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ANNUAL REPORTS 1983-1984

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



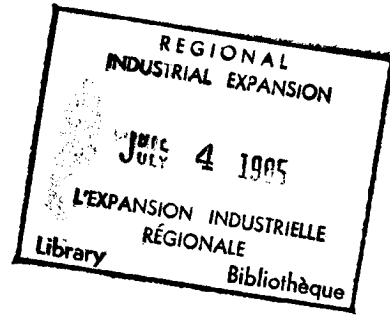
Government
of Canada

Gouvernement
du Canada

Regional Industrial
Expansion

Expansion industrielle
régionale

Minister
Sinclair Stevens



ANNUAL REPORTS 1983-1984

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

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Her Excellency
The Right Honourable Jeanne Sauvé, P.C., C.C., C.M.M., C.D.
Governor General of Canada

Your Excellency:

I have the honour to submit to Your Excellency the combined final Annual Reports for the Departments of Regional Economic Expansion and Industry, Trade and Commerce and the first Annual Report for the new Department of Regional Industrial Expansion.

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

Respectfully submitted,



Sinclair Stevens
Minister of Regional
Industrial Expansion

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

The fiscal year 1983-84 marked the formal inauguration of the Department of Regional Industrial Expansion and the passage by Parliament of legislation creating the department's Industrial and Regional Development Program.

The new, and completely reorganized, department was the ultimate result of the government's decision in 1982 to merge elements of the former Departments of Industry, Trade and Commerce (IT&C) and Regional Economic Expansion (DREE) into a single entity combining the industry sector experience of IT&C with DREE's knowledge and experience of regional delivery of federal economic assistance programs.

The reorganization saw the Ottawa office grouped into six units, each under the direction of an Assistant Deputy Minister or equivalent, plus five service units: Human Resources; Communications; Internal Audit; Legal Services; and Corporate Coordination Bureau.

Strong regional and district offices, headed by Regional Executive Directors, were established in each province and territory to ensure local sensitivity in program delivery and development.

The IRDP legislation consolidated into a single package elements of seven former DREE and IT&C programs, providing clients with a simpler, more streamlined program designed to provide "one-stop shopping" for Canadian businesses.

Thus, the 1983-84 fiscal year, as is reflected in the following text, saw the department administering the old programs as well as the new IRDP.

Although the new department did not come into official existence until approximately the mid-point of the fiscal year, this annual report has been organized to reflect the organization as of March 31, 1984, in order to simplify its presentation.

However, in accordance with Parliamentary requirements, financial statements for all three departments are shown separately.



**NATIONAL CAPITAL
ACTIVITIES**

The major activities of the new department have been described by responsibility centre in the interest of clarity although it is noted that considerable interaction among the various elements normally occurred.

CAPITAL AND INDUSTRIAL GOODS

The final phase of reorganization was implemented over the course of the fiscal year. The reorganization comprised: first, the transformation of four industry sector branches and the Bureau of Business and Economic Development into three branches (Electronics and Aerospace; Automotive, Marine and Rail; and Machinery and Electrical Equipment), creation of the Office of Industrial Innovation and restructuring of the Office of Industrial and Regional Benefits to include responsibility for industrial benefits from major government procurement; second, a compression of resources (from a starting point of about 400 persons to just over 300); and, third, a major shift in mandate towards a more strategic approach to activities in support of industrial sector and company development.

The Market Development Branch was transferred to Consumer Goods, Services and Resource Processing.

As restructuring, restaffing, and orientation to its new mandate proceeded, CIG branches endeavoured to maintain the quality and quantity of output in relation to their ongoing baseload of activity, much of which was non-discretionary and reactive to the needs of business, other departments, and Ministers.

These activities included maintenance of sectoral intelligence, maintenance of expertise on technology and innovation, provision of inputs to departmental policy positions, export marketing activities (e.g. fairs and missions, sourcing, market identification), program delivery, service to other departments and agencies, negotiation of Canadian sourcing plans with sponsors of major projects, implementation of industrial benefit and offset agreements, and Ministerial briefings and correspondence.

The Office of Industrial Innovation has been established as the focal point for strategic planning of policies and programs in support of innovation. In carrying out its responsibilities, the office places a heavy emphasis on liaison and consultation with the private sector and with other government departments. Current initiatives of the office include developing an overview of the departmental approach to technological developments, a review of the efficiency of the

technology transfer process from government to industry, a strategy directed toward CAD/CAM and an approach towards further development of Technology Centres.

The office of Industrial Innovation also is establishing a capability for assessing new technologies and technological developments which are of strategic commercial interest to Canada. These activities will focus on those aspects of technological development that affect the ability of Canadian firms to innovate by exploiting and developing new technologies.

The Office of Industrial and Regional Benefits (OIRB) helps Canadian businesses take advantage of the opportunities promised by major project activity in Canada. The office is the focal point for consultation with the private sector on industrial and regional benefits issues related to major capital 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 capital projects to ensure that Canadian suppliers 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.

In 1983-84, the office's responsibilities were expanded to encompass industrial and regional benefits from major government procurement. The new public sector procurement directorate of the OIRB manages industrial benefits programs associated with major government procurement (primarily defence procurement) by identifying industrial and regional benefits objectives, evaluating and ranking contractor bids, negotiating Canadian content and offset packages and administering the industrial benefits program after contracts have been awarded to ensure that commitments have been met.

The second major area of change related to the work of the OIRB is the recent measures which the government took to enhance Canadian control of its offshore and to promote industrial and employment opportunities from offshore development. These measures included the extension of the Canadian

customs and excise law over the continental shelf, the adoption of shipbuilding measures, including new tariffs on drill rigs and supply boats, and the proposed extension of trade legislation to the offshore.

In the export promotion area, Capital and Industrial Goods assisted Canadian participation and provided on-site manning at a number of key international fairs, missions and seminars. CIG also coordinated and promoted manufacturers' participation in major capital projects abroad and responded to sourcing enquiries.

In the urban transit sector CIG took the lead in testing interdepartmentally the concept of early identification and follow-up of major export projects through the establishment of project teams. In addition, CIG continued to be an active participant in the Program for Export Market Development (PEMD) to assist firms in identifying and penetrating foreign markets for their products. Besides its regular program delivery responsibilities, CIG was responsible for the establishment of a special PEMD fund allocated to urban transit feasibility studies.

As part of its business development mandate, CIG initiated consultations with a number of major firms aimed at mobilizing government support for the strategic development of those firms in Canada. One such consultation culminated during the year with the signing of a Corporate Development Agreement with Pratt & Whitney Canada to fund 12 new research, development and productivity improvement programs. This agreement will create some 6 000 new high technology jobs, and will generate \$20 billion in incremental sales.

CIG also participated in the Bell Helicopter project to establish a light twin helicopter manufacturing facility at Mirabel, Quebec. Pratt & Whitney Canada Inc. will invest \$252 million to develop a new helicopter engine family to be installed in the helicopters made in Canada by Bell. The Bell project and the Pratt & Whitney involvement will mean the creation of a total of 3 775 jobs (annual average level) in this high technology sector and will generate sales valued at \$9.9 billion over the next 20 years.

A Memorandum of Understanding was signed with Messerschmitt-Bölkow Blohm GmbH (MBB) of West Germany to invest \$72.6 million towards the development and manufacture in Canada of light twin-engine helicopters. MBB will develop this engineering capability at Fort Erie, Ontario, through a joint venture arrangement with Fleet

Industries. Over 20 years, the project is expected to generate sales of approximately \$1.3 billion and to create approximately 760 permanent jobs.

In addition, CIG led discussions with Transport Canada, VIA, Bombardier, Urban Transportation Development Corporation, Ontario Northland Railways and Ontario in the formation of two new rail passenger equipment development programs.

On the program side, CIG is responsible for the Defence Industry Productivity Program (DIPP), the Shipbuilding Industry Assistance Program (SIAP) and the Machinery Program.

Under DIPP, funding support for research and development, source establishment and plant modernization to the defence industry sectors continued to be a major activity involving approximately \$144 million in assistance for projects. Expenditures under the SIAP totalled \$77.4 million for the year and, since the shipbuilding subsidy element is not being maintained, new regulations and guidelines have been drafted to reflect these changes.

The Machinery 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.

During 1983-84, 14 200 requests for duty remission were assessed under the program. Duty remission was provided to approximately 250 firms in 1983-84 and amounted to an estimated \$370 million in net savings for machinery users in all industries. These remissions contributed to additional Canadian production of about \$1.2 billion and an estimated 15 000 in direct employment. In 1983-84, the Machinery Program provisions assisted 22 companies to increase the range of machinery products manufactured in Canada. Production started on 21 new product lines previously supplied entirely by imports, resulting in \$27 million of additional manufacturing in the first year and over 200 new jobs.

The Automotive Task Force presented its report to the Minister on May 19, 1983. The Minister issued a first response on August 15, 1983, responding positively to a number of Task Force recommendations in the areas of human resource development and government program and planning support for technological and industrial development in the automotive sector.

The Task Force proposal that the federal sales tax be levied on the wholesale price of cars to eliminate the tax advantage previously enjoyed by imports was adopted in the February 15 budget.

Further action in response to the Task Force included the addition of \$15 million to the 1983-84 ILAP budget, bringing total ILAP automotive parts specific funding to \$40 million. DRIE, in consultation with the industry and interested provinces, is undertaking an exhaustive study on the automotive parts industry and developing a comprehensive strategy for the sector. On the human resources side, training and retraining measures are being implemented by CEIC for auto workers under Manpower Consultative Service Agreements in consultation with the industry and the UAW. CEIC is also working with the industry on a human resources study which will examine emerging trends in labour demand and supply.

CONSUMER GOODS, SERVICES AND RESOURCE PROCESSING

The Consumer Goods, Services and Resource Processing group is made up of six operating branches:

- Resource Processing Industries Branch;
- Food and Consumer Products Branch;
- Service Industries Branch;
- Office of Industrial Adjustment;
- Market Development Branch; and
- Policy, Planning and Analysis Branch.

CGSRP during 1983-84 continued a heavy workload of service to industry and other departments and support of the DRIE regional offices in funded program delivery. It also carried out a number of major activities, including the design and launching of a new five-year Government of Canada Awards Program for Excellence in Productivity, Innovation and Design.

In the adjustment field, work began on definition of the department's future role. More immediately, there was active involvement in interdepartmental work related to the restructuring of the Atlantic fisheries and to the design of a successor program to ILAP. Assessments of the technical and market aspects of applications from textile, clothing and footwear firms were provided to the Canadian Industrial Renewal Board and briefings on both casework and policy issues were prepared for the departmental representatives on the Board.

In the area of innovation, a report on the national and international situation in biotechnology is near completion, and will identify potential major projects in this area. Special industry seminars were also organized on innovation and product development in the dairy and fishery sectors.

CGSRP was involved during the year in the work of several ministerial task forces and advisory committees including the Petrochemical Industry Task Force, which submitted its report to government in February, 1983. The Forest Industries Advisory Committee (FIAC) submitted an interim report on the current problems of the industry in August, 1983, and the government issued its response in February, 1984. An internal departmental Forest Products Task Force was also formed to review the major segments of the industry in depth and was to complete its findings early in the 1984-85 fiscal year. During 1983-84, government responses were also prepared to the reports of two service industry sub-sector task forces (distributive trades and consulting engineering) and background material was developed for the establishment of a permanent advisory committee on distributive trades. The Textile and Clothing Industrial Task Force was formally established in February, 1984.

Work was initiated to improve the quality of dialogue with major corporations in the CGSRP sectors and to increase understanding of their strategic plans as a prelude to possible development of department/company Memoranda of Understanding. Senior-level discussions were initiated with a number of companies in this regard.

In the policy area, preliminary work began on the formulation of a strategic policy framework for the service industries and on the identification of service industry sub-sectors for possible designation under IRDP. Work on sector profiles was also carried out in a number of sectors, including the household furniture, brewery, hockey equipment, precious metal refining, meat processing, leisure products, business forms, swimming pool and cookware industries. A study of the steel sector was also begun, as was an interdepartmental study on non-ferrous metal smelters which was to examine the modernization needs of the industry. In another interdepartmental arena, CGSRP played an active role in the work of a committee which reviewed the compulsory licensing provision of the Canadian Patent Act and consulted with the provinces and private industry on the implications of various policy options. It also assumed responsibility

for departmental participation in the Uranium Exports Review Panel and provided input to a review of uranium export policy.

In the area of domestic marketing, a new "Shop Canadian" marketing policy was developed incorporating, as an essential element, the participation of the private sector. The scope of this policy has also been broadened from past efforts to include not only the consumer market, but the industrial and institutional markets as well.

On the international front, support was extended to the Canadian wood products industry and External Affairs in relation to a U.S. countervail investigation. Advice and support were supplied on a number of other trade-related issues, including U.S. limitations on steel imports, proposals for sectoral Canada/U.S. bilateral trade liberalization, newsprint quotas in the EEC, and import policies and border measures in the textiles, clothing and footwear sector. CGSRP continued to be responsible for the administration of the Cooperative Overseas Market Development Program in British Columbia and negotiations were initiated with provinces and industry associations with a view to possible extension of the program east of the Rockies.

In the field of industrial co-operation, CGSRP contributed to meetings of both the Canada/EC subcommittee on industrial co-operation and the Canada-Japan Joint Economic Committee, both of which were hosted by Canada. Follow up work to these meetings was also carried out, as was activity designed to identify potential industrial cooperation opportunities with France, China, Australia and New Zealand.

During the year, the group provided responses to over 1 100 enquiries from FIRA, and processed nearly 400 PEMD cases and 300 tariff cases. CGSRP industry specialists planned and participated in more than 50 trade fairs, missions and seminars in Canada and abroad in order to help Canadian firms increase their penetration of foreign markets.

