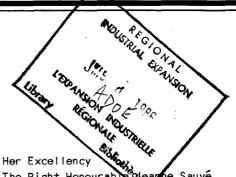




ANNUAL REPORT 1984 - 1985





The Right Honourable Sleanne Sauvé, P.C., C.C., C.M.M., S.D. Governor General of Canada

Your Excellency:

I have the honour to submit to your Excellency the annual report for the Department of Regional Industrial Expansion.

This is the first full fiscal year of operation of the department; the report reflects its accomplishments in 1984-85.

Respectfully submitted,

Sinclair Stevens

Minister of Regional Industrial Expansion

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The Department of Regional Industrial Expansion (DRIE) was created in December 1983 from Industry, Trade and Commerce and Regional Economic Expansion. DRIE was established to address the government's key priority of economic renewal:

- to increase the economic prosperity of Canadians in all provinces
- * to stimulate regional industrial expansion.

DEPARTMENTAL PROFILE

Federal government powers affecting economic development are wide ranging, with responsibilities distributed across several departments. Within this distribution of responsibilities, it is DRIE's particular role to Increase overall business activity in all parts of Canada by building on regional strengths.

LEGAL MANDATE

The Department of Regional Industrial Expansion Act, 1983, sets out DRIE's mandate to:

- enhance the national economy and achieve economic development in all regions of Canada
- improve opportunities for productive economic expansion in all regions of Canada and access to those opportunities
- o promote economic development in those regions in Canada in which opportunities for productive employment are exceptionally inadequate.

The minister is further directed by this legislation to:

- o promote the establishment, growth and efficiency of manufacturing, processing, service and tourism industries in all regions of Canada
- contribute to the sound development and productivity of Canadian industries generally
- ° foster the expansion of trade in Canada.

Legislation Administered

The Minister of Regional Industrial Expansion is responsible for the administration of the following specific pieces of legislation, as well as a variety of sets of regulations required by this legislation and various appropriation acts.

Legislation currently active:

Department of Regional Industrial Expansion Act

Industrial and Regional Development Act

National Design Council Act

Textile and Clothing Board Act

Special Areas Act

Agricultural and Rural Development Act

Small Businesses Loans Act

Cape Breton Development Corporation Act

Investment Canada Act

Federal Business Development Bank Act

Teleglobe Canada Act

Canada Development Corporation Act

Proclamation establishing the Ministry of State for Economic and Regional Development.

Legislation currently dormant (no new initiatives possible or contemplated):

Industrial Research and Development Incentives
Act

Area Development Incentives Act

Regional Development Incentives Act

Small Business Investment Grant Act.

DEPARTMENTAL OBJECTIVE

DRIE's program objective, which reflects its mandate, is to increase overall industrial, commercial and tourism activity in all parts of Canada and in the process reduce economic disparity across Canada. To accomplish this, the department:

- establishes and administers programs to carry out government policies
- works with business and labour, other governments and the academic community
- provides financial, marketing and other technical information to businesses
- where necessary, extends direct financial assistance.

DRIE encourages the development of an environment in which Canadian firms will be more internationally competitive by aiding these firms to:

- ° adjust to changing market conditions
- ° develop new products, processes and services
- establish the capacity to produce these goods and services
- market these goods and services at home and abroad.

DRIE pursues its objective through an array of funded programs and non-program functions.

Non-program functions include:

- ° policy development
- ° transfer of new technologies throughout Canadian industry
- analysis and dissemination of economic and commercial information
- identification of development opportunities and markets
- opromotion of economic benefits from major government procurements and Crown-sponsored projects.

Private industry projects are supported through a series of programs delivered by the department, providing funding for major projects of a long-term nature with multi-year cash flows. These programs are related to key industrial sectors:

- ° capital and industrial goods
- ° consumer goods
- ° service industries
- ° resource industries
- ° small business
- o tourism.

The Economic and Regional Development Agreements (ERDAs), the Defence Industry Productivity Program (DIPP), the Small Businesses Loans Act (SBLA) and the Industrial and Regional Development Program (IRDP) are the main vehicles for DRIE's direct funded assistance.

The creation of a partnership with industry is fundamental to DRIE's success, since DRIE achieves its mandate by providing assistance to private industry. Interaction with the private sector involves all phases of the department's activities, from the development of policies and strategies to program delivery. This crucial link to the private sector is maintained through discussions with firms and associations, and through policy and business information functions.

