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ANNUAL REPORTS 1982-1983

Department of Industry, Trade and Commerce
and
Department of Regional Economic Expansion



Government
of Canada

Gouvernement
du Canada

Regional Industrial
Expansion

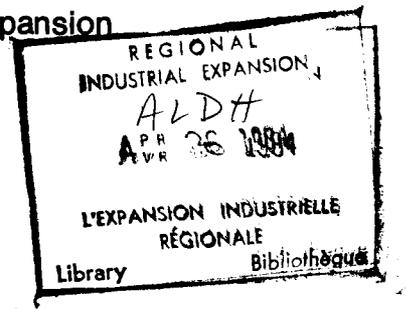
Expansion industrielle
régionale

Minister
Edward C. Lumley

Canada

ANNUAL REPORTS 1982-1983

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and
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His Excellency

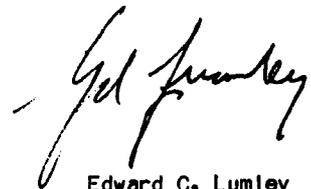
The Right Honourable Edward Schreyer, C.C., C.M.M., C.D.
Governor General of Canada

Your Excellency:

I have the honour to submit to Your Excellency the Annual Report for the Departments of Regional Economic Expansion and Industry, Trade and Commerce covering the period April 1, 1982 to March 31, 1983.

Your Excellency, you will find in this report, under appropriate headings, a summary of the accomplishments of the departments.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Ed Lumley".

Edward C. Lumley
Minister of Regional
Industrial Expansion

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I N T R O D U C T I O N

Following the Prime Minister's announcement in January, 1982, of the reorganization of economic development departments, the complex merger of elements of the Departments of Industry, Trade and Commerce and Regional Economic Expansion into an entirely new department began. The new department would be charged with the responsibility for delivering the Government's industrial and regional development programs.

During fiscal year 1982-83, an organizational structure was developed for the Ottawa office and the regional offices in each province. Every precaution was taken to ensure that this reorganization of human and program resources would take place with the least disturbance to client groups and to personnel.

Concurrent with the physical reorganization of the two departments, an extensive study was undertaken of the various industrial and regional assistance programs they delivered. This led to the drafting of legislation for a new Industrial and Regional Development Program which would replace most existing programs with an objective, equitable and flexible instrument to deliver industrial and regional economic assistance. While developing the new department, departmental personnel continued to administer and deliver existing programs of both departments.

The reorganization saw the headquarters grouped into seven units, each under the direction of an Assistant Deputy Minister or equivalent. In addition, five service units were established: Human Resources; Communications; Internal Audit; Legal Services; and Corporate Coordination Bureau. Across Canada, regional offices were strengthened and headed by Regional Executive Directors.

In accordance with Parliamentary requirements, financial statements for each department are shown separately. The remainder of the report reflects the departmental structures as they evolved during the fiscal year and describes the major activities of the two departments as they carried out their continuing functions while also developing the Department of Regional Industrial Expansion.

NATIONAL CAPITAL
ACTIVITIES

The major activities of the merging departments have been described by location in the interest of clarity although it is noted that considerable interaction among the various elements normally occurred.

CAPITAL AND INDUSTRIAL GOODS

The Capital and Industrial Goods sector was formed with five operating branches:

- ° Machinery and Electrical Equipment
- ° Electronics and Aerospace
- ° Automotive, Marine and Rail
- ° the Office of Industrial and Regional Benefits
- ° Market Development

The activities of the Technology Branch were dispersed to other responsibility centres.

MACHINERY AND ELECTRICAL EQUIPMENT BRANCH

Total production in the Canadian machinery and electrical equipment industry in 1982-83 fell 11 per cent in real terms to \$9.6 billion from a 1981-82 level of \$10.8 billion. On the average, the industry experienced severely reduced capacity utilization rates, down to 70 per cent from an average of 82 per cent in 1981. Virtually every sector experienced output declines, some marginally, others substantially. Exports of machinery and equipment were also down to \$3.9 billion, off 8 per cent from 1981-82 levels, and the total Canadian market was down 18 per cent, to \$15.3 billion from \$18.6 billion in 1981-82.

A review of the major areas of activities of the Machinery and Electrical Equipment Branch in 1982-83 includes:

Machinery Program

The Machinery Program continued to be a major branch activity. The program provides an industrial development incentive with the two-fold objective of:

- ° encouraging machinery manufacturers to derive maximum benefit from tariff provisions; and
- ° assisting machinery users to acquire advanced production equipment at the lowest possible cost through remission of duty on equipment not available from production in Canada.

The branch undertook an ongoing review of Canadian machinery manufacturing capability to assess duty remission applications from industry.

During 1982-83, 17 000 requests for duty remission were assessed under the Machinery Program. Duty

remission in 1982-83 amounted to an estimated \$300 million in net savings for machinery users in all industries. Duty remission on capital goods and production components used in the establishment of new manufacturing capabilities, in the installation of integrated production lines, and by automotive parts manufacturers, was provided to over 300 firms in the machinery and other sectors of Canadian industry. These remissions resulted in direct capital cost savings to manufacturers of \$32.5 million, and contributed to additional Canadian production of \$1.1 billion and an estimated 13 000 jobs in direct employment.

In 1982-83, the Machinery Program provisions assisted 36 companies to increase the range of machinery products manufactured in Canada. Production started on 34 new product lines previously supplied entirely by imports, resulting in \$86.7 million of additional manufacturing per year and over 700 new jobs.

Industrial Benefits from Domestic Market Opportunities

The branch identified market opportunities and assisted in the development of Canadian supply capability for machinery and electrical equipment. Activities included:

- ° support to the Committee on Megaproject Industrial and Regional Benefits;
- ° support to the Department of Supply and Services (DSS) in evaluating purchases of machinery and equipment exceeding \$2 million to identify potential Canadian suppliers;
- ° support to the federal/provincial Industry Modernization Program for the pulp and paper industry;
- ° identification of industrial opportunities arising from the Small Arms Replacement Project (SARP).

Sector Adjustment

The recession caused severe adjustment problems in the machinery and electrical energy equipment sector. Individual product sectors which showed steepest output declines in 1982-83 included: farm machinery; resource-based equipment, including forest handling equipment and mining equipment; machine tools; and some service industries equipment, such as commercial refrigeration, and plumbing and hardware equipment. The branch assisted firms to initiate

structural changes to improve long-term growth potential. Activities included:

- ° Initiatives towards rationalization and specialization arrangements for the production of products such as mechanical presses, paint-spray equipment, grass trimmers, computer-room air conditioners, garden tools, and label machinery;
- ° technical and market assessments on 20 projects including plant expansion/modernization, expansion of product line, and new production facility, under the Industry and Labour Adjustment Program (ILAP);
- ° monitoring and assessing the operations and impact of the Front End Wheel Loader Remission Order on the production and export of front end wheel loaders in Canada; and
- ° activities in connection with federal government support to several machinery and electrical energy equipment manufacturers undergoing major reorganization and restructuring and evaluation of 13 submissions for Enterprise Development Program adjustment loans.

Energy Equipment

The Electrical Equipment Division of the Electrical and Electronics Branch and the Energy and Environmental Equipment Division were integrated into the new Energy Equipment Division. This new division covers the mechanical and electrical equipment aspects of oil and gas, electrical generation, transmission and distribution. The division was involved in export market development and participated in a number of trade missions.

Innovation

During the year, the branch evaluated 45 cases under the Enterprise Development Program.

Analysis and Policy Development

Activities included an assessment of short-term employment layoff in the machinery and electrical energy equipment industry in Canada, a trade strategy paper on the machinery industry for the 1980s, a small business policy option paper for the machinery industry, the development of policy proposals for specialized mining equipment in Canada, individual country export marketing development plans covering strategic machinery products, and an overview of the machinery industry.

Export Promotion

The branch maintains an active program of promotional and co-operative events to assist firms take greater advantage of export markets. The program included:

- ° approval of 100 applications under the Program for Export Market Development (PEMD);
- ° staffing of 15 trade fairs and 23 trade missions and organizing industry participation in them.

ELECTRONICS AND AEROSPACE BRANCH

Aerospace Directorate

The aerospace sector recorded sales of approximately \$3 billion for calendar year 1982. Employment showed some reduction from earlier levels. The industry continued to be predominantly related to export markets (approximately 80 per cent of output) thereby continuing to make a significant contribution to Canada's balance of trade.

Negotiations continued under GATT to expand the listing of aerospace items eligible for duty free treatment under the terms of the Agreement on Trade in Civil Aircraft.

The directorate participated in a number of major undertakings. These included: the analysis of possibilities for the establishment of a helicopter manufacturing facility in Canada; the development of a long-term corporate agreement with Pratt & Whitney Canada; and the activities of the Minister's Advisory Committee on Aerospace Development.

Under the Defence Industry Productivity Program, funding support for research and development, source establishment and plant modernization to the industry sector continued to be a major activity involving approximately \$58 million in assistance for 57 projects.

The uses of airships in Canada were considered by an interdepartmental committee convened by the directorate. Several suggestions are receiving further investigation and an airship was built near Toronto for test by the U.S. Navy.

Efforts were initiated to determine if new industrial opportunities exist to redress Canada's negative trade balance in light aircraft and continuing assistance was provided to firms already working in that market sector.

The directorate participated in projects to study the Dash 8 program and to formulate the federal/provincial program to provide a fleet of CL-215 water bombers for use in Canada. Co-operative projects were started with the U.S. Air Force to develop an air cushion equipment transporter and with the U.S. Navy and NASA to apply vertical/short takeoff and landing (STOL) technology to next generation attack aircraft.

Activity on existing programs included flight trials and demonstrations to military operators of the powered-lift Buffalo transport aircraft. Efforts were intensified to identify a foreign partner for a joint development/production program on jet STOL transports. Development proceeded on a light air cushion triphibious aircraft with completion of a "proof of feasibility" program set for July 1983.

The CL-289 drone system entered its development, preproduction and production phases in conjunction with West Germany and France.

Electronics Directorate

Declining demand for electronics products resulted in growth of less than 6 per cent in industry shipments, down from annual growth rates of over 20 per cent in the previous three years. On a more positive note, industry exports increased more than imports so that high trade deficits in many commodity areas actually declined during the year. Impressive trade performances were turned in by the telecommunications and avionics/defence electronics subsectors, each of which closed the year with export growth of more than 33 per cent over the previous year.

The Electronics Directorate continued to support industry through a variety of mechanisms. The Support for Technology Enhanced Productivity Program (STEP), launched in early 1982, provided financial incentives to stimulate the production and use of advanced electronic technologies in manufacturing, processing and service industries across the country. Two new Microelectronic Centres (Centres of Advanced Technology) were opened in the Maritime region, bringing the total of such centres across the country to seven. The centres are designed to act as regional focal points for the dissemination of information on microelectronic technology and its applications.

The electronics industry continues to be an active participant in the Program for Export Market Development (PEMD). Many small and medium-sized firms were assisted in identifying and penetrating foreign markets for their products.

During the year, the directorate assisted in Canadian participation in a number of key international fairs and missions. The two most important trade shows in the computer and office automation subsectors were the National Computer Conference in California, and SICOB in Paris. In consumer products, a number of domestic manufacturers were assisted in attending the Domotechnica World Trade Fair in West Germany.

Further export marketing assistance to the industry was provided by sponsoring outgoing trade missions to countries identified as markets with high potential for Canadian products.

AUTOMOTIVE, MARINE AND RAIL BRANCH

Automotive Directorate

Despite serious difficulties encountered by the Canadian automotive industry due to the continuing downturn in the key U.S. market and fierce international competition, Canadian automobile manufacturing made a record level of new investment in plants and equipment. By the end of the fiscal year vehicle sales started to recover from a 10-year low reached in calendar year 1982. The vehicle companies had reduced inventories substantially in 1982, break-even levels had been reduced and the industry entered the final quarter of the fiscal year with a stronger production schedule which reduced the number of workers on layoff.

Department officials led a delegation to Japan to open discussions with the Japanese government on industrial co-operation, seeking a greater commitment by the Japanese to investment and parts sourcing in Canada. Department officials continued to be involved in discussions with Japan with respect to export restraint. In August 1982, the Japanese government announced its intention to limit exports of passenger cars to 63 000 in the period from July 1, 1982 to December 31, 1982 resulting in a calendar year level of 153 000 units. In February 1983, the Japanese and Canadian governments reached an interim understanding under which Japanese passenger car exports would be limited to 79 000 in the period January 1, 1983 to June 30, 1983.

In December 1982, a private sector Task Force on the Canadian Motor Vehicle and Automotive Parts Industries was established. The department participated in the task force in an ex-officio role.

The Task Force was established to review the development, competitive environment and position of the Canadian automotive manufacturing industry

and to make recommendations that will assist the Government in identifying priorities and formulating policies to support industry initiatives which will contribute to a competitive automotive manufacturing capability in Canada.

The branch processed applications under the ILAP automotive parts program introduced the previous year.

The branch promoted export opportunities for Canadian auto parts and vehicle manufacturers and made intensive efforts to promote joint ventures to increase exports. They also sponsored trade missions and participated in trade fairs. Export efforts in the automotive parts sector were supported by the duty remission program operated by the branch.

Investment promotion activities resulted in an announcement by Toyota Motor Corporation to establish an automotive aluminum wheel plant in the Tilbury Island Industrial Park in British Columbia. The wheel plant is the first investment in manufacturing by a Japanese vehicle manufacturer in Canada, representing an investment of \$23 million by Toyota.

Marine, Rail and Urban Directorate

Marine Systems Division

There was a steady level of activity in the ocean industries as exploration continued in the Beaufort Sea and off Atlantic Canada. However, the shipbuilding and repair industry slowed markedly, reflecting worldwide conditions, as new commercial orders failed to materialize. Layoffs in the shipyards were widespread and often severe. Manufacturers of marine components also felt the shortage of orders.

The Shipbuilding Industry Assistance Program (SIAP) continues in effect and subsidies are available on all ships completed before July 1, 1985. There were few applications due to the shortage of new contracts.

Market development support was provided through national displays at the Offshore Technology Conference in Houston, Texas; the Offshore Northern Seas in Stravanger, Norway; and the Oceanology International show in Brighton, England; as well as information booths at a number of other international shows.

With respect to industrial benefits from government procurement, the directorate participated in the program office created for the acquisition of the Canadian Patrol Frigate by

providing management of the industrial benefits function.

Railway Division

While the railway supply sector continued to suffer from low domestic demand, the department maintained its efforts to exploit export markets. Incoming and outgoing missions were organized and/or supported for major potential markets and demands for PEMD assistance increased.

Major export successes included EDC and CIDA financed sales to Indonesia (\$50 million) and Brazil (\$50 million). Canadian firms were shortlisted for \$477 million worth of locomotives, technical assistance and construction in Algeria and a bilateral railway protocol agreement is in process. Canadian companies are also shortlisted for \$400 million in railway requirements for Nigeria.

The major R&D project in the railway sector was the development of the high technology Bombardier diesel locomotive. This seven-year, \$54 million project under the Enterprise Development Program is proceeding on schedule.

In co-operation with the regional offices, several projects for the development of various railway equipment were instituted. These included the possible development of a track geometry car, more efficient snow removal equipment and a high-speed undercutter and ballast cleaner.

Among ongoing projects, the division continued to work with industry and other departments on railway electrification. Construction of an electrified railway line in B.C. proceeded and the manufacturing of Canadian-built electric locomotives commenced.

Plans were laid for utilization of the Western Transportation Development Initiative Program which, as an important adjunct to the Crow rate solution, would encourage railway source establishment in Western Canada.

Urban Transit Division

Canadian urban transit manufacturers continued to achieve success in domestic and export markets, generating sales of approximately \$2.3 billion. The branch continued its role in export promotion, sponsoring trade missions and other activities. Assistance under PEMD was provided to exporters, and industrial development was supported through the EDP, including ongoing assistance to Ontario Bus Industries for development of a downsized transit bus.

Marketing assistance provided by the branch was a factor in a number of industry export successes. Major orders were secured in Detroit and Chicago for rail cars and transit buses. In addition, federal export financing assistance was provided for a Bombardier contract for a \$700 million subway car order to be supplied to New York City. This was the largest export sale of Canadian transit system technology. The department was instrumental in ensuring Canadian firms were qualified to bid on the Singapore mass transit system. Canadian companies have been prequalified for over \$500 million worth of products.

TECHNOLOGY BRANCH

During the year, contributions were made to one Industrial Research Institute (IRI), five Centres of Advanced Technology (CATs) and three Industrial Research Associations (IRAs) under the department's Institutional Assistance Program. Under this program, universities, provincial research organizations and industrial groups are encouraged to establish a capability to undertake relevant research and development projects for industry and provide technical advice and services. Seven IRIs, six CATs and four IRAs established across the country under the program in earlier years are now self-sustaining through income from the sale of services to industrial firms and other clients. In 1982-83, one new CAT was established: the Atlantic Coal Institute at the University of Cape Breton. One new IRA was also established: the Canadian Plastics Institute in Toronto.

Financial assistance was also provided by the department to two innovation centres. One affiliated with the University of Waterloo and the other with Ecole polytechnique de Montréal. These centres evaluate inventions and assist in the commercialization of new products and the establishment of new technology-based companies.

Under the Technological Innovation Studies Program, grants were awarded to 15 university researchers to carry out studies in such areas as techniques for managing technology transfer in small business, biotechnology and the economic possibilities for Canada, and constraints to automating in Canadian manufacturing industry. Several detailed case studies of technology-based firms were also developed to provide a greater understanding of technological innovation management. The results of these projects are used by the department to develop policies, promote industrial innovation in Canadian industry, enhance productivity and competitiveness, and familiarize university

facilities with current industrial needs and opportunities.

OFFICE OF INDUSTRIAL AND REGIONAL BENEFITS

The Office of Industrial and Regional Benefits helps Canadian businesses take advantage of the opportunities promised by major project activity in Canada. The office has targeted projects with an aggregate value of \$100 billion for priority attention. Procedures have been launched to make these and other projects fully accessible to competitive Canadian manufacturers and service companies.

The office is the focal point for consultation with the private sector on industrial and regional benefits issues related to major projects. It works closely with provincial governments on industrial benefits and, through the Canada Oil and Gas Lands Administration, advises the federal government with respect to the industrial benefits provisions of the Canada Oil and Gas Act.

The office consults with owners and sponsors of major projects to ensure that Canadian firms have full and fair access to major project opportunities. It encourages project sponsors to develop procurement policies in line with the government's industrial and regional benefits objectives and to put in place suitable organizational structures for carrying out these policies. It helps to identify areas where Canadian capability is most competitive, as well as areas of potential Canadian capability that merit development by sponsors.

The office supplies analytical and administrative support to the Committee on Megaproject Industrial and Regional Benefits. This committee has representatives from provincial and territorial governments and other key federal departments, and serves as a wider forum for consultation with project sponsors. The committee held fourteen meetings with major project sponsors during the year. Projects discussed included oil and gas developments in the Beaufort Sea, the High Arctic and off the east coast, as well as an upgrading project and conventional oil production scheme. These meetings, together with numerous, more informal contacts between the office and major project sponsors, increased opportunities for Canadian suppliers. With the office's encouragement, a growing number of project sponsors developed procurement policies that give full consideration to the competitive capabilities of Canadian firms.

MARKET DEVELOPMENT BRANCH

The Market Development Branch has broad departmental responsibility for domestic marketing, as well as specific responsibilities within the Capital and Industrial Goods area for marketing generally. The branch coordinates sector and regional departmental initiatives, and undertakes horizontal activities to increase the Canadian market share served by domestic industry.

The Canadian Marketing Opportunities Program (CMOP), which supports source establishment by the private sector, and the Institutional Marketing Program (IMP), which makes known to industry the opportunities presented through public purchasing (including hospitals, educational institutions, etc.), plus a number of other departmental activities are being integrated into a broader "Shop Canadian" thrust.