P O L I C Y

The 1983-84 fiscal year witnessed a consolidation of the Policy Branch's responsibilities. The Policy Branch manages the policy development and coordination functions within the Department. Through the Policy Committee, it acts as the

department's focal point on trade related matters, provides the department with strategic policy research and economic analysis and intelligence, manages the strategic planning process and promotes a cooperative environment with the private sector through the Office of the Policy Advisor (Business and Labour). The branch has been designated to provide secretarial functions to the Policy Committee, which was established in early 1984. The Office of the Policy Advisor, Relations with Business and Labour, was created to act as the main departmental link with broadly-based private sector organizations and ensure appropriate consideration of their views; the Small Business Secretariat was amalgamated with the former Regional and Industrial Projects and Crown Investments Branch to become the Small Business and Special Projects Branch.

P O L I C Y D E V E L O P M E N T A N D I N T E R D E P A R T M E N T A L C O N S U L T A T I O N S

In addition to supporting the Policy Committee, several major policy development projects were initiated, notably on investment, industrial assistance, regional development, federal-provincial industrial development relations and Canada-U.S. economic relations. Many of these initiatives involve interdepartmental discussions as other departments have the lead responsibility.

An agreement was reached with the Department of External Affairs on a system of product sourcing to assist in the capture of foreign trade opportunities. A Memorandum of Understanding was also developed on the secondment of personnel between DRIE and the Department of External Affairs in response to the need for close collaboration and sharing of trade-related expertise. In other respects, the Policy Branch was instrumental in the establishment of the Canadian Labour Market and Productivity Centre (CLMPC). The centre, whose board is drawn from both business and labour, will examine the critical issues of productivity improvement, labour market requirements, and employment growth in Canada.

S T R A T E G I C P L A N N I N G

The Policy Branch was involved in several important initiatives during the year, including the preparation of the DRIE Corporate Directions Paper which set out the broad planning assumptions and priorities of the department for 1984-85 to 1988-89. As part of its responsibilities in strategic planning, the branch coordinated the development of the Sector Priority Statements and

the Regional Industrial Development Frameworks (RIDFs). The RIDFs, which are drafted by regional offices, provide an overview of the regional economic context of each province and territory, its industrial development opportunities and constraints and strategic direction for the medium term. The branch also prepared the annual DRIE Strategic Overview which was forwarded by the Minister to the Chairman of CCERD.

ECONOMIC ANALYSIS AND INTELLIGENCE

The Policy Branch carries out, twice a year, the Capital Investment Intentions Survey and produces regular reports analyzing its results. The survey covers close to 300 large corporations from all regions of Canada and looks at changes occurring in planned capital outlays as well as their explicative factors. As part of the annual strategic planning cycle, the Policy Branch prepares, on the basis of the Canadian Econometric Model for Structural Analysis (CEMSA), a medium-term economic outlook with special emphasis on the sectoral and regional dimensions. The branch also provides economic intelligence and various economic analyses, simulations, and statistical services in support of ongoing departmental activities and functions in headquarters and in the regions. The Policy Branch is also the custodian of the Development Index which is used as the basis for determining levels of assistance under the IRDP program. A method for designation of Special Tier 1 areas was developed to take into account any sudden and marked deterioration in economic conditions for those areas.

SMALL BUSINESS AND SPECIAL PROJECTS

The Small Business and Special Projects Branch was established in the fiscal year as a result of the merger of two former departmental units, namely the Small Business Secretariat and the Crown Investments Branch. The new branch has six directorates:

- Small Business Secretariat
- Special Projects
- Development Projects
- Investment Projects
- Adjustment Projects
- Crown Investments

THE SMALL BUSINESS SECRETARIAT

The responsibilities of the Small Business Secretariat include the coordination and formulation of policies to improve the entrepreneurial and operational climate for small business, establishing more effective lines of communication with the small business community and strengthening the Department's advocacy role for small business.

In 1983-84 the secretariat studied issues relating to small business and provided information and advice to other government departments doing work relating to small business. Through the use of consultants, research studies were carried out with respect to small business transaction costs, indirect contributions to exports, and relative performances of size groups in Canadian manufacturing sectors. These studies were reviewed, and made available to the small business community.

The Minister's Small Business Consultative Committee (SBCC) which is made up of 24 representatives from the business, academic, association and finance communities met six times and studied issues of current interest affecting small business.

The secretariat produced a Small Business Statistical Review, and a quarterly newsletter entitled "Small Business World".

Quite apart from responding to over 3 200 "Hot Line" requests related to small business in 1983-84, the secretariat managed the Management Excellence in Small Business (MESB) program which funded 63 work scholarships, 10 course developments, and nine research projects.

SPECIAL PROJECTS; DEVELOPMENT PROJECTS; INVESTMENT PROJECTS; ADJUSTMENT PROJECTS

The projects directorates are responsible for undertaking the analysis and negotiations of the most difficult, sensitive and complex industrial proposals for departmental investment assistance as well as loans and loan guarantees.

Projects are assigned to the branch by senior departmental management on an exception basis because experience has shown that major and sensitive cases can benefit from a specialized concentration of analytical expertise not generally available in line organizations. Accordingly, the branch has been staffed with many strategic, financial, economic and commercial analysis specialists.

In 1983-84 the projects directorates were involved in approximately 18 major cases and projects involving potential government funding in the order of \$3 billion with employment impacts potentially in all regions of Canada.

Among the most notable projects were Pratt & Whitney Canada Inc.; Bell Helicopters Ltd.; the Donkin-Morlen Coal Mines; and various others involving firms such as de Havilland, Canadair, Malsin, and White Farm. Some of the projects remain active in the new year.

CROWN INVESTMENTS

The Crown Investments Directorate was established to support the Minister in regard to responsibilities for Crown corporations. It also coordinates departmental relations with them and monitors their operations, strategies and business plans.

In 1983-84 the directorate managed departmental responsibilities for FBDB, CBDC, CPDL, CDIC, and EDC. CDIC and EDC, while reporting to other Ministers, were considered important elements of industrial policy and regional industrial development, and the directorate coordinated departmental advice, on their operations to Deputy Ministers and Ministers.

For FBDB, CBDC, and CPDL, which report to the Minister, the focus was to establish new relationships to enhance ministerial control, accountability and direction. In addition to advising on ongoing operational and financial matters, the directorate embarked upon several new initiatives which will carry on well into the next fiscal year. These initiatives ranged from new programs and mandates for FBDB and CPDL to a comprehensive review of the activities of CBDC and a review of major capital expansion opportunities.

PROGRAM DEVELOPMENT AND OPERATIONS

Program Development and Operations is responsible for providing administration, systems and policy support for the department's major funded industrial programs. The branch also administers the Small Businesses Loans Act under which guaranteed loans are provided by designated private lenders to assist small business enterprises.

The following is a summary of the activities during fiscal year 1983-84 for the principal programs administered by the department.

Industrial and Regional Development Program

The objective of the Industrial and Regional Development Program (IRDP) is to promote regional industrial development through the support of private sector initiatives with particular focus on projects, industries and technologies with the greatest potential for economic return, sustained growth and international competitiveness.

The IRDP is a new program which was created concurrently with the amalgamation of the Departments of Industry, Trade and Commerce (ITC) and Regional Economic Expansion (REE) to form the new DRIE. A number of the programs of the former departments were subsumed by the IRDP. The inception of the new program took place in July, 1983. For the period from inception to March 31, 1984, there was a total of 381 accepted offers of assistance for an estimated amount of assistance of \$82.6 million. For these accepted offers, the estimated number of jobs to be created or maintained is 8 688.

In terms of program elements, modernization/expansion projects represented approximately 39 per cent of the total estimated assistance under the IRDP during the period under review, followed by industrial development climate projects (22 per cent), innovation projects at 19 per cent and projects to establish new facilities at 15 per cent. The following table shows the regional distribution of the IRDP assistance for 1983-84.

Table 1

IRDP Accepted Offers -
Number and Estimated Amounts of Assistance
from Inception to March 31, 1984
by Province/Territory

	Number of Accepted Offers	Estimated Amount of Assistance (\$ million)
Newfoundland	19	1.6
Prince Edward Island	19	0.8
Nova Scotia	20	2.5
New Brunswick	54	5.8
Québec	103	16.5
Ontario	86	29.2
Manitoba	23	10.0
Saskatchewan	8	0.4
Alberta	21	2.8
British Columbia	25	12.9
Yukon/N.W.T.	3	0.1
Total	381	82.6

A classification of the IRDP data by major industry group is shown in Table 2. The statistics show that in terms of number of accepted offers the predominating industry sectors were food (61 accepted offers), wood, machinery and electrical and electronic products. In terms of estimated amount of assistance, the largest amount went to the machinery sector (\$15.5 million), followed by the industrial and heavy construction sector.

Table 2

IRDP Offers Accepted -
Number and Estimated Amounts of Assistance
from Inception to March 31, 1984
by Major Industry Group

Major Industry Group	Number of Accepted Offers	Estimated Amount of Assistance (\$ thousand)
Food	61	5 227
Beverages	4	244
Rubber Products	3	173
Plastic Products	17	2 456
Leather Products	1	77
Primary Textiles	1	100
Textile Products	1	358
Wood	42	6 608
Furniture & Fixtures	19	1 857
Paper Products	9	8 772
Printing & Publishing	2	52
Primary Metals	9	4 267
Metal Fabricating Products	30	5 949
Machinery	39	15 476
Transportation Equipment	15	1 111
Electrical/Electronic Products	37	4 387
Non-Metallic Mineral Products	12	797
Petroleum & Coal Products	1	17
Chemicals	23	2 983
Other Manufacturing	16	1 582
Industrial & Heavy Construction	3	11 000
Tourism	12	326
Other	24	8 818
Total	381	82 587

The creation of the new IRDP involved the incorporation of features of several of the ITC and DREE financial assistance programs which were previously managed separately. The major programs which were subsumed by the new program were the following:

- ° Enterprise Development Program (EDP)
- ° Support for Technology Enhanced Productivity (STEP)

- ° Co-operative Overseas Market Development Program (COMDP)
- ° Institutional Assistance Program (IAP)
- ° Regional Development Incentives Program (RDIP)
- ° Montréal Special Area Program (MSAP)

The following is a review of the activity of the EDP, RDIA, COMDP and IAP programs in 1983-84 prior to being subsumed by the IRDP.

Enterprise Development Program

The objective of the EDP was to assist manufacturing and processing firms to improve their viability and international competitiveness. It provided support by sharing project costs or providing insurance on term loans on a last-resort basis. In 1983-84 for the April-September period (following which the program was subsumed by the IRDP), there were 382 innovation assistance projects which were authorized under the EDP for an authorized amount of \$70.1 million (Table 3). Two-fifths of these projects were from the electrical and electronics industry sector and one-fifth from the machinery sector (Table 4). Forecasts for the EDP innovation projects indicate sales of \$9.5 billion during the next five years and the creation or maintenance of 6 175 jobs.

The above total of 382 EDP innovation projects includes 107 STEP projects (Support for Technology Enhanced Productivity) with an authorized value of \$5.6 million. The STEP program was 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 3

**Innovation Authorizations under the
Enterprise Development Program
by Province/Territory 1983-84**

	Number of Projects	Amount (\$ millions)
Newfoundland	3	0.2
Prince Edward Island	10	0.8
Nova Scotia	8	1.8
New Brunswick	7	0.1
Québec	164	17.9
Ontario	106	33.4
Manitoba	33	2.0
Saskatchewan	13	1.6
Alberta	22	3.9
British Columbia	16	8.4
Yukon/N.W.T.	-	-
Total	382	70.1

Table 4

**Innovation Authorizations under the
Enterprise Development Program
by Industry Sector 1983-84**

<u>Industry Group</u>	<u>Number of Projects</u>	<u>Amount (\$ thousands)</u>
Mines	1	61
Food	18	1 495
Rubber Products	12	711
Footwear	1	5
Wood	8	139
Furniture & Fixtures	10	618
Paper	2	27
Primary Metals		
(Ferrous)	3	43
Primary Metals		
(Non-Ferrous)	2	25
Metal Fabricating	15	1 370
Machinery	74	19 188
Aircraft & Parts	1	150
Other Transportation		
Equipment	25	10 141
Electrical & Electronic		
Products	158	29 692
Mineral Products	3	569
Petroleum Products	1	14
Drugs & Medicine	4	277
Other Chemical Products	9	1 079
Scientific Instruments	14	3 388
Other Manufacturing	20	1 107
Non-Manufacturing	1	15
Total	382	70 114

Also for the April-September period, 24 EDP adjustment assistance loan insurance projects were approved for an authorized amount of \$15.9 million of assistance. It is estimated that this assistance will lead to the creation or maintenance of approximately 1 114 jobs during the next five years.

One-half of the total assistance of \$15.9 million was for two projects from the wood industry sector and one project from primary metals (non-ferrous).

Table 5

**Adjustment Assistance
Loan Insurance Authorizations
by Province/Territory 1983-84**

	<u>Number of Projects</u>	<u>Amount (\$ millions)</u>
Newfoundland	-	-
Prince Edward Island	-	-
Nova Scotia	2	0.9
New Brunswick	2	0.9
Québec	4	6.0
Ontario	10	5.5
Manitoba	4	1.7
Saskatchewan	-	-
Alberta	-	-
British Columbia	2	0.9
Yukon/N.W.T.	-	-
Total	24	15.9

Regional Development Incentives Program

The purpose of the Regional Development Incentives Program (RDIP) was to create jobs and to encourage capital investment in slow-growth areas of Canada. It provided financial assistance in the form of incentive grants and loan guarantees to business and industry to establish, expand or modernize facilities in various designated regions of the country.

As previously indicated, RDIP was one of the programs subsumed by the IRDP. The RDI Act, however, does not expire until December 31, 1984. Thus it was possible after the inception of the IRDP in July 1983, for project applications to continue being received under the RDIA provided the projects would reach the commercial production stage by December 31, 1984.

As shown in Table 6, there were 420 net accepted offers of incentives during 1983-84 for a Crown commitment of \$70.9 million. The projects assisted are expected to create approximately 6 396 direct jobs and involve \$29.1 million in capital investment by private industry.