Industry/government committees and task forces are also convened to provide advice to the Minister of Regional Industrial Expansion in the development of industrial policies and sector strategies. Those committees and task forces are outlined on the next page.

DEPARTMENTAL PROFILE

Links with the private sector ••• groups in which DRIE is an active member and which report to the Minister of Regional Industrial Expansion•

Canada Development Corporation Canada Development Investment Corporation Canadair Limited Canada/Israel Institute for Industrial Research and Development Canadian Industrial Renewal Board Canadian Patents and Development Limited Cape Breton Development Corporation Construction Industry Development Council Coordinating Committee on "Think Canadian" Issues de Hayliland Aircraft of Canada Limited Eldorado Nuclear Limited Federal Business Development Bank Fishery Products International Limited NSHOLDCO Ltd. National Design Council National Sea Products Limited Native Economic Development Advisory Board North Portage Development Corporation Pêcheries Canada Inc. Pêcheries Cartier Inc. Small Business Consultative Committee Société Inter-Port de Québec Strait of Canso Industrial Development Authority (SCIDA) Teleglobe Canada Textile and Clothing Private Sector Task Force Textile and Clothing Board 125459 Canada Ltd.

ORGANIZATION STRUCTURE

DRIE is organized on the principle that:

- direct delivery of services should be concentrated in strong field organizations with regional headquarters in every province
- * focused expertise, to provide technical assistance and advice to major firms and industries, should be concentrated in industry branches in the corporate headquarters.

The department is headed by:

° the Minister of Regional Industrial Expansion

with assistance from:

- ° the Minister of State for Tourism
- ° the Minister of State for Small Businesses.

The regional offices focus on development opportunities in particular regions; the assistant deputy ministers (ADMs) in headquarters consider the national perspective for their respective sectors:

- ° capital and industrial goods
- consumer goods, services and resource processing
- ° regional development
- small business

* tourism Minister of State for Minister of State for Minister, Small Businesses Regional Industrial Expansion Associate Associate Deputy Deputy Minister, Deputy Minister Regional Development ADM ADM ADM ADM ADM ADM BYDs Federal Consumer Goods Capital & Small Business Comptroller Regional Regional Economic Development Industrial Services and & Special Tourism Policy Offices & Corporate Development Resource Projects Goods (10)Groups Branch Coordinators Processing 307 P-Y 335 P.Y 604 P.Y 121 P.Y 153 P.Y 73 P.Y 1.193 P-Y 68 P.Y 116 P.Y

as well as providing a policy framework and administrative support.

Regional executive directors and headquarters ADMs come together as a Management Board to ensure that regional and sectoral policies are coordinated and to select proposals from the private sector to be given funded assistance.

Since July 1984, DRIE has included a Regional Development branch, with

° federal economic development coordinators

in every province to synchronize federa! and provincial planning, policies and programs. During that time, the Minister of DRIE has acted as chalrman of the Cabinet Committee on Economic and Regional Development.

The figure below illustrates the organizational structure.



The Department of Regional Industrial Expansion is linked with business and investment communities in Canada and abroad. A centre of expertise on industrial activity and investment in the Canadian economy, its overall activities closely reflect the government's economic policy themes. In contributing to the achievement of the economic objectives of the government, the department focuses on increasing overall business activity in all parts of Canada in an environment that is stable and responsive to the expressed needs of business. Four areas of major emphasis, with many interrelationships, are:

- ° regional development
- consultation/collaboration with the private sector
- services
- o privatization.

REGIONAL DEVELOPMENT

In serving the chairman of the Cabinet Committee on Economic and Regional Development (CCERD) the department plays an active role in the development of Regional Development Agreements and Economic These agreements provide a framework for (ERDAs). cooperation and consultation on matters relating to economic development in each province. Development opportunities in which both levels of government can identified, and federal are participate provincial planning, policies and programs are coordinated. ERDAs are broadly based, ten-year agreements covering all relevant economic development policies and programs. The agreements provide for measures which involve existing policies programs, as well as new initiatives, with three instruments:

- * subsidiary agreements, where binding commitments including expenditure-related undertakings are involved
- memoranda of understanding, where nonexpenditure items concerning policy and program development and coordination are involved
- a course of action, which confirms economic development priorities for the coming year in the context of an annual ministerial meeting.