The branch also provides import analyses through the Import Analysis Division (IAD), and interfirm comparisons through the Productivity Improvement Division (PID). In 1982-83, the branch completed 24 import analyses on over \$300 million worth of imports. Productivity studies were undertaken for 200 firms in 10 different sectors. The branch operates the Business Opportunities Sourcing System (BOSS), which has listings for some 14 000 firms. The service is used by trade commissioners abroad to locate Canadian suppliers that might service export opportunities and by provincial governments, Chambers of Commerce, and private firms to locate domestic suppliers.

CONSUMER GOODS, SERVICES AND RESOURCE PROCESSING

The Consumer Goods, Services and Resource Processing (CGSRP) group brings together eight elements of the IT&C organizational structure:

- the Resource Industries Branch;
- the Chemicals Branch;
- the Food Branch;
- the Office of Service Industries;
- the Textile and Consumer Products Branch;
- the Grain Marketing Office;
- Design Canada; and
- the office of primary interest for the Industry and Labour Adjustment Program (ILAP).

Late in the fiscal year, these elements were consolidated into a new organizational structure consisting of six branches:

- Resource Processing Industries (including chemicals);
- Service Industries;
- Food and Consumer Products Industries;
- the Office of Industrial Adjustment (including textiles, clothing and footwear, design and the ILAP program);
- Policy, Planning and Analysis; and
- the Grain Marketing Office.

The number of branches was reduced to five with the transfer of Grain Marketing to the Department of External Affairs on March 4, 1983.

The following sections review the 1982-83 activities of these branches, with the exception of Policy, Planning and Analysis which was still being organized at the close of the fiscal year.

RESOURCE PROCESSING INDUSTRIES BRANCH

The branch covers chemicals, forest products and metals and minerals. In 1982, shipments by the resource-based industries totalled \$68 billion. Exports were \$31 billion and imports \$15 billion.

Chemicals Directorate

Plastics, Rubber and Chemical Specialties

Despite experiencing a difficult economic period in 1982-83, the synthetic resins and plastics products industries together exported 3 per cent more in value than in the previous year. Imports dropped by 8.5 per cent, with the result that an improvement in the negative trade balance of 11.5 per cent, or \$144 million, was realized.

Financial support to establish a Canadian Plastics Institute to assist the plastics industry keep pace with technological advances, realize productivity gains and continue to create substantial employment was provided.

Petroleum and Industrial Chemicals

The Interdepartmental Task Force on the petrochemical industry completed its report in October 1982. Subsequently, the Government announced an offer of short-term assistance to two oil-based petrochemical producers, pending the development of a long-term policy for the industry. The task of developing recommendations for a long-term policy was charged to an industry/labour task force, appointed by the Minister.

The Chemicals Branch participated in meetings of the International Rubber Study Group (IRSG), an organization of national governments which acts as a forum for the exchange of information between natural and synthetic rubber producers and consumers. Canada is an important producer of synthetic rubber.

Involvement in the activities of the Sulphur Development Institute of Canada (SUDIC), a non-profit organization fostering research into new uses of sulphur, was continued through membership on the Board of Directors.

Health Care Products

The International conference on "Medical Device Technology in the 80s", co-sponsored by the department, Health and Welfare Canada and the Canadian Association of the Manufacturers of Medical Devices, was held in Toronto in December 1982.

To secure a greater share of the domestic market for Canadian producers, the department organized an industrial exhibition of Canadian-made health care products, held in conjunction with the medical device conference. Over 100 companies displayed their domestically produced products. Of particular interest was a section featuring the latest in medical device technology arising from Canadian hospital, biomedical and university research laboratories.

During the year, the branch organized exhibits of Canadian health care products in Trinidad and at the Canada Trade Centre in Tokyo.

Metals and Minerals Directorate

Metals and Minerals Processing

The division was involved in the Non-Ferrous Smelting Strategy Work Program proposed by Energy, Mines and Resources, under the guidance of the Consultative Work Group on Non-Ferrous Smelters. This latter group was composed of representatives from industry, labour, and intergovernmental groups.

The division led the Canadian delegation at meetings of the International Lead and Zinc Study Group to discuss the worldwide market situation for these metals, and was represented on the Canadian delegations to UNCTAD Committee meetings on tungsten and bauxite, acting as advisor on matters concerning marketing and further processing.

The division was active in market development on behalf of the coal industry, which continued to expand and diversify markets in 1982-83. Exports reached almost \$1.2 billion with shipments from B.C., Alberta and Nova Scotia to 18 countries in Asia, Latin America and Europe. Coking coal still accounts for nearly 90 per cent of exports; however, thermal shipments are increasing and considerable tonnage is now moving from Vancouver to Japan, Korea, Hong Kong and Europe.

In early 1983 a coal market survey was conducted in Finland, Norway, Sweden, France, the U.K. and Ireland. A major report was circulated to industry and governments.

Iron and Steel

The 1982-83 period represented the worst economic and market environments for the steel industry in more than three decades. With the industry retrenched and rationalizing its operations for the slower market climate it expects in the future, most requests for departmental assistance were for projects aimed at improving cost competitiveness and product diversification. Certain of these proposals involved leading-edge technologies, such as plasma arc generators and new ironmaking technologies, which may require several years of development before they become operational. Market growth opportunities were explored, including two industry requests for market research assistance to determine the feasibility of expanding regional capabilities to exploit import replacement or export market opportunities. The division initiated industry and market analysis as well, including a preliminary feasibility study for bar/wire rod operation in Western Canada.

The division dealt with a wide range of trade relations issues. Unfairly traded steel imports, often at levels injurious to domestic producers, resulted in a large number of anti-dumping investigations.

The division continued to be closely involved with the OECD Steel Committee Working Party, and a number of meetings of the committee were attended at which discussions were held on means whereby the crisis in world steel markets might be alleviated.

Fabricated Metals and Construction Materials

The division dealt with an increasing number of trade-related problems during the year. The Canadian metal fabricating sector continued to be adversely affected by growing import competition from newly industrialized countries. During the

year, imports from Pacific Rim countries captured a greater share of the Canadian market with the focus on high-volume established technology products.

In response to requests from the private sector, the division organized ad hoc industry task forces to address particular problem areas. The actions arising from these discussions included the initiation of anti-dumping actions, and support for the Department of Finance in preparing the extension of Canadian customs jurisdiction to 200 miles. This last action has the effect of improving the accessibility to offshore megaprojects for Canadian components and supplies. In the United States, the major export market for fabricated metal and construction products, barriers to trade continued to cause difficulty for Canadian manufacturers: the trigger price mechanism reintroduced by the U.S. discouraged imports of stainless steel wire; the Surface Transportation Assistance Act blocked Canadian cement and steel products from participating in U.S. federally funded highway projects.

The Canadian metal fabricating industry was also concerned about the emergence of organizations such as the U.S. Metalworking Fair Trade Coalition and the Trade Reform Action Coalition. The division consulted with the companies concerned to coordinate responses to these problems.

In June 1982 the division issued a detailed directory of the Canadian iron and steel foundry industry, titled "An Inventory of Canadian Ferrous Foundry Capabilities", to assist purchasing agents and engineers to find Canadian sources to meet their requirements.

A market reconnaissance mission for a wide variety of fabricated metal products to Australia and New Zealand was conducted in co-operation with the Department of External Affairs. A number of potential market and joint venture opportunities were defined and forwarded to some 150 Canadian companies for direct follow-up.

Sector support was provided in the organization of the Canadian Building Products and Hardware Show in Trinidad. This show assisted Canadian companies to introduce new products to the market and promote those already established.

Forest Products Directorate

Primary Wood Products

The division jointly administers the Co-operative Overseas Market Development Program with the

British Columbia Ministry of Small Business Development, and the Council of Forest Industries of British Columbia. The program is directed toward expansion of offshore markets for Canadian softwood lumber, plywood, shingles and shakes. Overseas exports from Canada increased from \$245 million in 1970, prior to the first phase of the program, to \$1.4 billion in 1980, dropping to \$1.1 billion in 1982. The federal share of the 1982-83 program totalled \$1.9 million.

A major issue confronting the industry was the countervailing duty investigation by the U.S. Department of Commerce of Canadian softwood lumber, shingle and shake exports to the United States. The division worked with other federal and provincial departments and industry groups to assist the industry to respond to the investigation. The outcome was positive, Canada's access to its major market for these products remained unimpaired.

A significant number of trade promotion activities were organized and carried out during the year. Two missions, one of softwood lumber producers and the other comprising representatives of the hardwood lumber industry, visited leading Western European importers and end-users to expand sales to that important market. An incoming building materials buyers mission from Iceland was introduced to companies in Eastern Canada. The trade promotion activities resulted in export sales to new buyers.

Manufactured Wood Products

Canadian wood product manufacturers continued to pursue export market opportunities, in the United States and Europe in particular. This increased the division's trade fair activity, trade-related missions and requests for support for marketing under PEMD. The division supported the promotion of manufactured wood products in numerous trade shows.

In spite of the emphasis on their promotion, there was a significant decline in exports from a record \$450 million in 1981 to approximately \$350 million in 1982.

Some companies took advantage of the low level of business activity and used EDP assistance to develop new products and to upgrade their operations. Most notable among the projects which the division supported was the development of a unique approach to the construction, transportation, and on-site erection of prefabricated homes.

The concern over energy conservation and the shrinking supply of wood has led to increased interest in export markets not only in the Canadian timber frame residential construction technique but also in the Canadian supply of a wide range of manufactured wood products. Consequently, the division has spearheaded a number of activities, including a wood window mission from the U.K. and several housing component missions from West Germany. The division hosted a mission of key wood products standards and research officials from seven countries of the European Economic Community (EEC).

Pulp and Paper

The jointly funded federal-provincial Pulp and Paper Modernization Program continued in 1982-83, but at a slower rate. Some projects were rescheduled for later completion, others have been placed on hold, some cancelled. This reflects the worldwide reduction in demand for pulp, paper and paperboard products and resulted in a substantial drop in the cash flow of the Canadian forest industry. The division initiated a study of the program that will form the basis for joint action with the concerned provinces to accommodate the changed economic circumstances. In both primary and secondary (converting) sectors of the industry, the technical and marketing expertise of the division was used in the study and implementation of major new industrial projects in Canada.

The division continued to serve on international development committees that promote technical expertise exchange, and foster trade and investment among nations including Japan, OECD, Cuba and the multinational Customs Co-operative Council.

During the year, the division stressed converted paper products, packaging and packaging material and sought export market opportunities for these goods. Of significance to this effort was the completion, in early 1983, of the consultants' report on packaging and packaging materials export opportunities to the California market.

FOOD AND CONSUMER PRODUCTS INDUSTRIES BRANCH

Consumer product industries are an important economic factor in every province in Canada. Export growth has assumed increased importance in recent years particularly as demographic factors increasingly limit growth in some sectors. Coupled with the need to develop export markets is the need to increase efficiency and productivity through restructuring and technological

adjustments to maintain and improve competitiveness.

The branch continued to promote PEMD-Food as a tool to expand and develop export markets for food and agricultural products. Industrial development needs of the sectors were pursued through the Enterprise Development Program. Activities have included product and process development, productivity enhancement and corporate restructuring. This is especially true in the east coast fishery and has resulted in the approval of a number of loan guarantees to assist in restructuring of fish processing operations. In addition, the branch assisted companies under the Industry and Labour Adjustment Program.

Plant Products

The Promotional Projects Program of External Affairs was used extensively by the division to develop and expand markets for corn, forage seed, seed potatoes and feed.

The division organized an incoming tour for seed company representatives from Japan in September 1982, to make them aware of Canada as a potential source of short season corn hybrids. The division also organized technical seed potato missions from Spain, Hungary and Panama. As a result, Canadian suppliers have regained entry into the Panamanian market after several years' absence, access into Hungary, and a reinforced presence in Spain.

The division attended the OECD seed scheme annual meetings accompanied by representatives from Secan, Canadian Seed Growers Association and Agriculture Canada. At the same time several agricultural authorities in the EEC were visited to gain information on testing and licensing requirements for seed varieties and to learn more about potential markets for Canadian varieties.

The department supported two promotional projects undertaken in Japan by the alfalfa dehydrators in Western Canada. In compound feeds, the division organized an incoming animal feed mission from Mexico in conjunction with the Canadian Feed Industry Association.

Animal Products

The promotion of breeding cattle, swine, semen and embryos was maintained, including exhibits at the Salon International de l'Agriculture in France, the Royal Highland and Royal Agricultural Shows in Great Britain and the Royal Easter Show in Australia. Missions to and from the southeastern U.S. were successful in developing sales of breeding stock and numerous incoming buyers from

many countries were brought in touch with Canadian livestock producers and exporters.

Co-ordination of requests by foreign buyers for the sourcing of various dairy products was carried out and high levels of export sales were maintained. The department continued to explore markets for beef, pork, processed meats, meat by-products, poultry and poultry products, horsemeat and furs.

Fishery Products

The division coordinated participation by the fishing industry in a number of incoming and outgoing missions, trade shows and promotions. These included a saltfish mission to Brazil; incoming buyers' missions from Australia, Egypt, Greece and Nigeria; and participation in Saudi Food '83, Salon International d'Alimentation (SIAL) France, the National Restaurant Association (NRA) Show and Seafood '83 in the United States.

Although total exports of Canadian fish products increased from \$1.5 billion in 1981 to a new record of \$1.6 billion in 1982, the Canadian fishing industry underwent serious economic difficulties. The division contributed to the work of the Task Force on the Atlantic Fisheries, through participation on its committees and through the preparation of briefs. The division was also involved in the financial restructuring of fish marketing co-operatives.

Development of a directed fishery to export large quantities of mackerel to Nigeria or other African countries was undertaken using specially developed consortia in the Atlantic provinces. These resulted in a bulk shipment of almost 2 000 tonnes of mackerel worth \$1.5 million. The PEMD program was used to assist in developing the logistic collection system which increased processing and export of this underutilized species.

Grocery Products

Through a series of promotional events in Europe, the United States and Japan, a new concept in promoting Canadian companies was introduced. An AES system was set up at trade shows to list Canadian food processors for interested importers. Two trade posts, Japan and France, are utilizing this system for answering inquiries.

Consumer-oriented promotions over the last year included in-store promotions. This co-operative marketing effort was undertaken with Seiyu-Stores (Japan) and Safeway Stores (Western U.S.) and was designed to promote processed foods. Point-of-purchase display and sampling of Canadian products helped to create an awareness of Canadian processed foods in these international markets.

Leisure Products

Traditionally, the leisure products industries sector is one of the last to feel the effects of economic recessions and the impact is usually not as severe as for other manufacturing sectors. However, in 1982, the sector felt the full impact of the economic downturn as shipments in current dollars declined 1.6 per cent to \$9.1 billion. Individual industries which showed the steepest declines in 1982 were sound recordings (-17 per cent) and sporting goods (-11 per cent). Toys and games and motion pictures showed increases in shipments of about 8 and 7 per cent respectively over 1981 levels. The decline in production at the sectoral level was accompanied by a drop in employment estimated at 3 per cent to about 142 000. Early indications in 1983 are that the sector is recovering from the recession.

Because of the poor economic climate, many manufacturers of leisure goods sought financial assistance under departmental programs. The commercial printing industry in particular was a major user of the Regional Development Incentives Program. In conjunction with the Department of External Affairs, the department has sponsored a national stand at seven international trade fairs in four countries (United States, England, West Germany and Italy), and organized three solo shows in Japan and incoming buyers' missions from the United States, Australia and New Zealand.

Furniture

In 1982 total furniture shipments amounted to \$2.3 billion, a decrease of about 16 per cent compared to 1981. However, Canadian manufacturers increased their share of the domestic market as imports of furniture products decreased 37 per cent from \$344 million in 1981 to \$250 million in 1982. Exports increased 9 per cent from \$279 million to \$306 million during the same period.

Assistance provided under the departmental incentive programs enabled a number of manufacturers to undertake restructuring, productivity improvement and design projects.

With assistance from the department, the business furniture sector participated in solo shows in Minneapolis, Boston, Seattle and Atlanta. Exports of office furniture in 1982 were \$166 million, or about 35 per cent of factory shipments.

Residential furniture manufacturers continued to participate in the Southern Furniture Market in North Carolina. In addition, the department continued its program to increase sales in the

greater New York City area by participating with the industry in the New York Furniture Market.

SERVICE INDUSTRIES BRANCH

The Service Industries Branch is responsible for the department's co-operation with the service sector of the Canadian business community. The branch participated in activities covering the wholesale and retail trades, merchandising services, construction, renewable energy, consulting firms and a variety of transportation and traffic services.

Distribution Services Division

Following the Distributive Trades Consultative Committee Report, completed in April 1982, the division initiated the preparation of a federal response to the report's 71 recommendations.

The division increased its efforts to enhance world markets for Canadian distributors. A study was undertaken in co-ordination with the Co-operative Union of Canada to assess the possibility of using the international co-operative network as a means of opening new international markets for Canadian co-operatives. The study included trade identification missions to Europe and southeast Asia, consultation with member organizations and consultation with government departments.

A productivity measurement system for retailers was developed and tested by the division in 1982. In early 1983, a consulting firm was engaged by the Service Industries Branch to develop an information package for distribution to retail firms wishing to adopt the system.

Construction Division

The Construction Division activities focused on increasing the productivity, efficiency and export trade performance of the construction, real estate development and renewable energy industries. It also provided a full-time secretariat and support for activities of the Construction Industry Development Council (CIDC), which provides advice to the Minister.

Given the number of major issues facing the construction industry during the 1980s and beyond the CIDC formed a task force to produce a study of "The Decade Ahead", to be released in 1983-84.

Construction Division support of CIDC activities resulted in the formation of the Interdepartmental Committee on Non-Residential Construction. The work of the committee is to co-ordinate federal

government policy development and program implementation that may impact on the performance of the non-residential construction sector.

The division expanded its program of productivity improvement seminars, conducted in ten cities throughout Canada, aimed at improved management and planning of the on-site construction process.

A construction opportunities market survey of Hong Kong, Indonesia, Singapore and Thailand was undertaken. The division also organized an incoming industrial co-operation mission from Sweden, which focused on energy conservation in buildings and industrial processes.

As the departmental focal point for renewable energy, particularly solar energy, the division was actively involved in the Interdepartmental Solar Programs Advisory Committee and in a review of the solar industry by Energy, Mines and Resources.

Consulting Services Division

The Consulting Services Division worked with firms and associations to overcome constraints facing the industry and to support efforts to increase the export of consulting services.

The Consultative Committee on the Canadian Consulting Engineering Industry submitted its recommendations to the Minister covering the following principal topics: the domestic opportunity, procurement policies and practices; the export opportunity, major project capability; research and development; regionalization and local preference; and engineering personnel. In preparation of the Government response, consultation has taken place with other federal departments responsible for the policy implications of each recommendation.

An export survey was undertaken based on 35 of the most active export firms in consulting engineering to determine the annual value of consulting contracts, the sectors and geographic regions involved, sources of financing, and actual and potential spin-offs.

In supporting the efforts of Canadian firms with international lending agencies, the division participated in meetings with representatives of the Association of Consulting Engineers of Canada with the World Bank, the Inter-American Development Bank in Washington, the UNDP in New York, and the African Development Bank in Abidjan.

Transportation Services Division

The division worked with individual shippers, shipping companies and industry associations to resolve specific transportation problems and to identify new market opportunities.

Maritime Transport

The section participated within the interdepartmental community dealing with issues such as the establishment of a Canadian merchant marine, the designation of a national carrier, defensive shipping legislation and the Shipping Conference Exemption Act.

The "Directory of Ocean Shipping Services" has been maintained and made available to shippers. The directory describes over 125 ocean shipping services to export markets from Canadian ports.