Table 6

**Net Accepted Offers under the
Regional Development Incentives Program
by Province/Territory 1983-84**

	Net Accepted Offers	Estimated Amount of Incentive (\$ millions)
Newfoundland	6	0.5
Prince Edward Island	18	2.1
Nova Scotia	26	4.0
New Brunswick	13	2.7
Québec	254	40.4
Ontario	22	10.3
Manitoba	54	4.7
Saskatchewan	19	4.4
Alberta	2	0.1
British Columbia	5	1.6
Yukon/N.W.T.	1	1.1
Total	420	70.9

Table 7 comprises a classification of the RDIP statistics by industry sector. The figures show that the predominating sectors are wood, food, metal fabricating, transportation equipment, electrical and electronics products and chemicals.

Table 7

**Net Accepted Offers under the
Regional Development Incentives Program
by Industry Group 1983-84**

Industry Group	Net Accepted Offers	Estimated Amount of Incentive (\$ thousand)
Food Industries	64	1 160
Rubber Products	6	217
Plastic Products	20	3 794
Leather & Allied Products	2	118
Primary Textiles	-	-
Textile Products	2	379
Clothing	-	-
Wood Industries	71	15 258
Furniture & Fixtures	12	542
Paper & Allied Products	6	720
Printing & Publishing	16	1 046
Primary Metals	12	2 303
Metal Fabricating	53	6 958
Machinery	30	3 623
Transportation Equipment	23	8 224
Electrical & Electronic Products	23	5 382
Non-Metallic Minerals	13	1 849
Petroleum Products	3	321
Chemicals	21	10 128
Other Manufacturing	23	3 704
Non-Manufacturing	20	1 193
Total	420	70 919

One component of the RDIP was the Montréal Special Area Program (MSAP) to encourage the establishment, expansion or modernization of certain manufacturing and processing industries and the transfer of technology, and industrial research and development within Montréal and the surrounding area. This particular program terminated with the inception of the IRDP. Of the Québec totals shown in Table 6, there were 80 MSAP net accepted offers for an estimated incentive of \$20.0 million.

One RDIP loan guarantee project was authorized in 1983-84 for a guaranteed amount of \$500 000.

Institutional Assistance Program

The primary objective of the Institutional Assistance Program (IAP) was 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 1983-84, there were 118 projects approved under the IAP for grant assistance in the amount of \$793 594. The bulk of this assistance (\$637 614) was provided to non-profit institutions; or more specifically, university research facilities. The remainder of the assistance consisted principally of assistance to individuals in the form of scholarships.

Cooperative Overseas Market Development Program

The Cooperative Overseas Market Development Program (COMDP) was one of the programs subsumed by the IRDP. The objectives of the COMDP were, firstly, to stimulate integrated growth and development of the wood products industry of B.C., with particular emphasis on the northern and interior regions of the province and on more fully manufactured products from this industry sector, and secondly, to achieve greater recognition and acceptance of Canadian wood product specifications, building practices and supply capabilities in foreign building codes and standards and with local trade.

The amount of assistance paid out under the COMDP during 1983-84 totalled \$1.9 million.

In addition to the IRDP and those programs which have been subsumed by the IRDP, there are a number of other departmental assistance programs which continue to be managed separately. The following material comprises a review of the activity of these additional programs.

Small Businesses Loans Program

The Small Businesses Loans Program, established under the Small Businesses Loans Act, makes term loans available to small Canadian businesses to finance a wide variety of capital expenditures. 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 28 511 loans for \$776.0 million were made under the program in 1983-84 (Table 8). Loss claims paid during the same period totalled \$25.4 million.

Table 8

Loans under the Small Businesses Loans Act by Province/Territory 1983-84

	Number of Loans	Amount (\$ millions)
Newfoundland	402	10.8
Prince Edward Island	113	2.7
Nova Scotia	556	14.3
New Brunswick	773	24.1
Québec	11 067	298.9
Ontario	5 984	171.2
Manitoba	817	22.1
Saskatchewan	1 507	41.7
Alberta	2 166	57.5
British Columbia	5 010	129.8
Yukon	78	1.8
Northwest Territories	38	1.1
Total	28 511	776.0

The 28 511 SBLA loans made in 1983-84 are classified by type of business in Table 9. The data show that the largest volume of business was done with service businesses followed by retail, manufacturing and transportation firms.

Table 9

Loans under the Small Businesses Loans Act by Type of Business 1983-84

Type of Business	Number of Loans	Amount (\$ millions)
Wholesale Trade	1 140	25.6
Retail Trade	6 928	201.8
Construction	2 794	70.6
Manufacturing	2 908	82.3
Service Businesses	11 376	309.6
Transportation	3 051	79.1
Communications	314	7.0
Total	28 511	776.0

Small Business Investment Grant (SBIG)

This program was announced in the June 28, 1982, budget to provide temporary interest assistance for small businesses including farmers and fishermen, whether incorporated or not, as an inducement to undertake investment to:

- (1) finance purchases after June 28, 1982, and before March 31, 1983, of depreciable new property to be used in an active business in Canada; and
- (2) finance expenditures on scientific research after June 28, 1982, and before March 31, 1983.

The form of assistance is a monthly grant of up to four per cent per year on the outstanding loan for two years from the date of issue of the loan which an eligible small business borrower negotiated with a financial institution subject to normal commercial lending practices.

The total amount of eligible loans to an eligible small business borrower or related group of businesses was limited to \$500 000 and to qualify, a loan had to be for at least \$10 000.

Grants were being paid to 5 742 SBIG applicants from every province and territory in Canada who borrowed a total of \$358 145 060 and used the proceeds for new investment during the eligible period, that is, after June 28, 1982, and before April 1, 1983.

Due to rapidly declining interest rates after June 28, 1982, the average SBIG grant was well below the four per cent per year maximum.

In 1983-84, the amount of SBIG grants paid totalled approximately \$4.2 million. As shown in Table 10, the largest number of grants and amount paid were located, firstly in Ontario and secondly in Québec.

Table 10

**Grants Paid under the
Small Business Investment Grant Program
by Province/Territory 1983-84**

	Number of Grants	Amount (\$ thousand)
Newfoundland	101	115
Prince Edward Island	56	48
Nova Scotia	133	124
New Brunswick	127	105
Québec	1 253	1 049
Ontario	1 686	2 203
Manitoba	372	194
Saskatchewan	1 081	325
Alberta	525	502
British Columbia	394	464
Yukon/N.W.T.	14	25
Total	5 742	4 154

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 1983-84 for an authorized amount of \$74.9 million (Table 11). By program component, the totals comprised 16 R&D projects for a value of \$25.1 million, 79 source establishment projects valued at \$31.8 million, 57 capital assistance projects for \$17.6 million and three market feasibility studies for \$0.4 million. The bulk of the projects involved manufacturing firms located in Ontario and Québec.

Table 11
Projects Authorizations under the
Defence Industry Productivity Program
by Province/Territory 1983-84

	Number of Projects	Amount (\$ millions)
Newfoundland	-	-
Prince Edward Island	-	-
Nova Scotia	3	0.4
New Brunswick	-	-
Québec	48	25.4
Ontario	95	32.7
Manitoba	4	1.4
Saskatchewan	-	-
Alberta	-	-
British Columbia	5	15.0
Yukon/N.W.T.	-	-
Total	155	74.9

On an industry sector basis, 78 of the authorized projects were in the transportation equipment sector for an authorized amount of \$33.8 million. Approximately the same amount of assistance was authorized for 46 projects in the electrical and electronic products sector.

Table 12
Project Authorizations under the
Defence Industry Productivity Program
by Type of Business 1983-84

Major Industry Group	Number of Projects	Amount (\$ thousand)
Plastic Products	1	582
Primary Metals	15	1 882
Metal Fabricating	1	83
Machinery	2	813
Transportation Equipment	78	33 784
Electrical & Electronic Products	46	33 926
Non-Metallic Minerals	3	1 353
Chemicals	5	730
Other Manufacturing	4	1 769
Total	155	74 922

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 48 projects with an authorized value of \$42.4 million. Twenty-two of the projects with a value of \$37.3 million provided for the building and/or conversion of ships while there were 26 productivity improvement projects valued at \$5.1 million.

Industry and Labour Adjustment Program

Under a major program initiated by the federal government in January 1981, 12 communities in several regions of the country were designated during the past two fiscal years as eligible for federal aid to alleviate unemployment. This program was designed to reduce the distress in communities caused by permanent, large-scale industrial dislocations and associated layoffs of area workers. The program expired in March of 1984.

During 1983-84, a total of 106 ILAP projects were approved for an authorized amount of Crown assistance of \$48.8 million (Table 13). Approximately 80 per cent of these projects were located in Ontario and the bulk of the remainder was in Québec.

Table 13

**Projects Authorizations under the
Industry and Labour Adjustment Program
by Province/Territory 1983-84**

	Number of Projects	Amount (\$ millions)
Newfoundland	-	-
Prince Edward Island	-	-
Nova Scotia	3	1.0
New Brunswick	-	-
Québec	17	1.6
Ontario	84	46.0
Manitoba	-	-
Saskatchewan	-	-
Alberta	-	-
British Columbia	2	0.2
Yukon/N.W.T.	-	-
Total	106	48.8

On an industry sector basis, the statistics in Table 14 show that one-half of the approved ILAP projects were accounted for by the industry sectors of transportation equipment, metal fabricating and machinery. Significant amounts of assistance also went to the sectors of non-metallic minerals, rubber products, plastic products, and the wholesale group of metals, hardware, plumbing, heating and building materials.

Table 14

**Projects Authorizations under the
Industry and Labour Adjustment Program
by Major Industry Group 1983-84**

Major Industry Group	Number of Projects	Amount (\$ thousand)
Mines	3	956
Food	8	1 533
Rubber Products	2	6 097
Plastic Products	6	2 367
Leather & Allied Products	2	1 284
Textile Products	2	260
Wood	3	55
Furniture & Fixtures	2	79
Paper & Allied Products	1	19
Printing, Publishing & Allied Products	1	108
Primary Metals	3	251
Metal Fabricating	21	7 063
Machinery	10	3 305
Transportation Equipment	23	11 154
Electrical & Electronic Products	2	200
Non-Metallic Minerals	3	10 300
Chemicals	3	241
Other Manufacturing	1	138
Industrial & Heavy (Engineering) Construction	2	121
Motor Vehicle, Parts & Accessories, Wholesale	2	247
Metals, Hardware, Plumbing, Heating & Building Materials, Wholesale	2	2 723
Machinery, Equipment & Supplies, Wholesale	2	52
Business Services	2	259
Total	106	48 812

THE COMPTROLLER

The Comptroller provides objective advice and management support in policy making and program direction. The Comptroller is responsible for the design and coordination 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 ongoing advice on resource management and allocation to senior departmental management and other responsibility centres to ensure that resources are deployed in a manner consistent with government and departmental priorities. The Resource Management Branch is involved in most planning, programming and budgeting activities, and is a source of advice on the resource and policy implications of project and program proposals.

The branch consolidates the departmental Multi-Year Operational Plan, prepares Main and Supplementary Estimates, and allocates and controls budgets.

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 very different financial organizations of the former DREE and ITC were restructured, the Resource Accounting Management System set in place, and the departmental project audit policy developed.

ADMINISTRATIVE SERVICES BRANCH

The branch is responsible for administrative policy, manuals and directives, contracting and material administration, property administration, telecommunications, printing and duplicating, word processing, forms management, records management, micrographics, mail and messenger services, travel services, office automation, library services and the management of administrative service units for all headquarters elements of the department.

Major activities during the past year have centered around completing the integration of the two former departments, developing and implementing new policies and procedures to meet the new organization's requirements and developing various initiatives to improve the efficiency and effectiveness of services provided. A significant amount of effort was also expended in developing service and support mechanisms for the regional elements of the department.

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 \$9.1 million in 1983-84 to purchase data processing goods and services from the private sector.

The merger of DREE and ITC required that information systems be re-designed to service the needs of the new department. To address this need, the Computer Services Branch developed and implemented a range of major new management information systems for finance, program support and company data. Other activities included the establishment of a Micro-Computer Centre which is now actively assisting other branches to acquire and use micro-computers to aid them in improving the efficiency and effectiveness of their operations.

PROGRAM EVALUATION BRANCH

The branch provides information on the effectiveness of departmental programs and recommends appropriate changes. The major activities during the year involved evaluation studies on marketing, innovation and pulp and paper, and assessments in the areas of the Industry and Labour Adjustment Program, and the Product Development Management Program. Evaluation frameworks were also completed for Credit Reinsurance, Tourism Development and the Small Business Investment Grant program. In addition, a number of subsidiary agreements were evaluated in conjunction with regional program evaluation personnel.

MANAGEMENT PRACTICES BRANCH

The branch coordinates the department's Management Action Plan to improve management practices and controls, and conducts studies aimed at developing, enhancing and integrating management

processes. In this role, the branch responds to the requirements of the Office of the Comptroller General under its Improvement of Management Practices and Controls Program.

The Management Action Plan 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 the departmental planning process, including preparation of an Operational Plan Framework. Progress has also been made in developing performance indicators as a first step towards developing a departmental productivity enhancement 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.

Branch activities focussed on the development of the departmental Long Range Systems Plan, the coordination of integration activities associated with departmental information systems and the establishment of a policy framework with particular emphasis on micro-computers and office automation.

ACCESS TO INFORMATION AND PRIVACY OFFICE

The office was created in response to the government enacting access to information and privacy laws. The primary responsibilities include assisting the public with access requests, developing policies, and advising senior management on the administration of the legislation and the disposition of cases.

During the past year, a substantial foundation was laid for the sound implementation of the Access to Information and Privacy Acts. In particular, through seminars and documentation, senior departmental managers have been made aware of the key features and implications of the legislation.

In the period from July 1, 1983, to March 31, 1984, a total of 43 formal requests were received under the Access to Information Act and three under the Privacy Act. In addition, while no statistics have been maintained, a number of requests were disposed of on an informal basis. This is in keeping with departmental policy which encourages the use of existing departmental communications channels for obtaining departmental information.