Overall coordination and management of the ERDA process is the responsibility of the the federal economic development coordinators (FEDCs).

During the year under review. DRIE emphasized providing advice, expertise, assistance an d information to the business community, rather than In this simply processing applications for grants. environment, adjustments were made Regional Industrial and Development Program (IRDP) in order to:

- improve the program's efficiency
- ° focus assistance on innovation projects
- ensure that support is provided in areas of the country where it is most needed.

The IRDP was introduced in July 1983 to promote regional industrial development through direct financial assistance for private sector initiatives. It made assistance available for the main phases of a typical corporate production cycle: industrial development climate, innovation, establishment, modernization or expansion, marketing and restructuring.

The revised IRDP is a streamlined version, typifying the government's intention to re-orient federal support for the private sector towards those activities and regions in greatest need of support and having the greatest prospects for return in terms of job creation and value for money.

CONSULTATION/COLLABORATION WITH THE PRIVATE SECTOR

The government recognizes the important role of the private sector and the economic responsibilities of provincial governments. DRIE's aim is to promote economic growth in concert with the private sector and the provinces.

To foster growth in the private sector, the nation needs a business environment that encourages entrepreneurship and adaptation to changing market realities. Consultations, not only between governments but also between the private sector and government, can help to identify:

- ° the problems and issues facing the Canadian economy
- * the directions in which government must move to remedy the situation
- options available to governments and the private sector.

The advisory boards and task forces in which DRIE participates with various private sector interest groups are good examples of ongoing consultation (see p. 4).

capac1tv 1 n his CCERD chairman. the Hon. Sinclair Stevens, Minister of Regional Industrial Expansion, held two meetings during the year as part of an ongoing round of multilateral discussions on economic development. The meetings, held in January and March of 1985, were attended by provincial regional development ministers and their counterparts. Mr. Stevens. Hon. André Bissonnette, Minister of State for Small Businesses.

At the March meeting, members agreed to the publication of a joint position paper on regional economic development policy and on a number of steps to support small business. These meetings, designed to harmonize and coordinate economic development policy initiatives, are scheduled at regular intervals.

Another series of meetings was held across the country by the Hon. André Bissonnette, to consult with the **smail business** community. As part of the process of airing small business issues, a <u>Consultation Paper on Small Business</u> was published and widely distributed, to encourage the broadest participation possible.

The first step toward achieving government and industry consensus on a Canadian **tourism strategy** was the publication in February 1985 of a major discussion paper: <u>Tourism Tomorrow</u>. The working paper is designed to stimulate discussion and reaction to the problems of promoting and expanding the Canadian tourism industry.

An important facet of increasing economic activity is the expansion of foreign and domestic markets for Canadian producers. A comprehensive national domestic marketing program, "Think Canadian", was launched in June 1984. Considerable effort has been expended by the federal government to encourage Canadian manufacturers, retailers and purchasers to

buy Canadian goods and services when price, quality and availability are competitive. This is being accomplished through such activities as:

- ooperative programs with the private sector
- public relations campaigns
- sponsorship of reverse trade fairs and seminars
- ° identification of Canadian manufacturers as alternative sources of supply.

Part of the federal government's commitment to encouraging the creative application of technology —and to making Canadian industry increasingly competitive in national and international markets —is another new program, Canada Awards for Excellence. The first awards, which were presented in May 1984, were for significant achievements in:

- ° productivity improvement
- o innovative application of a technology
- ° innovative marketing
- ° technology transfer
- ° technical merit in an invention
- ° entrepreneurship
- labour/management implementation of a technological change.

A desire to encourage **joint ventures** and **industrial partnerships** with foreign companies and entrepreneurs was reflected in agreements in the automotive sector in this past fiscal year, with:

- American Motors
- ° Renault
- ° Honda
- ° General Motors
- ° Magna.

These new plants in Canada are examples of how close federal-provincial cooperation can lead to initiatives that benefit Canada.

In another cooperative venture with the private sector, a memorandum of understanding was signed in August with the Canadian General Electric Co. The memorandum establishes a long-term relationship between the federal government and the company to create a stable environment for better planning in an increasingly competitive international market. It sets out principles, provides a systematic vehicle for two-way communications and encourages, identifies and advances specific projects.

