable environment for the expansion and diversification of Canadian business links with the area. With the conclusion of the Multilateral Trade Negotiations (MTN), communication of the results became an important responsibility.

The department's European activities were concentrated in three broad areas: economic cooperation, market access and export promotion.

1) Economic Cooperation

A wide range of activities continued under the Framework Agreement with the European Economic Community. A number of working groups of businessmen and officials from Canada and the E.E.C. explored possibilities for cooperation in speci-



fic industrial sectors, such as aerospace, peri-informatics and telecommunications. Industrial co-operation activity continued between Canadian scientists and their counterparts from Sweden and Finland, and between Canadian and Norwegian companies in the field of offshore oil and gas exploration.

2) Market Access

Identification of export opportunities with the E.E.C., Norway, Sweden, Finland, Austria, Switzerland and other Western European countries intensified as the Multilateral Trade Negotiations concluded. In conjunction with the Trade Commissioner Posts, the department began to notify Canadian industry of the improved terms of access, and of the provisions of the various codes of behaviour that had been negotiated. Discussions took place with the E.E.C. on problems facing such specific Canadian exports as seed corn and potatoes, grain screenings, newsprint, pork, timothy seed and steel products. Several matters affecting access of Canadian exports were raised with the E.E.C. and individual countries concerning products such as cheese, high quality beef, feeder calves, synthetic textiles, sealskins and fish.

3) Export Promotion

Thirty-five trade fairs were attended in the area during the year and 17 incoming and outgoing trade missions were arranged. Some 53 per cent of the department's total promotional projects budget was spent in this area. PEMD reviewed 729 applications for projects concerned with Europe. Meetings were held with the E.E.C., separate members

of the E.E.C. and other countries during the year, including the semi-annual consultations with the E.E.C. Commission in Brussels and Ottawa, and the Canada/U.K. Continuing Committee. The department serviced missions from Germany and Holland, and an incoming industrial cooperation mission of senior business executives from Italy.

Western Hemisphere

United States

Two-way trade between Canada and the United States expanded to nearly \$90 billion in 1979, as compared to \$72 billion in 1978. Exports were \$44.5 billion while imports were \$45.4 billion, leaving a deficit of \$897 million. The balance of payments deficit on current accounts in 1979 was \$7.64 billion, of which tourism accounted for \$581 million.

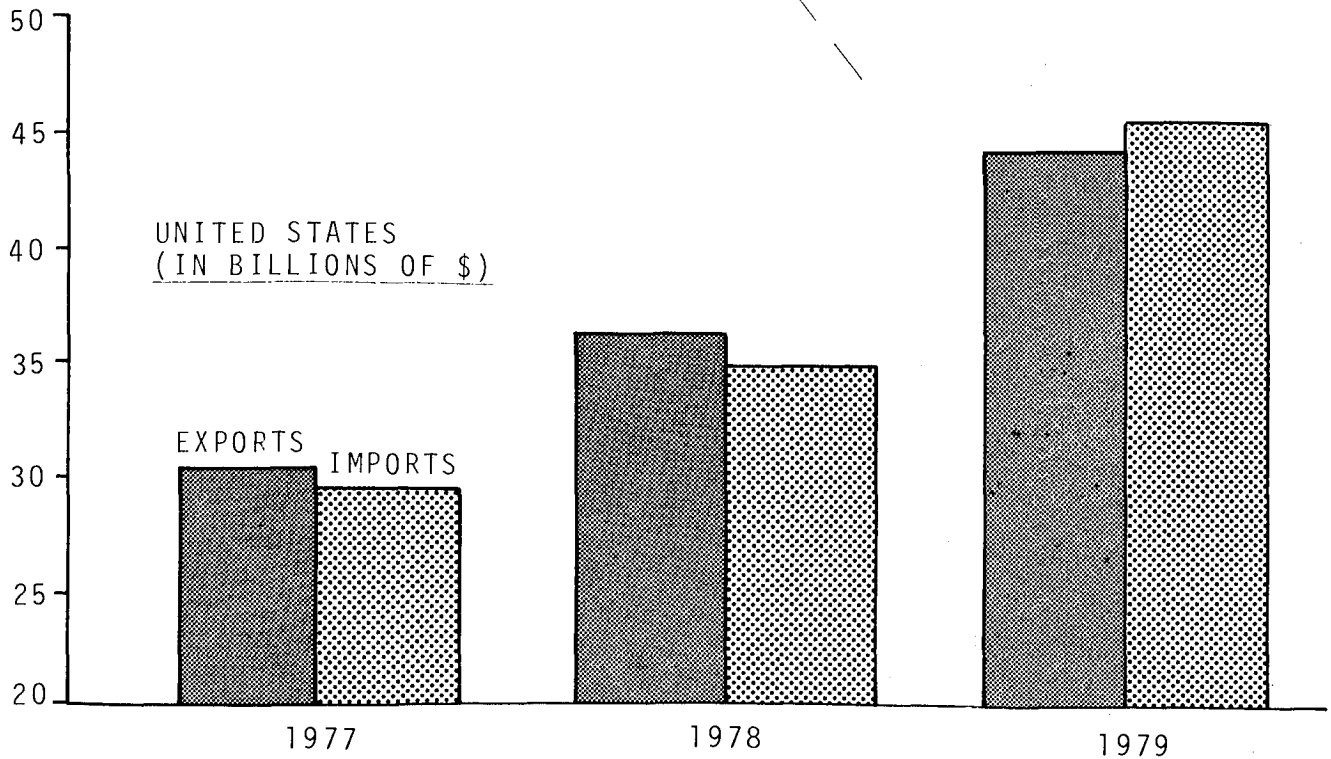
On January 1, 1980, the first of eight annual reductions were made in customs duties on most U.S. tariff items negotiated in the GATT Tokyo Round. The implementation of tariff cuts achieved in the Tokyo Round, together with non-tariff barrier codes, will further free cross-border trade with the U.S. through the 1980's.

The import quota on specialty steels into the U.S. was extended a further eight months to February 14, 1980.

Bilateral discussions continued on U.S. tax laws relating to attendance by U.S. citizens at conventions held outside the United States. This was a matter of ongoing concern to the Canadian convention industry.

The U.S. Division continued to work closely with Canadian exporters, providing information and assistance regarding market access to the U.S. Tariff classification rulings for exporters were obtained from U.S. Customs, and advice

provided on labelling, food and drug and other non-tariff regulations. The division participated in export seminars and workshops organized by the department, provincial governments and private sector organizations.



Latin America

Canadian exports to Latin America totalled \$1.9 billion in 1979, an increase of 16 per cent over 1978. Almost 40 per cent of this trade comprised fully manufactured products. The four principal markets of Venezuela, Brazil, Argentina and Mexico accounted for 84 per cent of Canadian sales to the region.

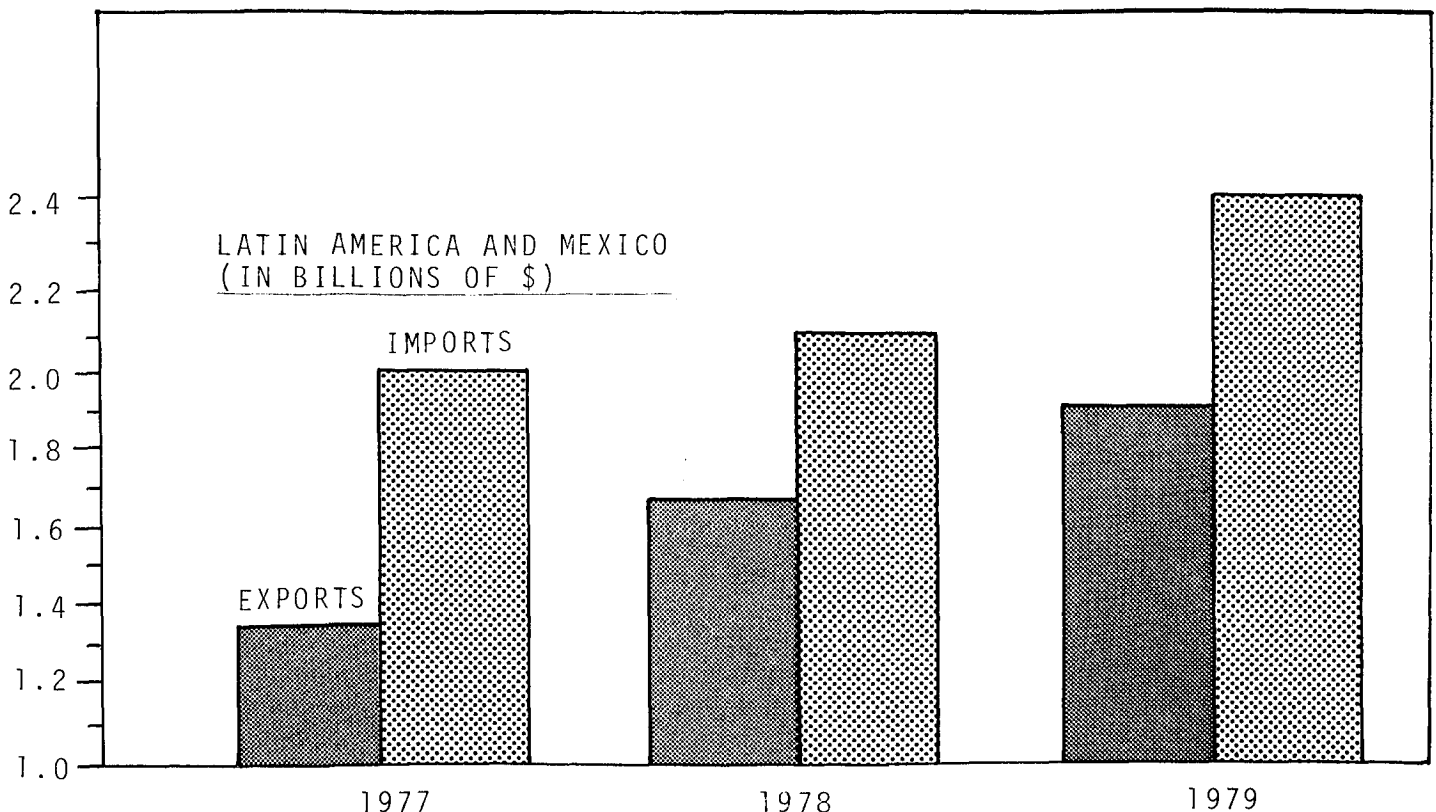
Visits by senior officials during the year reflected the increasing importance attached to Canada's commercial relations with Latin American countries. For example:

- the Minister of State for International Trade visited Columbia, Ecuador, Peru and Argentina;
- the Minister responsible for the Canadian Wheat Board went to Brazil to sign a new three-year wheat sales agreement with that country;

- senior Mexican officials visited Canada following the signing of an industrial cooperation agreement in May, 1979; and

- technical missions were organized to Colombia and Ecuador to identify sectors and projects offering potential for Canadian exports.

The activities of the Canadian Association-Latin America and Caribbean (CALA) and the Brazil-Canada Chamber of Commerce continued to complement the department's trade development efforts. The CALA VII Conference in Calgary, which attracted more than 350 delegates, included representatives from most Latin American countries. The department again organized a meeting between representatives of CALA and the Chamber and senior government officials to exchange views on various aspects of Canada's relations with Latin American countries.



Caribbean and Central America

Canadian exports to the Caribbean and Central America increased by 25 per cent in 1979 to \$931 million. Cuba (\$257 million), Trinidad (\$126 million) and Puerto Rico (\$110 million) continued to be the biggest markets.

The first meeting of the Canada-Caribbean Community (CARICOM) Joint Trade and Economic Committee took place in Ottawa in November, 1979.

The department-organized Canadian textile exhibition in Trinidad produced record high on-site sales of \$2.3 million. Similar exhibitions were organized for the first time in Barbados and Panama.

The department participated in a CALA trade mission to Cuba and sponsored a mission of representatives from steel and construction firms to the Caribbean. Trade missions comprising electrical utility officials from Central America and rail and urban transport officials from Costa Rica were also sponsored by the department.

Canadian construction and engineering firms obtained major contracts in Trinidad and Costa Rica, while significant gains were achieved in the sale of food commodities, machinery, electrical equipment and forest products.

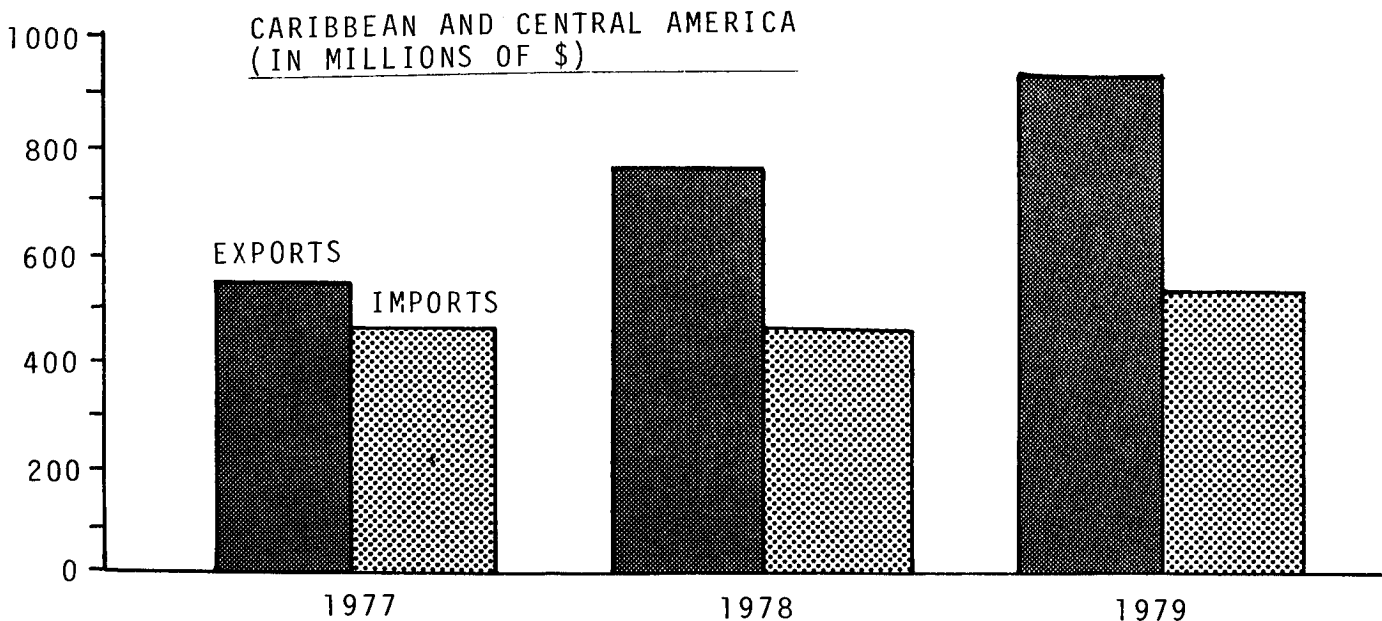
Africa and the Middle East

Africa

Canada's trade and industrial relations with Africa continued to improve in 1979 as exports rose to \$872 million and imports to \$497 million. Algeria continued to be the largest single market, absorbing \$215 million in Canadian exports.

The department sponsored trade missions, some involving ministers, to African countries, and participated at trade fairs in Algeria and Morocco. The department also helped prepare provincial trade missions to Africa.

New trade commissioner offices were opened in Senegal and Tunisia, a trade office in Cameroon and the office in Zambia was moved to Zimbabwe.



Middle East

Canadian exports to the Middle East rose to \$607.5 million in 1979, compared with \$601.5 million the previous year.

The department participated at the Baghdad International Trade Fair in Iraq and the Izmer International Trade Fair in Turkey.

Plans were made during the fiscal year for the third meeting of the Canada/Saudi Arabia Joint Trade and Economic Committee to be held in Ottawa in June, 1980.

Asia and the Pacific

Asia

Canadian exports to Asia increased to \$2.04 billion in 1979, a rise of approximately 17.5 per cent over the \$1.74 billion achieved in 1978. The People's Republic of China continued to be the largest market, absorbing 29 per cent of Canadian exports to the region. Other major buyers were Korea, India, Hong Kong and Taiwan. Significant increases were achieved in exports to Korea, Singapore, Hong Kong and Malaysia. Imports from the region increased by 37 per cent from \$1.6 billion in 1978 to \$2.1 billion in 1979.

The sixth meeting of the Canada/China Joint Trade Committee was held in Ottawa in April, 1979. In May, the Export Development Corporation (EDC) signed a memorandum of understanding in Peking providing China with a \$2 billion line of credit over five years to cover the purchase of Canadian goods and services. It was the largest line of credit ever offered by the EDC.

China's Minister of Foreign Trade visited Canada with a delegation of

senior officials in October. During this visit, the Canada/China Trade Agreement was renewed, and an Economic Cooperation Protocol to the Agreement was signed.

The Governor of Hong Kong and the Prime Minister of Thailand visited Canada during the year to discuss trade.

Trade potential with India was enhanced by a visit to Canada of members of the Federation of Indian Chambers of Commerce and Industry. A seminar on India was held in Toronto by the Canadian Manufacturers' Association.

The first sale was completed of Canadian thermal coal to Korea. It involved the supply of 3.8 million tons over five years.

Pacific

Canadian exports to the Pacific region increased by 33 per cent from \$3.5 billion in 1978 to \$4.7 billion in 1979. Imports rose by only 1.5 per cent from \$2.73 billion in 1978 to \$2.77 billion in 1979, due primarily to a four per cent decline in imports from Japan. However, Japan continued to be the major market in the region. Canadian exports to that country increased by 33 per cent over 1978, to more than \$4 billion.

Two-way trade with Australia passed the billion dollar mark for the first time. Exports increased by 35 per cent to \$559 million, and imports by 30 per cent to \$464 million. Exports to New Zealand rose by 32 per cent to \$90 million, and imports increased by 34 per cent to \$135 million.

The second annual meeting of the Canada/Japan Business Cooperation Committee, attended by more than

120 Japanese senior executives, was held in Toronto in May, 1979. Prospects and problems facing bilateral trade in various sectors were considered.

Throughout 1979, Canada hosted a number of Japanese parliamentarians and government officials interested in CANDU reactors for Japan's energy program.

Discussions were held in November, 1979, with Australian and New Zealand officials in Canberra and Wellington on the future of bilateral preferential trade arrangements.

The department mounted a series of exhibits featuring Canadian manufactured products at the Canada Trade Centre, Tokyo, and sponsored a number of trade missions in support of marketing efforts in Japan, Australia and New Zealand.

INDUSTRY AND COMMERCE DEVELOPMENT

Textile and Consumer Products

Textile Industry

The value of the Canadian dollar in international markets coupled with restraints on selective imports enabled the industry to generate significant gains in production for the year, despite recessionary indicators that appeared in the last quarter of 1979 and fully materialized in the early part of 1980. New capital expenditure increases in percentage terms exceeded that of all manufacturing for the second year in a row.