Air Transport

The interests of business travellers, shippers and the tourism industry continued to be the focus of the section's contribution to a number of air policy issues, including Canada-U.S. bilateral air services negotiations, domestic air carrier policy, STOL services in the Toronto-Ottawa-Montreal triangle, and the review of international civil aviation policy. In addition, the section participated in an adequacy of transportation service levels project intended to form the basis for departmental involvement in policy and regulatory issues.

Traffic Services

Contributions were made to the formulation of a number of policies from the viewpoint of Canadian shippers and the industrial development of the traffic services industries. These included the U.S. valuation for duty of inland transportation costs, new federal regulations for the transportation of dangerous goods, development of a sector strategy on the freight forwarding industry in Canada, the resolution of the Maritime freight rate subsidies issue, and studies relating to the ramifications of Canada ratifying the U.N. Convention on International Multimodal Transport.

Surface Transport

The section participated in the monitoring of the Crow's Nest Pass freight rates question and was also active in the successful resolution of the U.S. licensing moratorium on Canadian motor carriers. It has kept informed of the entry of U.S. motor carriers into the Canadian market

through the Interdepartmental Committee on International Trucking Matters.

Trading Houses

The section headed a trading house mission to southeast Asia whose purpose was to introduce some of the participants to new markets, to expand the market knowledge of others, and to assist the participants in establishing foreign agents for the distribution of Canadian consumer and industrial goods.

The "Directory of Canadian Trading Houses" is also maintained by the section. This directory is distributed to business groups and members of the general public to help focus attention on the trading house sector.

Franchising

Franchising activity centred around the distribution of two information booklets "Expanding Your Business through Franchising" and "How to Buy a Franchised Business", as well as the publication of a statistical report on franchising activity in Canada from 1976-81.

OFFICE OF INDUSTRIAL ADJUSTMENT

Textiles, Clothing and Footwear Directorate

In support of the policy announced in 1981 for the Canadian textile, clothing, footwear and tanning industries the directorate continued to be the focal point within the Government for the overall effort to restructure and modernize the industries, reduce community dependence on these industries and help affected workers in order to reduce pressures for special measures of protection.

The directorate contributed to the renewal of bilateral arrangements with low-cost and state-trading countries, assisted the various sectors in identifying and exploiting domestic and international market opportunities, advised the Canadian Industrial Renewal Board (CIRB) regarding industry adjustment assistance, collaborated with departments concerned on low-cost issues and imports and liaised with industry and private organizations.

Textiles

Business conditions worsened during 1982 causing further reductions in industry activity, employment and profitability. It was only during the last quarter of 1982 that evidence of improvement was noted, particularly in the home

furnishing sector. The overall market for textiles declined to some \$6 billion in 1982 representing a decrease of 15 per cent in dollar terms over 1981. Industry shipments fell by 14 per cent and exports declined by 9 per cent. Employment in 1982 dropped 15.8 per cent to 62 800 thousand workers.

Further to the announcement of the new government policy for the textile and clothing sectors, import restraint arrangements covering certain primary textiles were to be negotiated as soon as possible with 12 low-cost or state-trading suppliers. In 1982-83, the directorate contributed to the negotiations of bilateral arrangements with Uruguay (worsted fabrics) and Brazil (acrylic yarn). The directorate also evaluated requests for CIRB's financial assistance by 75 textile firms in 1982. In addition, the directorate monitored anti-dumping actions regarding polypropylene and nylon rope, synthetic baler twine and polyester filament fabrics for apparel manufacturing, and assessed the short and medium-term impacts of these actions on the industry and market.

Clothing

Real domestic product fell in 1982 by 15.3 per cent in the clothing industry and by 9 per cent in knitting. Consumer expenditures on clothing remained practically stationary but its relative share of total consumer expenditures fell. Employment suffered as well, with a decline over 1981 of 14.8 per cent in clothing and 10.2 per cent in knitting. Capacity utilized fell to 70 per cent, the lowest level in the last six years. Imports increased by 5.2 per cent in 1982 and were up by a further 13 per cent in the first three months of 1983. Exports, on the other hand, fell by 8.6 per cent in 1982 as compared to the previous year. Some improvement began to take place in 1983 with the index of real domestic product increasing by 8.2 per cent for clothing and 7.9 per cent for knitting in the first three months. Employment increased slightly and fewer workers were participating in the government's work sharing program than in the same period in 1982.

The directorate continued to provide CIRB with market and industry evaluations to aid in the processing of company applications for assistance. In 1982, applications for assistance were received from 124 clothing firms. For the renegotiation of bilateral arrangements with low-cost and state-trading countries, the directorate provided the negotiating teams with detailed perspectives of individual sectors and evaluations of market trends and participated in negotiations. In 1982-83, arrangements were concluded with India, Singapore, Pakistan, Hungary and Czechoslovakia.

As part of its continuing effort to increase industry interest and participation in the export market, the directorate participated in the organization of trade fairs and recruitment of exhibitors for several international export shows.

Non-Rubber Footwear

In 1982, the apparent market decreased by 11.8 per cent with the domestic industry's share declining from 42 per cent in 1981 to 40 per cent. Production at 34.1 million pairs of footwear suffered a decline of 15.5 per cent from the previous year. Employment fell by 14 per cent. All sectors showed declines. A bright spot was exports which increased by 12 per cent in 1982, with special purpose and athletic footwear contributing almost exclusively to the gain.

In 1982, 31 footwear and tanning firms applied for assistance under CIRB which required evaluation action by the directorate. To respond to the situation of the domestic leather footwear industry, the Government, in July 1982, applied quotas on imports of leather footwear, including vinyl, from all sources. The quota of 11.4 million pairs for 1983 was to run concurrently with that for non-leather, including canvas, of 35.1 million pairs and terminate on November 30, 1984. As a consequence of imposing this global quota, the directorate participated in compensation negotiations with the EEC and the United States.

DESIGN CANADA

Design Canada, responsible for promoting improved design in Canadian industry, supported the requirements of the National Design Council and implemented departmental programs.

Activities include:

- ° cost-sharing grants with the provinces through the Product Development Management Program (PDMP);
- ° holding design seminars for designers and companies;
- ° providing design advisory services to companies; and
- ° administering a scholarship program to upgrade the quality of design skills in Canada.

The design advisory service included departmental program cases, enquiries from industry, assisting other departments and working with the professional design community.

Twelve scholarships were provided for a total of \$155 850 to students in the industrial, interior and graphic design fields to advance their studies at Canadian and foreign universities.

Preparation for the 1983 Design Awards presentations in Ottawa on June 2, 1983 saw a total of 125 submissions received up to mid-January 1983, when the adjudications were held. The final selection of 19 winners was made late in February by the jury.

A conference on the impact of new technologies on productivity and product development was conducted in Vancouver with 350 company representatives participating in the two-day event.

The National Design Council conducted three statutory meetings and a number of committee meetings on education and other issues.

A national lighting design competition was launched by the National Design Council in co-operation with industry and 200 designs were received from across Canada. Award winners will be announced in June 1984.

Industry and Labour Adjustment Program

This program is designed to reduce the distress in communities caused by permanent large-scale industrial dislocations and associated layoffs of area workers. The program has two components: the Community-Based Industrial Adjustment Program (CIAP) encourages firms to undertake viable capital projects in designated Canadian communities affected by serious industrial dislocations; and the Industry-Specific Restructuring Program (ISRP) provides assistance to two industry sectors, automotive parts and major household appliances, and assists small and medium-sized firms in these sectors to undertake viable job-creating projects. The designations of both communities and industries are for specific time periods.

Under the Community-Based Industrial Adjustment Program, a total of 12 communities in different regions of the country were designated eligible for federal aid. During the past year, the period of eligibility for four of the communities terminated leaving eight still eligible for program benefits. There were 112 projects approved under this program during the year involving \$40.6 million in commitments. Under the Industry-Specific Restructuring Program, 47 projects were approved.

GRAIN MARKETING OFFICE

Large crops, strong world competition and improved efficiencies in the Canadian handling and transportation system were features of the past year for the grain and oilseeds sector. Exports of the major grains, oilseeds and products increased from \$6.1 billion in 1981 to \$6.3 billion in 1982.

Exports of major grains, oilseeds and products in 1982 were:

- ° wheat - 19.2 million tonnes (\$4.3 billion);
- ° barley - 5.7 million tonnes (\$886 million);
- ° corn - 715 thousand tonnes (\$113 million);
- ° rye - 451 thousand tonnes (\$72 million);
- ° oats - 82 thousand tonnes (\$16 million);
- ° wheat flour - 308 thousand tonnes (\$110 million estimated); and
- ° major oilseeds and products - 2.3 million tonnes (\$800 million estimated).

This represents an increase of almost 14 per cent in the total export volume of these commodities compared with 1981.

The office sponsored five incoming missions and three technical seminars in existing and potential import countries. Canadian firms planning visits to potential import countries were given support information. Major developments included a long-term government-to-government agreement with Brazil for the sale of 3 to 4.5 million tonnes of wheat between January 1983 and December 1985. Over one-third of wheat exports as well as substantial barley sales were realized under the Credit Grain Sales Program administered by the office. In the context of continuing exporter co-operation, discussions were held with the major grain exporting countries to review developments in world trade.

Expansion of canola crushing capacity continued with the opening of a new 600-tonne-per-day facility in Manitoba in mid-1982. A new 600-tonne-per-day facility is expected to commence operation in Ontario in mid-1983. A new refining facility to be constructed in Alberta will provide an additional 320 000 tonnes refining capacity for the industry. Refining operations at this location are expected to commence in the fall of 1984. Approximately 2 million tonnes of oilseeds were crushed in 1982.

Cash advances to producers under the Prairie Grain Advance Payments Program declined slightly to \$309 million from the record of the previous year. As a result of this reduction and a general easing in interest rates, interest costs borne by the

Government declined by \$1.1 million to \$11.6 million.

The POS (Protein, Oil and Starch) Pilot Plant Corporation experienced its greatest utilization to date. A number of projects with significant commercial potential were completed. Negotiations were initiated with a major food firm for use under a royalty scheme of one of the resulting products which has diet food applications.

The Canadian International Grains Institute offered a total of 13 courses during the year. These included seven for participants from overseas and six domestic programs. Since 1971, people from over 70 countries have participated in international programs designed and conducted as part of Canada's market development plans for the grains and oilseed industry. The Grains Institute is funded jointly by ITC/REE and the Canadian Wheat Board.

The Grain Marketing Office sponsored incoming oilseed missions from Japan, Venezuela, India and Yugoslavia, while technical seminars were held in Venezuela, Norway and West Germany. In addition to the incoming delegations, the annual Canada-Japan consultations were held in Winnipeg. The Canada-Algeria canola oil supply contract entered its second delivery phase, calling for delivery of 70 000 to 100 000 tonnes of canola oil during 1983. The contract was facilitated by market promotion work, including technical seminars, conducted by the Grain Marketing Office.

The Western Grain Stabilization Administration reported that gross receipts from eligible prairie grain sales for calendar year 1982 totalled \$5.9 billion, some \$350 million lower than gross receipts recorded in the previous year. However, even with lower gross receipts and net cash flow, larger volume resulted in a 1982 cash flow above the average of the net cash flow in the previous five years. Thus, there was no payout from the Western Grain Stabilization Fund for 1982. The department contributed to the fund at the rate of four per cent of those gross receipts on which producers paid levy in accordance with the Western Grain Stabilization Act.

In the light of anticipated freight rate changes stemming from Bill C-155, a freight assistance program directed toward the canola processing industry in Western Canada and funded at \$3 million annually since 1976 was not extended upon expiry on March 31, 1983.

The Program for Export Market Development (PEMD) was used primarily to provide assistance in trade

promotion and market development for a variety of oilseed projects including a food oil campaign and a canola growers' mission for Japan, and a trade fair exhibit in Algeria.

REGIONAL AND INDUSTRIAL POLICY

The mandate of this area is to develop and formulate policy recommendations and direct specialized analytic and policy skills in the areas of small business and economic intelligence, futures research, strategic planning, the impact of trade policies on industry and relations with other departments in the economic field.

There are two units, an Industrial Development Policy Branch and a Regional Industrial and Trade Policy Branch.

INDUSTRIAL DEVELOPMENT POLICY BRANCH

A major initiative of the branch was the work in developing the new Industrial and Regional Development Program (IRDP). In addition to the development of the program itself, a major contribution was the formulation of a development index to serve as an objective, equitable basis for determining the levels of assistance under the program depending on geographical location.

Based on the level of unemployment, income per person in each census district and the fiscal capacity of the provinces, the index determines differing levels of assistance in the regions of the country. This index is maintained by the branch and updated annually.

Ongoing statistical responsibilities of the branch include: preparation and analysis of indices of the utilization of industrial capacity; the semi-annual survey of business investment; and the annual survey of foreign-owned subsidiaries.

Other work in the area of cost/benefit analysis included completion of the Manfor project study, and a financial and cost/benefit analysis of a proposed pulp and paper project in northern Manitoba. As well, work continued on the preparation of an evaluation assessment manual.

During 1982-83, work supported a proposal to create a productivity centre. As well, a proposal to recognize outstanding achievements in design, productivity and innovation was made and work that resulted in redefining the role and mandate of the

Federal Business Development Bank was contributed.

REGIONAL INDUSTRIAL AND TRADE POLICY BRANCH

The branch has four directorates.

The Industrial Trade Policy and Analysis Directorate assesses the industrial and regional development impact of various export and import policy issues and brings regional and sectoral industrial perspectives to bear on the formulation of trade policy in the Government. A co-ordinating role is performed by the directorate for departmental positions on cross-sectoral or cross-regional interests.

Over the year trade policy issues were many and varied. The directorate worked with External Affairs in the development of "Canada's Trade Policy for the 1980s" and on numerous bilateral and multilateral trade issues. To fulfill its mandate the directorate responds on a day-to-day basis to trade issues arising in other departments and in international forums such as the GATT and the OECD. The directorate also has a project orientation which currently includes an analysis of the relationship between regional development and trade; and participation in the study of potential Canada-U.S. sectoral free trade and of the potential for free trade zones in Canada.

The Regional and Industrial Policy and Analysis Directorate concentrated on the departmental planning systems, contributing to developing national and regional industrial policy, in consultation with the department's regional offices and industry sector branches. The directorate conducted a study on the regional designation of departmental programs and contributed to the formulation of the development index. In addition, it served as a source of regional intelligence and provided regional input on a broad range of policy issues intra-departmentally.

The Industrial Adjustment Policy and Structural Analysis Directorate maintained the departmental econometric model and produced a number of medium-term economic projections used in the departmental planning process, as a base from which to do policy impact work, and as an input to occupational forecasting carried on by the Canada Employment and Immigration Commission. Considerable work was directed toward assessing industrial adjustment policy actions both nationally and internationally with a view to facilitating future industrial adjustment in the Canadian economy.

The Short-Term Economic Analysis Directorate provides advice and analysis of the current and short-term state of the Canadian economy on its own and in relation to the U.S. and other major OECD economies. This includes analytical assessments of historical developments and short-term prospects in private consumption, business investment, government expenditures and program initiatives, and merchandise trade performance.

The directorate also provided analytical evaluations of Canada's competitive position, merchandise trade position and balance of payments position in relation to our major markets, especially the United States and the Pacific Rim countries. With respect to regional developments, the directorate coordinated inputs to provincial economic prospects and forecasts and initiated periodic reports of regional economic conditions as they relate to departmental programs.

SMALL BUSINESS SECRETARIAT

The Small Business Development Policy Directorate was involved in the development of several national initiatives to improve the economic climate and prospects of the business sector. These include the Small Business Investment Grant Program, announced in the June 1982 budget; and the extension of the Small Business Bond Program to December 1983, announced in the Minister of Finance's economic statement of October 1982.

The secretariat identified and analyzed key issues confronting small and medium-sized businesses and provided a small business perspective to broad policy exercises within ITC/REE and for other departments. The secretariat represented the Canadian Government at the International Conference on Small Enterprise Policy held in Osaka, Japan in January 1983.

The secretariat published three studies on the circumstances surrounding business insolvency, including factors leading to bankruptcy and a comparison of the legislative framework surrounding bankruptcy in Canada and the United States. Support was also given to the British Columbia Institute of Technology to prepare a manual on export marketing to guide small businesses.

The Operations Directorate provided support for the Minister's Small Business Consultative Committee, established in September 1982. The Committee is made up of 22 representatives of small business, banking, academe, associations and other fields of expertise.

Under the Management Excellence in Small Business Program, administered by the Operations Directorate, 58 proposals were recommended and subsequently approved for assistance by the advisory panel. Approved proposals for \$416 850 were for the development of course material, research and scholarships.

The Advocacy Office organized meetings with, and provided support to, the 16-member Interdepartmental Committee on Small Business.

Relations between Government and small business suppliers were enhanced by the introduction of a prompt payment policy applicable to all government supply contractors. The secretariat worked with the Office of the Comptroller General in the design and implementation of the policy, which requires that government departments pay their suppliers within 30 days of fulfillment of the contract, or pay interest on the overdue accounts.

REGIONAL AND INDUSTRIAL PROGRAM AFFAIRS

PROGRAMS BRANCH

The Programs Branch is responsible for general management and control of the department's major funded industrial programs, including loans, insured loans, grants and contributions. The branch also administers the Small Businesses Loans Act under which guaranteed loans are provided by designated private lenders to assist small business enterprises. Financial assistance and support through loans, grants and guarantees provided by the department continued to be an essential factor in the stimulation and trade development of manufacturing and service industries in Canada during 1982-83.

The branch undertook or participated in a number of activities designed to improve the delivery of assistance to industry. Discussions aimed at greater consolidation of existing programs continued. Considerable progress was made in the development of methods for setting priorities among major projects. The branch developed an improved reporting system to attain better management of program budgets.

Improved forecasting techniques were utilized, together with increased management control of program commitments on a multi-year basis. The delivery systems were streamlined to attain more

efficient processing of project applications and prompt payment of claims.

The following is a summary of the activities during fiscal year 1982-83 for the principal programs administered by the department.

Enterprise Development Program

The Enterprise Development Program (EDP) assists manufacturing and processing firms to improve their viability and international competitiveness. It provides support by sharing project costs or providing insurance on term loans on a last-resort basis. During 1982-83, 104 adjustment assistance loan insurance projects, valued at \$104.1 million, were authorized (Table 1). It is estimated that this assistance will lead to the creation or maintenance of approximately 4 550 jobs during the next five years.

Table 1

Adjustment Assistance Loan Insurance Authorizations by Province/Territory 1982-83

	Number of Projects	Amount (\$ millions)
Newfoundland	1	0.1
Prince Edward Island	2	0.4
Nova Scotia	16	27.0
New Brunswick	6	7.4
Quebec	19	18.0
Ontario	34	44.3
Manitoba	10	1.4
Saskatchewan	-	-
Alberta	2	0.2
British Columbia	14	5.3
Yukon	-	-
Northwest Territories	-	-
Total	104	104.1

In addition, \$99.1 million in contributions were authorized towards the cost of 568 innovation and product development projects in such industries as machinery, electronics, ship components, automotive vehicles, building components and textiles (Table 2). The above totals for contribution projects include 149 STEP projects (Support for Technology Enhanced Productivity) with an authorized value of \$26.0 million. The STEP program is designed to enhance productivity in Canadian industry by encouraging the use of new

electronic dependent production, process and design technologies and use of microelectronics to improve quality and to create new products.

Table 2

Innovation Authorizations under the Enterprise Development Program by Province/Territory 1982-83

	Number of Projects	Amount (\$ millions)
Newfoundland	6	0.2
Prince Edward Island	5	0.4
Nova Scotia	19	1.0
New Brunswick	10	0.8
Quebec	272	22.2
Ontario	130	40.8
Manitoba	53	2.7
Saskatchewan	19	1.5
Alberta	23	2.6
British Columbia	31	26.9
Yukon	-	-
Northwest Territories	-	-
Total	568	99.1

Forecasts for the EDP contribution projects indicate sales of \$4.5 billion during the next five years and the creation or maintenance of 9 050 jobs.