SERVICES

An **Information Technology Task Force** was announced in June 1984 to:

- identify the competitive challenges facing Canada's information technology industry
- o provide advice to the government on approaches and actions to meet those challenges with the goal of encouraging the development of the sector on a commercially sound basis.

These objectives are in line with the federal technology policy announced earlier, which established the government's intentions to ensure that Canadian firms are able to use relevant technologies and that there will be joint labour/management planning for technological change.

PRIVATIZATION

As part of its emphasis on removing obstacles to economic growth, and its ultimate reliance on the private sector as the engine of economic growth, the government is committed to privatizing a number of Crown corporations. The Canada Development Investment Corporation (CDIC), which reports through the Minister of Regional Industrial Expansion, was established to own or manage some of Canada's Crown corporations and other investments. CDIC is currently actively involved in selling several of these interests.

REGIONAL INDUSTRIAL EXPANSION

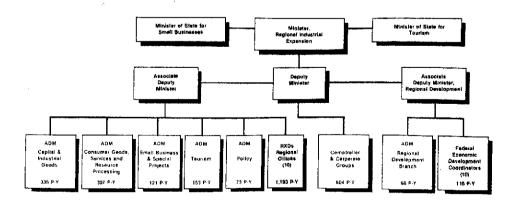
STATEMENT OF REVENUES FOR THE FISCAL YEAR 1984-85

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The department is organized on the principle that:

- o focused expertise, to provide technical assistance and advice to major firms and industries, should be concentrated in industry branches in the corporate headquarters
- o direct delivery of service should be concentrated in strong field organizations with regional headquarters in every province.



Capital and Industrial Goods (CIG):

- Promotes regionally balanced development of internationally competitive, adaptable enterprises in the capital and industrial goods sectors (automotive, marine, rail, electronics, aerospace, machinery and electrical equipment)
- provides a focal point in the department and in the government for key, cross-sectoral activities of particular importance to capital and industrial goods industries innovation, (Industrial regional and industrial benefits from major capital projects, and regional and industrial benefits from major Crown procurement).

In 1984-85, a significant portion of Capital and Industrial Goods activity was non-discretionary and reactive to the needs of business, regional offices, other departments and ministers. This absorbed approximately two-thirds of CIG's human resources and included:

- ° maintenance of sectoral intelligence
- maintenance of expertise and networks regarding technology and innovation
- ° inputs to departmental policy positions
- export marketing activities
- ° 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
- ° ministerial briefing and correspondence.

Following the direction started in 1983-84, CIG continued its more strategic approach to activities in support of industrial sector, market and company development. To this end, CIG pursued a number of special initiatives in the areas of policy development, export market development and business development.

POLICY DEVELOPMENT

In support of policy development, CIG completed twenty-one sector competitive analyses, covering all CIG sectors, as a comprehensive foundation on which to continue to build strategic sector analyses in support of possible future initiatives such as Canada/U.S. trade enhancement and multilateral trade negotiations. For the shipbuilding sector, a sector profile was developed and finalized, based on extensive industry consultations. CIG also launched discussions with the aerospace industry to consider a memorandum of understanding setting out a framework for strategic development of the industry. facilitated major automotive investments by Honda, American Motors and GM as well as encouraging joint ventures and new investments by suppliers. A review of the policy framework and implementation measures respecting industrial benefits initiatives in major Crown procurements was undertaken. A number of policy papers on various aspects of innovation were completed, including:

- industrial innovation and diffusion strategy
- the role of Canadian Patents and Development Limited
- of the status of advanced manufacturing technology in the machinery industry.

MARKET DEVELOPMENT

Trade and, in particular, DRIE's relationship with the Department of External Affairs (DEA) and the Canadian International Development Agency (CIDA) in support of private sector export marketing was a priority. CIG's more strategic approach to its activities is also evident in the following special initiatives:

- An agreement was reached with DEA on a U.S. marketing strategy in the urban and rail sectors.
- A marketing strategy and action plan was negotiated with CIDA for the rail sector.
- A number of CIG sectors were analyzed as input to the DEA exercise on Canada/U.S. trade enhancement.

In the export promotion area, Capital and Industrial Goods assisted Canadian participation and provided on-site staffing to 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. CIG continued to be an active participant

in the Program for Export Market Development (PEMD) to assist firms in identifying and penetrating foreign markets. The Machinery Branch coordinated the government response to a private sector working group (CAPSEP) aimed at improving offshore marketing of Canadian power systems and equipment.