PORTFOLIO MANAGEMENT BRANCH

Portfolio Management coordinates the department's operational planning process. Through the operational plan, the branch is responsible for providing a common sense of direction throughout the department, harmonizing regional, sectoral and support activities, tracking operational performance and ensuring accountability.

The operational planning process was strengthened during 1983-84, and the branch was involved in a series of highly successful regional-sectoral planning sessions in order to better channel resources in achieving the new department's mandate.

T O U R I S M

Canada's travel industry consists of more than 100 000 businesses, many of them small and most Canadian-owned, that employ directly approximately 600 000 Canadians, a sizeable contribution to the country's labour force.

Overall, some 13 million long-term visitors came to Canada in 1983, up one per cent from 1982. U.S. residents entering Canada for overnight or longer stays numbered in excess of 11 million, up 2.4 per cent from 1982. Visitors from other countries totalled approximately 1.6 million in 1983, down 8.1 per cent from 1982.

While visits to Canada by travellers from Japan, Hong Kong and Israel increased in 1983, these gains were offset by decreases in the numbers of visitors from several of Canada's traditional overseas markets, including the United Kingdom, West Germany, France and The Netherlands.

Canadians returning from spending one night or more in other countries totalled 13.7 million, up 15.2 per cent from 1982.

Canada earned \$3.9 billion from international travel in 1983, up 3.5 per cent from the \$3.7 billion the country earned in 1982. Canadians travelling abroad spent \$5.9 billion in 1983, up 18.6 per cent from the \$5.0 billion they spent in 1982.

As a result, Canada's international travel deficit increased by 62.5 per cent, from \$1.3 billion in 1982 to \$2.1 billion in 1983.

Assistance to the Canadian tourism industry is provided at the headquarters federal level by the Tourism Branch of the department under three areas: Tourism Development, Tourism Marketing and Corporate Affairs.

TOURISM DEVELOPMENT

The advent of the new federal economic development process, and full implementation of operations as part of DRIE, have introduced some new operations to Tourism Development. The initial inclusion of tourism as an eligible sector under the Industrial and Regional Development Program (IRDP) brought Tourism Development into the DRIE program policy function. Considerable staff resources were devoted over the summer of 1983 to the development of policies and criteria for the delivery of the program to the tourism industry.

Following upon the introduction of IRDP, federal-provincial negotiations began on the new Economic and Regional Development Agreements (ERDAs). Under the authority of these ERDAs, Ministers directed the development of Subsidiary Agreements or Memoranda of Understanding on tourism between the federal government and all provinces and territories. Tourism Development was designated the responsibility centre for federal-regional consultation and coordination on these documents. To date, several have been signed with the balance in various stages of development.

Traditional operations of Tourism Development continued to bear fruit over the last fiscal year. The Tourism Investment Stimulation Program sponsored its first investment seminars in Hong Kong and Singapore. Coordinated with Department of External Affairs posts, these seminars attracted more than 150 participants. Presentations were made on the Canadian tourism industry, its opportunities for investment and the Canadian investment climate and structure.

More than \$15 million in financial assistance was provided during the fiscal year for the construction of trade and convention centres. Major recipients were Canada Harbour Place (Vancouver) and the Metropolitan Toronto Convention Centre.

In cooperation with the Canada Employment and Immigration Commission, Tourism Development committed nearly \$8 million to more than 40 tourism development projects demonstrating significant job creation.

A major educational/training project under development for nearly a year was completed in the fall of 1983. This project, entitled "Tourism is Your Business", involves a video instruction program and supplementary print instruction manual and study guide. The package is aimed at upgrading the business and management skills of operators of small and medium-sized lodging businesses located in smaller or remote communities where traditional resources are less accessible.

To date, the program has been distributed by TV Ontario, Knowledge Network in British Columbia and the Atlantic Satellite Network in Atlantic Canada.

Work continues on horizontal issues affecting the industry in such areas as National Parks policy, air deregulation, and passenger rail service.

TOURISM MARKETING

Tourism marketing operations included:

- "Vacation Canada" advertisements placed in periodicals reaching more than 70 per cent of all Canadian households.
- An estimated \$70 million of tourism business was transacted at the seventh annual Rendez-vous Canada in Toronto, May 1-5, 1983, an increase of \$9 million from 1982. The international marketplace attracted 372 Canadian selling organizations, 247 foreign buying organizations and 31 international media representatives.
- TourCan, an annual domestic marketplace, was held in Quebec City, September 11-15, 1983. The program was jointly sponsored by the Province of Quebec (Tourisme Québec) and Tourism Branch, DRIE. TourCan '83 provided the opportunity for sellers of tourism products from Quebec to meet with wholesalers and operators from across Canada.

CANMAP

The Canadian Marketing Assistance Program (CANMAP) introduced April 1, 1982, was designed to increase the demand for Canada's travel facilities and services by encouraging the domestic and international travel trade, through a cost-sharing program, in the development and marketing of Canada's package tours in the domestic and foreign markets. The program provided financial support to a maximum of \$25 000 or 50 per cent of the eligible costs, whichever was less.

Based on the sampling of 43 applications processed during FY 1982-83, Tourism Canada's contribution of \$478 495 for a total of \$1 066 856 resulted in incremental sale of Canadian tourism products and services amounting to \$23 260 485.

The computerized meetings and incentive travel data bank made detailed profiles of approximately 5 400 U.S. organizations able to meet in Canada directly available to the industry.

Approximately 400 association executives, meetings planners and incentive travel influencers visited major Canadian destinations through the site inspection program. A 23 per cent increase in meetings and convention revenue was recorded by the sales development firm working on contract to Tourism Canada in the United States, which can be attributed in part to the allocation of incremental funds to this activity.

Tourism Branch stimulated a Canada Customs program review, which resulted in the updating of policies and procedures relating to the entry into Canada of meetings, conventions/exhibitions and incentive groups. An Order-in-Council also resulted in significant changes and streamlining of regulations and guidelines relating to the entry into Canada of these groups.

Overseas Marketing Communications encompassed programs in primary markets -- United Kingdom, West Germany, France, Holland, Mexico, Australia and Japan -- as well as activities in prioritized emerging markets such as Hong Kong.

Program highlights included: France: an extensive pictorial/editorial campaign based on the 450th anniversary of Jacques Cartier's arrival in Canada; United Kingdom: partner co-operation campaign based on incremental funding; West Germany: a major fine-tuning of consumer strategy to reach a younger target audience with broader product appeal; Japan: emphasis on the young female market including consumer contests; Australia: use of noted Canadian personality Donald Sutherland and co-funding by both CP Air and Qantas Airlines.

In addition market development work continued in South America, southeast Asia and southern Europe; and the Minister of State for Small Business and Tourism visited two U.S. cities, beginning a six-city communications tour promoting the "Year of Tourism" and the increased advertising initiatives in the United States.

CORPORATE AFFAIRS

Corporate Affairs ensures ongoing research support in terms of supply, demand, cost/benefit and impact studies, including the maintenance of a comprehensive tourism data base; plans, develops and recommends policy; monitors program activity operations; acts as a focal point for government and industry relations through a coordination secretariat; and is responsible for corporate information related to tourism within DRIE.

The Corporate Policy and Strategic Planning group, as its prime function in fiscal year 1983-84, addressed a wide range of policy issues, with the impact of taxation on tourism being a major concern. A review was also commenced on the application of technology to tourism.

Research and Analysis contracted with Statistics Canada for the fieldwork for the Canadian Tourism Attitude and Motivation Study. Market probes were conducted in the United Kingdom, France, The Netherlands and Singapore, and an attitude study was conducted in Hong Kong. A tracking study designed to evaluate the in-Canada promotional campaign was instituted. Work continued on the analysis of the 1982 Canadian Travel Survey data.

The Planning and Evaluation group prepared a short-term plan for management of electronic data processing projects and a long-term operational plan for Tourism. Completion of phase I of an office automation pilot project and the piloting of an exit interview questionnaire were innovative achievements of potential benefit to DRIE.

The Coordination Secretariat, in addition to providing the necessary logistical support to the Conference of Canadian Tourism Officials and the Federal-Provincial Conference of Tourism Ministers, continued its effort to establish a dialogue with labour through the Canadian Labour Congress, and provided the secretariat for the newly-inaugurated Minister's Tourism Advisory Council. The 1983 Tourism Medallion Program, designed to provide recognition to those who had provided noteworthy services to tourism at the national and provincial levels, was the responsibility of this area.

The Information Services group, through the aegis of its tabloid Canada Tourism, kept clientele external to the department aware of the activities of Tourism within DRIE. A bulletin highlighting newsworthy press items, and a Media Review surveying major newspaper articles relevant to all sub-components of the tourism sector, kept a more restricted audience fully informed of major happenings in the industry.

Contributions through active participation and provision of working documents to the deliberations of the Tourism Committee of the Organization for Economic Co-operation and Development, provision of major inputs to the debate on tourism by the Opposition in the House of Commons, and the responding by most sections of Corporate Affairs to numerous ministerial enquiries, rounded out the activities of this directorate.

REGIONAL ACTIVITIES

In addition to the programs previously described, personnel of the new department 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

Departmental expenditures in Newfoundland during the period under review continued to be concentrated under GDA subsidiary agreements. New agreements covering Industrial Development II and the Institute of Fisheries and Marine Technology were signed.

Under the Industrial Development II subsidiary agreement, the federal government is constructing a series of incubator malls and industrial parks at strategic locations in central and western Newfoundland. The institute agreement commits both levels of government to the construction of a replacement facility for the present Fisheries College in St. John's to meet new training demands in marine technology and the offshore.

Amendments were made to the Rural Development and Tourism subsidiary agreements during the year and there was positive response to the department's Industrial and Regional Development Program. Forecast cash flows did not take place for a number of initiatives originally planned for implementation in 1983-84. Advances to Newfoundland and Labrador Development Corporation did not flow as the triggering investment by Newfoundland firms on new plant and equipment projects was substantially curtailed. Expenditures for a new Rural Development Agreement, Ocean Industries Development and a new Tourism Development Initiative did not flow as these new initiatives have yet to get approval.

Following is a description of activities in the Newfoundland Regional Office under subsidiary agreements and other programs during 1983-84.

SUBSIDIARY AGREEMENTS**Labrador**

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

Costs shared by:

DRIE	\$ 18 258 300
Health & Welfare Canada	1 404 000
Provincial government	2 434 700
Total estimated cost	\$ 22 097 000

DRIE expenditure to date	\$ 17 037 720
DRIE expenditure 1983-84	\$ 174 186

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 Québec; 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 has 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.

Rural Development

Duration: 01/04/78 to 30/09/83

Costs shared by:

DRIE	\$ 15 122 000
Provincial government	680 000
Total estimated cost	\$ 16 802 000

DRIE expenditure to date	\$ 14 827 135
DRIE expenditure 1983-84	\$ 2 238 556

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, craftspeople 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.

This agreement expired September 30, 1983. A new agreement is currently being negotiated with the province. In the interim, financial assistance is being provided directly to the development and craft associations by the department.

Pulp and Paper Mill Modernization

Duration: 01/06/81 to 31/03/85

Costs shared by:

DRIE	\$ 30 000 000
Provincial government	3 333 000
Total estimated cost	\$ 33 333 000

DRIE expenditure to date	Nil
DRIE expenditure 1983-84	Nil

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.

Community Development for Coastal Labrador

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

Costs shared by:

DRIE	\$ 33 800 000
Provincial government	5 196 000
Total estimated cost	\$ 38 996 000

DRIE expenditure to date	\$ 21 565 143
DRIE expenditure 1983-84	\$ 8 083 320

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 paved. The access road from William's Harbour to George's Cove has been completed and work is underway on the road from Mary's Harbour to Lodge Bay. The latter will be completed in the 1984 construction season.

Water and sewer projects are under way in L'Anse Au Clair, Forteau, L'Anse Au Loup and Cartwright. The systems for these communities are nearing completion. Contracts have been awarded for systems in Mary's Harbour and West St. Modeste. Design is continuing for Red Bay.

Construction of the new medical clinic at St. Lewis is complete as is the renovation of the existing facility at Mary's Harbour. Work is continuing on the new building for Black Tickle, while design for the renovations at Cartwright has been completed and work is expected to get underway shortly.

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

Industrial Development - Phase I

Duration: 11/06/79 to 31/03/84

Costs shared by:

DRIE	\$ 23 985 000
Provincial government	2 665 000
Total estimated cost	\$ 26 650 000

DRIE expenditure to date	\$ 22 628 541
DRIE expenditure 1983-84	\$ 3 654 798

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 1983-84, with the eastern 10 km of the Corner Brook access road already paved and opened to traffic, grading on the final 4.5 km was completed and base course paving done. Construction of the industrial park was essentially completed by year end, with only testing of the water mains and reservoir to be done. Lots have been placed on sale.

The 23 km Stephenville access road was completed and opened to traffic in 1982-83.

Industrial Development - Phase II

Duration: 03/06/83 to 31/03/88

Costs shared by:

DRIE	\$ 17 800 000
Provincial government*	<u> NIL</u>
Total estimated cost	\$ 17 800 000

* The Province furnishes the sites for the projects

DRIE expenditures to date	\$ 200 830
DRIE expenditures to date	\$ 200 830

This agreement continues and expands support for economic development in the province begun under an earlier federal/provincial agreement, including Industrial Development - Phase I, through the provision of industrial infrastructure in selected communities in central and western Newfoundland, thereby enhancing the climate for the establishment and/or expansion of industrial and commercial enterprises.

The agreement provides funding for the construction of a 9 ha industrial park and a multi-tenant industrial mall at Port aux Basques, a multi-tenant industrial mall at Pasadena, a 25 ha industrial park at Windsor and a 44 ha industrial park at Gander. Canada is implementing the projects with the province supplying the sites and accepting responsibility for ongoing operation, maintenance and repair of the completed facilities. The agreement also provides funding for promotion of the developments and for industrial studies.