Export activity throughout the year remained exceptionally strong. The Canadian Textile Show in the Caribbean, presented with assistance from the branch, returned the highest on-site sales ever achieved, while projected sales from Canadian participation at the Australian Floor Covering Mart in Sydney exceeded \$31 million.

Plans were set forth for a renewed exhibition program in the European markets through participation in the 1980 Interstoff Fabric Exhibitions in Frankfurt.

Clothing Industry

Special measures of protection and realignment of the Canadian currency contributed to considerable improvement in the industry as employment increased during the year to 113,200. In real terms, the value of shipments increased by three per cent and the value of exports by 16 per cent over last year's performance. Imports increased two per cent.

The department provided guaranteed loan assistance totalling \$800,000 to five companies during the year. Financial assistance of \$402,000 was approved for 21 productivity feasibility studies.

With financial assistance from the department, Canadian apparel was shown at eight promotional trade shows. As a result:

- sales of \$4.5 million were generated by fur goods shown in New York City and Tokyo;

- sportswear sales of \$670,000 were generated in Munich and Las Vegas;

- a display of leisurewear and outerwear at the Canada Trade Centre in Tokyo produced sales of \$400,000;

- sales of \$210,000 were made at the International Men's Fashion Week in Cologne;

- sales of \$125,000 were generated at the Women's Wear Solo Exhibition Fashion Show in New York City;

- sales of \$3 million were realized at the Canadian Outerwear Fashion Fair in Winnipeg. Visitors to the show included 65 foreign buyers whose attendance was a project of the department.

The department continued financial support for the productivity program in the Manitoba industry, and developed a format to study the specific needs of the industry in Ontario and Quebec to establish similar programs in those provinces.

Footwear and Tanning Industries

Production, employment and profits in the footwear industry improved for the second year of the three-

year period of global quotas on leather and vinyl footwear imports.

Total footwear production increased to \$650 million from \$517 million a year earlier, and exports increased to \$42 million from \$39.8 million the previous year. Employment increased by 300 to 16,500.

High leather prices impacted negatively on the tanning industry, which showed a decline of 25 per cent in leather production for 1979 to 100 million square feet from a year earlier.

With departmental assistance, these industries participated in three major trade shows in Europe and the United States, resulting in on-site sales of more than \$2 million.

The handbag manufacturing sector increased output by 21 per cent to 6.9 million units, and increased its share of the domestic market from 35 to 40 per cent.

Fashion Office

The department applied the Canada Employment and Immigration Commission's Summer Youth Employment Program to provide 78 students of fashion design with practical work experience in the summer months. This provided training and employment opportunities to the students, and introduced 58 clothing manufacturers to the talent becoming available in Canada.

The Fashion Design Assistance Program again supported a show-case of Canadian designer fashions for men, women and children. The Women's Trend Show was extended to Winnipeg in conjunction with the Canadian Outerwear Fashion Fair.

The first issue of the magazine "Canadian Fashion-Mode", supported by the department, was well received outside Canada, leading to direct contact with manufacturers and to visits by overseas buyers.

Book Publishing Industry

Exports of Canadian books reached \$39.7 million in 1979, more than twice the level recorded in 1975, providing evidence that the department's efforts to promote export interest in the book publishing industry are bearing fruit.

The industry is producing an increasing number of books with an international appeal in terms of format and content, while publishers have a better understanding of export opportunities.

The department sponsored national stands at the Bologna Children's Book Fair in Italy, the American Booksellers Association Exhibition in Los Angeles, and the Frankfurt Book Fair in the Federal Republic of Germany. The United States absorbed 75 per cent of Canadian books exported, and the European Economic Community, 22 per cent.

The department administered the Association for the Export of Canadian Books, a non-profit organization established to provide advice and financial assistance to publishing houses.

Furniture Industry

A program of trade fairs and missions designed to encourage furniture manufacturers to establish themselves in the United States market produced considerable improvement in the export performance of Canadian made furniture.

Business furniture manufacturers presented their products to influential architects, designers and specifiers at eight shows in major American cities, and at two Canadian exhibitions attended by department-sponsored incoming visitors. Exports of business furniture to the U.S. are approaching \$100 million annually and represent about 25 per cent of Canadian production.

In the residential furniture sector, the department transferred the responsibility for the Canadian exhibit at the Southern Furniture Market in North Carolina to an industry - sponsored furniture export association. Exports of household furniture are approximately \$40 million and are increasing at a rate of 30 per cent.

Jewellery, Silverware & Giftware Industries

Departmental support concentrated in assisting sector companies to identify, investigate and exploit export markets.

Major departmental projects included:

- a series of export seminars for the Canadian Jewellers Association in preparation for an incoming buyers mission from the U.S. to the Toronto Jewellery Show;

- a solo jewellery show at the Canada Trade Centre in Tokyo with 11 participating companies registering on-site sales of \$200,000. Since the onset of this market development initiative, exports of jewellery to Japan have reached \$1 million;

- investigation of the feasibility of seven Quebec craftsmen establishing an export consortium to market their crafts in France and Belgium.

Exports to the U.S. increased from \$5.5 million in 1979 to \$7 million in 1980.

Sporting Goods Industry

The industry continued to improve its competitiveness in the domestic and export markets, with exports accounting for almost 20 per cent of shipments.

The United States continued to be the major export market, but significant increases were recorded in Western Europe as a result of departmental-sponsored exhibits at two major European sporting goods shows, SPOGA in Cologne and ISPO in Munich. On-site Canadian sales reached \$9 million at these shows.

The department also sponsored an incoming buyers mission from Europe to the Canadian Sporting Goods Association Show in Montreal.

Chemicals

Chemicals and related industries experienced a 20 per cent increase in shipments during the year, reflecting improved international competitiveness brought about by favourable material and energy costs, and world-scale petro-chemical expansion. The trade balance continued a shift from net imports to an essentially balanced position.

The branch continued to monitor the international competitiveness of Canada's chemical industry. This included development of a technique to measure the impact that policies being considered would have on the industry's competitiveness.

The branch published a report on the study of the health care products industry, carried out in conjunction with provincial govern-

ments and industry. Along with related background studies, this report will form a basis for examining industrial development policy options.

A study on industrial development potential in the pesticides industry was initiated.

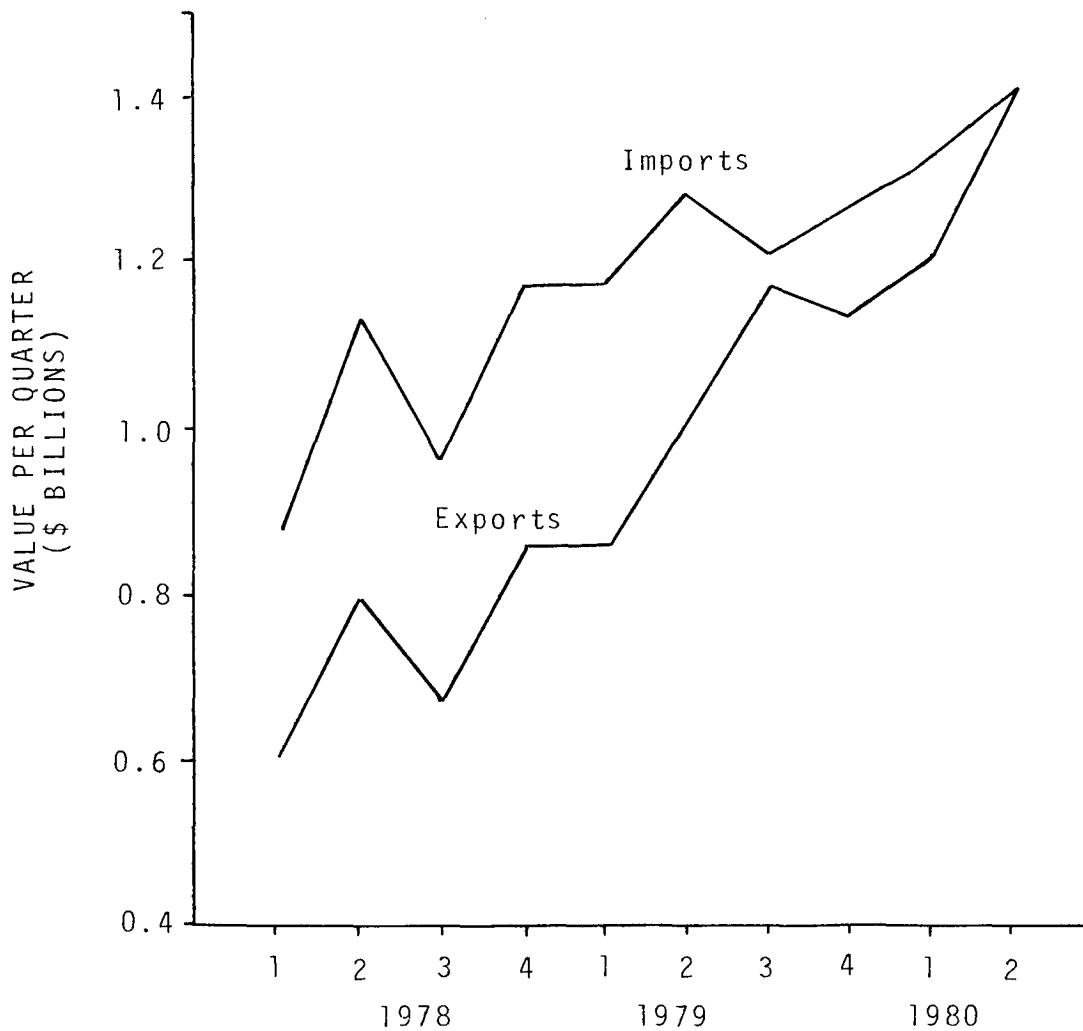
A new Health Care Products Division was formed to cover both pharmaceutical and medical devices. An industrial development seminar was held in cooperation with the Canadian Association of Manufacturers of Medical Devices, and the divi-

sion formulated an active fairs and missions program.