INDUSTRIAL SECTOR DEVELOPMENT

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. Several memoranda of understanding were signed: Magna, AMC/Renault, CGE and Canadair (signed with the Federal Republic of Germany and France and dealing with the pre-production phase of the CL-289). In addition, CIG identified investment prospecting priorities and developed and pursued investment prospecting strategies for a number of sectors (e.g., automotive, machinery).

The Office of Industrial Innovation acts as a focal point for the promotion of increased industrial competitiveness to be derived from the rapid technological advances occurring worldwide. It acquires and analyzes information and intelligence on international, technological and associated developments and identifies strategies for enriching and diversifying the Canadian industrial base and for promoting enterprise start-ups and spin-offs. The office plays a leading role in:

- ° promoting international agreements and cooperation
- ° assisting matchmaking between firms
- seeking commitment in Canadian industry to applying new technologies and innovations
- ensuring the essential infrastructure and supportive environment exists for growth of Canadian enterprise.

The **Office** of Industrial and Regional Benefits helps Canadian businesses take advantage of opportunities arising from investment in major capital projects, thereby increasing industrial benefits in Canada. The office:

- ° assists in the planning of major projects
- ensures that Canadian suppliers have full and fair opportunity to bid on contracts associated with major projects. The office's responsibilities also encompass the planning and implementation of benefits from major government procurements.

Under the Special Recovery Capital Projects Program (SRCPP), CIG was involved with Supply and Services Canada (SSC) and sponsoring departments in the content and industrial benefit analysis of the large number of shipbuilding contracts which have been let, which will help to sustain the troubled shipbuilding and equipment industry in the short term.

FUNDED PROGRAM ACTIVITY

On the program side, CIG is responsible for:

- the Defence Industry Productivity Program (DIPP)
- the Shipbuilding Industry Assistance Program (SIAP)
- ° the Machinery Program.

Under the DIPP, funding support for research and development. source establishment and plant modernization to the defence industry sectors continues to be а maior activity involvina approximately \$153 million in assistance projects.

There were two elements to the SIAP: construction subsidies and performance improvement grants. Subsidies were eliminated for vessels delivered after June 30, 1985, and the earning of grant credits after June 30, 1985, was also eliminated. However, upwards of \$100 million is still to be disbursed to the industry, based on credits already awarded to shipbuilders and on credits for which shipbuilders are eligible, based on contracted work. In 1984-85, \$20.9 million was paid out in subsidies and \$6.6 million was paid out in grants.

The Machinery Program assists machinery users to acquire advanced production equipment, at the lowest possible cost, through the remission of duty on equipment not available in Canada, and provides a supportive environment to machinery manufacturers. Duty remission totalling \$350 million was provided to some 325 companies in the 1984-85 fiscal year, and 22 companies were assisted to increase the range of machinery products manufactured in Canada.

In 1984-85, a major effort was launched by all branches in Consumer Goods, Services and Resource Processing to analyse the competitiveness of key industrial sectors in order to:

- o provide analytical input to the Canada/U.S. trade enhancement exercise and the forthcoming multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT)
- o develop sector profiles for use at headquarters and regional levels.

INDUSTRIAL SECTOR DEVELOPMENT

In 1984-85 the **Resource Processing Industries**Branch consulted with industry and other departments on:

- ° the threat of U.S. protectionist measures in regard to lumber, steel and copper
- competitive difficulties in the petrochemical industry
- o the role of the nonferrous smelting industry in acid rain abatement.

The strong export orientation of these industries was supported by activities such as:

- o involvement in 34 trade fair and mission projects (and other elements of External Affairs' trade promotion programs)
- ° administration of the federal role in the Cooperative Overseas Market Development Program (with British Columbia and the Council of Forest Industries)
- continued participation in international organizations.

Trade enhancement initiatives, both multilateral and with the U.S., were supported through sectoral assessments and participation in the GATT Resource Products Working Party. Technological competitiveness was fostered through participation in projects such as the Puip and Paper Research Institute's Pointe Claire, Quebec, expansion and its forthcoming new facility in Vancouver. Extensive technical support was provided to regional office program

delivery. The breadth of the industry entailed a continuing major service and consultation role, extending to provincial governments, the industry itself and other federal agencies in regard to policy and regulatory matters ranging from environmental protection to duty remission.