Public Works Canada is implementing the capital works on DRIE's behalf and has appointed design consultants for four of the five projects. The consultants have been gathering pertinent site information and liaising with regulatory authorities and other interested parties. Preliminary designs for Port aux Basques and Gander parks have been approved by PWC and DRIE and work on detailed design is underway. Tender calls for both are scheduled for June, 1984. All projects, except the Port aux Basques mall, should be under construction in 1984-85.

A supply/demand study of industrial land on the Avalon and Burin Peninsulas is now underway.

Institute of Fisheries and Marine Technology

Duration: 16/05/83 to 31/03/87

Costs shared by:

DRIE	\$ 27 500 000
Provincial government	<u>14 500 000</u>
Total estimated cost	\$ 42 000 000

DRIE expenditure to date	\$ 1 725 414
DRIE expenditure 1983-84	\$ 1 725 414

This agreement supports the establishment of the Newfoundland Institute of Fisheries and Marine Technology, thereby enhancing the capability to meet the skilled training needs of people and industry with respect to the fisheries, marine, offshore oil and gas and industrial sectors, both provincially and regionally.

The agreement provides funding for the construction and equipping of a 20 000-square-metre building on a 17 ha site on Ridge Road in St. John's to accommodate some 1 000 students. The facility will include a flume tank which will aid in the design, experimentation and operations training for new fishing gear aimed at improving catching efficiency and energy conservation.

The Institute is being built under a construction management arrangement. Work was begun in summer, 1983, and following extensive site preparation, municipal services were installed and building foundations completed by year end. By that time structural steel erection was also well underway. Contracts for all major work items have been awarded. If the present construction schedule can be maintained, much of the building will be ready for occupancy by fall, 1985.

Tourism Development

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

Costs shared by:

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

DRIE expenditure to date	\$ 11 380 724
DRIE expenditure 1983-84	\$ 1 523 141

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.

OTHER PROGRAMS

Fishing Equipment Manufacture/Assembly Market Study

- | | |
|--|-------------|
| 1. Total Study Cost | \$36,945.00 |
| 2. Expenditure in 1983-84 | \$17,786.93 |
| 3. The proximity of Burin Peninsula to some of the world's most prolific fishing grounds coupled with the refurbishment of the trawler fleet, provides opportunity for the diversification of the Peninsula's economic base. | |

The market study involves an analysis of the fishing equipment market and the opportunities available to residents of the Burin Peninsula in the manufacture assembly of such equipment.

Industrial and Regional Development Program (IRDP)

The Industrial and Regional Development Program came into place during 1983-84, replacing RDIP and a number of other programs. Activities under this program for the period it was operating were as follows:

Net accepted offers	20
Number of jobs expected to be created	285.5
Eligible capital investment associated with offers	\$ 8 601 054
DRIE commitment through these offers	\$ 1 643 017
Total payments 1982-83	\$ 700 487

Regional Development Incentives Program (RDIP)

The Regional Development Incentives Program was phased out in 1983-84. Activities under this program for the period it was operating were as follows:

Net accepted offers	5
Number of jobs expected to be created	32.5
Eligible capital investment associated with offers	\$ 2 791 314
DRIE commitment through these offers	\$ 806 623
Total payments 1982-83	\$ 1 889 616

Canada Fisheries Development Program - Labrador

Duration: 01/04/81 to 31/03/87

Total estimated cost \$ 13 500 000

DRIE expenditure to date \$ 5 542 000

DRIE expenditure 1982-83 \$ 1 202 000

The program is delivered unilaterally through DRIE/DFO.

The program is intended to increase efficiency in the harvesting, landing, processing and storage of fish. To date two ice-making machines have been installed, as well as two bait/fish holding units and eight fish unloading systems.

In addition, fish plants at Rigolet, Makkovik and Square Islands have been modernized and community stages have been provided at West St. Modeste and Square Islands.

Projects involving fish plants are cost-shared 50:50 with the plant owner/operator, while other projects are financed 100 per cent by the federal government.

PRINCE EDWARD ISLAND

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 included 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 provided for coordinated implementation of federal programs designed specifically for the province.

The Federal Development Strategy, which involved the participation of five federal departments, including DRIE, provided 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 the Ministry of State for Economic and Regional Development and having representation from the Departments of Regional Industrial Expansion,

Agriculture, Transport, Fisheries and Oceans, and Energy, Mines and Resources, was established by Treasury Board to ensure co-ordination of program planning.

DRIE expenditures during 1983-84 under the Comprehensive Development Plan totalled \$8 160 560 and the Federal Development Strategy for Prince Edward Island totalled \$8 152 417.

SELECTED DRIE PROGRAMS UNDER THE FEDERAL DEVELOPMENT STRATEGY

Small Business Assistance Program

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

During the year 37 applicants accepted offers of assistance totalling \$615 374.

Community Industrial Support Program

The objective of the program was to encourage Area Industrial Commissions in Prince Edward Island to promote, coordinate and implement economic development activities in the communities within their jurisdiction.

During the year three applicants accepted offers of assistance totalling \$794 247.

Tourism Incentives: Financial Assistance Program

The objective of this program was to assist the private sector to increase and improve the quality and quantity of tourist facilities and services in Prince Edward Island.

During the year 103 applicants accepted offers of assistance totalling \$1 639 814.

Tourism Destination Program

The objective of this program was to encourage the development of major tourism destinations, particularly in the eastern and western regions of the province.

During the year two applicants accepted offers of assistance totalling \$1 709 125.

Industrial Development Program

The objective of this program was to improve productivity and efficiency and thereby provide a stimulus for industrial growth.

During the year 26 applicants accepted offers of assistance totalling \$298 909.

SELECTED PROGRAMS UNDER THE COMPREHENSIVE DEVELOPMENT PLAN

Agriculture

Agriculture programs in 1983-84 continued to help farmers to expand, modernize and diversify. In addition, extension programs provided encouragement to farmers to adopt modern business techniques through advanced technology.

Market and Product Development

This program helped 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.

Tourism

During the year assistance was provided to develop the tourism sector through cost-shared projects in marketing and sales promotions.

Power and Energy

Six projects involving wood fuel use on Prince Edward Island were undertaken. Three of these were system conversions using wood chip fuel, and the other three were studies for future conversion systems.

A two-year project was completed on Farm Energy Conservation and Energy Alternatives.

Extension of three-phase power to isolated industries was continued.

NOVA SCOTIA

Promotion and Implementation of the Industrial and Regional Development Program (IRDP) were priority activities during the year. Also, the regional office worked more closely with the Federal Business Development Bank (FBDB); the Business Information Centre was transferred to FBDB and officers of the bank worked on IRDP assessment in the DRIE office.

Major modernization programs underway throughout Nova Scotia continued to be possible through federal provincial agreements covering the pulp and paper industry, the Sydney Steel Corporation and Michelin plants. At Michelin, productivity improvements include the introduction of CAD/CAM facilities, while the Sydney Steel Corporation will soon be equipped with a reconstructed blast furnace and a modernized rolling mill. In the pulp and paper sector, federal-provincial investment of \$21 million has resulted in private sector investment of approximately \$125 million and has helped to ensure maintenance of competitive positions for the industry.

Assistance was also continued, through federal-provincial agreements, for infrastructure in the Strait of Canso, the Panamax Dry Dock in Halifax and for Ocean Industry Development.

Industrial development activities included the formulation of policies, identification of opportunities, promotion of the transfer of technologies to Nova Scotia and the encouragement of joint ventures between the private sector and the research establishment.

One such venture -- supported by DRIE -- is the Institution-Industry collaboration between Selmac Limited and Dalhousie University to form a new company -- Focal Marine -- to develop the marine uses of fibre optics.

The Nova Scotia regional office supported the Advanced Microelectronics Institute, the Canadian Fisheries Institute of Technology, the Atlantic Coal Institute and the International Centre for Ocean Development. Development officers also actively pursued opportunities for the formation of other research and development institutions.

In the marketing area, trade development, including the first Canada Export Trade Month, was a priority. Efforts were also directed at expanding local participation in large projects and government contracts.

Research and development and innovative projects were actively encouraged. Support was provided, for example, to Micronav Limited of Sydney to develop a new aircraft approach and landing system. The system, called the Microwave Landing System, has been adopted by international aviation authorities as the future landing aid at airports around the world.

DRIE's Ocean Industry Development Office was, during 1983-84, at the forefront of efforts to establish Nova Scotia as a centre of excellence in the ocean industry sector.

During the year, DRIE assistance encouraged many firms to locate in Nova Scotia and some, such as Canadian Diamant Boart, which manufactures diamond drill bits, brought new technologies to the province. DRIE assistance also enabled many Nova Scotia manufacturing and processing companies to expand their operations.

Following is a brief description of activities under subsidiary agreements and other programs in 1983-84.

SUBSIDIARY AGREEMENTS

Strait of Canso Area Development

Duration: 31/03/75 to 30/06/84

Costs shared by:

DRIE	\$ 22 503 400
Provincial government	7 554 100
Total estimated cost	<u>\$ 30 057 500</u>

DRIE expenditure to date	\$ 21 049 956
DRIE expenditure 1983-84	\$ 668 524

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 spinoffs from this industry and heavy industry prospects. Funds are provided to maintain a promotion and development agency, the Strait of Canso Development Authority.

Halifax Panamax Dry Dock

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

Costs shared by:

DRIE	\$ 43 900 000
Provincial government	13 700 000
Total estimated cost	<u>\$ 57 600 000</u>

DRIE expenditure to date	\$ 43 368 764
DRIE expenditure 1983-84	\$ 128 048

The 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 complete.

Assistance to Michelin Tires (Canada) Ltd.

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

Costs shared by:

DRIE	\$ 42 000 000
Provincial government	14 000 000
Total estimated cost	<u>\$ 56 000 000</u>

DRIE expenditure to date	\$ 29 000 000
DRIE expenditure 1983-84	\$ 29 000 000

Providing assistance for the company's facilities at Granton and Bridgewater, Nova Scotia, the agreement 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, Nova Scotia.

Modernization of Facilities at the Sydney Steel Corporation

Duration: 01/04/81 to 30/06/84

Costs shared by:

DRIE	\$ 77 000 000
Provincial government	19 250 000
Total estimated cost	<u>\$ 96 250 000</u>

DRIE expenditure to date	\$ 46 830 368
DRIE expenditure 1983-84	\$ 33 009 516

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.

The reconstructed blast furnace will be commissioned in September 1984.

Pulp and Paper Modernization

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

Costs shared by:

DRIE	\$ 17 000 000
Provincial government	4 250 000
Total estimated cost	<u>\$ 21 250 000</u>

DRIE expenditure to date	\$ 7 722 489
DRIE expenditure 1983-84	\$ 5 264 956

Capital investment of approximately \$125 million, in mill modernization, pollution abatement, and energy cost-reduction projects, was encouraged by incentives provided under this agreement, which assisted Nova Scotia mills to maintain their competitive position and to enable them 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:

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

DRIE expenditure to date	\$ 5 010 958
DRIE expenditure 1983-84	\$ 4 114 235

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 General Development Agreement (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.

OTHER PROGRAMS

Regional Development Incentives Program

Activity under the Regional Development Incentives Program during the fiscal year was as follows:

Net accepted offers	21
Number of jobs expected to be created	346
Eligible capital investment associated with offers	\$ 8 302 382
DRIE commitment through these offers	\$ 3 171 686
Total payments 1983-84	\$ 7 203 963

Industrial and Regional Development Program

Activity under the Industrial and Regional Development Program (IRDP) from its inception (July 1983) to the end of the fiscal year was as follows:

Net accepted offers	19
Number of jobs expected to be created	351
Eligible capital investment associated with offers	\$ 8 544 234
DRIE commitment through these offers	\$ 2 386 071
Total payments 1983-84	\$ 59 888

Program for Export Market Development

Activity under the Program for Export Market Development (PEMD) during the fiscal year was as follows:

Applications approved	103
DRIE commitment	\$ 532 205

NEW BRUNSWICK

During 1983-84 the New Brunswick region gradually adapted to the series of changes which followed the setting up of the new department. In addition to a new mandate, a new Industrial and Regional Development Program and a new organizational structure, these changes also entailed the dismantling of the Atlantic regional office and the relocation of the provincial office from Fredericton to Moncton.

The provincial office at Moncton was assisted in its task of implementation by three local offices situated at Bathurst for the northeast, Cocagne for the southeast and Fredericton for the southwest and the centre of the province. The Fredericton office is also responsible for the administration of the trade, tourism and regional activities sectors.

The following is a brief description of activities in 1983-84, including the agreements still in force and the programs providing assistance to industry and exports.

SUBSIDIARY AGREEMENTS

Northeastern New Brunswick

Duration: 23/06/77 to 31/03/85

Costs shared by:

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

DRIE expenditure to date	\$ 52 410 000
DRIE expenditure 1983-84	\$ 6 523 169

The aim of this agreement is to improve the long-term prosperity and living standard of the population of this region through increased recourse to programs that promote the use of human and material resources and make it possible to speed up the rate of development.

Discussions were held during the fiscal year between the province and DRIE to identify activities that could be undertaken, using the balance of the funds of the subsidiary agreement on northeastern New Brunswick.

Among the projects approved were CAD/CAM at the Bathurst Community College (\$1.6 million); the SMB service centre (\$375 000); SMB grant - data processing (\$230 000); wood drier - Restigouche (\$240 000); peat research centre (\$355 000); tourism co-ordinator (\$165 000).

To enable these projects to be implemented, a one-year extension was also approved, bringing the end of this agreement to March 31, 1985.

Pulp and Paper

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

Costs shared by:

DRIE	\$ 43 000 000
Provincial government	10 750 000
Total estimated cost	<u>\$ 53 750 000</u>

DRIE expenditure to date	\$ 28 862 900
DRIE expenditure 1983-84	\$ 5 121 950

Seven of the province's mills have received offers of assistance under the agreement. Based on planned expenditures exceeding \$500 million through March 1986, incentive assistance will total \$53.25 million (\$42.6 million federal).