The branch, with the Society of the Plastics Industry of Canada, continued to examine the potential for a technology institute and an export consortium.

A revised edition was published of the Chemical Register, a comprehensive directory of Canadian chemical products and companies. The branch continued to publish annual and quarterly industrial production and trade statistics.

CHEMICAL AND RELATED INDUSTRY TRADE



Electrical & Electronics

A new Special Electronics Fund was announced to provide \$30 million in major projects funding and \$20 million in microelectronics support programs. Work was begun on an electrical industry strategy paper in response to the recommendations of the industry task force established in 1978.

Electrical

The department placed continuing emphasis on development of alternative means of generating electrical energy to replace such non-renewables as oil and gas. The efficient use of available power through such devices as heat pumps was also emphasized.

The department worked in cooperation with utilities and equipment manufacturers to develop an industrial strategy to establish and sustain a growth pattern for the industry over the next decade -- a period during which the electricity demand growth rate is expected to decrease.

Avionics

This sector continued to receive financial assistance from the Defence Industry Productivity Program for the development of high technology products and the modernization of the Canadian defence production base. However, the assistance was at a much reduced rate as the program was closed to new projects during the year.

Sales of equipment in avionics and defence electronics products were an estimated \$600 million, 80 per cent of which was exported. Of this total, 10 companies accounted for \$508 million, with the balance shared between about 30 companies.

Microelectronic Devices & Applications

Two projects were launched under the Special Electronics Fund. Mitel Corporation was allocated \$20.9 million over three years, and Linear Technology was allocated \$890,000 over two and a half years, both for development expenditures and capital equipment acquisition costs.

Consumer Products & Components

Prospects improved for most electrical and electronics consumer product sectors. The continued success of the Television Remission Program, administered by the department, increased the output of television sets to almost double the low point in 1977 when only 250,000 units were produced.

The department worked with industry to improve the export performance of the major appliance sector, which suffered from a weak domestic demand.

The department provided capital assistance to encourage plant expansion in the printed circuit board sector.

Information Processing & Technology

Imports continued to increase in this sector, despite a trend to greater product rationalization during the period under review. A particularly successful program of Canadian participation in trade missions and fairs was carried out by the department in the Far East and Western Europe.

Telecommunications

The Canadian telecommunications industry continued to receive departmental financial assistance to de-

velop and promote new products in domestic and international markets. Areas receiving assistance included television studio switchers, mobile radios, defence satellite systems and a joint U.S./Canada military electro-optic sensing system.

Assistance was provided in pursuing major projects in Saudi Arabia, Australia and Norway. The department participated in COCOM review meetings concerning electronics/telecommunications in Paris. IT&C, the Department of Communications and 20 Canadian manufacturers participated at the International Telecommunication Union trade fair and seminar in Geneva.

Transportation Industries

Aerospace Directorate

The directorate sponsored major new ventures such as the Dash-8 turbo-prop commuter aircraft, the PT-7 engine, a further phase of advanced development with the Augmentor Wing Program, and enlargement of the Computer Aided Design/Computer Aided Manufacturing capability.

Monitoring and trade development activities continued for established projects such as the Challenger, the Dash-7, engineered products and military reconnaissance drone systems.

Work proceeded under GATT to expand the freedom from duties afforded aircraft and engine parts in overseas markets under the terms of the Agreement on Trade in Civil Aircraft. Arrangements were made to inform firms about the opportunities now in place.

Management and audit intensified of established industrial benefit packages (offsets) negotiated as part

of major procurements. These included Air Canada fleet augmentation, the CP-140 Aurora LRPA, the NATO AWACS and the CF-18 NFA.

The directorate maintained responsibility for Crown-owned Canadair and de Havilland.

The aerospace sector expanded during the year, with sales at record levels and employment at a decade-high. The industry is predominantly export-oriented and made major contributions to Canada's balance of trade in manufactured goods. Incoming and outgoing trade missions were supported to the E.E.C., India, Australia and Poland.

Ocean Industries

The department maintained a high level of trade promotion with export-oriented national exhibits at the Houston Offshore Technology Conference and at Europec in London, England. There was also a repeat of the previous year's exhibit at the Canada Trade Centre in Tokyo.

The discovery of commercial quantities of petroleum at the Hibernia Site off Newfoundland is expected to shift emphasis to domestic sales by the Canadian industry. Domestic content regulations at both the provincial and federal levels will help ensure that this offshore activity strengthens Canada's ocean industry.

Automotive Industry

General

The automotive industry in Canada is predominantly oriented to supplying the U.S. market. There was a marked increase in U.S. consumer preference for offshore, primarily

Japanese, vehicles, resulting in a significant reduction in automotive production in Canada compared with the previous period. Continuing buoyancy of the Canadian market combined with a shortage of off-shore vehicles produced record vehicle imports from the U.S. and a trade balance deterioration of about \$2 billion.

In 1979-80 the industry was entering a period of massive technological change as it adjusted to make a new generation of fuel efficient vehicles. The transitional phase will result in the obsolescence of some plants and the creation of excess capacity in others as demand for the traditional products declines. At the same time, significant opportunities are arising for manufacture of the new components which will be required in the new generation of vehicles.

Motor Vehicles

Reduced cash flow resulting from the downturn of the U.S. market combined with the requirement to invest on an unprecedented scale to bring new fuel efficient models to the market resulted in Chrysler Corporation becoming nearly insolvent and approaching the U.S. government for assistance. During much of the period, the department worked with Chrysler Canada, other federal government departments and other governments to ascertain the nature of assistance required to protect Canadian interests. By the end of the period the negotiations were virtually complete. The department continued to work with all vehicle manufacturers to induce incremental investment and additional sourcing in Canada.

Automotive Parts

The department actively promoted involvement by the parts industry

in producing products for the new generation of vehicles. Major projects in the fields of aluminium casting and plastics were supported together with a number of smaller projects.

In order to expand parts sales to offshore vehicle manufacturers, an expanded third country duty remission scheme was introduced in which European and Japanese manufacturers were encouraged to participate. Negotiations resulted in commitments by four manufacturers to substantially increase their purchases of Canadian parts.

Sales of aftermarket parts into the U.S. continued to expand. Canadian parts manufacturers were given departmental assistance to exhibit their goods at a number of trade shows. In addition, outgoing trade missions were sponsored by the department to Venezuela, Argentina, Colombia and Japan.

As a first step in developing a strategy for the aftermarket in Canada, the department commissioned and received a study in which the market was quantified in the various product groupings.

Urban Transit

Meetings were held with U.S. officials and the Canadian industry throughout the year to discuss the implications of the "Buy America" regulation of the Surface Transportation Assistance Act. This regulation requires that imported transit equipment have at least 50 per cent U.S. content and that final assembly take place in the United States. While the Canadian industry can meet these requirements, the department is concerned that the regulation may lead to a future transfer of jobs from Canada to the U.S.

Approximately 50 per cent of the industry's annual sales of \$150 million goes to export markets. The U.S. continued to be the major buyer.

The division was heavily involved in industrial development activities. The principal project was the Intermediate Capacity Transit System developed by the Urban Transit Development Corporation of Ontario.

Increased emphasis was also placed on developing Canadian expertise in traffic control, vehicle monitoring systems and urban buses.

The division continued its analysis and response to the Sector Task Force report started in 1978.

Ships & Components

A significant increase in the value of orders from domestic customers compensated for the sharp drop in export contracts. Subsidies to shipbuilders continued at 20 per cent, and the ship repair business was maintained at a satisfactory level.

Office of Service Industries

Construction and Consulting Services, Transportation Services and Distribution Services were amalgamated in March, 1980, to form the Office of Service Industries.

Construction and Consulting Services

The Construction Services Division provided secretariat services for the Construction Industry Development Council, which comprises representatives of business, labour and government and advises the Minister on matters concerning construction.

A series of cross-country seminars was conducted to promote the widespread use of the National Master Specification Program, a computerized system of model specifications to be used as a reference document to improve the quality and efficiency of specifications production, which the division helped to develop. Contributions were made towards the following initiatives:

- the development and initial costs for regional forecasts of construction expenditures to 1990;
- the preparation of a comprehensive industrial relations manual; and
- the early planning to establish a Construction Management Development Institute.

An outgoing industrial cooperation/market development mission to Egypt was organized as result of an earlier exploratory trip to that country. Three incoming missions from the Netherlands, Norway and Romania, and visits by senior officials from Egypt and Korea were also organized. The division coordinated Canadian exhibits to the 3rd Middle East Construction Exhibition and Conference in Jeddah, Saudi Arabia.

The following initiatives were in the area of renewable energy:

- a Canadian Solar Industries Association was created to be funded by the Department of Public Works (DPW) and monitored by IT&C;
- a procurement strategy was developed for the PUSH program administered by DPW;
- an exploratory market identification/industrial cooperation trip was taken to the Federal Republic of Germany and France;

- a renewable energy seminar was organized in Charlottetown, P.E.I., in conjunction with the annual meeting of the Solar Energy Society of Canada.