Defence Industry Productivity Program

The Defence Industry Productivity Program (DIPP) provides financial assistance to industrial firms involved in the production of defence or defence-related products for export, in order to develop and sustain the technological capability of the Canadian defence and related civilian industries. The program operates under international agreements for defence development and production sharing.

A total of 155 projects were authorized during fiscal year 1982-83 for an authorized amount of \$181.2 million (Table 3). By program component, the totals comprised 29 R&D projects for a value of \$59.6 million, 84 source establishment projects valued at \$92.4 million, 39 capital assistance projects for \$28.9 million and three market feasibility studies for \$0.3 million. The bulk of the projects involved manufacturing firms located in the two central provinces.

Table 3

Project Authorizations under the Defence Industry Productivity Program by Province/Territory 1982-83

	Number of Projects	Amount (\$ millions)
Newfoundland	-	-
Prince Edward Island	-	-
Nova Scotia	2	1.4
New Brunswick	-	-
Quebec	45	58.4
Ontario	86	98.5
Manitoba	9	8.7
Saskatchewan	1	1.4
Alberta	2	1.1
British Columbia	10	11.7
Yukon	-	-
Northwest Territories	-	-
Total	155	181.2

Industry Energy Research and Development Program

The Industry Energy Research and Development Program (IERD) encourages the development of new and improved processes and equipment to reduce energy consumption in industry.

A total of 17 projects requiring total funding of \$10.7 million were authorized during 1982-83. Actual expenditures for the IERD program since inception to the end of 1982-83 totalled \$4.5 million with \$2.7 million being paid out in the past fiscal year.

Small Businesses Loans

The Small Businesses Loans Program, established under the Small Businesses Loans Act, makes 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 the charter banks' prime rate plus one per cent. The maximum term is ten years.

A total of 18 023 loans for \$458.1 million were made under the program in 1982-83 (Table 4), compared with 16 643 loans for \$491.9 million during 1981-82. Loss claims paid during the past year amounted to \$17.9 million, an increase of \$11.5 million over the previous year.

Table 4

**Loans under the Small Businesses Loans Act
by Province/Territory 1982-83**

	Number of Loans	Amount (\$ millions)
Newfoundland	205	4.8
Prince Edward Island	96	1.6
Nova Scotia	350	9.1
New Brunswick	481	11.9
Quebec	6 513	159.8
Ontario	3 688	100.4
Manitoba	523	12.9
Saskatchewan	1 093	29.1
Alberta	1 674	42.1
British Columbia	3 354	84.6
Yukon	28	1.0
Northwest Territories	18	0.8
Total	18 023	458.1

Small Business Investment Grants

The Small Business Investment Grants Program (SBIG) provides interest assistance for eligible loans taken out by small businesses. The form of assistance is a grant of up to 4 per cent per year on outstanding loans where the interest rate is in excess of 12 per cent. Assistance eligibility under the program is for loans taken out during the period June 28, 1982 to March 31, 1983 for the purposes of purchasing depreciable new property or to finance expenditures on scientific research.

The applications for assistance received under the program during 1982-83 totalled 5 751 for loans valued at \$359.3 million. Actual grants paid out during the year totalled \$1.3 million.

Shipbuilding Industry Assistance Program

The Shipbuilding Industry Assistance Program (SIAP) provides assistance to established shipbuilders engaged in the building and conversion of ships of specified minimum sizes. Assistance is also provided for projects designed to achieve productivity improvements in the shipyards.

During the past year, assistance was provided for 80 projects with an authorized value of \$36.4 million. Twenty-four of the projects with a value of \$23.4 million provided for the building and/or conversion of ships while there were 56

productivity improvement projects valued at \$13.0 million.

Institutional Assistance Program

The primary objective of the Institutional Assistance Program (IAP) is to provide financial support to non-profit institutions to develop and offer specialized services to industry and to individuals for studies which indirectly foster industrial development in Canada.

The program also provides grants for scholarships and studies in managerial or technological capabilities or for information that could assist the development of industrial policies.

For 1982-83, there were 40 projects approved under the IAP for grant assistance in the amount of \$2.7 million. The bulk of this assistance (\$2.2 million) was provided to non-profit institutions; or more specifically, university research facilities.

Industry and Labour Adjustment Program

Under a major program initiated by the federal government in January 1981, twelve communities in several regions of the country were designated during the past fiscal year as eligible for federal aid to alleviate unemployment. There were 169 projects approved under the Industry and Labour Adjustment Program (ILAP) involving committed expenditures totalling \$82.5 million. It is estimated that these projects will provide employment for 11 045 persons.

This program is designed to reduce the distress in communities caused by permanent, large-scale industrial dislocations and associated layoffs of area workers.

REGIONAL AND INDUSTRIAL PROJECTS AND CROWN INVESTMENTS

The two main responsibilities of the branch are the analysis, assessment and negotiation of major projects and the provision of support to the Minister in the discharge of responsibilities for certain Crown Corporations.

The branch has five directorates:

- ° Special Projects
- ° Development Projects

- Investment Projects
- Adjustment Projects
- Crown Investments

On the projects side difficult, sensitive and complex cases are undertaken. The selection of major projects is made in consideration of such factors as cost, complexity, sensitivity or urgency. Experience shows that major and sensitive cases need a level of analytical expertise not available in line organizations. Accordingly, the branch has been staffed with financial, economic and commercial analysts.

The branch's projects during 1982-83 concerned Canadair, Airbus, Boeing, de Havilland, Pratt & Whitney company agreement, Minister's Advisory Committee on Aerospace Development, Electrolyser project, Maislin, White Farm, and Dome/Davie modernization.

Crown Investments was established to improve the management of the department's relationship with Crown Corporations. The Minister's responsibilities include the Federal Business Development Bank, the Cape Breton Development Corporation and Canadian Patents and Development Limited, which report directly, and the Canada Development Investment Corporation, the Canada Development Corporation and the Export Development Corporation, whose boards of directors include the department's Deputy Ministers.

The Crown Investments Directorate operates as a "holding company" for the management of the department's interest in the Crown Corporations reporting to the Minister, co-ordinating departmental relations with them and monitoring their strategies and business plans.

**CANADIAN GOVERNMENT
OFFICE OF TOURISM**

The merger of Industry, Trade and Commerce, with Regional Economic Expansion saw the transfer of the former field staff of OGOT abroad to the Department of External Affairs. Within Canada, staff dedicated to the delivery of the federal tourism program were deployed among the 10 regional offices of ITC/REE, responsible to the Regional Executive Director concerned. Outside Canada, Trade Commissioners (Tourism) were designated at 14 DEA posts in the U.S. and DEA missions in the United Kingdom, France, West Germany, the Netherlands, Mexico, Australia and Japan. OGOT became responsible for giving

functional and operational guidance to all field personnel.

The office has three branches:

- Corporate Affairs
- Tourism Marketing
- Tourism Development

CORPORATE AFFAIRS BRANCH

The branch ensures ongoing research support in terms of supply, demand, cost-benefit and impact studies. It established a regional tourism data base; plans, develops and recommends policy; monitors program activity operations; and acts as the focal point for government and industry relations through a co-ordination secretariat.

The Corporate Policy and Strategic Planning group provided advice and guidance on a wide range of policy issues during the fiscal year. Taxation was a priority area in its work program and, together with the Tourism Industry Association of Canada, it surveyed tourism business perception of the impact of government.

Planning and Evaluation developed the federal input to a national tourism planning exercise involving federal and provincial governments and private industry.

The branch arranged the 1982 Conference of Canadian Tourism Officials and a federal/provincial conference on tourism. In addition, they provided representation for Canada's participation on the Tourism Committee of the Organization for Economic Co-operation and Development, held in France during the year and headed Canada's delegation to the World Tourism Conference in August in Mexico.

A Tourism Operational Planning System was put in place to permit the planning, control and reporting on results of all OGOT projects.

TOURISM MARKETING BRANCH

Tourism marketing operations included:

- "Vacation Canada" advertisements placed in periodicals reaching over 70 per cent of all Canadian households.
- An estimated \$61 million of business was transacted at the sixth annual Rendez-vous Canada in Calgary, May 2-6, 1982 -- a decrease of \$2 million from 1981. This international marketplace attracted 336 Canadian selling

organizations, 220 foreign buying organizations and 29 international media representatives.

- ° The "Canada: So Much To Go For" program, which encourages Canadians to travel in Canada, offered 50 competitively priced package tours in 1982. Partners with OGOT were Air Canada, CP Air, Pacific Western Airlines, Via Rail and Nordair.
- ° TourCan, an annual domestic marketplace, was held in Saskatoon August 30 - September 2, 1982. The program was jointly sponsored by the Manitoba Department of Economic Development and Tourism and Saskatchewan's Department of Tourism and Renewable Resources. TourCan '82 provided the opportunity for sellers of tourism products from Manitoba and Saskatchewan to meet with wholesalers and operators from across Canada.

The computerized meetings and incentive travel data bank became operational, making detailed profiles of approximately 2 000 U.S. organizations able to meet in Canada directly available to the industry.

Approximately 500 association executives, meetings planners and incentive travel influencers visited major Canadian destinations through the site inspection program.

Significant progress was made in identifying needed improvements in policies and procedures of Canada Customs and Immigration in the accreditation of foreign meetings and conventions convening in Canada and the streamlined entry of their delegates into Canada.

A year-round consumer advertising campaign was conducted to create and maintain a positive attitude toward Canada as a vacation destination. Awareness/attitude advertising campaigns were implemented in the United Kingdom, West Germany, France, Holland, Mexico, Australia and Japan.

Significant extensions in reach of major campaigns resulted from intensive co-operation with industry partners, particularly with CP Air in Japan and Australia. A 16-page supplement was developed in France and co-scheduling by airlines and other partners was intensive in West Germany and Holland.

In addition:

- ° market development work proceeded in South America, southeast Asia and southern Europe;

- ° consumer and trade publications in as many as eight languages were produced. Approximately eight million pieces of promotional literature and materials were distributed;
- ° nearly 200 promotional seminars in Canada, the U.S. and overseas were sponsored;
- ° some 400 media representatives from Canada, the U.S. and abroad were provided with Canadian tours;
- ° 100 travel features for publication in Canada and the U.S. were prepared. Altogether, the features appeared in 164 different publications with a combined readership of 35 million.

TOURISM DEVELOPMENT BRANCH

The Tourism Development Branch is responsible for the provision of sectoral expertise and a planning framework to enhance the tourism industry's development. In co-operation with the department's regional offices, this branch co-ordinates planning and programming around national and international development concerns to ensure balanced growth of the tourism industry across Canada.

A core component of the branch's strategy for maximizing net economic benefits of tourism development is the destination area approach. To this end, branch planners developed a comprehensive methodology known as "Process for Identification, Analysis and Selection of Tourism Destination Areas in Canada". A step-by-step process for identification and assessment of significant tourism factors, it is currently being applied in various regions of Canada.

More than \$14.5 million in financial assistance was provided in 1982-83 for construction of trade and convention centres in Vancouver, Edmonton, Toronto, Montreal and Charlottetown. The Sudbury Science Centre also received \$3.4 million toward construction.

In support of tourism development planning, work continued on the national base of resource, product and market data which will be linked to the product/market match system currently under development and scheduled for full implementation by the end of 1983. This system matches product and market information through a series of overlaying maps. The final map will display locations in Canada most suited to a given set of market specifications. The system will also enhance development planning by identifying those product and service factors which can be influenced to increase tourist visits.

The branch also co-ordinated the development of a national personnel strategy for the tourism/hospitality industry. During fiscal year 1982-83 the branch administered approximately \$2 million for tourism-related projects under the Special Employment Initiatives Program in five provinces.

Research and development work was largely completed on an educational/training project entitled "Tourism Is Your Business" aimed at upgrading the business and management aspects of the small and medium-sized accommodation sector, particularly those operators in smaller or more remote communities where traditional training resources are less accessible. The video package is available for broadcast over educational and community cable television stations and the supplementary print components available to facilitate at-home learning.

The branch also seeks to improve the environment for industry development by continuing to review and influence federal legislation which affects the tourism industry. The branch is also actively involved in identifying and cataloguing tourism investment opportunities in Canada in order to stimulate industry growth.

INDUSTRY PERSPECTIVE

International Travel

Overall, 12 727 842 visitors came to Canada in 1982, down 4 per cent from 1981. U.S. residents entering Canada for overnight or longer stays numbered 10 974 047, down 3.6 per cent from 1981. Visitors from other countries totalled 1 753 795 in 1982, down 6.3 per cent.

While visits to Canada by travellers from Japan, Australia, Brazil, Venezuela, Columbia, Austria, Finland and Norway increased in 1982, these gains were offset by decreases in the numbers of visitors from several of Canada's traditional overseas markets, including Britain, France, West Germany and the Netherlands.

Canadians returning from spending one night or more in other countries totalled 11 919 074, down 4 per cent from 1981.

Canada earned \$3.7 billion from international travel in 1982, slightly less than the \$3.8 billion earned in 1981. Canadians travelling abroad spent \$5.1 billion in 1982, up 2.7 per cent from the \$4.9 billion they spent in 1981.

Canada's international travel deficit increased by 14.9 per cent from \$1.1 billion in 1981 to \$1.3 billion in 1982.

Domestic Travel

It is estimated that Canadians made 70.1 million person-trips of one night or more within Canada in 1982, the lowest number of person-trips recorded in the four years for which there are comparable records. [A person-trip is defined as travel by an individual over a distance of 80 km (50 miles).]

Canadians spent an estimated \$12.4 billion on overnight travel in Canada in 1982, up 9.7 per cent over 1981 expenditures.

THE COMPTROLLER

The Comptroller's Office is responsible for the design and co-ordination of the department's management planning and control process, the provision of financial and information services and management support.

The functions and major activities of the branches reporting to the Comptroller are:

RESOURCE MANAGEMENT BRANCH

The branch provides financial management advice with respect to planning, programming and budgeting decisions; consolidates the departmental Multi-Year Operational Plan submission, Main Estimates and Supplementary Estimates; and controls budgets.

During the year, the branch provided consolidated REE/ITC resource utilization data and helped develop an integrated reporting mechanism on all departmental activities. The branch is a source of advice on the resource implications of project and program proposals.

FINANCIAL OPERATIONS BRANCH

The branch is responsible for developing and implementing financial policy and systems, accounting for and controlling financial resources, auditing assistance projects and providing financial advisory services.

During the year, the financial operations of the Departments of Regional Economic Expansion and Industry, Trade and Commerce were integrated.

ADMINISTRATIVE SERVICES BRANCH

The branch is responsible for security and safety, contracting and materiel administration, property administration, telecommunications, printing and duplicating, word processing, forms management, records management, micrographics, mail and messenger services, travel services, library services, and the management of administrative units.

A major task of the branch during the year was the physical integration of the Departments of Industry, Trade and Commerce and Regional Economic Expansion at headquarters as well as in regional and local offices. Considerable emphasis was placed on the development of new systems to effect the "automated office" concept.

COMPUTER SERVICES BRANCH

The branch develops and maintains computer-based systems design software and operating software. It is responsible for the physical management of corporate data, and the provision and operation of all physical computer facilities including hardware and data communication networks. The department spent \$7.3 million in 1982-83 to purchase data processing goods and services from the private sector.

Priority was given to bringing existing major development work on the incentive programs to an acceptable interim state pending clarification of the operational requirements of the new programs.

Other activities included the implementation of a transitional personnel information system to facilitate the organizational merger and an interim decentralized financial system for use by the new department during fiscal year 1983-84.

PROGRAM EVALUATION BRANCH

The branch provides information on the effectiveness of departmental programs and recommends appropriate changes. It developed a new approach to conduct evaluations in the new departmental structure and participated in the design of the department's new Industrial and Regional Development Program by identifying future evaluation needs. In addition, in conjunction with regional program evaluation personnel, a number of subsidiary agreements were evaluated.

MANAGEMENT PRACTICES BRANCH

The branch conducts activities to upgrade management skills; coordinates the Management Action Plan to improve management practices and controls; and responds to the requirements of the Office of the Comptroller General under its Improvement of Management Practices and Controls Program.

The Management Action Plan, administered by the branch, has provided a forum for the development and implementation of tasks aimed at establishing and maintaining sound management practices in the department. Particular emphasis has been placed on reorganizational and accountability issues related to the amalgamation of ITC and REE, the development of an integrated planning process, systems development and human resource strategy.

INFORMATION RESOURCE MANAGEMENT BRANCH

The branch is responsible for the application of resource management principles to all departmental information resources and performs a departmental policy and planning function in this area.

Since its creation in January 1983, the branch has developed a strategic framework for integrating management information systems in support of the new department's program structure and management process. This includes the creation of a departmental management information infrastructure and the development of strategies to provide direction and control of the management of information, data and information-related technologies, with particular emphasis on microcomputer technology.

ACCESS TO INFORMATION AND PRIVACY OFFICE

The office was created in response to the government enacting access to information and privacy laws.

The office's primary responsibilities include assisting the public with access requests, developing policies, and advising senior management on the operation of the legislation and the disposition of cases.



REGIONAL ACTIVITIES

In addition to the programs previously described, personnel of the merging departments continued to administer the subsidiary agreements of the Department of Regional Economic Expansion and the Regional Development Incentives Program.

These activities are described by province and territory.

NEWFOUNDLAND

As of March 31, 1983, 21 subsidiary agreements had been signed under the General Development Agreement (GDA). Following is a description of activities under subsidiary agreements and other programs during 1982-83.

SUBSIDIARY AGREEMENTS UNDER THE GDA**Forestry**

Duration: 01/06/73 to 31/03/83

Costs shared by:

DREE	\$ 58 178 500
Provincial government	8 343 655
Total estimated cost	<u>\$ 66 522 155</u>

DREE expenditure to date	\$ 55 580 110
DREE expenditure 1982-83	Nil

This agreement was designed to improve the efficiency of the province's forest industry and to increase employment and income opportunities in that sector. An integrated system of resource management was devised to stimulate productivity and diversify forest industries.

In the initial years, the agreement jointly funded the expansion and development of the facilities of the provincial Department of Forest Resources and Lands, and paid the salaries of personnel. Subsequent agreements did not cover salaries.

Projects under the agreement included experimentation with new techniques for harvesting timber on steep slopes, construction of forest access roads, establishment of a tree nursery, and improvement and expansion of the province's water bomber fleet.

A major \$11.5 million amendment was signed in 1979 in order to take advantage of opportunities for expanding and diversifying Newfoundland's forest industries through the undertaking of labour-intensive forestry activities which improved resource management. Projects completed under the amendment (Forestry Economic Stimulation Program) include: site rehabilitation, pre-commercial thinning, roadside clearing, cone collection, cable logging and salvage harvesting. Both Abitibi-Price Inc. and Bowater Newfoundland Limited undertook industry projects such as stand improvement and pre-commercial thinning. At peak season 420 people were employed on projects under the Forestry Economic Stimulation Program.

This agreement expired September 30, 1979, except for the job creation component which expired March 31, 1983. Responsibility for implementation of the agreement was transferred to the Canadian Forestry Service in September 1982.

Labrador

Duration: 03/12/76 to 31/03/84

Costs shared by:

DREE	\$ 18 258 300
Health & Welfare Canada	1 404 000
Provincial government	2 434 700
Total estimated cost	<u>\$ 22 097 000</u>

DREE expenditure to date	\$ 16 900 080
DREE expenditure 1982-83	\$ 318 068

The components of this interim agreement include: provisions for municipal infrastructure and economic development in the Lake Melville area; the construction of a bridge in North West River; the construction of an industrial park for Wabush-Labrador City; and the provision for coastal residents of higher quality water, improved domestic sanitation, and improved access to medical services.