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 has received \$12.5 million toward modernization of its newsprint mill at Dalhousie. Total cost of the company's modernization project was \$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.

Lake Utopia Paper Ltd. will receive \$2.5 million towards a \$17 million modernization of its mill located near St. George. The investment program is aimed at cost reduction, energy conservation and improved pollution abatement facilities.

Irving Pulp & Paper Ltd. will receive \$6.75 million in support of a \$70 million capital program to modernize its kraft pulp mill in Saint John. Major improvements are under way in the areas of process control, energy conservation and pollution abatement.

Rothsay Paper Ltd. will receive \$5.5 million towards a \$34 million program to upgrade its Saint John newsprint mill. Capital expenditures will focus on quality improvement and cost reduction.

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

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

Costs shared by:

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

DRIE expenditure to date	\$ 11 760 000
DRIE expenditure 1983-84	\$ 1 865 950

The agreement is to be the catalyst for modernization investment of \$175 million by Consolidated-Bathurst Inc. Under the modernization plan, the kraft operation at the Bathurst mill has been terminated. In its place, the company constructed a 400-tonne-per-day thermo-mechanical pulp plant, at a cost of \$100 million. The plant commenced production in late 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.

Sulphation Roast Leach Pilot Plant

Duration: 30/09/83 to 31/03/87

Costs shared by:

DRIE	\$ 15 000 000
Provincial government	3 750 000
Total estimated cost	<u>\$ 18 750 000</u>

DRIE expenditure to date	\$ 1 500 000
DRIE expenditure 1983-84	\$ 1 500 000

This agreement is designed to provide relief of constraints on the processing of base metals so as to increase the economic viability and potential of existing mining operations in New Brunswick, by constructing a 10-ton per day pilot plant for the testing of the Sulphation Roast Leach Electrowinning technique for improving the recovery of base metals. Funds were provided as part of the Special Recovery Capital Projects Program (SRCP) initially announced in May, 1983.

During the 1983-84 fiscal year, a vacant industrial building was purchased in the Chatham area and renovations were initiated. In addition, the design engineering was contracted out and pieces of major equipment were purchased.

OTHER PROGRAMS

Southeast New Brunswick Development Initiative

Duration: 25/08/81 to 31/03/86

Through separate submissions by each participating department, funding was approved by Treasury Board covering the period 1981/82 to 1985/86 as follows:

DRIE	\$ 3 700 000
Agriculture Canada	3 600 000
Fisheries & Oceans	<u>2 700 000</u>
Total	\$ 10 000 000
DRIE expenditure to date	\$ 71 000
DRIE expenditure 1983-84	\$ 71 000

The DRIE component includes \$1.2 million to operate the recently established SENB Development Office in Cocagne and \$2.5 million for the two financial assistance programs.

The objectives of the Industrial development program are to increase productivity and market potential for local entrepreneurs. The tourism development program contributes to increased revenues and employment in the tourism sector by supporting tourist attractions, restaurants and related accommodations.

The DRIE component was started in October 1983. During the second half of 1983/84, 11 industrial projects received offers of \$117 000 on total investments of \$224 000. The total contribution for this fiscal year was \$22 600.

Under the tourism development program, 20 offers were made committing \$363 000 to projects with total investments of \$887 000. The total contribution for 1983-84 was \$48 400.

Tourism

Through the reorganization of DRIE, a tourism unit was formally placed in the New Brunswick region during 1983-84.

The tourism unit undertook strategic planning to identify regional tourism opportunities and sectoral constraints which could be addressed in the context of a program proposal. It is anticipated that a tourism initiative could result from the planning exercise during the coming year.

The tourism unit participated in sub-regional/area studies to help develop tourism plans such as the McAdam Tourism Conceptual Plan, to provide identification of tourism opportunities for program targetting such as the Southeast New Brunswick Tourism Development Study, and to provide project feasibility and conceptual analysis of proposals such as Pays de la Sagouine.

Trade

The trade unit contributed to regional economic development and job creation by assisting New Brunswick firms in pursuing new export opportunities. Provincial exports increased by 14 per cent in 1983 from \$1.46 billion in 1982 to \$1.67 billion in 1983.

A greater utilization of the PEMD program occurred with 54 projects approved, which represents an 86 per cent increase over 1982/83 and \$210 000 committed which represents a 126 per cent increase over 1982/83.

Under the Promotional Projects Program, the unit facilitated the participation of over 200 New Brunswick firms in trade shows, incoming and outgoing missions and promotions. Many firms participated in more than one activity.

A close working relationship with industry has been established to locate markets for their products, overcome constraints and problems in exporting and counsel them on exporting. Also, sourcing of products and services for international markets which were being sought through our consultants and embassies abroad was a major ongoing activity. Over 250 contacts per month were made through these activities.

QUEBEC

The year 1983-84 was marked by the setting up of the Department of Regional Industrial Expansion and the implementation of the Industrial and Regional Development Program (IRDP).

In Québec DRIE's expenditures in 1983-84 totalled more than \$297 million. They were channelled through various programs formerly under ITC/DREE responsibility. Of the total, \$44 million was spent within the context of federal-provincial agreements, while the balance of \$253 million was given in the form of contributions and grants under various industrial assistance programs. Expenditures under the agreement to modernize the pulp and paper industry amounted to \$26 million, the largest disbursement under this agreement since its announcement in 1979.

The Defence Industry Productivity Program (DIPP) and the Shipbuilding Industry Assistance Program (SIAP) generated total cash disbursements in the order of \$91 million.

Under the DIPP program, two major projects were given priority in 1983-84. The first was the establishment in Québec of a plant to manufacture light twin-engine helicopters by Bell Helicopter Textron Inc. This important project will require a total investment of \$514.2 million and will lead to the creation of 2 775 jobs (annual average).

The federal government is participating in this project for a total of \$165.2 million. The establishment of Bell Helicopter in Québec represents an important phase in the creation of a high-technology industry in Canada related to the manufacture of helicopters.

The second project involved the signing of a long-term joint agreement by the federal government and Pratt & Whitney Canada, in October 1983, to subsidize 12 new research, development and productivity improvement programs. These programs, together with the resulting engine manufacturing projects, will create 6 000 new jobs in the high-technology sector and increase sales by \$20 billion. Over the next ten years, a total of \$1.7 billion will be invested, including \$468 million by the federal government.

SUBSIDIARY AGREEMENTS

Industrial Infrastructure

Duration: 26/03/75 to 30/04/84

Cost shared by:

DRIE	\$ 82 602 000
Provincial government	55 068 000
Total estimated cost	\$137 670 000

DRIE expenditure to date	\$ 60 482 000
DRIE expenditure 1983-84	\$ 7 868 000

This agreement involves a program of financial assistance to municipalities wishing to develop or improve their industrial infrastructures. The assistance has encouraged the creation and expansion of industrial parks and the setting up of well equipped industrial fishery parks in the Gaspé and on the North Shore. Municipalities without the necessary infrastructure for the establishment of an industrial enterprise have also been able to benefit from assistance under the agreement.

Since the agreement has now expired, all the funds allocated to it have been committed to specific projects, several of which are still in progress.

Tourism Development

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

Cost shared by:

DRIE	\$ 69 600 000
Provincial government	66 400 000
Total estimated cost	\$136 000 000

DRIE expenditure to date	\$ 50 613 000
DRIE expenditure 1983-84	\$ 9 688 000

The general objectives of this agreement are to increase and diversify tourist attractions in order to increase the number of foreign tourists and to encourage Québécois to make greater use of the tourist facilities in their province. Work progressed under programs to develop tourist parks, restore buildings and historical sites, modernize museums, establish tourist stops and set up outdoor centres and holiday camps.

During the year, the governments reallocated the balances available under the agreement to projects that could be begun or accelerated during the fiscal year. Among such projects were the old wood pulp mill at Chicoutimi, the Roberval aquatic centre, and the Mont-Vallin ski centre.

Modernization of the Pulp and Paper Industry

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

Cost shared by:

DRIE	\$135 000 000
Provincial government	105 000 000
Total estimated cost	\$240 000 000

DRIE expenditure to date	\$ 64 095 000
DRIE expenditure 1983-84	\$ 25 835 000

The pulp and paper industry is the most important sector of the Québec forestry industry. For some years, however, the industry had seen its competitive position decline on both the domestic and foreign markets.

Thanks to this agreement, however, the two governments enabled the pulp and paper industry to modernize its plants, thereby improving their ability to compete. To encourage businesses to invest more, they are given financial assistance in the form of direct grants up to a possible maximum of 25 per cent of eligible assets. The authorized grants are mainly for projects aimed at reducing production costs, increasing the added value of finished projects and encouraging protection of the environment.

In 1983-84 the funds available under the agreement's budget of \$240 million were committed in the form of grants to 23 Québec businesses involving 39 plants. Among these businesses and plants were Domtar in Donnacona, Donohue in Clermont, Reed in Limoulu, James McLaren in Masson and Papier Q.N.S. in Bale-Comeau. A number of C.I.P., Abitibi-Price and Consolidated-Bathurst plants also benefitted from grants under this agreement.

La Société Inter-Port de Québec

Duration: 03/07/81 to 31/03/86

Costs shared by:

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

DRIE expenditure to date	\$ 2 419 000
DRIE expenditure 1983-84	\$ 917 000

The Société Inter-Port (SIP) is an agency concerned with promotion and industrial development in the Québec City area; it places the emphasis on projects that are likely to derive benefit from the port installations. The SIP is owned 60 per cent by the Québec government and 40 per cent by the federal government. However, according to the terms of the federal-provincial agreement, the federal government's participation in investments amounts to 60 per cent, while that of the provincial government is 40 per cent.

The SIP's objectives are, basically, the diversification and strengthening of the economic structure of the Québec City urban area and the encouragement of job creation. It supports the private sector and stimulates investments which have an impact on the regional economy.

In 1983-84 the Canada-Québec Subsidiary Agreement on the Société Inter-Port de Québec, which was to expire on March 31, 1984, was extended for two years under amendment No. 2, dated March 30, 1984.

The extension will enable the SIP to continue its search for new industries and to provide access for the Québec City area to the world investment market. Furthermore, this decision will make it possible to reallocate and make further use of the available funds.

During the three years it has been in operation, the SIP has shown its value through, among other things, its work among metropolitan Québec City industrial development agencies, the establishment of a promotional team whose main task is to attract investment from abroad, the setting up of export consortiums and the acquisition of land for industry.

Because of the activities of the SIP to stimulate the economy of the Québec City area in 1983-84, it was possible to support, through the injection of \$400 000 in risk capital, the growth and development of a high-technology firm in the area, whose products offer good potential for exports throughout the world.

Special mention should be made of its involvement with the Groupe d'action pour l'avancement technologique et industriel de la région de Québec (GATIQ) which is involved specifically in the establishment and promotion of an optics and laser research institute in the Québec City metropolitan area.

REGIONAL DEVELOPMENT INCENTIVES PROGRAMS

Regional Development Incentives Act

During the 1983-84 fiscal year, the following activities resulted from the Regional Development Incentives Act:

Net accepted offers	168
Number of jobs expected to be created	2 220
Eligible capital investment associated with offers	\$ 91 652 000
DRIE commitment through these offers	\$ 19 769 000
Total payments 1983-84	\$ 29 146 000

Montréal Special Area

The purpose of this program is to speed up the development of the Québec industrial structure by reinforcing the role of the Montréal area as the province's manufacturing growth centre.

During the year of the study, the program gave rise to the following activities:

Net accepted offers	79
Number of jobs expected to be created	2 407
Eligible capital investment associated with offers	\$108 951 000
DRIE commitment through these offers	\$ 18 839 000
Total payments 1983-84	\$ 34 869 000

During the 1983-84 fiscal year, DRIE expenditures in Québec under the regional development incentives programs amounted to \$64 million, \$34.9 million of which was paid in connection with the Montréal Special Area Industrial Incentives Program.

OTHER PROGRAMS

Economic Development Program for the Magdalen Islands

Compared to the other areas of Québec, the Magdalen Islands have not attained a level of economic development sufficient to reduce the chronic unemployment prevalent there. The weak

economic growth is due in part to the area's geographic location. Conscious of the problem, the former Department of Regional Economic Expansion, together with other federal departments, implemented a program aimed essentially at improving the living conditions of the islands' population and the creation and maintenance of permanent jobs which would reduce the unemployment rate and the exodus of the population.

The initial program represented a commitment of \$13.7 million, augmented by \$5.6 million during the 1982-83 fiscal year. The program is divided into seven components, three of which were to be implemented by the Departments of Fisheries and Oceans, Transport and Agriculture. The other four components are the responsibility of DRIE and provide for financial assistance to businesses in manufacturing and tourism, economic development initiatives and economic studies.

The program of industrial incentives resulted in the following activities during the 1983-84 fiscal year:

Net accepted offers	6
Number of jobs expected to be created	59
Eligible capital investment associated with offers	\$ 1 259 000
DRIE commitment through these offers	\$ 629 000
Total payments 1983-84	\$ 241 000

Industrial and Regional Development Program

Net accepted offers	106
Number of jobs expected to be created	2 808
Eligible capital investment associated with offers	\$ 56 713 000
DRIE commitment through these offers	\$ 15 372 000
Total payments 1983-84	\$ 138 000

St. Lawrence Nautical Infrastructures Assistance Program

The aim of the program is to provide Québec with a minimum network of ports of refuge on the St. Lawrence in order both to expand the reception infrastructure for the events connected with Québec's 450th anniversary and, over the longer term, to attract a larger number of Canadian and American pleasure craft to the St. Lawrence.

This program is undertaken in cooperation with the Public Works Department and Fisheries and Oceans Canada. Its objective is to create six new ports, increasing from 500 to 600 the places available to pleasure craft, and to restore five other ports of refuge.

The following ports have received or will receive contributions under this program:

- ° Bale-Comeau
- ° Cap-à-l'Aigle
- ° Gaspé
- ° Ile-aux-Coudres
- ° Lévis
- ° Neuville
- ° Sept-Iles
- ° Sillery
- ° Saint-Laurent/Ile d'Orléans
- ° Tadoussac
- ° Berthier.