The Consulting Services Division pursued an active program of consultations with the major sectoral representative organizations in the industry, particularly the Association of Consulting Engineers of Canada and the Royal Architectural Institute of Canada.

The division commissioned a report on the characteristics, markets, prospects and issues relating to the architectural industry.

The division participated in a departmental mission to the Federal Republic of Germany, France and Spain to discuss third country cooperation in capital projects. The division was also involved in the presentation of a seminar in Stockholm promoting closer links between Canadian and Swedish industries and consultants with a view to working together in third countries.

A heavy commitment was related to export development work, with consultants reporting success on 41 international contracts, some of which were assisted through the Program for Export Market Development (PEMD).

The Advisory Committee on Industrial Benefits from Natural Resources Development continued to draw its secretariat from the division. The committee's work has resulted in a significant increase in the involvement of Canadian firms in supplying equipment and services to domestic resource development projects, and considerable progress in the development of Canadian capabilities to undertake the engineering, procurement and construction of large projects.

The division also provided the secretariat and funding for the Major Projects Task Force, which examined opportunities for Canadian technological and industrial input on major domestic projects.

Discussions were held throughout the year with resource development firms to ensure that domestic projects provided Canadian-based industry with opportunities to participate and contribute to the development of independent, ongoing firms in the manufacturing and service industries.

Transportation Services Branch

The threatened disruption of transport services resulting from proposed changes in international legislation and regulations continued to occupy the branch's attention. Two issues were of particular concern:

- the impact on Canadian shippers of proposed deregulation in several transport modes in the U.S.; and
- the ramifications of fuel price increases on individual industry sectors.

Maritime

The UNCTAD Secretariat continued its attempts to restructure world shipping. The branch participated in the Committee on Shipping, which discussed cargo sharing in bulk and liner trades, flags of convenience, shipper-conference relations and the proposed multimodal convention. Positions were taken for further review within the OECD, Canadian industry and other government departments.

Close liaison with industry associations such as the Canadian Manufacturers Association, the Canadian Export Association and the Canadian Shippers' Council ensured the re-

presentation of shippers' interests in these and other discussions. A program of mutual interest was developed with the Canadian Board of Marine Underwriters to promote the placement of marine insurance with Canadian companies.

On the domestic front, branch officials engaged in policy discussions regarding infrastructure requirements, Arctic Shipping, merchant marine issues and shipping legislation.

Other Branch activities included:

- the development, in consultation with the Canadian Shippers' Council, of an information base to assist shippers in negotiating with shipping conferences on escalating bunker fuel surcharges;

- production of a "Directory of Ocean Shipping Services", describing 125 services to all parts of the world;

- monitoring of freight rate increases;

- assisting individual shippers with their inquiries on the availability and cost of transportation services;

- assisting a Canadian shipping company to establish a joint service to South America.

Air

The branch participated in the following air services policy issues: the Dash-7 STOL services between Toronto, Ottawa and Montreal; amendments to Air Carrier Regulations permitting the transport of cargo in the belly of passenger aircraft on charter flights; the Canadian position for the International Civil Aviation Organization's second Air Transport Confer-

ence; amendments to passenger charter rules; Victoria-Vancouver STOL/VTOL air services; international air services competition study; negotiations of the Canada/U.K. Air Services Agreement; sale of Nordair; international civil aviation policy review; and an analysis of Canada-Columbia/Venezuela air services.

The branch was also involved in:

- participation on a government/industry committee to improve the collection of air cargo statistics;

- assessment of the transportation requirements of Canadian livestock exporters;

- a study of air services between Ottawa and Boston, New York and Chicago;

- assisting Canadian companies with domestic and international air shipping problems, and working with several Canadian transportation companies wanting to export their services.

Traffic

The branch was instrumental in bringing about changes to the Transport of Dangerous Goods legislation and regulations, in particular package marking requirements. This intervention facilitated compliance by manufacturers, shippers, distributors and traffic service industries.

Branch officials led work for an industry consensus on rationalizing of pallet sizes through the Canadian Standards Association Committee on Materials Handling and Distribution. The branch was part of the Canadian delegation to a United Nations Diplomatic Conference which adopted an international convention for the settlement of damage claims in multimodal transport.

Branch officials were also active in coordinating Canada's involvement in the Economic Commission for Europe's Working Party on the Facilitation of International Trade Procedures.

The branch provided transportation routing advice to individual shippers and government departments for a wide range of commodities by rail, highway and ocean. Information on transportation costs between points in Canada and the U.S. was provided to shippers assessing export markets.

A detailed survey on sources of imported fresh fruits and vegetables was undertaken for the Ontario Government's review of motor carrier legislation.

The branch played a leading role in locating a source of boxcars for a woodpulp producer having difficulty securing equipment for shipments to Mexico.

COSTPRO

Responsibility for the administration and financial support of Costpro--the Canadian Organization for the Simplification of Trade Procedures--was transferred to the department from Transport Canada.

The Costpro Secretariat is a division of the Transportation Services Branch. Costpro Inc., a non-profit corporation is a joint venture of private companies, business associations, and the federal and provincial governments. At the end of the year, it had 57 members.

The main activities of the Secretariat related to the further development of the Canadian Trade Document Alignment System and the creation of voluntary standards for the Canadian Trade Information System (CTIS) which permits adapta-

tion of computer methods and automated trade data transmission.

Costpro developed technology aimed at automated forms-filling and document transmission by electronic mail. This project (Trade Data Element Exchange-Tradex) produced a joint product development venture between the department and AES Data Limited. Field trials of the system were started.

Costpro worked with the relevant U.S. organizations and the Economic Commission for Europe (ECE) to develop data interchange standards. Continuing progress in International Trade Facilitation was achieved through liaison with the ECE and the International Chamber of Commerce.

During the year, emphasis was on communicating the message of Costpro to industry. The branch organized 30 Trade Documentation Workshops and a Vendors Conference. Speeches and presentations were made to 95 special interest groups. A newsletter was published and circulated to 4,000 recipients, and articles appeared in magazines and newspapers. The film "TRADEX--HERE AND NOW" was shown to an estimated 100,000 people in Canada and abroad.

Distribution Services

The Wholesale and Retail Division continued to research and develop data on the structure and performance of the distributive trades for use in the preparation of a sector analysis.

The division analyzed distribution in the food, general merchandise and drug trades. A computerized data base was developed to provide information for policy development and to respond to requests from industry.

Studies in franchising, cooperatives, voluntary groups and trading houses were initiated by the Merchandising Services Division in conjunction with the federal and provincial governments and industry. These studies will assist manufacturers in more effectively marketing their products both domestically and abroad, assist some Canadian retailers in expanding their business, and help pre-empt foreign chains from entering the retail market.

A series of "How to" publications and seminars were developed on franchising, and similar efforts were begun for voluntary groups, dealerships and licensing.

Export promotion included a franchising trade mission to France in which representatives of 19 franchising firms visited Paris, Bordeaux and Strasbourg in March, 1980. As a result, two Canadian franchises are expected to open in France in 1981.

In conjunction with the Department of Justice, the branch participated with the Uniform Law Commission of Canada in studying uniformity of franchise law.

Machinery

The Machinery Program, designed to promote growth and productivity improvement in the machinery industry, continued to be a major activity for the branch. The program, while providing tariff protection to manufacturers and encouraging increased Canadian content in machinery production, allows machinery users a duty remission on imported capital equipment not available from Canadian sources.

During the year, the program received 35,000 applications covering \$4.6 billion in imports. This re-

sulted in direct savings to Canadian industry of \$350 million.

Assistance pertaining to new manufacturing capabilities, installations of integrated production lines, automotive export orders and importations of production components was provided to 309 Canadian firms. This involved additional Canadian production of \$760 million, and contributed to direct employment for 12,650.

The branch maintained detailed information on the production capabilities of more than 1,800 Canadian machinery producers to ensure that they were afforded the duty protection provided.

During the year, branch activities included:

- assessment of 21 new Enterprise Development Projects (EDP) and 20 new proposals for R&D under the Unsolicited Proposals of the DSS Procurement funds. Close to 90 active projects were monitored;

- initial review of 75 new enquiries under departmental programs, and assistance to Regional Offices on more than 50 EDP projects approved at the regional level;

- advisory services to the Interdepartmental Committee on DIPP involving the technical assessment of 150 projects.

During the year, the branch undertook a variety of industrial development initiatives aimed at increasing the range and volume of machinery manufactured in Canada. These included:

- production began on 33 new products to replace imports. Manufacture of these products began after branch studies showed that they represented \$60 million in new manufacturing and 1,000 new jobs. A

wide range of products were covered, including machines for cleaning, mixing, packaging, ice making, insulation blowing and metal working, as well as heat exchangers and construction equipment. assessments of production opportunities were completed on such products as baking equipment, meat mixers, screw pumps, power tongs and metal bending rolls.

- licensing agreements were promoted with foreign manufacturers of products such as decanter type centrifuges, fluidized zone mixing systems, modular grinders and air-cooled heat exchangers. The branch assisted in the acquisition of a new Swiss technology, the Straflo Hydraulic Turbine, which will provide a new Canadian high technology product for low head power applications.

- special assistance provided to the automotive industry on Canadian sourcing capability resulted in the installation of more than \$80 million in Canadian equipment. Initiatives with foreign owned subsidiaries led to rationalization and specialization arrangements for the production of slurry pumps, air pumps and compressors, all with North American mandates. The branch initiated the development of a duty remission program to encourage the rationalization of the front-end loader manufacturing sector in Canada.