A 32-ha industrial park has been constructed at Wabush to serve western Labrador and northeastern Quebec; a bridge has been built in North West River, linking the two sides of the community and linking the north side to Goose Bay and Churchill Falls; and street and neighbourhood improvement have been undertaken in Happy Valley-Goose Bay, along with the construction of a residence for the vocational school. A development corporation has been funded to spearhead economic development. Water, sewer, and waste disposal services have been provided in a number of coastal communities. Nursing clinics have been constructed to serve the basic health needs of residents in three isolated coastal communities. Caribou herd studies, biophysical studies, community plans, and transportation and port planning have all been undertaken.

Tourism Development

Duration: 01/01/78 to 31/03/84

Costs shared by:

DREE	\$ 11 938 140
Provincial government	1 326 460
Total estimated cost	<u>\$ 13 264 600</u>

DREE expenditure to date	\$ 9 857 582
DREE expenditure 1982-83	\$ 2 752 716

This comprehensive tourism development agreement is designed to improve the efficiency of tourism marketing and visitor information programs, to develop tourist attractions, and to encourage the expansion of visitor accommodations.

Projects include restoration of the Grenfell and Bradley historic houses; building tourism chalets in western and eastern Newfoundland; the restoration of the houses, churches and stores in the historic village of Trinity; upgrading and extending tourist campground accommodations; and a financial incentive program for hotel and motel operations.

Rural Development

Duration: 01/04/78 to 30/09/83
 Costs shared by:

DREE	\$ 15 122 000
Provincial government	680 000
Total estimated cost	<u>\$ 16 802 000</u>

DREE expenditure to date	\$ 12 588 579
DREE expenditure 1982-83	\$ 2 793 764

This agreement continues earlier initiatives to revitalize and strengthen the rural sector of the province. Projects include assistance to incorporated regional development associations for administrative and community project purposes. Support is also provided to craft associations, craftspersons and small rural enterprises.

Assistance to the regional development associations includes funding for basic administrative purposes; training; and planning and implementation of locally designed community development projects, which have ranged from elementary forms of fish processing to a woolen mill.

Financial aid is provided to small rural enterprises that do not qualify for assistance under the regional development incentives program, such as boat building, wood working, fish processing and small manufacturing activities. Craft assistance is provided in the form of design assistance and for expansion of production and marketing.

Agriculture Development

Duration: 14/07/78 to 31/03/83
 Costs shared by:

DREE	\$ 12 907 170
Agriculture Canada	1 800 000
Provincial government	1 634 130
Total estimated cost	<u>\$ 16 341 300</u>

DREE expenditure to date	\$ 7 749 370
DREE expenditure 1982-83	\$ 2 673 832

The objective of the agreement was to support the growth of the agriculture industry in Newfoundland through increased production, improvements in management and technical capabilities of farmers, improved marketing systems, effective land development and modern agricultural support services.

Under the capital assistance program for farm development, 200 applications were approved for a financial commitment of \$4.2 million. A marketing program designed to increase production and consumption of local produce resulted in the construction of a modern marketing building and the mounting of a promotion campaign to increase consumer awareness. Land-use planning and soil surveys have more precisely defined the agricultural land base, while provision of analytical and veterinary laboratory facilities will serve the ever-increasing demands of the farm industry. Further development of the blueberry industry took place through the construction of access roads and blueberry cloning trials.

Forty-two development opportunity projects valued at \$1.7 million are under way throughout the agricultural sector. Responsibility for this agreement was transferred to Agriculture Canada in September 1982.

Industrial Development

Duration: 11/06/79 to 31/03/84
 Costs shared by:

DREE	\$ 23 985 000
Provincial government	2 665 000
Total estimated cost	<u>\$ 26 650 000</u>

DREE expenditure to date	\$ 19 111 731
DREE expenditure 1982-83	\$ 7 570 863

The first phase of this agreement supports industrial development in the province, initially in the Corner Brook and Stephenville areas of western Newfoundland, through the provision of the infrastructure necessary for the development of industrial and commercial enterprises.

The agreement provides funding for the development of a 30 ha industrial park in Corner Brook, the construction of a direct access road from the Trans-Canada Highway south of the city to the park and on to the downtown waterfront, and the construction of a direct access road from the Stephenville industrial area and the Port au Port highway system to the Trans-Canada Highway.

During 1982-83, with the eastern 10 km of the Corner Brook access road already paved, rough grading on the final 4.5 km was carried out. Construction of the industrial park continued and was over 90 per cent completed by year end. External water and sewer mains are constructed. The water pumping and pressure control system is yet to be installed.

Paving of the last 15 km of the 23 km Stephenville access road was completed during the year and the road opened to traffic.

Forestry 1981-86

Duration: 09/01/81 to 31/03/86

Costs shared by:

DREE	\$ 46 883 700
Provincial government	5 209 300
Total estimated cost	<u>\$ 52 093 000</u>

DREE expenditure to date	\$ 7 719 693
DREE expenditure 1982-83	Nil

This agreement is designed to maintain and, where possible, increase the contribution from the forestry sector to the provincial and national economy; to lessen the future negative impact of projected reduction in the allowable annual cut on established industries in the main economic supply zone; and to promote increased use of forest resources within and outside the main economic supply zone.

This agreement was transferred to the Canadian Forestry Service on September 1, 1982.

Community Development for Coastal Labrador

Duration: 29/05/81 to 31/03/87

Costs shared by:

DREE	\$ 33 800 000
Provincial government	5 196 000
Total estimated cost	<u>\$ 38 996 000</u>

DREE expenditure to date	\$ 13 481 823
DREE expenditure 1982-83	\$ 7 720 671

The components of this agreement include: reconstruction and paving of the Straits Highway in Southern Labrador and inter-community roads in

Southeastern Labrador; provision for coastal residents of improved water and domestic sanitation facilities; construction of additional medical clinics, and funding for investigative studies toward development of small industry in the region.

A 50 km section of the Straits Highway has been reconstructed and paving contracts have been awarded for construction of access roads from Williams Harbour to George's Cove and from Mary's Harbour to Lodge Bay. The former is nearing completion.

Water and sewer projects are under way in L'Anse-au-Claire, Forteau, L'Anse-au-Loup and Cartwright. Design is commissioned for projects in Mary's Harbour, Red Bay and West St. Modeste.

Construction of the new medical clinic at St. Lewis is nearing completion, while the facility at Black Tickle is about 30 per cent complete. The buildings in Mary's Harbour and Cartwright are being renovated, and the Mary's Harbour project is nearing completion.

Studies and pilot projects are being carried out on tourism, agriculture, cadastral mapping, minerals, communications, training needs and trapper education.

Pulp and Paper Mill Modernization

Duration: 01/06/81 to 31/03/86

Costs shared by:

DREE	\$ 30 000 000
Provincial government	3 333 000
Total estimated cost	<u>\$ 33 333 000</u>

DREE expenditure to date	Nil
DREE expenditure 1982-83	

Under this agreement, Canada and the province will participate jointly in a program of incentives for the pulp and paper industry in Newfoundland. The objectives of the agreement are to improve the viability, efficiency and international competitiveness of the Newfoundland pulp and paper industry by accelerating and maximizing investment and encouraging policies within the private sector which are supportive of good forest management, pollution abatement, and industrial modernization.

The funds will be used for possible assistance to the Bowater Newfoundland Limited mill in Corner Brook and to the Abitibi-Price Inc. mill in Grand Falls.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during 1982-83 was as follows:

Net accepted offers	4
Number of jobs expected to be created	30
Eligible capital investment associated with offers	\$ 1 946 000
DREE commitment through these offers	\$ 449 000
Total payments 1982-83	\$ 4 385 649

NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION

The corporation was established in 1972 to complement the regional development incentives program as a source of venture capital for manufacturing and resource development in the province. Loan funding is provided to the corporation by DREE and equity funding by the Government of Newfoundland. Operating expenses are shared equally. The agreement is due to expire March 31, 1984.

During 1982-83, DREE advanced \$0.5 million in loan funds to the corporation and spent \$268 650 as its share of the operating costs.

Canada Fisheries Development Program

Duration: 21/05/81 to 31/03/86	
Total estimated cost to DREE	\$ 13 500 000
DREE contribution to DFO to date	\$ 945 000
DREE contribution to DFO 1982-83	\$ 945 000

This is a direct federal program being delivered co-operatively with the Department of Fisheries and Oceans. The program is designed to improve the efficiency of landing, handling and processing of various fish species on the Labrador coast. Approved projects will be funded 100 per cent when the proponents are fishermen's associations or community councils, as these groups have no source of revenue capable of providing the capital investment necessary. Improvements to facilities owned by the province, fish processors and co-operatives will be cost shared with each owner/operator.

There are six program elements under which projects will be approved: ice-making and storage, fish holding and cold storage, community stages and unloading facilities, utility servicing, fish processing and handling and vessel servicing. To date, 101 proposals have been

received for projects under the program, of which 47 were approved.

In addition, mechanized landing systems have been installed in a number of communities along the coast; a bait-holding unit is under construction in Red Bay; improvements have been completed on a processing plant owned by the Town of Rigolet; and renovations have been carried out on a community stage at West St. Modeste.

Bale Verte Mines Inc.

Duration: 23/09/82 to 31/03/87

Total estimated cost to DREE:	\$ 13 000 000
DREE expenditure to date	\$ 8 497 392
DREE expenditure 1982-83	\$ 8 497 392

This agreement was signed under the Special Areas legislation to enable the federal government to assist the company, Bale Verte Mines Inc. (a wholly-owned subsidiary of Trans-Pacific Asbestos Inc.) take over and operate the former mining operation of Advocate Mines Limited. In addition, the provincial government is contributing \$3 000 000.

On September 9, 1981, Advocate Mines Limited, asbestos producer and former operator of the mine at Bale-Verte, announced its intention to close the mine permanently on December 31, 1981. A result would be the loss of approximately 800 jobs. This action occurred at a time when Rambler Mines Limited announced plans to cease its copper mining operation on the Bale-Verte Peninsula, eliminating an additional 200 jobs.

The agreement was designed to assist a new operator, Bale Verte Mines Inc., restart the mining operation and re-establish jobs for approximately 320 of the original work force.

The program of assistance is primarily loans and loan guarantees. The agreement enabled the company to improve its working capital position, thereby affording the acquisition of assets and enabling the firm to commence early start-up of the operation and inventory build-up.

The agreement has a positive impact on the economy of the Bale-Verte Peninsula and the province in general. The markets for asbestos have been soft. The arrangement has enabled the two governments to preserve a portion of the employment base related to asbestos mining. Through its marketing expertise and operational experience, the company has been able, without the benefits of greater

subsidies, to establish a commercially viable enterprise and a more efficient and effective mining and ore recovery operation.

P R I N C E E D W A R D I S L A N D

On October 7, 1981, the federal government announced a three-year (April 1, 1981 to March 31, 1984) \$92 million package of economic development programs for Prince Edward Island. The package includes a \$53 million cost-sharing agreement with the province for the third and final phase of the 15-year Comprehensive Development Plan Agreement and the \$39 million Federal Development Strategy for Prince Edward Island that provides for co-ordinated implementation of federal programs designed specifically for the province.

The Federal Development Strategy, which involves the participation of six federal departments including DREE, will provide the framework for continued federal contribution to economic development on Prince Edward Island after termination of the Comprehensive Development Plan Agreement in 1984.

A federal management committee, chaired by MSERD and having representation from the departments of Regional Economic Expansion and Industry, Trade and Commerce; Agriculture; Transport; Fisheries and Oceans; and Energy, Mines and Resources, has been established by Treasury Board to ensure co-ordination of program planning.

DREE expenditures during 1982-83 under the Comprehensive Development Plan totalled \$13 597 599 and under the Federal Development Strategy for Prince Edward Island totalled \$3 600 324.

SELECTED DREE PROGRAMS UNDER THE FEDERAL DEVELOPMENT STRATEGY FOR PRINCE EDWARD ISLAND

From April 1, 1981 to March 31, 1984, DREE will allocate \$10.8 million to the implementation of economic development programs under the Federal Development Strategy for Prince Edward Island.

Small Business Assistance Program

The objectives of the program are to encourage the development of the small business sector on Prince Edward Island by providing financial assistance for capital projects which are not currently eligible for assistance under existing federal programs, and to generate employment and income

opportunities within the small business sector. During the year 25 projects were offered assistance totalling \$257 033.

Acadian Community Development Program

The objective of the program is to encourage francophone individuals and groups to initiate economic projects that contribute to the development and strengthening of the French language and Acadian culture on Prince Edward Island. During the year 33 projects were offered assistance totalling \$290 029.

Community Industrial Support Program

The objective of the program is to encourage Area Industrial Commissions in Prince Edward Island to promote, co-ordinate and implement economic development activities in the communities within their jurisdiction. During the year 17 projects were offered assistance totalling \$501 103.

Community Assistance Program

The objective of the program is to encourage municipalities not currently within the jurisdiction of an Area Industrial Commission to undertake economic development activities. During the year 7 projects were offered assistance totalling \$139 226.

Urban Development Program

Under this program \$3.1 million was committed to cover the entire cost of building the southern section of Harbour Drive in Summerside. Once completed, Harbour Drive will link the downtown shopping area and the waterfront into a geographic and commercial unit, speed traffic flow, increase parking space and substantially revitalize the town's central core.

SELECTED PROGRAMS UNDER THE COMPREHENSIVE DEVELOPMENT PLAN

From April 1, 1981 to March 31, 1984, DREE will contribute \$41 million to the implementation of programs under the Prince Edward Island Comprehensive Development Plan.

Agriculture

Agricultural programs in 1982-83 continued efforts to strengthen existing family farms and encourage new farmers to enter the industry. Since 1969, approximately 70 per cent of Prince Edward Island farmers have received capital assistance to expand, modernize, diversify or establish new operations.

During the year the Commodity Development Incentives Program provided assistance for more selective development in the agriculture industry.

Tourism

During the year assistance was provided towards the construction of a convention centre in Charlottetown and for a study into the feasibility of establishing a Culinary Institute on Prince Edward Island. The other cost-shared projects are travel sales development and tourism industry development. Their objectives are to promote marketing and development of the tourist sector. These latter activities will continue to be cost-shared and will be coordinated with the programs being delivered directly by the Canadian Government Office of Tourism.

Forestry

Programs to improve the quality and use of forests, initiated during Phase II of the Comprehensive Development Plan, were continued in 1982-83.

The forest resource incentive program has received strong support from the private sector, resulting in 550 approved forestry management plans.

During the year approximately 500 hectares of forest were upgraded through the planting of selected, improved seedlings.

Market and Product Development

This program helps to finance the Market Development Centre which assists producers, processors, and manufacturers in gaining access to the marketing services necessary to compete more successfully. In addition, it promotes new products, develops sales methods, and assists in improving sales of island products in new markets.

Transportation

Construction on five all-weather collector roads was carried out during the year. All projects were part of a highway construction program developed jointly by DREE and the provincial government.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during the fiscal year was as follows:

Net accepted offers	19
Number of jobs expected to be created	52
Eligible capital investment associated with offers	\$ 4 401 000
DREE commitment through these offers	\$ 1 114 000
Total payments 1981-82	\$ 1 604 735

NOVA SCOTIA

As of March 31, 1983, 16 subsidiary agreements had been signed under the GDA. Following is a brief description of activities under subsidiary agreements and other programs in 1982-83.

SUBSIDIARY AGREEMENTS UNDER THE GDA

Strait of Canso Area Development

Duration: 31/03/75 to 31/03/84

Costs shared by:

DREE	\$ 22 503 400
Provincial government	7 554 100
Total estimated cost	\$ 30 057 500

DREE expenditure to date	\$ 20 381 000
DREE expenditure 1982-83	\$ 887 000

The agreement is designed to equip the Strait of Canso region with support infrastructure to enhance the value of its deep water port and other industrial location attributes. Current development efforts are concentrated on supply base support for offshore gas activity, service and other spin-offs from this industry and heavy industry prospects. Funds are provided to maintain a promotion and development agency, the Strait of Canso Development Authority.

Industrial Development

Duration: 22/06/76 to 31/03/83

Costs shared by:

DREE	\$ 19 031 200
Provincial government	4 757 800
Total estimated cost	\$ 23 789 000

DREE expenditure to date	\$ 18 864 000
DREE expenditure 1982-83	\$ 245 000

This agreement was designed to support the development of new employment opportunities in the secondary and tertiary sectors of the Nova Scotia economy; to encourage the development, expansion and efficiency of indigenous enterprises; and to

Increase the variety of employment opportunities available, with emphasis on higher-skill and higher-wage employment, particularly in certain intermediate-sized communities.

The agreement provided for industrial parks in the following growth potential areas: Amherst, Bridgewater, Debert, Kentville, Stellarton and Windsor. Construction was completed in all these parks during the year. Multi-purpose industrial mall facilities have been opened at Debert and Kentville.

Tourism

Duration: 01/04/77 to 31/03/83

Costs shared by:

DREE	\$ 11 000 000
Provincial government	2 750 000
Total estimated cost	\$ 13 750 000

DREE expenditure to date	\$ 10 736 000
DREE expenditure 1982-83	\$ 1 168 000

The objectives of the agreement were to create employment opportunities and to increase income from further development of the tourism industry. Two programs were included in the agreement. The first encompassed various province-wide projects aimed at promoting the industry within Nova Scotia, improving the efficiency of the industry and expanding it where possible and desirable, and extending the tourism season. The second program related directly to the development of designated destination areas. Projects included the construction or expansion of major attractions; provision of suitable attractions for day trips; and coordination of planning, promotion and implementation efforts within the destination areas.

Halifax Panamax Dry Dock

Duration: 22/01/80 to 31/03/85

Costs shared by:

DREE	\$ 43 900 000
Provincial government	13 700 000
Total estimated cost	\$ 57 600 000

DREE expenditure to date	\$ 43 241 000
DREE expenditure 1982-83	\$ 7 942 000

This agreement calls for joint participation in a program to provide key marine infrastructure to the port of Halifax, particularly a Panamax-type floating dry dock, dock mooring and servicing facilities, and ancillary equipment for ship repair and metal fabrication. Construction of the floating dry dock and related infrastructure is

nearing completion. Commissioning of the dry dock is expected in late 1983.

Assistance to Michelin Tires (Canada) Ltd.

Duration: 07/06/80 to 31/12/90

Costs shared by:

DREE	\$ 42 000 000
Provincial government	14 000 000
Total estimated cost	\$ 56 000 000

DREE expenditure to date	Nil
DREE expenditure 1982-83	

This agreement provides for the company's operations at Granton and Bridgewater. It also enables the company to implement significant productivity improvements, including CAD/CAM facilities at its two original plants, and to establish a new tire manufacturing plant at Waterville.

Modernization of Facilities at the Sydney Steel Corporation

Duration: 01/04/81 to 31/03/84

Costs shared by:

DREE	\$ 77 000 000
Provincial government	19 250 000
Total estimated cost	\$ 96 250 000

DREE expenditure to date	\$ 13 844 000
DREE expenditure 1982-83	\$ 12 008 000

The objectives of the agreement are to assist the province to maintain employment levels consistent with efficient plant operations and to improve the financial position at the Sydney Steel Corporation through the provision of a capital works program which will ensure a physical plant capable of working efficiently.

Pulp and Paper Modernization

Duration: 23/05/81 to 31/03/84

Costs shared by:

DREE	\$ 17 000 000
Provincial government	4 250 000
Total estimated cost	\$ 21 250 000

DREE expenditure to date	\$ 2 458 000
DREE expenditure 1982-83	\$ 2 458 000

Capital investment of approximately \$121 million in mill modernization, pollution abatement, and energy cost-reduction projects, is expected to be encouraged by incentives provided under this agreement. The agreement is intended to assist Nova Scotia mills in maintaining their competitive

position and enable the mills to meet current pollution-control requirements. Incentives have been approved for three companies and implementation is on schedule.