It should be noted that some work has been carried out under the federal Direct Employment Development Program.

Eastern Québec Tourist Development Program

This program forms part of the Canada-Gaspé and Lower St. Lawrence Development Plan, announced on May 5, 1983, and intended to improve the economic development outlook in eastern Québec. The program seeks to:

- ° encourage the development, modernization and consolidation of accommodation infrastructures in this area;
- ° develop tourist attractions likely to draw tourists, encourage the organization of package tours and promote major tourist events.

The department is to pay out over \$14 million under the auspices of this program over the next five years.

O N T A R I O

The introduction of the Industrial and Regional Development Program (IRDP), in the summer of 1983, resulted in necessary adjustments to staffing and procedures, the replacement of several existing programs by IRDP, and an emphasis on "direct delivery" programs to industries that stress modernization and innovation.

To provide increased reach and service capability to such companies in one of Canada's most prominent industrial regions, DRIE opened its southwestern Ontario branch office late in 1983 in London, Ontario, making it the third branch office in the province (with Thunder Bay and Sudbury).

In support of the first annual Export Trade Month last October, DRIE conducted export seminars across Ontario and made appearances at various meetings and conferences. During the summer 10 specially-trained university students, hired under the Summer Youth Employment Program, were placed in centres across the province with a mandate to assist manufacturers with their export-marketing efforts.

During 1983-84, departmental expenditure in the Ontario region totalled \$121.7 million. Included in this figure are program expenditures of \$97.7 million for direct-delivery industrial incentives programs, and \$15.9 million in Canada-Ontario subsidiary agreements.

SUBSIDIARY AGREEMENTS

As of March 31, 1984, 12 subsidiary agreements had been signed under the Canada-Ontario General Development Agreement (GDA). Six of these were active during the period covered. One of these, the Sault Ste. Marie Infrastructure Subsidiary Agreement, was managed by Public Works Canada; the Forest Management Subsidiary Agreement was managed by Environment Canada.

Single Industry Resource Communities (SIRC)

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

Costs shared by:

DRIE	\$ 9 383 630
Indian Affairs and Northern Development	314 908
Transport Canada	150 000
Canada Mortgage and Housing Corp.	366 462
Provincial government	9 585 000
Total estimated cost	<u>\$ 19 800 000</u>

DRIE expenditure to date	\$ 9 344 238
DRIE expenditure 1983-84	\$ 800 000

This agreement, 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, comprised six major infrastructure programs.

All projects under the various program elements have been completed, and virtually all funding allocations have been expended as of March 31, 1984 -- the date when this agreement terminated.

Pulp and Paper Industry Facilities Improvement

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

Costs shared by:

DRIE	\$ 62 700 000
Provincial government	125 400 000
Total estimated costs	<u>\$188 100 000</u>

DRIE expenditure to date	\$ 58 184 000
DRIE expenditure 1983-84	\$ 6 575 000

Designed to stimulate private sector investment in the province's pulp and paper industry through incentives for mill modernization, energy conservation and pollution-abatement measures, the industry responded with an investment estimated at \$1.3 billion.

DRIE's contribution of \$60 million to this program has been a vital factor in spurring this corporate development. The agreement terminated on March 31, 1984.

Northern Rural Development (NORDA)

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

Costs shared by:

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

DRIE expenditure to date	\$ 4 530 000
DRIE expenditure 1983-84	\$ 2 373 000

NORDA's aim has been to expand and diversify the economic base of northern rural Ontario by stimulating small-scale entrepreneurial activity and to provide financial assistance for a wide variety of economic activities covering agriculture, natural resources, tourism and the development of small business.

In addition a \$1.5 million component of the agreement funded native projects. This was cost-shared by DRIE and the Department of Indian Affairs and Northern Development.

By March, 1984, a total of 547 projects were approved for assistance, representing a federal commitment of approximately \$9.8 million. These projects are expected to create 2 800 jobs.

Eastern Ontario (EOSA)

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

Costs shared by:

DRIE	\$ 25 175 000
Provincial government	25 175 000
Total estimated cost	\$ 50 350 000

DRIE expenditure to date	\$ 19 219 284
DRIE expenditure 1983-84	\$ 1 333 200

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 \$1 million of federal-provincial funds in forgivable loans was offered to 26 enterprises during the 1983-84 fiscal year.

As a result of these incentives, \$3 million of private sector investment was levered, creating potential for establishing 500 full-time jobs.

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

Early in 1984 this agreement, originally scheduled to end on March 31, 1984, was extended by six months to allow for outstanding applications to be processed. No further funds were allocated to the program.

Community and Rural Resource Development (CRRD)

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

Costs shared by:

DRIE	\$ 13 828 000
Provincial government	15 675 000
Total estimated cost	\$ 29 523 000

DRIE expenditure to date	\$ 8 161 000
DRIE expenditure 1983-84	\$ 3 764 000

This agreement is aimed at strengthening the community structure of rural areas, improving opportunities for long-term employment related to the development of the region's natural resources, and strengthening and diversifying the economic base of rural and urban areas by encouraging the development of alternative secondary industry.

Four of the five major programs have been completed: phase one, Upper Ottawa Valley; New Forests in Eastern Ontario (hybrid poplar); Kirkland Lake Area Geoscientific Surveys and Mineral Studies; and Elliot Lake Infrastructure. The fifth, the Pembroke Area Infrastructure Program, is well underway.

OTHER PROGRAMS**Industrial and Regional Development Program (IRDP)**

In Ontario a "market-driven industrial development strategy" was implemented which gives particular encouragement to those companies which have identified existing and potential market opportunities, and which need assistance in order to become more competitive and to take advantage of those opportunities. Top priority was placed on those applicants who demonstrated the most willingness and ability to make inroads on foreign competitors, and to those who showed a strong potential for achieving export-market or import-replacement sales.

IRDP was promoted through DRIE-sponsored seminars to explain the programs. These were held in 66 cities, and attended by an estimated total of 2 800 businesspeople.

Activity under IRDP from July, 1983 (when the program was introduced) to March 31, 1984:

Net accepted offers	77
Number of jobs expected to be created	1 776
Eligible capital investment generated (estimate)	\$ 84 591 916
DRIE commitment through these offers	\$ 26 127 037
Total payments 1983-84	\$ 1 438 578

Regional Development Incentives Act (RDIA)

All northern Ontario, plus the Renfrew-Pembroke area in the east, is eligible for assistance under the RDIA.

Activity under RDIA during 1983-84:

Net accepted offers	21
Number of jobs expected to be created	295
Eligible capital investment generated (estimate)	\$ 27 034 220
DRIE commitment through these offers	\$ 5 872 476
Total payments 1983-84	\$ 1 046 707

This program will end on December 31, 1984.

Business and Industrial Development Program (BIDP)

This program, which falls under the Canadian Industrial Renewal Board (CIRB), is designed to strengthen and diversify the industrial base of regions that have traditionally depended on the textile, clothing or footwear industries. Two areas -- Cornwall and Hawkesbury -- are the only ones outside the province of Quebec that have been designated under the program.

Activity under BIDP during 1983-84:

Net accepted offers	15
Number of jobs expected to be created	291
Eligible capital investment generated (estimate)	\$ 7 218 500
DRIE commitment through these offers	\$ 2 766 255
Total payments 1983-84	\$ 834 130

MANITOBA

In 1983-84, assistance under the Industrial and Regional Development Program was initiated. Funding under the former Regional Development Incentives Program continued to flow.

SUBSIDIARY AGREEMENTS

As of March 31, 1984, three subsidiary agreements were in effect under the GDA. Following is a brief description of activities under subsidiary agreements during 1983-84.

Northern Development Agreement

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

Costs shared by:	
DRIE	\$ 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

DRIE expenditure to date	\$ 12 148 913
DRIE expenditure 1983-84	\$ 10 626 208

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. Coordination among parties to the agreement is to facilitate measures of preparation for employment, identification of emerging opportunities and placement of trained workers in a range of resource developments and technical, professional and service jobs.

Winnipeg Core Area Agreement

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

Costs shared by:	
DRIE	\$ 32 000 000
City of Winnipeg	32 000 000
Provincial government	32 000 000
Total estimated cost	\$ 96 000 000

DRIE expenditure to date	\$ 7 882 571
DRIE expenditure 1983-84	\$ 2 880 366

The Canada-Manitoba-Winnipeg Core Area 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 are being 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.

Tourism Development Agreement

Duration: 01/04/79 to 31/03/85

Costs shared by:

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

DRIE expenditure to date	\$ 4 030 020
DRIE expenditure 1983-84	\$ 2 950 846

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.

OTHER PROGRAMS

Activity under these programs was as follows:

Industrial and Regional Development Program

Net accepted offers	24
Number of jobs expected to be created	1 509
Eligible capital investment associated with offers	\$ 37 987 339
DRIE commitment through these offers	\$ 9 980 115
Total payments 1983-84	\$ 36 336

Regional Development Incentives Program

Net accepted offers	54
Number of jobs expected to be created	815
Eligible capital investment associated with offers	\$ 29 511 699
DRIE commitment through these offers	\$ 7 019 599
Total payments 1983-84	\$ 6 331 506

Special ARDA

The purpose of the Special ARDA agreement, entered into under the Agricultural and Rural Development Act (ARDA), is 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 is provided to eligible commercial undertakings or primary-producing activities for job creation and income improvement. The agreement has been extended to March 31, 1987.

DRIE Special ARDA expenditures in 1983-84 in Manitoba were \$4,116,652.70.

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

Prior to the conclusion of the General Development Agreement (GDA) on March 31, 1984, a new phase in federal-provincial economic partnership was launched with the signing of a 10-year Economic and Regional Development Agreement (ERDA) on January 30, 1984.

Outlined below is a progress report of DRIE activities under the GDA, ERDA and other funded programs during 1983-84.

SUBSIDIARY AGREEMENTS**Qu'Appelle Valley**

Duration: 06/10/75 to 31/03/84

Costs shared by:

DRIE	\$ 7 760 000
Environment Canada	9 000 000
Parks Canada	1 200 000
Provincial government	<u>15 740 000</u>
Total estimated cost	<u>\$ 33 700 000</u>

DRIE expenditure to date	\$ 7 004 000
DRIE expenditure 1983-84	\$ 1 023 000

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.

Planning

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

Costs shared by:

DRIE	\$ 750 000
Provincial government	750 000
Total estimated cost	<u>\$ 1 500 000</u>

DRIE expenditure to date	\$ 564 000
DRIE expenditure 1983-84	\$ 252 000

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.

OTHER PROGRAMS

Industrial and Regional Development Program (IRDP)

Net accepted offers	8
Number of jobs expected to be created	6
Eligible capital investment associated with offers	\$ 1 075 212
DRIE commitment through these offers	\$ 454 006
Total payments 1983-84	\$ 105 000

Under this program, companies may obtain financial assistance by means of contributions, repayable contributions and participation loan guarantees.

Regional Development Incentives Program (RDIA)

Net accepted offers - fiscal 83/84	15
Number of jobs expected to be created	246
Eligible capital investment associated with offers	\$ 11 309 000
DRIE commitment through these offers	\$ 2 869 000
Total payments 1983-84	\$ 5 546 000

Special ARDA

Net accepted offers	164
Number of jobs expected to be created	325
DRIE commitment through these offers	\$ 5 851 458
Total payments 1983-84	\$ 3 698 000

The Special ARDA program facilitates the economic and social adjustment of residents of rural and remote areas, particularly those of Indian ancestry who previously have had limited opportunities for regular earning and employment.

Enterprise Development Program/Science and Technology Enhancement Program - EDP/STEP

		No.	Amount
Projects approved 83-84	EDP	10	\$1 489 262
	STEP	2	93 800
1983-84 payments			\$1 384 000

The programs were terminated with the introduction of IRDP in July, 1983. The last of the applications on-hand have been processed, so there will be no approvals in fiscal 1984/85.

A L B E R T A

As a result of the recession, business demand for DRIE financial assistance in Alberta was weak during 1983-84. A number of projects either did not proceed, or did so at a slower pace and smaller scale than expected.

By March 31, 1984, seven subsidiary agreements under the GDA had been signed with Alberta but only one, the Nutritive Processing Assistance Agreement, remained in effect. The nutritive agreement was due to expire March 31, 1984, but was given a one-year extension to March 31, 1985.

The latter part of 1983-84 saw the first activity in Alberta under the new Industrial and Regional Development Program. Following is a brief description of activities under the current subsidiary agreement and other programs during 1983-84.

SUBSIDIARY AGREEMENT

Nutritive Processing Assistance

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

Costs shared by:

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

DRIE expenditure to date	\$ 2 047 895
DRIE expenditure 1983-84	\$ 949 048

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 91 offers totalling \$11 million have been accepted by companies in rural Alberta, with the expectation that 475 jobs will be created. Another 141 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.

OTHER PROGRAMS

Regional Development Incentives Program

During the year under review, three offers of assistance were made under the Regional Development Incentives Program. Total payments in 1983-84 for offers accepted in previous years amounted to \$690 823.

Industrial and Regional Development Program

During the year under review, 28 offers of assistance were made under the Industrial and Regional Development Program. Total payments in 1983-84 for offers accepted amounted to \$18 275.

BRITISH COLUMBIA

The fiscal year saw the consolidation of programs and administrative operations in the region. Specifically the physical integration of DREE and ITC offices was completed including the relocation of the Victoria District Office.

Consultation continued with FBDB to promote departmental programs and with CEIC on entrepreneurial immigration and employment development programs. Efforts were made to assert the significant role of DRIE in support of trade development in the exporting community and in developing a tourism sector strategy. An evaluation of the Industrial Development Subsidiary Agreement was completed.

As of March 31, 1984, all eleven subsidiary agreements signed under the GDA had expired. Following is a brief description of activities under subsidiary agreements and other programs during 1983-84.