Canadian machinery continued to achieve major gains in the export market and to demonstrate significant potential for future export sales. The highlights of the branch's efforts in export development during the year included:

- approval of 105 applications under PEMD with potential business estimated at \$240 million;

- participation in 14 international trade fairs and organization of 13 trade missions. Sales from these activities amounted to approximately \$300 million.

Grain Marketing Office

Canadian wheat production dropped to 17.2 million tonnes in 1979, down almost 19 per cent from 1978. Coarse grain production, including corn, was about 17 million tonnes, nine per cent below the previous year. Oilseed production, at 5.2 million tonnes, was seven per cent above 1978.

Exports of the six major grains (wheat, oats, barley, rye, flaxseed and rapeseed) amounted to 25 million tonnes, valued at just over \$4 billion. Wheat and flour accounted for 12.2 million tonnes (\$2.3 billion), barley 3.9 million tonnes (\$509 million), and the major oilseeds 2.5 million tonnes (\$800 million).

A Grain Transportation Authority was established during the year and a Grain Transport Coordinator was appointed to ensure efficient and orderly grain movement to domestic export positions. Two thousand additional rail hoppers will be leased with deliveries beginning in April, 1980.

The Canadian Wheat Board reached major new agreements with Algeria, China and Brazil during the year under review.

In the oilseed sector, Canola processing capacity was increased with the opening of a new crushing facility at Fort Saskatchewan. Annual production of Canola oil will be 80,000 tonnes, and of Canola meal, 120,000 tonnes.

Increased grain delivery opportunities were reflected through a 39 per cent decrease, to about \$100 million, in producer advance payments under the Prairie Grain Advance Payments Act. Interest costs, borne by the government, totalled \$6.4 million, a 23 per cent increase over the previous year that reflected higher interest rates.

No payments were made under the Two Price Wheat Act, and a bill was introduced to the House of Commons twice to terminate the Act. However, elections interrupted the passage of the bill. The domestic price to millers continued to fluctuate between \$4 and \$5 per bushel.

The Protein, Oil and Starch Pilot Plant, an industry/government corporation, was actively involved in projects to improve products and processes based on agricultural commodities.

The Canadian International Grains Institute, jointly sponsored by IT&C and the Canadian Wheat Board, continued to expand its export market development activities, while maintaining a variety of programs for the Canadian industry. Fifteen courses were offered, including five newly developed specialty programs for customer countries.

The office sponsored incoming oilseed trade missions from Japan and the Republic of Korea. Outgoing technical seminars on the use of Canola oil and meal were held in Bangladesh, India, Mexico and Cuba. In addition, annual consultations were held between industry representatives from Canada and Japan.

The office, with PEMD assistance, studied the potential for Canadian

feed grains and oilseed meal in hog production projects being considered in the People's Republic of China.

Resource Industries

Manufactured Wood Products

The division continued to emphasize trade development during the year through trade missions and shows, market reconnaissance and studies. Exports from the sector have increased four-fold since 1976 to \$400 million annually.

While the U.S. continued to be the dominant market, absorbing some 60 per cent of the total Canadian exports, significant gains were recorded in sales to Western Europe and the Middle East. All major product areas contributed to this expansion.

Worldwide concern with energy conservation continued to generate a high level of interest in the Canadian timber frame construction technique. A number of delegations from Western Europe visited Canada to study the system. Visitors from France, the Federal Republic of Germany, the Netherlands and Japan travelled across Canada to assess the various aspects of our house-building system.

Consultation continued on industrial cooperation with Japan and the European Communities Commission. The division was involved in a number of industry and inter-government committees and associations, covering a wide range of products. The Canada/Japan Housing Committee, with senior representatives of industry and government in both delegations, met for the fourth time in June, 1979.

Pulp and Paper

Several policy/program initiatives were contained in the National Development Policy for the Forest Industries announced the previous year. These included a \$276 million program to modernize the pulp and paper industry. The program is to be implemented through federal/provincial cost-sharing agreements over five to seven years.

Reviews of more than 50 applications produced recommendations on the technical feasibility, impact on productivity and costs, marketing and trade implications of the program. The program, virtually complete in Ontario, is well under way in Quebec and has commenced in the Atlantic provinces.

Continued efforts were directed toward the promotion of industrial cooperation through work with international committees. These included the Canada/EEC Ad Hoc Forest Products Working Group, the Canada/Japan Joint Economic Committee, the Canada/China Joint Trade Committee, The Canada/USSR Working Group on the Forest Products Industries, Harmonized System Committee of the Customs Cooperation Council, the Canada/Cuba Joint Committee, and the OECD Working Party on Pulp and Paper.

Iron & Steel

A Canadian trade mission was organized to Venezuela, Trinidad and Tobago, Puerto Rico and Mexico in March to investigate the potential medium and long-term markets for Canadian structural steel and to explore the opportunities for Canadian steel service centres. As a result, major sales were concluded and a joint venture initiated to develop a construction-steel service centre in Mexico City.

Departmental officials participated in the ongoing activities of the special steel committee within the OECD. The committee was initiated in 1978 to provide a forum for discussions by the major western industrialized countries on impediments to international trade in steel.

Throughout the year there were talks with the U.S. concerning restrictions on specialty steels and with U.S. and E.E.C. officials on actions to control steel imports through minimum price schemes.

Non-Ferrous Metals

As a consequence of the December, 1978, mission of gold mining experts to Canada, and at the request of the Chinese government, the department organized a six-week training program for Chinese engineers at Canadian gold and non-ferrous metal mines.

This mission and training program led to a contract for a Canadian engineering firm to complete a feasibility study for the Chinese government on a gold prospect in Shandong province. Should development of the mine be feasible, the company may obtain the contract to plan the design and operating procedures of the mine and associated facilities.

A Canadian delegation led by this division attended meetings of the International Lead and Zinc Study Group to discuss the worldwide market situation for these metals.

Industrial Minerals

The division arranged incoming coal buying missions from Yugoslavia, France, Brazil, Sweden and Japan. Outgoing missions were arranged to Yugoslavia and Italy to obtain coal market information, subsequently passed on to Canadian companies.

The division assessed a number of proposals for expansion of the Cape Breton coal industry, including a proposal for export of coke from that island.

The international market potential for the proposed coal mines in northeast British Columbia was evaluated.

Consultations on asbestos health issues were arranged between Canadian and American officials. A number of departments were involved in this effort to develop an effective, non-sensational approach to the protection of health, while safeguarding Canadian export interests. Similar work continued with the European Economic Community.

The division:

- worked with other departments and the carbon and steel industries to alleviate a serious shortage of graphite electrodes used in electric furnace melting of steel;
- provided market surveys for the development of industries in abrasive grinding wheels, calcium carbonate, barite and circuit boards;
- initiated discussions with companies and other departments on Canada's increasing trade imbalance in abrasive grinding wheels;
- evaluated proposals under EDP, PEMD and IERD programs;
- held consultations with DREE on major projects, including the proposed salt mine on the Magdalen Islands.

Metal Fabricating Industries

This new division was formed during the year to improve the departmental service to the industries in the metal manufacturing sector. It

commenced operations at the beginning of January, 1980.

Primary Wood Products

The Cooperative Overseas Market Development Program continued to be a major element in the division's export market development activities. The program, funded jointly by IT&C, the B.C. Government and the Council of Forest Industries of British Columbia, promotes Canadian wood products in promising off-shore markets. Overseas exports in this sector have risen from \$245 million in 1970 to \$1.4 billion in 1980.

The division also:

- conducted a survey on the potential for the waferboard industry in the European market and presented the findings to the Canadian Waferboard Association;
- identified Egypt as a promising market for Canadian lumber;
- participated in an exhibit at the "Euroforesta" forestry trade show in Verona, Italy;
- participated in seminars on Canadian wood products in Minneapolis, Boston, Detroit, Chicago and Los Angeles;
- participated in discussions and meetings of joint committees with Japan and Norway;
- evaluated applications under the Enterprise Development Program and other IT&C programs;
- consulted with the Department of Regional Economic Expansion and other federal departments concerning their projects and programs which impact on the primary wood products industries.

A number of incoming trade missions were led by division personnel. These included:

- a technical mission from France which visited a number of mills and building sites;
- a mission of British lumber importers which examined Canadian manufacturing and transportation systems;
- a Chinese mission which reviewed the research and production facilities of the wood treating industry;
- a Chinese mission which toured the B.C. forest industry and assessed its capability as a supplier to world markets.

During the Multilateral Trade Negotiations, it was decided that satisfactory progress towards development and adoption of a common set of softwood plywood standards in Canada and the U.S. by January 1, 1983, would be a prerequisite to reductions in tariffs in both countries. The division led consultations with Canadian industry, provinces and federal departments regarding this issue.

Efforts were undertaken to better inform Canadian industry of the programs provided by the department. This included presentations to several association meetings, and to a seminar at the Forest Industry Equipment Exhibition in Ottawa.

Agriculture, Fisheries and Food Products

Total exports of agricultural products and fish products reached a record \$7.7 billion in 1979. Exports of the commodities for which the branch is responsible were worth \$4 billion in that year,

and first quarter results indicated that the export performance of these sectors would be even more impressive in 1980.

Agriculture

A series of market development missions, seminars and trade fair presentations highlighted a year of promotions in the Agricultural Products and the Livestock, Dairy and Meat Products Division. A major thrust of both divisions was the promotion of the high quality genetic material available from Canada's breeders of plants and livestock.

A technical mission of seed experts from the United Kingdom and the Netherlands reviewed recent developments in Canadian forage crop research, regulatory and legislative issues, seed production and marketing.