Ocean Industry Development

Duration: 24/07/81 to 24/07/86

Costs shared by:

DREE	\$ 22 950 000
Provincial government	12 050 000
Total estimated cost	<u>\$ 35 000 000</u>

DREE expenditure to date	\$ 899 000
DREE expenditure 1982-83	\$ 816 000

This agreement, the first major initiative in Canada relating to ocean industry, consists of two groups of programs funded individually by the federal and provincial governments and carried out jointly under the umbrella of the GDA. The objectives of the agreement are to stimulate the growth of a complex of medium-to-high-technology ocean manufacturing and service industries and to provide support for applied research and technology transfer to enable Nova Scotia to become a true centre of excellence in the ocean industry sector.

The federal program consists of capital and marketing assistance grants, assistance for ocean industry trade associations, an incubator mall for fledgling ocean industries, and an Ocean Industry Development Office to undertake promotion, development and coordination of federal programs. The provincial program provides grant assistance for municipal taxes, development of an ocean industry park, and an innovation centre to provide business management and advice to ocean industries.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during the fiscal year was as follows:

Net accepted offers	48
Number of jobs expected to be created	715
Eligible capital investment associated with offers	\$ 18 990 000
DREE commitment through these offers	\$ 6 876 000
Total payments 1982-83	\$ 9 596 000

NEW BRUNSWICK

As of March 31, 1983, 21 subsidiary agreements had been signed under the GDA. Following is a brief description of activities under subsidiary agreements and other programs during 1982-83.

SUBSIDIARY AGREEMENTS UNDER THE GDA

Saint John and Moncton Arterial Highways

Duration: 17/02/75 to 31/03/83

Costs shared by:

DREE	\$ 35 840 000
Provincial government	15 360 000
Total estimated cost	<u>\$ 51 200 000</u>

DREE expenditure to date	\$ 33 821 111
DREE expenditure 1982-83	\$ 516 800

The elements of this agreement include the completion of the Saint John Throughway, the Shediac to Moncton Highway, and construction of Wheeler Boulevard in Moncton.

Responsibility for this subsidiary agreement was transferred to Transport Canada on September 1, 1982.

Northeast New Brunswick

Duration: 23/06/77 to 31/03/84

Costs shared by:

DREE	\$ 67 175 000
Provincial government	28 325 000
Total estimated cost	<u>\$ 95 500 000</u>

DREE expenditure to date	\$ 45 887 329
DREE expenditure 1982-83	\$ 7 107 273

During this fiscal year, a contribution of \$1.6 million was made for the purchase of CAD/CAM equipment at the Bathurst Community College. This equipment will link the college to the Manufacturing Technology Centres established across the province and enable the business community to access this new technology.

An amount of \$1.4 million was allocated to tourism projects in the Restigouche area. These projects, consisting of a summer slide and campground upgrading at the Sugarloaf and Eel River parks, will be open to the public during the summer of 1984.

Two marine service centres in Bas-Caraquet and Shippegan also received funding of \$4.9 million. Once these projects are completed in the spring of 1984, fishermen will be able to haul out the vessels much more rapidly for repair and storage.

Development of Agricultural Resources

Duration: 01/04/78 to 31/03/83

Costs shared by:

DREE	\$ 27 698 000
Provincial government	6 924 500
Total estimated cost	<u>\$ 34 622 500</u>

DREE expenditure to date	\$ 19 586 833
DREE expenditure 1982-83	\$ 113 250

This was the second subsidiary agreement on agriculture signed with New Brunswick. The objective of the agreement was to maximize the contribution of agricultural and related sectors to provincial output, earned income and employment. Separate commodity strategies were developed and targets set for potatoes, fruits and vegetables, and livestock and livestock feeds. Specific goals were to increase volume and efficiency, expand processing and improve marketing.

Responsibility for this subsidiary agreement was transferred to Agriculture Canada on September 1, 1982.

Developing Regions

Duration: 17/05/79 to 31/03/83

Costs shared by:

DREE	\$ 20 401 500
Provincial government	5 872 500
Total estimated cost	<u>\$ 26 274 000</u>

DREE expenditure to date	\$ 9 979 420
DREE expenditure 1982-83	\$ 3 712 338

This agreement was designed to accelerate the economic and socio-economic development of certain areas in the province not covered by other regional agreements. Special emphasis was given to urban centres with growth potential. The programs, complementary to those under existing sectoral agreements, were aimed at the creation and maintenance of employment, income and economic activity.

In 1982-83, a major \$1.8 million tourism attraction, the Grand Falls Gorge development, received approximately \$582 000 towards the construction of two visitor centers. Under the municipal development program, a further

\$2.38 million was contributed toward municipal infrastructure projects in the Northwest and Miramichi regions of the province.

Forestry Development

Duration: 01/04/80 to 31/03/84

Costs shared by:

DREE	\$ 30 000 000
Provincial government	7 500 000
Total estimated cost	<u>\$ 37 500 000</u>

DREE expenditure to date	\$ 13 378 386
DREE expenditure 1982-83	\$ 1 366 224

The primary objective of this agreement is intensive silvicultural treatment of forest lands to sustain a long-term wood supply. The main emphasis is on softwood species.

Responsibility for this subsidiary agreement was transferred to the Canadian Forestry Service of Environment Canada on September 1, 1982.

Pulp and Paper

Duration: 27/08/80 to 31/03/84

Costs shared by:

DREE	\$ 33 800 000
Provincial government	8 450 000
Total estimated cost	<u>\$ 42 250 000</u>

DREE expenditure to date	\$ 23 740 966
DREE expenditure 1982-83	\$ 6 288 122

Developed through a federal-provincial planning exercise in which DREE and the Department of Industry, Trade and Commerce were the federal participants, this agreement recognizes the need for extensive modernization and cost-reduction programs in New Brunswick's pulp and paper industry, particularly in the older mills situated in the northern part of the province.

Seven of the province's mills have applied for incentive assistance under the agreement. Total capital investment by these mills will exceed \$500 million if the full \$42.25 million in assistance is taken up. To date, four mills have signed agreements with the federal and provincial governments.

The Boise Cascade Canada Ltd. pulp mill at Newcastle will receive a \$4 million incentive toward modernization. Boise Cascade will invest \$41 million for capital improvements in the areas of process modernization, pollution abatement and energy conservation.

NBIP Limited will receive \$12.5 million toward modernization of its newsprint mill at Dalhousie. Total cost of the company's modernization project is \$160.4 million.

St. Anne Nackawic Pulp and Paper Ltd. will receive a \$5 million incentive toward its pulp mill modernization. Total cost of the company's modernization project is \$62.2 million.

Fraser Incorporated of Edmundston will receive a \$17 million incentive in support of a \$169 million modernization of its Atholville mill. The three-pronged modernization program encompasses updating of equipment, pollution control and measures to improve efficiency of energy use.

Saint John Market Square Development

Duration: 14/10/80 to 31/03/83

Costs shared by:

DREE	\$ 8 085 800
Provincial government	2 021 500
Total estimated cost	<u>\$ 10 107 300</u>

DREE expenditure to date	\$ 2 887 748
DREE expenditure 1982-83	\$ 800 910

This agreement was designed to assist in the redevelopment of the downtown core area of the city of Saint John. The agreement provided contributions toward the construction of the trade centre and hotel components of a central building complex. During 1982-83, the trade centre was completed.

Responsibility for this subsidiary agreement was transferred to Public Works Canada on September 1, 1982.

Modernization of the Consolidated - Bathurst Inc. Facility at Bathurst, New Brunswick

Duration: 30/03/82 to 31/03/89

Costs shared by:

DREE	\$ 19 600 000
Consolidated-Bathurst	175 000 000
Provincial government	4 900 000
Total estimated cost	<u>\$199 500 000</u>

DREE expenditure to date	\$ 9 894 055
DREE expenditure 1982-83	\$ 8 774 055

The purpose of this agreement is to enable the federal and provincial governments and the company to implement an investment program and thereby maintain employment opportunities, and to encourage appropriate industrial and commercial development in the area.

The agreement is to be the catalyst for a modernization investment of \$175 million by Consolidated-Bathurst Inc. Under the modernization plan, the kraft operation at the Bathurst mill will be terminated. In its place, the company will construct a 400-tonne-per-day thermo-mechanical pulp plant, at a cost of \$98 million. The plant will come on stream in 1983.

During the period from 1981 to 1987, \$7 million will be spent upgrading the corrugating medium plant. An additional \$60 million will be spent to buy a new corrugating medium machine that will start production in 1988.

The entire plant will be brought up to federal-provincial environmental standards at an estimated cost of \$10 million.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during 1982-83 was as follows:

Net accepted offers	18
Number of jobs expected to be created	536
Eligible capital investment associated with offers	\$ 30 183 000
DREE commitment through these offers	\$ 7 996 000
Total payments 1982-83	\$ 10 035 234

Q U E B E C

DREE spent \$127.8 million in Quebec in 1982-83. Of this, \$30.2 million was spent on Canada-Quebec subsidiary agreements, and over \$87 million on incentives and contributions to manufacturing firms.

As of March 31, 1983, 10 subsidiary agreements were in effect under the GDA. Following is a brief description of the activities carried out under the subsidiary agreements administered by the department and other programs during 1982-83.

The Magdalen Islands economic development program, announced in 1980-81, continued in 1982-83. Among the projects undertaken was an incentives program better adapted to the specific needs of the region's small and medium-sized businesses.

Under the various incentives programs for manufacturing firms, including the Magdalen

Islands enterprise assistance program, 227 Quebec manufacturing firms received offers of financial assistance; this should give rise to investments totalling \$150.6 million and lead to the creation of 2 176 jobs. DREE assistance to all these firms represented commitments totalling \$29.1 million in 1982-83.

On September 13, 1982, the department announced an assistance program for nautical infrastructure within the framework of the Quebec 1534-1984 celebrations. This program is designed to provide financial assistance for the development and expansion of ports of refuge along the St. Lawrence. Eleven priority sites have been identified. The total cost of the program will be \$9 million although no expenditures were made in 1982-83.

SUBSIDIARY AGREEMENTS UNDER THE GDA

Industrial Infrastructure

Duration: 26/03/75 to 31/03/84

Costs shared by:

DREE	\$ 82 602 000
Provincial government	55 068 000
Total estimated cost	<u>\$137 670 000</u>

DREE expenditure to date	\$ 54 614 000
DREE expenditure 1982-83	\$ 5 903 000

This agreement consists of a financial assistance program to enable municipalities to set up or improve their industrial infrastructure. The program has facilitated the creation and expansion of industrial parks, as well as the establishment of well equipped industrial fishery parks in the Gaspé and on the North Shore. Support is also available for municipalities that do not have the infrastructure needed for an industrial project.

In 1982-83, the implementation of the various projects approved under the agreement went ahead as planned, with the exception of activities in the fishery sector, where revamped provincial policies and programs made it necessary to postpone the implementation of certain major projects for another year.

DREE expenditures in 1982-83 totalled \$2.6 million for industrial park development, \$11 800 for fishery parks and \$3.3 million for special projects.

Tourism Development

Duration: 06/04/78 to 31/03/84

Costs shared by:

Government of Canada	\$ 69 600 000
Provincial government	66 400 000
Total estimated cost	<u>\$136 000 000</u>

DREE expenditure to date	\$ 40 925 000
DREE expenditure 1982-83	\$ 9 029 000

The agreement's overall objectives are to increase and diversify tourist attractions in order to increase the number of out-of-province visitors and encourage Quebecers to make greater use of their own province's tourist facilities. Specific programs include tourist promotion and the creation of tourist parks, the restoration of historic sites and buildings, the modernization of museums, the development of tourist stopovers, and the creation or improvement of open-air centres and holiday camps.

Through this agreement \$24 million was contributed to the funding of the Palais des Congrès in Montreal.

Public Infrastructure

Duration: 16/05/78 to 30/09/82

Costs shared by:

DREE	\$ 23 032 500
Employment and Immigration	228 500
Provincial government	11 615 000
Total estimated cost	<u>\$ 34 876 000</u>

DREE expenditure to date	\$ 20 207 000
DREE expenditure 1982-83	\$ 98 000

The purpose of this agreement is to contribute to municipal infrastructure projects that will create short-term employment and stimulate economic growth. The 22 municipalities targetted by the agreement are located in areas of high unemployment. Projects include the construction or improvement of water and sewage systems; construction of filtration plants; the provision of services for industrial zones; and the construction of roads, trailer parks and recreational facilities. The only project initiated in 1982-83 was the one in Parent; all the others had been completed.

Modernization of the Pulp and Paper Industry

Duration: 15/05/79 to 31/03/84

Costs shared by:

DREE	\$135 000 000
Provincial government	105 000 000
Total estimated cost	<u>\$240 000 000</u>

DREE expenditure to date	\$ 38 260 000
DREE expenditure 1982-83	\$ 13 384 000

The pulp and paper industry is the most important component of Quebec's forest industry. Over the past decade, however, economic factors have weakened the industry's competitive position on the international market.

Through this agreement, the two governments hope to promote the modernization of mills in order to make them more competitive. In order to encourage companies to increase their investments, financial assistance is provided in the form of direct incentives of up to 25 per cent of eligible assets. Incentives are granted primarily for improvements designed to reduce production costs and for the installation of equipment that will protect the environment and conserve energy.

In 1982-83, DREE committed approximately \$122 million in incentives to 21 Quebec businesses, including Gaspésia Ltd. in Gaspé, Domtar in Roberval, Donohue in Charlevoix, Reed Ltd. in Limoulu, Glassine Canada Inc. in Quebec City, Papiers Perkins Ltd. in La Prairie, James MacLaren Ltd. in Gatineau, Papier Q.N.S. Ltd. in Manicouagan and several plants belonging to Abitibi-Price Ltd., C.I.P. Ltd., Papiers Scott Ltd., Rolland Inc. and Kruger Inc.

Establishment of a Newsprint Mill in Amos

Duration: 24/07/80 to 31/03/83

Costs shared by:

DREE	\$ 25 500 000
Provincial government	17 000 000
Total estimated cost	<u>\$ 42 500 000</u>

DREE expenditure to date	\$ 25 500 000
DREE expenditure 1982-83	\$ 423 000

Under this agreement, the two governments have contributed to the establishment of the Donohue-Normick newsprint mill in Amos, and to the implementation, by the municipal corporations of Amos and Amos-Est, of the residential infrastructure required to accommodate the larger population resulting from the establishment of the plant.

The construction of the mill, which has an annual capacity of 160 000 metric tonnes, began in the fall of 1980 and was completed in the spring of 1982. The mill went into operation in March 1982, according to schedule, only 20 months after construction began. Moreover, it should be pointed out that, despite hard economic times and high interest rates, the project was completed within the estimated \$190 million budget. The mill, which uses pulp made entirely by a thermo-mechanical process, has created 700 direct and indirect jobs.

In Amos, all the residential infrastructure activities, except the paving of roads, have been completed, making it possible to service nearly 200 homes.

Société Inter-Port de Québec

Duration: 03/07/81 to 31/03/84

Costs shared by:

DREE	\$ 5 550 000
Provincial government	3 700 000
Total estimated cost	<u>\$ 9 250 000</u>

DREE expenditure to date	\$ 1 502 000
DREE expenditure 1982-83	\$ 1 187 000

The Société Inter-Port (SIP) contributes to the industrial development and promotion of the Quebec City area by focusing on projects likely to derive benefit from the port infrastructure. The Quebec government controls 60 per cent of the SIP, while the federal government controls the remaining 40 per cent. However, under the agreement, the federal government will contribute 60 per cent of investments, while the province will contribute 40 per cent.

The company's main objectives are to strengthen and diversify the economic structure of the metropolitan Quebec City area and to improve opportunities for employment. It supports the private sector and encourages investment that will have a major impact on the region's economy.

In 1982-83, the SIP stepped up its efforts to acquire land at Pointe-de-la-Martinière. Thirty-four of the expropriation projects were settled; this represents 65 per cent of the 52 properties to be acquired.

During 1982-83, the SIP also contributed to the establishment of the Eastern Canada Timber Exporting Consortium. This was a first success arising from extensive lobbying of the region's business community in an effort to encourage them to group and create new consortia for common

purchasing, marketing and shipping services for industries in certain target sectors.

In addition, in keeping with its responsibility of ensuring greater cooperation between the various economic agents, the SIP was a prime mover in the creation of a coordinating committee grouping ten of the region's economic development organizations.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Regional Development Incentives Act

Activity under the Regional Development Incentives Act during 1982-83 was as follows:

Net accepted offers	137
Number of jobs expected to be created	875
Eligible capital investment associated with offers	\$ 71 483 000
DREE commitment through these offers	\$ 16 171 000

Montreal Special Area

The aim of this program is to accelerate the development of Quebec's industrial structure by strengthening the role of the Montreal area as the centre of manufacturing development in the province.

In 1982-83, activity under this program was as follows:

Net accepted offers	82
Number of jobs expected to be created	1 277
Eligible capital investment associated with offers	\$ 68 257 000
DREE commitment through these offers	\$ 12 535 000

During the 1982-83 fiscal year, DREE expenditures in Quebec through regional development incentives programs totalled \$86.6 million; \$45.5 million of this was spent through the Montreal Special Area program.

MAGDALEN ISLANDS ECONOMIC DEVELOPMENT PROGRAM

Compared with the other regions of Quebec, the Magdalen Islands still do not enjoy the level of economic development needed to help ease the chronic unemployment plaguing the region. The islands' geographic location is one of the reasons for this sluggish economic growth. DREE is well aware of this situation and, with the participation of other federal departments, has

implemented a program aimed primarily at improving the living conditions of the local population and creating and maintaining permanent jobs in order to lower unemployment and reduce the number of people leaving the islands.

The initial program represented a commitment of \$13.7 million. During 1982-83, this commitment was increased by \$5.6 million. There are seven program elements, three of which are managed by Fisheries and Oceans, Transport Canada and Agriculture Canada. The other four elements are managed by DREE and make it possible to provide financial assistance to manufacturing firms, tourism concerns, and organizations wishing to carry out economic development projects or economic studies.

Activity under the industrial incentives program during 1982-83 was as follows:

Net accepted offers	10
Number of jobs expected to be created	25
Eligible capital investment associated with offers	\$ 916 000
DREE commitment through these offers	\$ 458 000
Total payments 1982-83	\$ 511 000

O N T A R I O

By March 31, 1983, 11 subsidiary agreements had been signed with Ontario under the GDA. Seven agreements are currently active; six under DREE's management and one under the management of the Canadian Forestry Service (CFS) of Environment Canada. The forest management agreement was transferred to CFS as at September 30, 1982. No DREE expenditures occurred under this agreement for the 1982-83 fiscal year.

During the 1982-83 fiscal year, DREE expenditures in the Ontario Region totalled \$29 million. Included in this amount are program expenditures of \$19.2 million for subsidiary agreement activity and \$6.3 million for industrial incentives.

More than 270 new jobs and capital investments of almost \$12 million are anticipated as a result of 1982-83 activity under the regional development incentives program. During the year, 28 incentives offers were accepted. Assistance under the program is available to firms initiating manufacturing or processing projects and to firms

expanding or modernizing existing operations in designated portions of Ontario.

A brief description of DREE activity under active subsidiary agreements and under the regional development incentives program follows.

SUBSIDIARY AGREEMENTS UNDER THE GOA

Northeastern Ontario

Duration: 25/03/76 to 31/03/83

Costs shared by:	
DREE	\$ 13 799 000
Canada Mortgage and Housing Corporation	1 497 000
Provincial government	15 295 000
Total estimated cost	<u>\$ 30 591 000</u>

DREE expenditure to date	\$ 11 634 000
DREE expenditure 1982-83	\$ 1 362 000

Under this agreement, steps are being taken to strengthen the urban system of northeastern Ontario by alleviating constraints to development in selected key urban areas and by concentrating new economic activity in these areas. To date, area programs under this agreement have been developed for Parry Sound, Timmins, Sudbury, North Bay and Valley East.