SUBSIDIARY AGREEMENT

Travel Industry Development

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

Costs shared by:

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

DRIE expenditure to date	\$ 22 770 767
DRIE expenditure 1983-84	\$ 2 047 071

The purpose of the agreement was to strengthen the role of the travel industry in the province's economic development.

Programs were 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.

OTHER PROGRAMS

Industrial and Regional Development Program

Net accepted offers	31
Number of jobs expected to be created	434
Eligible capital investment associated with offers	\$ 16 241 593
DRIE commitment through these offers	\$ 4 187 668

Special Recovery Capital Projects Program

This program provides funds for key facilities and services that will foster expansion by the Canadian private sector as well as reinforce recovery of the economy.

During the fiscal year DRIE contributed \$15 million to the construction of a pulp and paper research facility in Vancouver and \$11 million towards the upgrading of water and sewerage systems in Ucluelet, Tofino and Clayquot Sound on the west coast of Vancouver Island.

Industrial and Labour Adjustment Program

During the fiscal year, Port Alberni was the first community in western Canada to become eligible for special financial aid under ILAP.

The Industrial assistance portion of ILAP provided help to manufacturing or processing businesses wishing to expand, restructure or set up operations in the designated area.

The job creation component provided improved training allowances, portable wage subsidy programs, enriched mobility incentives and early retirement benefits.

Regional Development Incentives Program

Activity under the Regional Development Incentives Program during the fiscal year was as follows:

Net accepted offers	5
Number of jobs expected to be created	168
Eligible capital investment associated with offers	\$ 11 878 675
DRIE commitment through these offers	\$ 1 587 836
Total payments 1983-84	\$ 656 151

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. DRIE expenditures under Special ARDA in British Columbia totalled \$3.25 million during 1983-84. The program expired March 31, 1984.

YUKON

As of March 31, 1983, all subsidiary agreements under the former General Development Agreement (GDA) had expired. However, payments were made in 1983-84 under previous commitments.

The Canada-Yukon Tourism and Small Business Incentives Program was initiated March 31, 1983, to provide assistance over one year to the tourism industry for development and marketing projects. This program provided direct delivery of a \$2 million federal program in conjunction with a \$200 000 territorial government program through a joint advisory committee.

Following is a brief description of program activities during 1983-84.

Canada-Yukon Tourism and Small Business Incentives Program

Activity under the Canada-Yukon Tourism and Small Business Incentives Program during 1983-84 was as follows:

Net accepted offers	54
Number of jobs expected to be created	212
Eligible capital investment associated with offers	\$ 4 157 976
DRIE commitment through these offers	\$ 2 000 180
Total payments 1983-84	\$ 888 000

The purpose of the interim program is to stimulate the creation and expansion of small business enterprises and other undertakings to strengthen Yukon's travel industry. Programs are designed to develop and upgrade tourist accommodations and services; to stimulate travel into and within Yukon; to aid the development and marketing of new package tours, and to develop new attractions and events.

The program permitted continued programming for development and marketing during the period between the expiration of Canada-Yukon Interim Tourism Subsidiary Agreement (1980-83) and the implementation of the Tourism and Small Business Development Subsidiary Agreement now being negotiated by DRIE under the new Economic and Regional Development Agreement.

Regional Development Incentives Program

Activity under the Regional Development Incentives Program during the fiscal year was as follows:

Net accepted offers		1
Number of jobs expected to be created		8
Eligible capital investment associated with offers	\$	135 000
DRIE commitment through these offers	\$	57 435
Total payments 1983-84	\$	36 000

Industrial and Regional Development Program

Activity under the Industrial and Regional Development Program during the fiscal year was as follows:

Net accepted offers		1
Number of jobs expected to be created		3
Eligible capital investment associated with offers	\$	125 000
DRIE commitment through these offers	\$	47 119
Total payments 1983-84		Nil

Special ARDA

The Special ARDA agreement was signed with Yukon in 1978 and expired March 31, 1982. On October 4, 1982, it was extended to March 31, 1984.

The program is intended to meet an important need for small business development, training and employment for Yukon's native people. Assistance was provided to start, expand or modernize commercial ventures employing native people and to help improve incomes from traditional activities such as hunting, trapping, fishing and forestry. Assistance was also provided for special training needs of potential native employees.

A preliminary evaluation study has determined that Special ARDA is well received by the native people of Yukon and has created a significant number of jobs and business opportunities that would not have been possible without the program.

During the life of the program, Special ARDA has provided approximately \$3.6 million to fund about 110 projects throughout Yukon. During 1983-84, 31 offers of assistance were accepted and a total of approximately \$1.1 million was committed to a variety of projects. During this period, DRIE expenditures under the program amounted to \$863,000.

NORTHWEST TERRITORIES

The department's programs continued to be heavily utilized throughout the NWT, particularly the Special ARDA program. Emphasis was placed throughout 1983-84 on introduction of the Domestic Market Development programs of the Economic Development Agreement. Tourism development under a variety of department programs continued to be a priority.

Program activities of the department for the period were:

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

Signed by the federal and territorial governments on December 21, 1982, the ERDA provides a co-operative and co-ordinated approach to business, human and natural resource development.

DRIE is the lead federal partner in the Domestic Market Development Sub-Agreement, which terminates March 31, 1986. A total of \$10.75 million is available to: increase business opportunities through financial support to initiatives by new or existing businesses; support tourism associations in development and implementation of marketing programs; develop or improve awareness, facilities, attractions or services for tourism; help communities prepare economic development plans.

OTHER PROGRAMS

Special ARDA

First signed in 1977, the Special ARDA program's first two-year extension ended March 31, 1983, with renewal expected. Up to expiration, 364 projects had been assisted with \$14,931,482 in funding for the creation of 442 new jobs.

Preliminary findings of an evaluation of the program now underway indicate that the program has strong support from native residents of the NWT and has been heavily utilized in all parts of the Territories. The main aim of the program is to assist NWT residents -- particularly those of native ancestry -- to improve their economic well-being through increased involvement in traditional or wage employment.

This aim is being achieved by: providing assistance for the establishment, expansion or modernization of businesses employing a majority of native people; providing assistance for the purchase of equipment to improve resource harvesting capabilities and incomes for hunters, trappers and fishermen; and assisting in social adjustment measures enabling native people to take greater advantage of employment and income-earning opportunities.

**STATEMENT OF EXPENDITURES
FOR THE FISCAL YEAR 1983/84**

INDUSTRY, TRADE AND COMMERCE

	(\$000)	
Trade - Industrial Program		
Operating and Capital Expenditures	91,794	
Grants and Contributions		
- Grants to assist in the development of personnel in specialized fields or knowledge of importance to Canadian Industry	802	
- Payments under the Small Business Investment Grant Act	4,019	
- Enterprise Development Program	166,412	
- Canadian Defence Industry	144,232	
- Construction of fishing vessels	77,437	
- Contributions for Industry development	10,208	
- Contributions to selected research and development projects	5,321	
- Construction of Dry Docks	466	
- Capital costs of trade centres	8,071	
- Industrial and Regional Development Program	8,279	
- Liabilities under the Small Business Loans Act	25,449	
- Insurance Payments under the Enterprise Development Program	16,804	
- Youth and Summer Job Corps Program	58	
	<u>467,558</u>	
Loans and Investments (Non-Budgetary)		
- Loans to the Canadian defence Industry	534	
- Loans to Canadian Industry	4,485	
- Advances to employees on postings abroad	(63)	
- Loans pursuant to the Industrial and Regional Development Act	975	
	<u>5,931</u>	
Program Sub-Total - Budgetary		<u>559,352</u>
Non-Budgetary		<u>5,931</u>
Tourism Program		
Operating and Capital Expenditures	43,080	
Grants and Contributions	18,465	
Program Sub-Total		<u>61,545</u>
<u>REGIONAL ECONOMIC EXPANSION</u>		
Planning and Administration (Operating and Capital Expenditures)	68,205	
Developmental Opportunity Initiatives	204,425	
Industrial Incentives	65,704	
Other Programs	66,420	
REGIONAL ECONOMIC EXPANSION SUB-TOTAL		<u>404,754</u>
<u>REGIONAL INDUSTRIAL EXPANSION</u>		
Operating Expenditures		1,895
<u>GRAND TOTAL</u> - Budgetary		<u>1,027,546</u>
Non-Budgetary		<u>5,931</u>

**STATEMENT OF REVENUES
FOR THE FISCAL YEAR 1983/84**

INDUSTRY, TRADE AND COMMERCE

<u>Return on Investments - Interest on:</u>	<u>(000)</u>
Loans to Federal Business Development Bank	49,577
Loans to Manufacturers of Automotive Products	112
✓Loans to Enterprise Development Program	244
Loans to Footwear and Tanning Industries Program	66
Loans to Pharmaceutical Industry Development Assistance Program	2
Loans to Programs for Advancement of Industrial Technology	197
Other	78
 <u>Refunds of Previous Years' Expenditures</u>	 23,347
<u>Adjustment to Prior Years' Payables at Year End (PAYE)</u>	2,959
<u>Other Non-Tax Revenue</u>	2,099

REGIONAL ECONOMIC EXPANSION

<u>Return on Investment - Interest from:</u>	
Atlantic Development Board	554
Atlantic Provinces Power Development Act	12,650
Special Areas and Highways Agreement	23,004
P.E.I. Comprehensive Development Plan	936
N.S. Mainland Investments Limited	175
Newfoundland and Labrador Development Corporation	2,625
Tourist Industry Development Sub-Agreements	197
 <u>Services and Service Fees</u>	 265
<u>Refunds of Previous Year's Expenditures</u>	7,069
<u>Adjustment to Prior Year's PAYE</u>	66
<u>Other Non-Tax Revenue</u>	15

REGIONAL INDUSTRIAL EXPANSION

Grants and Contributions by Region (\$000)

	<u>INDUSTRY, TRADE AND COMMERCE</u>			
	<u>TRADE-INDUSTRIAL PROGRAM</u>	<u>TOURISM PROGRAM</u>	<u>REGIONAL ECONOMIC EXPANSION</u>	<u>TOTAL</u>
NEWFOUNDLAND	4,568	403	19,998	24,969
NOVA SCOTIA	5,018	290	79,169	84,477
PRINCE EDWARD ISLAND	1,569	4,038	13,644	19,251
NEW BRUNSWICK	15,958	78	29,601	45,637
QUEBEC	181,560	6,888	109,124	297,572
ONTARIO	198,354	5,025	22,406	225,785
MANITOBA	7,078	38	30,795	37,911
SASKATCHEWAN	3,139	163	16,539	19,841
ALBERTA	6,861	14	2,362	9,237
BRITISH COLUMBIA	42,733	161	8,580	51,474
NORTHWEST TERRITORIES	230	61	2,170	2,461
YUKON	53	896	2,161	3,110
OUTSIDE CANADA	<u>437</u>	<u>410</u>	<u>-</u>	<u>847</u>
TOTAL	<u>467,558</u>	<u>18,465</u>	<u>336,549</u>	<u>822,572</u>

APPENDIX

SUBSIDIARY AGREEMENTS ACTIVE DURING 1983/84

AGREEMENT	DURATION	TOTAL ESTIMATED COST (\$)	DRIE SHARE (\$)
NEWFOUNDLAND			
Labrador	03/12/76 to 31/03/84	22,097,000	18,258,300
Tourism Development	01/01/78 to 31/03/84	13,264,600	11,938,140
Rural Development	01/04/78 to 30/09/83	16,802,000	15,122,000
Industrial Development Phase I	11/06/79 to 31/03/84	26,650,000	23,985,000
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	33,333,000	30,000,000
Industrial Development Phase II	03/06/83 to 31/03/88	17,800,000	17,800,000
Institute of Fish and Marine Technology	16/05/83 to 31/03/87	42,000,000	27,500,000
NOVA SCOTIA			
Strait of Canso Area Development	31/03/75 to 30/06/84	31,057,500	23,503,400
Hallifax 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 31/12/90	56,000,000	42,000,000
Modernization of Facilities at the Sydney Steel Corporation	07/04/81 to 30/06/84	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			
Northeast New Brunswick	23/06/77 to 31/03/85	95,500,000	67,175,000
Pulp and Paper	27/08/80 to 31/03/84	53,750,000	43,000,000
Consolidated-Bathurst Inc.	30/03/82 to 31/03/89	199,500,000	19,600,000
Sulphation Roast Leach Pilot Plant	30/09/83 to 31/03/87	18,750,000	15,000,000

AGREEMENT	DURATION	TOTAL ESTIMATED COST (\$)	DRIE SHARE (\$)
QUEBEC			
Industrial Infrastructure	26/03/75 to 30/04/84	137,670,000	82,602,000
Tourism Development	06/04/78 to 31/03/84	136,000,000	69,600,000
Modernization of the Pulp and Paper Industry	15/05/79 to 31/03/84	240,000,000	135,000,000
Société Inter-Port de Québec	03/07/81 to 31/03/86	9,250,000	5,550,000
ONTARIO			
Single-Industry Resource Communities	18/10/76 to 31/03/84	19,800,000	9,383,630
Community and Rural Resource Development	07/12/77 to 31/03/85	29,523,000	13,828,000
Pulp and Paper Industry Facilities Improvement	15/05/79 to 31/03/84	188,100,000	62,700,000
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	9,250,000
MANITOBA			
Tourism Development	15/12/78 to 31/03/85	20,000,000	12,000,000
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	62,800,000
SASKATCHEWAN			
Qu'Appelle Valley	06/10/75 to 31/03/84	33,700,000	7,760,000
Planning	01/04/79 to 31/03/84	1,500,000	750,000
ALBERTA			
Nutritive Processing Assistance	19/08/81 to 31/03/85	28,000,000	14,000,000

AGREEMENT	DURATION	TOTAL ESTIMATED COST (\$)	DRIE SHARE (\$)
BRITISH COLUMBIA			
Travel Industry Development	17/10/78 to 17/10/83	50,000,000	25,000,000
NORTHWEST TERRITORIES			
Domestic Market Development	16/06/83 to 31/03/86	10,750,000	9,675,000