Canadian firms interested in the Japanese market were brought together with representatives of a seed mission from that country. Canadian ability to multiply Japanese forage varieties for re-export to Japan was demonstrated and the export potential for selected Canadian varieties was explored.

The department sponsored an incoming delegation of senior plant health officials from Egypt to familiarize them with Canadian disease control procedures and seed production. The visit was arranged after encouraging results were achieved from several years of testing with Canadian potato varieties in Egypt.

New export sales resulted from a processed pork mission to Japan. A working paper on processed meat production and export was distributed to the industry.

Government and industry participated in a cheese promotion in New York, attended by the major U.S. cheese importers.

A departmental official took part in a technical mission which investigated the impact of dairy/vegetable product blends on the European market and the potential of such products in Canada.

Departmental exhibits promoted Canadian dairy cattle, beef cattle, swine, semen and embryos at the Royal Highland Show in Scotland, the Salon de l'Agriculture in France and the Royal Easter Show in Australia.

The division also:

- sponsored incoming missions from Brazil, Japan, Colombia and Czechoslovakia to promote the sale of Canadian breeding stock;
- sponsored seminars in Korea and the People's Republic of China to promote Canadian dairy and beef cattle;
- sent livestock judges/classifiers to Australia, Spain, Argentina, Colombia, Mexico, Brazil and the United Kingdom;
- conducted a survey of selected countries for swine breeding stock.

Fisheries

Fishery exports reached a record \$1.3 billion. Fisheries sales missions and promotions were organized in Japan, Hong Kong, Singapore, the United States and Europe. Incoming buyer missions were sponsored from Japan and four European countries.

The division continued to provide financial support to the North Atlantic Seafood Association's

promotion of ground fish in North America.

With Fisheries and Oceans, the department participated in a worldwide study of fishery markets to provide a basis for developing market strategies in light of changes resulting from the general adoption of 200-mile zones.

Food

The division organized 23 Canadian companies into a national exhibit at the ANGUA International Food Fair in Cologne, Germany. On-site Canadian sales were \$1,130,000.

Canadian food and beverage shows were held in Atlanta and Minneapolis. In addition, "Canada Week" promotions were held in retail stores in Cleveland and Minneapolis.

The division brought buyers missions from Japan to visit key Canadian processing and marketing centres. Promotions featuring Canadian food products were held in Japan, with the assistance of large retail organizations.

A new section of the Program for Export Market Development (PEMD) dealing with the needs of the agriculture, fisheries and food products sector was introduced. PEMD(R) replaced the Agricultural and Food Products Market Development Assistance Program and the Grains and Oilseeds Marketing Incentives Program.

The department published a monthly newsletter, Trade News: Food and Agriculture, which reviewed market developments in agriculture and food commodities in Canada and abroad. It highlighted actual and potential market opportunities on a short, medium and long-term basis.

Technology

Seventeen awards were made to 11 universities under the Technological Innovation Studies Program during the year. Four of them were for the development of technological innovation and entrepreneurship courses which will be made available to science, engineering and business students and the business community.

More than 3,000 copies of reports from this program were distributed during the year. They covered such subjects as how to establish a technology based business and optimum strategies for small to medium sized companies in Quebec.

Contracts were signed with the University of Waterloo and with École Polytechnique de Montréal providing a maximum of \$200,000 to each university to develop five-year business plans and to start-up Industrial Innovation Centres. The centres will evaluate inventions and assist in the development and commercialization of new products and in the establishment of new technology-based companies.

During the year, grants were awarded to eight Industrial Research Institutes (IRI) and Centres of Advanced Technology (CAT) under a program to encourage universities and provincial research organizations to undertake research and development projects and provide technological advice to industry. Six IRI's and three CAT's previously given support are now self-sustaining through income generated from contracts with industrial firms.

Support continued for the Welding Institute of Canada, the Canadian Gas Research Institute and the Sulphur Development Institute of Canada. In addition, a Centre for Re-

search and Development in Masonry was established in Calgary.

Assistance continued for four centres of international business studies at Canadian universities and management advisory institutes at the University of Alberta and at Laval. Negotiations began with the three Prairie provinces to establish a centre for international business studies in that region.

The Computer Aided Design and Computer Aided Manufacturing Technology Advancement Council, established by the department in 1978, was active during the year, promoting the increased use of CAD/CAM. It began preparation of a major report, "Strategy for Survival", which will be completed and distributed in 1980.

A marketing study for the Canadian space industry's products and services was initiated for completion in 1980. The study will enable the department to develop a strategy of support to Canada's space industry. The department continued to support development of space-related products under the Defence Industry Productivity Program and helped promote Canadian products and services for the proposed Australian satellite system.

Proposals for implementing the GATT Agreement on Technical Barriers to Trade in Canada were completed in consultation with other federal departments and agencies. This agreement was signed in December, 1979, and work was started to establish an Enquiry Point relating to its provisions and to prepare a directive to guide federal departments and agencies in complying with its provisions.

Work also continued toward coordinating and planning the metric conversion process within the federal government.

Design Canada

The National Design Council, which promotes design in product development by the private sector, organized three statutory council meetings and several advisory committee meetings during the year. The Corporate Procurement and Planning Committee and the Task Force on the Commercialization of Energy Conserving Products were created.

A series of design awards were unified into the Design Canada Awards Presentation in Toronto. The presentation, encompassing product awards, professional citations and the National Design Council Chairman's Award for Design Management, received extensive media coverage and more effective promotion of design throughout Canada.

Other promotional Programs included seminars, exhibits, publications and design conferences.

Design Canada provided a full range of advisory services including design evaluation assistance to Industry Sector Branches and Regional Offices for the Enterprise Development Program, design process assistance to secondary industry and administration of the federal/provincial Product Development Management Program.

Fourteen scholarships were awarded for design education. Eight were for studies in industrial design, five for graphics and one for textile design.

Members of the National Design Council and Design Canada attended the 41st General Assembly of the International Council of Societies of Industrial Design in Paris, France. Information was exchanged on the latest developments in product design, government assistance and design application.

The Industrial Design Engineering Education Task Force completed its survey of educational facilities and curricula and prepared a draft report with its recommendations. The report will be finalized in 1980-81.

CANADIAN GOVERNMENT OFFICE OF TOURISM

Canada's tourism deficit dropped from \$1.7 billion in 1978 to \$1.1 billion in 1979. Contributing factors were:

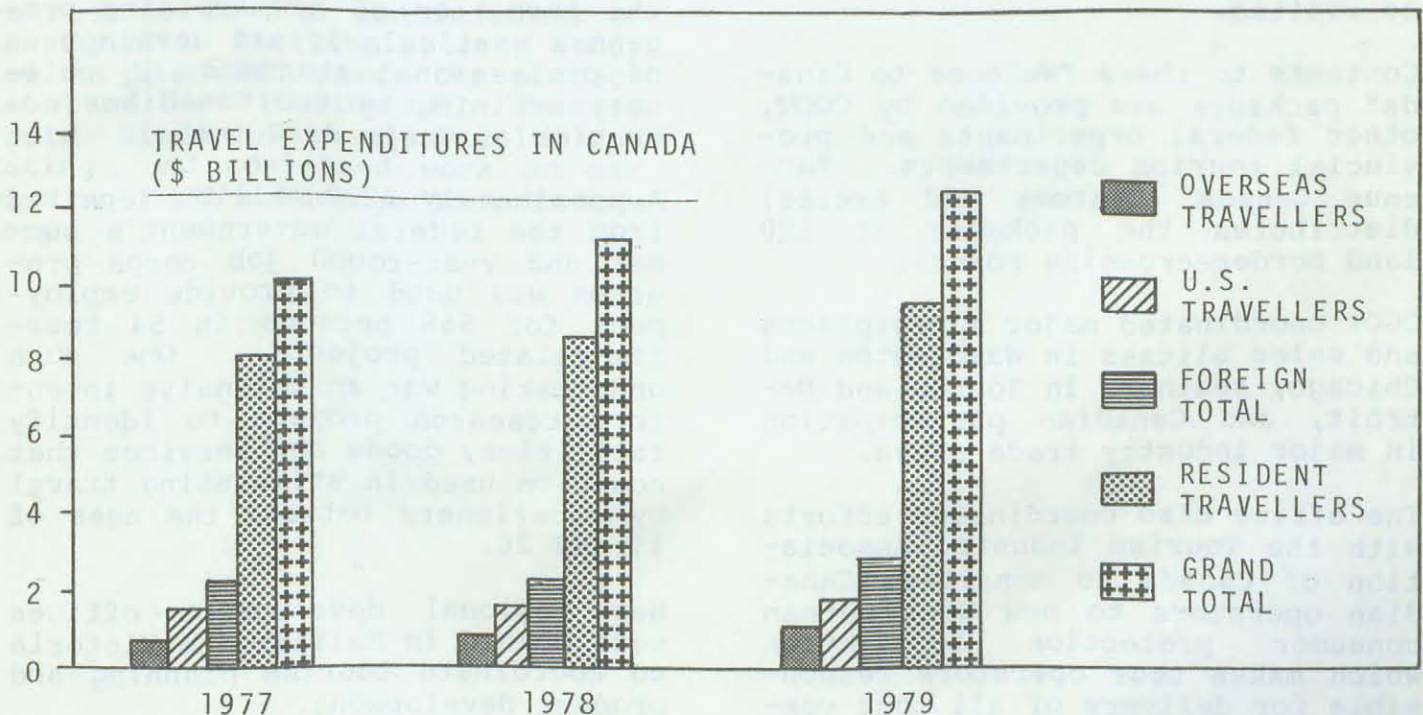
- visits by more than 30 million Americans who contributed \$1.9 billion to Canada's tourism receipts;
- visits by a record two million overseas visitors who contributed \$1 billion to Canada's tourism receipts;
- realignment of the Canadian dollar;
- a decreasing tendency by Canadians to travel abroad; and
- increased attention by governments and industry to the problems of the tourism industry.