During the 1982-83 year, final sewage and water hook-ups to the existing municipal system were completed in Valley East. Similarly, final sewer pump modifications and hook-up to the existing municipal system were completed under the sewers sub-program of the Sudbury area infrastructure program.

Under the North Bay area program, final water and sewer testing and the remaining underground work along Lakeshore Drive were completed in 1982-83, along with the pumping station, water standpipe, paving, and storm sewer works. The road access and storm drainage projects are currently under way.

Development programs in the Parry Sound and Timmins areas were completed in previous fiscal years.

Single-Industry Resource Communities

Duration: 18/10/76 to 31/03/84

Costs shared by:	
DREE	\$ 9 383 630
Indian Affairs and Northern Development	314 908
Ministry of Transport	150 000
Canada Mortgage and Housing Corporation	366 462
Provincial government	9 585 000
Total estimated cost	<u>\$ 19 800 000</u>

DREE expenditure to date	\$ 8 425 000
DREE expenditure 1982-83	\$ 281 000

This agreement is designed to diversify and stabilize the economies of single-industry resource communities in northern Ontario and to initiate programs aimed at easing the social and economic problems characteristic of single-industry towns.

Projects under this agreement are rapidly nearing completion. In March 1983, the agreement was amended to include the extension of water and sewer services from the town of Longlac to the Indian Reserve No. 58 community. Funding was provided from existing agreement contingency funds.

The agreement was also extended to terminate on March 31, 1984.

Community and Rural Resource Development

Duration: 07/12/77 to 31/03/85

Costs shared by:	
DREE	\$ 12 728 000
Provincial government	15 828 000
Total estimated cost	<u>\$ 28 556 000</u>

DREE expenditure to date	\$ 4 397 000
DREE expenditure 1982-83	\$ 656 000

The initial phase of the agreement, the Upper Ottawa Valley program, is designed to increase employment opportunities and incomes in the resource and manufacturing industries of Renfrew County. Program elements include forest and mineral resource assessments, industrial land development studies, and assistance to establish a county-wide economic development organization. Subsequent amendments provide for a program for new forests in eastern Ontario and a geoscientific surveys program in Kirkland Lake.

Under the Upper Ottawa Valley program, the county-wide economic development association has involved itself in numerous local economic initiatives. Of particular local interest was the commissioning of a manufacturing opportunities study which is intended to assist the area in developing a stronger economic base for the future. The findings of the Industrial land development studies project led to federal-provincial discussions concerning the need for an industrial park in Pembroke. An amendment to include a Pembroke area infrastructure program under this agreement was signed in April 1982, in which a federal contribution of \$8 million was allocated.

Work is well under way on five major projects under the program for new forests in eastern Ontario. These include hybrid poplar development, hardwood forest renewal, and forest and agricultural resource inventories.

Under the Kirkland Lake program, the airborne geophysical survey and the resulting data series maps continue to generate substantial mineral exploration activity in the Swastika, Kirkland Lake, Virginiatown and Larder Lake areas.

Pulp and Paper Industry Facilities Improvement

Duration: 15/05/79 to 31/03/84

Costs shared by:

DREE	\$ 60 000 000
Provincial government	120 000 000
Total estimated cost	<u>\$180 000 000</u>

DREE expenditure to date	\$ 51 609 000
DREE expenditure 1982-83	\$ 9 891 000

The purpose of this agreement is to stimulate private sector investment in the province's pulp and paper industry by the provision of incentives for mill modernization, energy conservation and pollution-abatement measures. The agreement is designed to encourage the industry to make the investments necessary to meet environmental requirements and to improve its competitive position in international markets.

Nine major pulp and paper companies have signed agreements to receive assistance under the program.

By the end of the year under review, expenditures by the companies had exceeded \$1.2 billion.

The program is progressing well and is meeting its objectives. It is anticipated that DREE's maximum contribution of \$60 million will be instrumental in spurring corporate investment of some \$2 billion during the lifespan of the agreement.

Eastern Ontario

Duration: 20/12/79 to 31/03/84

Costs shared by:

DREE	\$ 25 175 000
Provincial government	25 175 000
Total estimated cost	<u>\$ 50 350 000</u>

DREE expenditure to date	\$ 17 436 000
DREE expenditure 1982-83	\$ 5 018 000

The agreement is designed to help stabilize, diversify and expand the economic base of rural eastern Ontario by developing and ensuring the long-term viability of the natural resource base and by stimulating private investment in the region. Assistance has been allocated for agriculture, forestry, minerals, tourism and small business incentives.

Approximately \$3.2 million of federal-provincial funds in forgivable loans was offered to 51 enterprises during the 1982-83 fiscal year. As a result of these incentives, \$11.7 million of private sector investment was levered, creating potential for establishing an estimated 667 full-time jobs.

Forest-renewable operations continued to provide part-time employment for local residents during the winter months. Gradiometer survey technology, transferred from government to the private sector, stimulated mineral exploration through air surveys of mineral potential in eastern Ontario.

In addition, the construction of 29 municipal drains was approved under this agreement during 1982-83.

Northern Rural Development

Duration: 02/03/81 to 31/03/84

Costs shared by:

DREE	\$ 9 250 000
Indian Affairs and Northern Development	750 000
Provincial government	8 500 000
Total estimated cost	<u>\$ 18 500 000</u>

DREE expenditure to date	\$ 2 114 000
DREE expenditure 1982-83	\$ 1 984 000

The intent of this agreement is to expand and diversify the economic base of rural northern Ontario by stimulating small-scale, local entrepreneurial activity - an essential element in the long-term development of the north. Financial assistance is available for a range of economic activities, including agriculture, natural resources, tourism and small business development.

To the end of March 1983, a total of 357 projects were approved for assistance, representing a total federal commitment of over \$6.8 million.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

All of northern Ontario, including the districts of Parry Sound and Nipissing, and the Renfrew-Pembroke area of eastern Ontario are eligible for assistance under the Regional Development Incentives Act.

Activity under the regional development incentives program during 1982-83 was as follows:

Net accepted offers	28
Number of jobs expected to be created	278
Eligible capital investment associated with offers	\$ 11 892 000
DREE commitment through these offers	\$ 2 761 000
Total payments 1982-83	\$ 6 320 000

M A N I T O B A

As of March 31, 1983, nine subsidiary agreements had been signed under the GDA. Following is a brief description of activities under subsidiary agreements and other programs during 1982-83.

SUBSIDIARY AGREEMENTS UNDER THE GDA

Northern Development Agreement

Duration: 29/11/82 to 31/03/87

Costs shared by:	
DREE	\$ 62 800 000
Employment and Immigration	40 000 000
Indian Affairs and Northern Development	22 200 000
Provincial government	61 200 000
Total estimated cost	\$186 200 000

DREE expenditure to date	\$ 1 597 000
DREE expenditure 1982-83	\$ 1 597 000

The objectives of this agreement are to develop locally-based income and employment opportunities in northern and remote communities and to increase the participation of the northern labour force, particularly in major resource sectors, by removing constraints to human and economic development. The programs within the agreement focus on community economic development, human

development and community improvement. The agreement is designed to put local residents in a position of readiness to take advantage of future economic developments in northern Manitoba. Co-ordination among parties to the agreement is to facilitate measures of preparation for employment, the identification of emerging opportunities and the placement of trained workers in a range of resource developments and technical, professional and service jobs.

Industrial Development

Duration: 01/04/78 to 31/03/83

Costs shared by:

DREE	\$ 26 400 000
Provincial government	17 600 000
Total estimated cost	\$ 44 000 000

DREE expenditure to date	\$ 11 644 000
DREE expenditure 1982-83	\$ 4 622 000

The objectives of this agreement are to accelerate the industrial development process in the province through knowledge and promotion of industrial opportunities and through technology transfers, to support small business and to offset industrial infrastructure costs associated with plant location.

Priority industries which are significant to the province's economy are food and beverages, health care products, light machinery, transportation equipment, aerospace and electronics.

Value-Added Crops Production

Duration: 01/04/79 to 31/03/84

Costs shared by:

DREE	\$ 11 100 000
Provincial government	7 400 000
Total estimated cost	\$ 18 500 000

DREE expenditure to date	\$ 3 780 000
DREE expenditure 1982-83	\$ 820 000

The purpose of this agreement is to accelerate the expansion of value-added crops production and conversion of crops through livestock into red meats. This is to be achieved by stimulating the production of crops grown mainly for industrial processing, by encouraging improvement in the efficiency of forage production and livestock feeding, and by providing measures to remove constraints to production of value-added crops.

DREE expenditure for 1982-83 terminated on October 13, 1982 with the transfer of the agreement to Agriculture Canada.

Tourism Development

Duration: 01/04/79 to 31/03/84

Costs shared by:

DREE	\$ 12 000 000
Provincial government	8 000 000
Total estimated cost	<u>\$ 20 000 000</u>

DREE expenditure to date	\$ 1 814 825
DREE expenditure 1982-83	\$ 479 717

The overall objective of this agreement is to strengthen the destination areas in the province and to improve the productivity of the tourism industry through joint industry and government action.

Water Development for Regional Economic Expansion and Drought Proofing

Duration: 30/05/80 to 31/03/84

Costs shared by:

DREE (PFRA)	\$ 5 350 000
Provincial government	3 600 000
Total estimated cost	<u>\$ 8 950 000</u>

DREE expenditure to date	\$ 3 450 000
DREE expenditure 1982-83	\$ 1 688 000

The Manitoba Affairs Office of PFRA is responsible for managing the federal interest in this interim agreement which includes studies to assess the effects of drought on present and future development and specific water supply projects. Drought sensitivity studies are being conducted by PFRA and by the Department of Agricultural Economics of the University of Manitoba under a contractual arrangement.

Studies of groundwater availability were continued. Both private contractors and PFRA staff and drilling equipment were involved in drilling and test-pumping.

The Assiniboine South-Hespeler area studies continued during the year. Two major projects are being examined: a diversion from the Assiniboine River to the La Salle River Basin to provide water for agricultural use, and provision of water by a major storage and diversion system from the Assiniboine River to the remainder of the Assiniboine South-Hespeler area. Such diversions, it is believed, would provide significant irrigation opportunities within the area.

DREE expenditures for 1982-83 terminated on March 4, 1982 with the transfer of the agreement to Agriculture Canada.

Winnipeg Core Area

Duration: 04/09/81 to 31/03/86

Costs shared by:

DREE	\$ 32 000 000
City of Winnipeg	32 000 000
Provincial government	32 000 000
Total estimated cost	<u>\$ 96 000 000</u>

DREE expenditure to date	\$ 5 002 000
DREE expenditure 1982-83	\$ 3 583 000

The Canada-Manitoba-Winnipeg Tripartite Agreement responds to the social, economic and neighbourhood conditions in the city's core. This area covers the downtown and surrounding older neighbourhoods of Winnipeg and accounts for one-fifth of the city's population. Historically, the area has played a major role in the development of Manitoba and the West. However, during the past 30 years of rapid suburban growth, its major strengths and opportunities have been overshadowed by social, economic and physical deterioration.

The objectives of the agreement are to provide increased employment opportunities; to encourage appropriate industrial, commercial and residential development and to revitalize the physical and social environment of the core area; and to facilitate the effective social and economic participation of core area residents in development opportunities.

These objectives will be pursued through a comprehensive and integrated set of programs including industrial and commercial development programs; an employment preparation and affirmative action program; and housing, community improvement, community facilities and community services programs designed to revitalize older residential neighbourhoods.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during 1982-83 was as follows:

Net accepted offers	47
Number of jobs expected to be created	588
Eligible capital investment associated with offers	\$ 29 129 000
DREE commitment through these offers	\$ 7 200 000
Total payments 1982-83	\$ 16 039 000

SPECIAL ARDA

The purpose of the Special ARDA agreement, entered into under the Agricultural and Rural Development Act (ARDA), was to assist in the economic development and social adjustment of residents of rural areas, particularly Native people who previously had little or no access to regular earnings and employment opportunities. Financial assistance was provided to eligible commercial undertakings or primary-producing activities for job creation and income improvement. The agreement has been extended to March 31, 1984.

DREE Special ARDA expenditures in 1982-83 in Manitoba were \$2 764 000.

S A S K A T C H E W A N

As of March 31, 1983, 12 subsidiary agreements had been signed under the GDA. Following is a brief description of activities under subsidiary agreements and other programs during 1982-83.

SUBSIDIARY AGREEMENTS UNDER THE GDA**Qu'Appelle Valley**

Duration: 01/04/74 to 31/03/84

Costs shared by:

DREE	\$ 7 743 680
Environment Canada	9 000 000
Parks Canada	1 200 000
Industry, Trade and Commerce	16 320
Provincial government	15 740 000
Total estimated cost	\$ 33 700 000

DREE expenditure to date	\$ 5 981 000
DREE expenditure 1982-83	\$ 1 440 000

The Qu'Appelle Valley is a major tourist attraction for Saskatchewan residents and, potentially, for out-of-province tourists.

The agreement has three main objectives: to ensure the long-term productivity of the Qu'Appelle Valley's recreation and tourism resource base; to increase the benefits from utilization of this resource base; and to improve the management of land and water resources. Environment Canada has a major role in the management of land and water resources through programs for river channel improvement, water quality monitoring and the control of flood-prone lands.

Some of the more successful recreational projects are those related to the production of waterfowl, the increase in sports fishing potential and the preservation of the white-tail deer population.

The tourist industry has received assistance through the commercial development incentives program under which financial assistance is made available for major renovations and new construction of tourist services and accommodation facilities. At the end of this fiscal year, a total of \$23 million had been spent on all elements of the agreement.

Northlands

Duration: 01/04/78 to 31/03/83

Costs shared by:

DREE	\$ 58 300 000
Ministry of Transport	12 500 000
Employment and Immigration	9 000 000
Indian Affairs and Northern Development	7 200 000
Provincial government	40 000 000
Total estimated cost	\$127 000 000

DREE expenditure to date	\$ 51 353 000
DREE expenditure 1982-83	\$ 8 677 000

This agreement essentially continues work initiated under the interim northlands agreement, which expired March 31, 1978. The objectives of the agreement are to provide options and opportunities for northerners to participate in social and economic development; to encourage the development of the natural resources of the area; and to provide the opportunity for northern residents to continue their way of life within an improved social and physical environment.

The major elements of the agreement are economic and resource development, human development, transportation and communication development and public information and consultation. This year, commitments under these elements totalled \$1.3 million, \$8.2 million, \$847 760 and \$163 120 respectively. The federal share of these committed funds amounts to \$6 297 246. Projects under these elements include Fur, Wildlife and Fish Resource Planning and Development; Economic Opportunity Identification and Assessment; Northern Business Options; Community-Based Social Development; Adult Career Development; Community Planning; Potable Water Supply and Sanitary Waste Disposal; Multi-purpose Community Facilities; Community Access Roads; and Program Review and Public Information.

Planning

Duration: 01/04/79 to 31/03/84

Costs shared by:

DREE	\$ 750 000
Provincial government	750 000
Total estimated cost	\$ 1 500 000

DREE expenditure to date	\$ 312 000
DREE expenditure 1982-83	\$ 88 000

The prime objectives of this second planning agreement are to identify and analyze economic opportunities; to conduct studies in the areas of urban social adjustment, community planning and mapping and core redevelopment in Saskatchewan; and to develop strategies, programs and subsidiary agreements pursuant to those opportunities and studies.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during 1982-83 was as follows:

Net accepted offers	15
Number of jobs expected to be created	246
Eligible capital investment associated with offers	\$ 11 309 000
DREE commitment through these offers	\$ 2 869 000
Total payments 1982-83	\$ 3 185 000

SPECIAL ARDA

The Special ARDA agreement, entered into under the Agricultural and Rural Development Act (ARDA), assisted people of native ancestry to develop new and better opportunities for improving their socioeconomic circumstances. Under this third Special ARDA agreement with Saskatchewan, geographic designation was extended to all parts of the province except the cities of Saskatoon and Regina.

The agreement expired on March 31, 1982; however, five months into this fiscal year, on September 7, 1982, a new two-year agreement was signed for a period ending on March 31, 1984. Due to uncertainty surrounding negotiations, the program did not become fully operational until late in the year, resulting in 26 offers with a federal commitment of \$944 000 for the 1982-83 period. To date, 1 060 offers have been made under Special ARDA with a total federal commitment of \$34.6 million.

A L B E R T A

By March 31, 1983, seven subsidiary agreements under the GDA had been signed with Alberta. Following is a brief description of activities under the current subsidiary agreement and other programs during 1982-83.

SUBSIDIARY AGREEMENTS UNDER THE GDA

Nutritive Processing Assistance

Duration: 19/08/81 to 31/03/85

Costs shared by:

DREE	\$ 14 000 000
Provincial government	14 000 000
Total estimated cost	\$ 28 000 000

DREE expenditure to date	\$ 1 098 897
DREE expenditure 1982-83	\$ 637 735

This agreement expands on the earlier nutritive processing assistance agreement which expired on June 30, 1981. Its objectives are to strengthen the economic viability of small rural communities, and encourage the further processing in Alberta of those nutritive products which have, or may achieve, a competitive position in national or export markets through development of new technology. To date, 72 offers totalling \$8.9 million have been accepted by companies in rural Alberta, with the expectation that 323 jobs will be created. Another 170 applications were being evaluated at the end of the year under review.

Projects assisted under this agreement include: meat, dairy and vegetable processing facilities; bakeries; feedmills; and several specialty nutritive processors.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

During the year under review, one offer of assistance was made under the regional development incentives program. Total payments in 1982-83 for offers accepted in previous years amounted to \$3 606 000.

BRITISH COLUMBIA

As of March 31, 1983, 11 subsidiary agreements had been signed under the GDA. Following is a brief description of activities under subsidiary agreements and other programs during 1982-83.

SUBSIDIARY AGREEMENTS UNDER THE GDA**Industrial Development**

Duration: 08/07/77 to 31/03/83

Costs shared by:

DREE	\$ 35 000 000
Provincial government	35 000 000
Total estimated cost	<u>\$ 70 000 000</u>

DREE expenditure to date	\$ 31 275 731
DREE expenditure 1982-83	\$ 6 510 583

The purpose of the agreement was to encourage greater sectoral and spatial diversification of economic activity, thereby improving opportunities for productive employment in the target areas and achieving a more balanced level of development among the different areas of the province.

The agreement provided for the following: research to identify and analyze industrial opportunities for communities; grant assistance to regional industrial commissions; low-interest loans to help communities service industrial parks and malls, prepare sites for specific industries and erect advance factory space; interest-free, forgivable loans to establish, modernize or expand small manufacturing or processing businesses or the maintenance and repair businesses that serve them; and public information.

A new funding arrangement, the first of its kind in Canada, was established which permits the repayments from loans extended under the industrial infrastructure program to go into a revolving fund. As a result, more than \$50 million will be available for new loans to future industrial development projects in the province. The revolving fund will effectively extend the agreement's industrial land programs until 1992.

Agriculture and Rural Development

Duration: 01/08/77 to 31/07/82

Costs shared by:

Federal government	\$ 30 000 000
Local contribution	26 750 000
Provincial government	30 000 000
Total estimated cost	<u>\$ 86 750 000</u>

DREE expenditure to date	\$ 15 412 000
DREE expenditure 1982-83	Nil

The objectives of this agreement were to identify, research, plan and pursue new opportunities related to agriculture and rural development; to expand employment in those existing aspects of the agriculture and food-processing industries which demonstrate production and market potentials; and to sustain the growth of existing industries.