Tourism Marketing

CGOT operated 27 market development and promotional offices in Canada, the United States, Britain, France, the Federal Republic of Germany, Mexico, Australia, Japan and the Netherlands.

Major advertising campaigns in the United States promoted spring/summer and fall/winter vacations. Seminars were sponsored for the travel trade, direct-response advertisements were placed and mailings were made to special interest groups.

The "Canada: So Much To Go For" program, begun in 1978 to encourage Canadians to travel within Canada, offered 83 competitively-priced packages tours in a cooperative venture that involved CGOT and industry "partners". The number of tours offered in 1980 increased to 93.



Partners in the program are Air Canada, CP Air, VIA Rail Canada, Pacific Western Airlines, Nordair, Quebecair/Hospitalité Tours, Voyageur and Trailways bus lines.

Vacation Canada advertisements reached almost 70 per cent of all Canadians. A campaign was carried out in ethnic publications, inviting new Canadians to see Canada, and encouraging their friends and relatives abroad to visit here.

The third Rendez-vous Canada, held in Montreal September 16 - 20, 1979, included 132 selling organizations and 154 buying organizations. The projection of business as indicated by buyers and sellers for 1979 was an estimated \$37 million.

Under the Awareness and Attitude program, a new method was developed to supply up-to-date information to vacationers entering Canada by automobile from the United States. Information can be customized to the port of entry and province to be visited.

Contents to these "Welcome to Canada" packages are provided by CGOT, other federal departments and provincial tourism departments. Revenue Canada (Customs and Excise) distributes the packages at 120 land border-crossing points.

CGOT coordinated major marketplaces and sales blitzes in Washington and Chicago, seminars in Boston and Detroit, and Canadian participation in major industry trade shows.

The office also coordinated efforts with the Tourism Industry Association of Canada to sensitize Canadian operators to new West German consumer protection legislation which makes tour operators responsible for delivery of all tour components advertised.

CGOT also:

- sent out 8.8 million pieces of promotional literature;
- sponsored 400 media representatives on Canadian tours;
- prepared 100 travel features for Canada and U.S. publications;
- prepared 18 publications in up to 10 languages for consumers and the trade.

Tourism Development

CGOT provided active support for the National Manpower Strategy Study being done by the industry under the direction of the Canadian Hospitality Institute.

Two new directories were published: "Resources for Tourism/Hospitality/Recreation" and a "Careers Guide to the Tourism/Hospitality/Recreation Industry".

CGOT provided financial support for the formation of new training programs, particularly the development of professional standards in culinary training by the Canadian Federation of Chefs de Cuisine.

Approximately \$2.2 million received from the federal government's summer and year-round job corps programs was used to provide employment for 556 persons in 54 tourism-related projects. One such undertaking was an extensive inventory research project to identify facilities, goods and services that could be used in stimulating travel by vacationers between the ages of 19 and 26.

New regional development offices were opened in Halifax and Victoria to coordinate tourism planning and product development.

Tourism Development sub-agreements were signed with Manitoba and the Yukon similar to agreements signed earlier with British Columbia, Newfoundland, Nova Scotia, New Brunswick and Quebec.

Policy, Planning and Coordination

Major projects included wrapping-up outstanding recommendations of the Tourism Industry Consultative Task Force. In addition, Regional Policy Representation, the means by which CGOT interests are represented in the Atlantic provinces, began operations in 1980.

Research and Analysis undertook: four quarterly Canadian Travel Surveys covering the whole of 1979; market intelligence presentations to the trade and partners in 18 Canadian centres; a study determining the attitude of the French to Canada as a holiday destination; market probes in the United Kingdom, France, West Germany and the Netherlands; a Canadian Attitude Tracking Study for the second year in a row; a continuation of the Canadian Vacation Pattern Study now in its 13th year; the production and distribution of a Tourism Facts Binder with quarterly updating; and continued work on expanding CGOT's Package Tour Inventory.

PERSONNEL

Identification of training and development needs was integrated into the personnel management planning process. More effective quality control was achieved in the appraisal process by increasing management's level of accountability.

The staffing process was changed to improve effectiveness and quality of service, and a change in the pay system was implemented.

The Classification Division coordinated three conversion programs: two involved more than 200 positions in the Senior Management category, and the third involved 60 positions in the Economics, Statistics and Sociology group.

The Senior Management Committee approved recommendations for the advancement of the Official Languages Program, further emphasizing such areas as francophone participation, the development of bilingual units, the provision of bilingual telephone answering service and the upgrading of linguistic proficiency levels.

The Interchange Canada Program was revitalized to focus primarily on exchanges with the private sector.

POLICY PLANNING

Economic Policy and Analysis

The four branches of Economic Policy and Analysis provided economic intelligence, research, analysis, policy planning and coordination to all sectors of the department.

The Trade and Structural Analysis Branch continued to provide detailed international trade data from its U.N. Trade Data Bank and the IT&C Canadian Explor Model (CEM). The branch continued to carry out representational work at the OECD, analytical projects in international economics and industrial development and adjustment in relation to the Canadian economy.

The Microeconomic Analysis Branch completed studies and briefings in high technology, declining sectors, foreign ownership and multinational enterprises. In addition, the branch completed its semi-annual survey of business investment and the annual survey of foreign owned subsidiaries and the reports resulting from these surveys.

The Economic Intelligence Branch provided Ministers and senior management with information on current and short term economic conditions in Canada and abroad. The branch also published periodic studies on Canada's trade performance and competitive position.

A Special Projects Branch is being formed as a centre of departmental expertise on cost-benefits methodology and project analysis.

METRIC COMMISSION

Fifty-seven per cent of Canada's metric conversion program was completed at the end of the fiscal year. The planning and scheduling of more than 89 sectors is complete and implementation is well advanced. A total of 36 sectors have completed 75 per cent or more of their planned activities.

Metric Commission Canada has held 62 meetings since the program began in 1972. The Interdepartmental Committee for Metric Conversion, which coordinates federal government conversion activities, has met 20 times.

The provinces and territories are carrying out their own conversion programs through legislation and regulatory action. Information centres are operating in nine of the 12 provincial and territorial capitals on a cost-sharing basis. The Intergovernmental Metric Conversion Committee has met 24 times.

INDUSTRY, TRADE AND COMMERCE
Statement of Expenditures for the Fiscal Year 1979-80

<u>Trade Industrial Program</u>	\$ (000)
Operating Expenditures	
- Salary and superannuation	75 387
- Other	<u>46 225</u>
	121 612
Grants and Contributions	
- Enterprise Development Program	77 251
- Defence Industry Productivity Program	57,936
- Program for Export Market Development	12 785
- Capital subsidies for the construction of commercial and fishing vessels	83 335
- Metric Conversion	2 114
- Canada Works Program	5 305
- Small Business Loans - Losses	1 916
- Payment of EDP Insurance Losses	5 208
- Payment of EDC Insurance Losses	6 539
- Payments for construction of dry docks	3 366
- Miscellaneous	<u>3 888</u>
	259 643
Loans and Investments	
- Loans to deHavilland Aircraft	633
- Loans under the Enterprise Development Program	
- Loans to assist Defence Manufacturers with defence plant modernization	13 932
- Loans under the footwear and tanning industries adjustment program	
- Loans to Canadair for the financing of water bombers	<u>18</u>
	14 583
	<u>395 838</u>
 <u>Tourism Program</u>	
Operating Expenditures	
- Salary and superannuation	7 874
- Other	<u>19 467</u>
	27 341
Grants and Contributions	
- Miscellaneous	<u>2 181</u>
	<u>29 522</u>

INDUSTRY, TRADE AND COMMERCE
Statement of Expenditures for the Fiscal Year 1979-80 (con't.)

		\$ (000)
<u>Grains Program</u>		
Operating Expenditures		
- Salary and superannuation	1 079	
- Other	<u>574</u>	<u>1 653</u>
Grants and Contributions		
- Credit Wheat Sales	16 448	
- Payment to the Canadian Wheat Board to cover carrying charges on reserve stocks of feed grain	2 200	
- Prairie Grain Advance Payment Act	6 394	
- Western Grain Stabilization Program	95 559	
- Payments to CNR and CPR for rehabilitating box cars	8 044	
- Assistance to the Canadian rapeseed processing industry	3 000	
- Miscellaneous	<u>4 020</u>	<u>135 665</u>
		<u>137 318</u>
 Total Department		 <u><u>562 678</u></u>

INDUSTRY, TRADE AND COMMERCE

Statement of Revenues
For the Year Ended March 31, 1980

	\$ (000)
Return on Investments	
Interest on loans to Export Development Corporation	93 596
Interest on loans to Federal Business Development Bank	91 270
Interest on loans to assist manufacturers of automotive products	339
Interest on loans to assist the pharmaceutical industry	25
Interest on loans to assist the footwear & tanning industries	105
Interest on loans under the Enterprise Development Program	818
Sundry	678
Miscellaneous Revenue	7 340
Refunds of Previous Year's Expenditures	<u>6 906</u>
	<u><u>201 077</u></u>

Canada

(aussi édité en français)