Programs were designed to encourage research, training and market promotion; strengthen management and production techniques; increase the capacity of Crown range through co-ordinated planning among livestock, forestry and wildlife users; develop farmland that has potential for increased production; and provide assistance for secondary food processing to improve rural employment opportunities.

Federal responsibility for this agreement was transferred to Agriculture Canada during 1982-83.

Travel Industry Development

Duration: 17/10/78 to 17/10/83

Costs shared by:

DREE	\$ 25 000 000
Provincial government	25 000 000
Total estimated cost	<u>\$ 50 000 000</u>

DREE expenditure to date	\$ 20 723 695
DREE expenditure 1982-83	\$ 2 116 410

The purpose of the agreement is to strengthen the role of the travel industry in the province's economic development. Programs are designed to develop long-term strategies for the travel industry by identifying trends, gaps and future directions, and by conducting feasibility and opportunity studies; to develop the institutional structure needed to co-ordinate travel industry associations; to upgrade travel industry facilities and infrastructure; to support creation, improvement or expansion of major travel generators such as cultural centres, special interest parks, historic sites and developed natural attractions; and to aid development of world-class ski resorts offering year-round, multi-use recreation facilities.

Response to the programs has been enthusiastic - so much so that the program funds have been heavily oversubscribed. Consequently, applications are no longer being encouraged as the majority of the funds in the agreement will probably be required to accommodate proposals already in hand.

Intensive Forest Management

Duration: 17/05/79 to 31/03/84

Costs shared by:

Federal government	\$ 25 000 000
Provincial government	25 000 000
Total estimated cost	<u>\$ 50 000 000</u>

DREE expenditure to date	\$ 15 000 000
DREE expenditure 1982-83	Nil

The purpose of this agreement is to strengthen the job-creating potential of the province's forest resources by increasing wood yield and expanding some of the intensive forest management programs of the province.

Program elements include reforestation of lands which have been previously logged or fire-damaged; juvenile spacing of young, dense forests to allow selected trees to grow larger and faster; fertilization; fire protection; and implementation contracts.

Federal responsibility for this agreement was transferred to Environment Canada during 1982-83.

Ridley Island Road Access

Duration: 26/11/80 to 31/03/83

Costs shared by:

Federal government	\$ 4 800 000
Provincial government	4 800 000
Total estimated cost	<u>\$ 9 600 000</u>

DREE expenditure to date	\$ 4 095 994
DREE expenditure 1982-83	\$ 294 994

The purpose of the agreement was to provide an industrial access road from provincial Highway 16 to the bulk-commodity port facility on Ridley Island near Prince Rupert. This improvement in transportation was intended to facilitate economic development in the western provinces by creating employment, income, trade and balance-of-payments benefits.

Program elements included the clearing, grubbing and construction of a seven km road and a CNR

overpass. Construction was completed during the year and the road was officially opened in September.

Federal responsibility for this agreement was transferred to Transport Canada during 1982-83.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during the fiscal year was as follows:

Net accepted offers	4
Number of jobs expected to be created	72
Eligible capital investment associated with offers	\$ 12 794 000
DREE commitment through these offers	\$ 2 076 000
Total payments 1982-83	\$ 1 330 004

SPECIAL ARDA

This agreement, entered into under the Agriculture and Rural Development Act (ARDA), provides assistance for the establishment, expansion or modernization of commercial undertakings which provide employment for people of Native ancestry. Assistance is also available for special training needs for potential Native employees and for the community services and facilities required to support development in remote parts of the province. In contrast to other western provinces, British Columbia does not have a northlands subsidiary agreement focused on Native people; therefore Special ARDA meets many of these needs for community assistance, especially in the north. During the year under review, the agreement was extended to March 31, 1984. DREE expenditures under Special ARDA in British Columbia totalled \$2.9 million during 1982-83.

Y U K O N

As of March 31, 1983, two subsidiary agreements had been signed under the GDA. Following is a brief description of activities under the subsidiary agreements and other programs during 1982-1983.

SUBSIDIARY AGREEMENTS UNDER THE GOA**Renewable Resource Development**

Duration: 04/04/79 to 31/03/83

Costs shared by:

DREE	\$ 3 120 000
Indian Affairs and Northern Development	1 400 000
Territorial government	2 080 000
Total estimated cost	<u>\$ 6 600 000</u>

DREE expenditure to date	\$ 2 064 000
DREE expenditure 1982-83	\$ 759 000

Under this agreement, the federal and territorial governments are co-operating in a joint program to expand the renewable resource information base. During the year under review, responsibility for administering the agreement was transferred to the Department of Indian Affairs and Northern Development.

Tourism Development

Duration: 24/02/80 to 31/03/83

Costs shared by:

DREE	\$ 3 600 000
Indian Affairs and Northern Development	1 500 000
Territorial government	900 000
Total estimated cost	<u>\$ 6 000 000</u>

DREE expenditure to date	\$ 2 911 000
DREE expenditure 1982-83	\$ 920 000

This interim agreement, which provides for tourism development, research and planning, is intended to develop a long-term strategy for the Yukon tourism industry to help counterbalance the traditional "boom or bust" pattern of Yukon's resource-based economy. During 1981-82, the agreement was extended by one year to March 31, 1983.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during 1982-83 was as follows:

Net accepted offers	1
Number of jobs expected to be created	30
Eligible capital investment associated with offers	\$ 6 423 000
DREE commitment through these offers	\$ 1 285 000
Total payments 1982-83	\$ 5 000

SPECIAL ARDA

The Special ARDA agreement, entered into under the Agricultural and Rural Development Act (ARDA), was designed to assist residents, in particular those of Indian ancestry, to start commercial ventures employing Native people and to help improve the incomes of Indian people involved in such primary producing activities as hunting, trapping, fishing and forestry. The program also provided for social adjustment measures to enable people of Native ancestry to take advantage of employment and income-earning opportunities.

The Special ARDA agreement with Yukon expired on March 31, 1982 and was not renewed until November 1982.

During 1982-83, 15 offers of assistance were accepted and a total of approximately \$450 000 was committed to a variety of projects. During this period, DREE expenditures under the program amounted to \$689 000.

NORTHWEST TERRITORIES

The department has been active in the Northwest Territories since 1977. Its programs are playing a significant role in the economic life of residents of the territory. A brief description of activities under departmental programs during 1982-83 follows.

REGIONAL DEVELOPMENT INCENTIVES PROGRAM

Activity under the regional development incentives program during 1982-83 was as follows:

Net accepted offers	-
Total payments 1982-83	\$ 10 000

SPECIAL ARDA

The Special ARDA agreement, entered into under the Agricultural and Rural Development Act (ARDA), was signed with the Northwest Territories in 1977. It was designed to assist residents, in particular those of Indian and Inuit ancestry, to start, expand or modernize commercial ventures employing Native people and to help improve the income of Indian and Inuit people involved in such primary producing activities as hunting, trapping and fishing. The program also provided for social adjustment measures to enable people of Native ancestry to take advantage of employment and income-earning opportunities.

The Special ARDA agreement expired on March 31, 1982. In July, 1982, approval was given to extend the Special ARDA Agreement for two years. During 1982-83, 28 offers of assistance were accepted. These offers represent a potential commitment of \$1.4 million in support of a wide variety of projects. During this period, DREE expenditures under the program amounted to \$1.1 million.

ECONOMIC DEVELOPMENT AGREEMENT

On December 21, 1982, the Ministers of Indian Affairs and Northern Development, Employment and Immigration and Industry, Trade and Commerce/Regional Economic Expansion signed the Canada/NWT Economic Development Agreement with representatives of the Government of the Northwest Territories. This agreement succeeds the Canada/NWT General Development Agreement.



REGIONAL ECONOMIC EXPANSION

Statement of Expenditures
for the Fiscal Year 1982-83 (\$000)

	Planning and Administration	Subsidiary Agreements	Industrial Incentives*	Other Programs		Total
				Budgetary	Non- Budgetary	
Head Office	23 396 ⁽¹⁾	-	315 ⁽¹⁾	15	-	23 726
Newfoundland	2 083	22 723	4 385	269	500	29 960
Nova Scotia	2 266	26 311	9 596	-	-	38 173
Prince Edward Island	931	-	1 605	17 198	-	19 734
New Brunswick	2 111	29 127	9 213	-	-	40 451
Atlantic Regional Office	4 591	-	-	1 344	-	5 935
Atlantic Development Council	317	-	-	-	-	317
Quebec	9 475	30 213	87 113	397	-	127 198
Ontario	3 267	19 242	6 320	163	-	28 992
Manitoba PFRA ⁽²⁾	2 527	11 201 633	16 039	2 629 3 940	- 956	37 925
Saskatchewan PFRA ⁽²⁾	2 309	15 141 347	3 219	2 783 34 548	-	58 347
Alberta PFRA ⁽²⁾	984	7 015	3 606	- 4 757	-	16 362
British Columbia	1 874	8 922	1 330	2 566	-	14 692
Northwest Territories	198	19	10	1 078	-	1 305
Yukon	167	1 679	5	689	-	2 540
Western Regional Office	4 510	-	-	-	-	4 510
TOTAL	61 006	172 573	142 756	72 376	1 456	450 167

(1) Includes statutory payments for employee benefits and for loan guarantees under the Regional Development Incentives Act.

(2) The Prairie Farm Rehabilitation Administration (PFRA) was transferred to the Department of Agriculture during the 1982-83 fiscal year.

REGIONAL ECONOMIC EXPANSION

Statement of Revenues
for the Fiscal Year 1982-83

	<u>(\$000)</u>
<u>Return on Investments-Interest from:</u>	
Atlantic Development Board	534
Atlantic Province Power Development Act	12 920
Special Areas and Highways Agreement	23 549
PEI Comprehensive Development Plan	947
NS Mainland Investments Limited	210
Agriculture Service Centres	1 014
South Saskatchewan River Project	566
Newfoundland and Labrador Development Corporation	2 601
Other	262
 <u>Refunds of Previous Years' Expenditure</u>	 8 293
 <u>Services and Service Fees</u>	 3 503
 <u>Privileges, Licences and Permits</u>	 5 380
 <u>Proceeds from Sales</u>	 608
 <u>Other Non-Tax Revenue</u>	 153

INDUSTRY, TRADE AND COMMERCEStatement of Expenditures
for the Fiscal Year 1982-83

		<u>(\$000)</u>
<u>Trade and Industrial Program</u>		
Operating		497 458
Grants and Contributions		
- Grants for Canadian Industry Development	674	
- Small Business Investment Grant Program	1 254	
- Enterprise Development Program	103 268	
- Defence Industry Productivity Program	131 965	
- Capital subsidies to the shipbuilding industry	73 008	
- Contributions for industry development	5 011	
- Contributions for energy research and development	2 690	
- Payment for construction of dry docks	9 544	
- Capital costs of trade centres	11 303	
- Small Businesses Loans - Losses	17 942	
- Payment of EDP insurance losses	26 976	
- Youth and Summer Job Corps	38	
- Contributions to promote export sales	<u>6 906</u>	390 579
Loans and Investments (Non-Budgetary)		
- Loans to the Canadian defence industry	2 407	
- Loans to Canadian industry	8 498	
- Advances to employees on postings abroad	<u>(618)</u>	<u>10 287</u>
Program Sub-Total		<u>898 324</u>
<u>Tourism Program</u>		
Operating		39 579
Grants and Contributions		<u>8 372</u>
Program Sub-Total		<u>47 951</u>
<u>Grains and Oilseeds Program</u>		
Operating		3 138
Grants and Contributions		
- Prairie Grain Advance Payments Act	11 622	
- Western Grain Stabilization Act	114 906	
- Other	<u>17 121</u>	<u>143 649</u>
Program Sub-Total		<u>146 787</u>
DEPARTMENT TOTAL		<u>1 093 062</u>

INDUSTRY, TRADE AND COMMERCEStatement of Revenues
for the Fiscal Year 1982-83

	<u>(\$000)</u>
<u>Return on Investments</u>	
Interest on loans to Federal Business Development Bank	65 141
Interest on loans to manufacturers of automotive products	152
Interest on loans to Enterprise Development Program	412
Interest on loans to Footwear and Tanning Industries Program	10
Interest on loans to Pharmaceutical Industry Development Assistance Program	6
Interest on loans to Program for Advancement of Industrial Technology	305
Other	199
 <u>Refunds of Previous Years' Expenditures</u>	 20 124
 <u>Adjustment to Prior Years' Payables at Year End (PAYE)</u>	 2 552
 <u>Other Non-Tax Revenue</u>	 3 053

INDUSTRY, TRADE AND COMMERCE

Grants and Contributions by Region (\$000)

	Trade Industrial Program	Tourism Program	Grains & Oilseeds Program	Total
Newfoundland	3 866	73	-	3 939
Nova Scotia	4 081	44	-	4 125
Prince Edward Island	1 744	1 474	-	3 218
New Brunswick	15 745	39	-	15 784
Quebec	136 127	1 095	-	137 222
Ontario	180 820	4 777	1 999	187 596
Manitoba	5 348	271	137 589	143 208
Saskatchewan	2 424	51	2 052	4 527
Alberta	6 982	43	1 578	8 603
British Columbia	33 346	128	-	33 474
Northwest Territories	4	-	-	4
Yukon	40	24	-	64
Outside Canada	52	353	431	836
TOTAL	390 579	8 372	143 649	542 600



APPENDIX

SUBSIDIARY AGREEMENTS ACTIVE DURING 1982-83

Agreement	Duration	Total Estimated Cost (\$)	Federal Share (\$)
NEWFOUNDLAND			
Forestry	01/06/73 to 31/03/83	66 522 155	58 178 500
Labrador	03/12/76 to 31/03/83	22 097 000	19 662 300
Tourism Development	01/01/78 to 31/03/83	13 264 600	11 938 140
Rural Development	01/04/78 to 30/09/83	16 802 000	15 122 000
Agriculture Development*	14/07/78 to 31/03/83	16 341 300	14 707 170
Industrial Development	11/06/79 to 31/03/84	26 650 000	23 985 000
Forestry 1981-86*	09/01/81 to 31/03/85	52 093 000	46 883 700
Community Development for Coastal Labrador	29/05/81 to 31/03/87	38 996 000	33 800 000
Pulp and Paper Mill Modernization	01/06/81 to 31/03/85	33 000 000	30 000 000
NOVA SCOTIA			
Metropolitan Halifax-Dartmouth Area Development	31/03/75 to 30/09/82	109 299 786	79 997 000
Strait of Canso Area Development	31/03/75 to 31/03/84	30 057 500	22 503 400
Industrial Development	22/06/76 to 31/03/83	23 789 000	19 031 200
Tourism Development	01/04/77 to 31/03/83	13 750 000	11 000 000
Energy Conservation*	04/07/78 to 31/03/83	24 875 000	19 000 000
Halifax Panamax Dry Dock	22/01/80 to 31/03/85	57 600 000	43 900 000
Assistance to Michelin Tires (Canada) Ltd.	07/06/80 to 31/12/87	56 000 000	42 000 000

* Transferred to Sector Departments in the 1982-83 fiscal year.

Agreement	Duration	Estimated Cost (\$)	Federal Share (\$)
Modernization of Facilities at the Sydney Steel Corporation	01/04/81 to 31/03/84	96 250 000	77 000 000
Pulp and Paper Modernization	23/05/81 to 31/03/84	21 250 000	17 000 000
Ocean Industry Development	24/07/81 to 24/07/86	35 000 000	22 950 000
NEW BRUNSWICK			
Saint John and Moncton Arterial Highways*	17/02/75 to 31/03/83	51 200 000	35 840 000
Northeast New Brunswick	23/06/77 to 31/03/84	95 500 000	67 175 000
Development of Agricultural Resources*	01/04/78 to 31/03/83	34 622 500	27 698 000
Developing Regions	17/05/79 to 31/03/83	26 274 000	20 401 500
Forestry Development*	01/04/80 to 31/03/84	37 500 000	30 000 000
Pulp and Paper	27/08/80 to 31/03/84	42 250 000	33 800 000
Saint John Market Square Development*	14/10/80 to 31/03/83	10 107 300	8 085 800
Consolidated-Bathurst Inc.	30/03/82 to 31/03/89	199 500 000	19 600 000
QUEBEC			
Transport Development*	13/09/74 to 31/03/84	454 775 000	209 105 000
Industrial Infrastructure	26/03/75 to 31/03/84	137 670 000	82 602 000
Forest Development*	26/03/75 to 31/03/84	322 333 000	193 400 000
Agricultural Development*	29/03/76 to 31/03/84	103 266 000	61 960 000
Water Treatment Facilities for the Montreal Area*	30/03/78 to 31/03/83	200 000 000	120 000 000
Tourism Development	06/04/78 to 31/03/84	136 000 000	69 600 000
Public Infrastructure	16/05/78 to 30/09/82	34 876 000	23 261 000
Modernization of the Pulp and Paper Industry	15/05/79 to 31/03/84	240 000 000	135 000 000

* Transferred to Sector Departments in the 1982-83 fiscal year.

Agreement	Duration	Total Estimated Cost (\$)	Federal Share (\$)
Establishment of a Newsprint Mill In Amos	24/07/80 to 31/03/83	42 500 000	25 500 000
Société Inter-Port de Québec	03/07/81 to 31/03/84	9 250 000	5 550 000
ONTARIO			
Northeastern Ontario	25/03/76 to 31/03/83	30 602 000	15 301 000
Single-Industry Resource Communities	18/10/76 to 31/03/84	19 800 000	10 215 000
Community and Rural Resource Development	07/12/77 to 31/03/85	9 456 650	4 728 325
Forest Management*	08/12/78 to 31/03/84	82 236 500	41 118 250
Pulp and Paper Industry Facilities Improvement	15/05/79 to 31/03/84	180 000 000	60 000 000
Eastern Ontario	20/12/79 to 31/03/84	50 350 000	25 175 000
Northern Rural Development	02/03/81 to 31/03/84	18 500 000	10 000 000
Sault Ste. Marie Infrastructure*	02/05/82 to 31/07/83	69 600 000	21 000 000
MANITOBA			
Industrial Development	01/04/78 to 31/03/83	44 000 000	26 400 000
Value-Added Crops Production*	01/04/79 to 31/03/84	18 500 000	11 100 000
Tourism Development	01/04/79 to 31/03/84	20 000 000	12 000 000
Water Development for Regional Economic Expansion and Drought Proofing*	30/05/80 to 31/03/84	8 950 000	5 350 000
Winnipeg Core Area	04/09/81 to 31/03/86	96 000 000	32 000 000
Northern Development	29/11/82 to 31/03/87	186 200 000	125 000 000
SASKATCHEWAN			
Qu'Appelle Valley	01/04/74 to 31/03/84	33 700 000	17 960 000
Northlands	01/04/78 to 31/03/83	127 000 000	87 000 000

* Transferred to Sector Departments in the 1982-83 fiscal year.

Agreement	Duration	Total Estimated Cost (\$)	Federal Share (\$)
Water Development for Regional Economic Expansion and Drought Proofing*	01/04/79 to 31/03/84	15 250 000	7 900 000
Planning 1979-84	01/04/79 to 31/03/84	1 500 000	750 000
ALBERTA			
Nutritive Processing Assistance	19/08/81 to 31/03/84	28 000 000	14 000 000
BRITISH COLUMBIA			
Industrial Development	08/07/77 to 31/03/83	70 000 000	35 000 000
Agriculture and Rural Development*	01/08/77 to 31/07/82	86 750 000	30 000 000
Travel Industry Development	17/10/78 to 17/10/83	50 000 000	25 000 000
Intensive Forest Management*	17/05/79 to 31/03/84	50 000 000	25 000 000
Ridley Island Road Access*	26/11/80 to 31/03/83	9 600 000	4 800 000
YUKON			
Renewable Resource Development*	04/04/79 to 31/03/83	6 600 000	4 520 000
Tourism Development	14/02/80 to 31/03/83	6 000 000	5 100 000

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