Office of Industrial Adjustment, substantial effort was devoted to a review of textile and clothing policy and the formulation of revisions to both the commercial and industrial measures applicable to these industries. Assistance was provided to the Canadian Import Tribunal in its inquiry into the footwear industry. Major progress was made in computerizing market and trade information to improve the services to industry provided by the Textile, Clothing and Footwear This will also enhance analytical Directorate. capability for policy development and restraint negotiations as well as the preparation of profiles on the textile, clothing and footwear industries.

A review of European research and development activities in the production of garments was published, as well as a competitive analysis of the fur industry and detailed sector analyses of non-rubber footwear, carpets, pants and slacks. Export promotion initiatives included:

- ° textile sample shows in New Zealand
- ° textile market assessments for Australia
- ° preparation of a Fur Export Marketing Guide
- ° a major export drive for fur garments in far eastern countries.

In the **Food and Consumer Products** Branch, strategic policies were developed for sectors facing major changes, such as fishery products, where IRDP guidelines were put in place. A departmental position on the commercialization of biotechnology was developed and adopted. A Memorandum of Accord was signed with Labatt's Ltd. Twelve sector profiles were completed, as were numerous competitiveness profiles and a major productivity study of the meat sector.

During 1984-85, aspects of the regulatory environment affecting food processors were reviewed. The branch contributed to the development or modification of key policies of other departments and agencies affecting processors directly or indirectly (e.g., wheat pricing, red meat stabilization, dairy policy, etc.).

SERVICE INDUSTRIES

In the **Service Industries** Branch, 1984-85 work focused on:

- o the development of a strategic policy framework
- the enhancement of international service trade
- o development of the knowledge base of the service industries.

Analyses of the construction and computer sectors were undertaken, as well as examinations of the consulting engineering, architectural services, and surveying and mapping industries. These studies served as valuable input for industry profiles. Further, a study on the adequacy of transportation services from the users' perspective was completed and discussed with the private sector.

The branch participated in market development work with selected industries. For example, it worked on acquainting Middle East development and aid agencies with Canadian consulting engineering capabilities and on demonstrating how consultants can assist developing countries in effectively presenting their project proposals to these agencies. A DRIE response was developed to the Report of the Task Force on Trading Houses, and closer relationships were developed with CIDA and the Export Development Corporation (EDC) to facilitate export of services.

MARKET DEVELOPMENT

Considerable support was given to the Domestic Marketing Program through:

- ° import substitution studies
- of the development of marketing options and product profiles
- the development of an electronic catalogue for office furniture
- ° "Think Canadian" projects.

Export promotion was furthered through a joint study with External Affairs on the residential furniture market in the northwestern U.S., and industry seminars based on this study were held in Winnipeg, Calgary and Vancouver.

In 1984-85, the **Market Development** Branch continued to:

- ° identify market opportunities
- ° identify Canadian sources of supply
- encourage Canadians to seek out competitive Canadian sources of supply
- increase Canadian competitiveness through enhanced productivity.

In the area of market opportunity identification, the branch published import analyses containing detailed product-specific reports on imports into Canada. The reports are designed to help existing and potential Canadian producers assess the feasibility of increased Canadian investment and sales. The branch also introduced a new catalogue of marketing opportunities.

Throughout the year, the branch continued to improve the Business Opportunities Sourcing System (BOSS), the department's comprehensive register of Canadian producers of goods and services. This sophisticated tool for identifying Canadian sources of supply is used by:

- ° Canadian trade commissioners overseas
- federal and provincial purchasing departments
- ° corporate procurement officers.

In the area of domestic market expansion, the "Think Canadian" campaign was successfully launched in June. Designed to encourage Canadians to consider domestically-produced products when making purchases, the program is directed at industrial and institutional purchasers, as well as at the individual Concurrent with a major television and consumer. mall poster campaign, a number of cooperative with private launched sector projects were associations supporting the program.

To support increased productivity and competitiveness in domestic and export markets, the **Market Development** Branch sponsored a series of Interfirm Comparison studies, in which participating firms were provided precise information on their productivity and profitability in comparison with other firms in the same industrial sector. Included was advice on how they could use this comparative information to improve their performance.

During the 1984-85 fiscal year, the Policy Branch undertook a number of major initiatives, including:

- strengthening trade policy, trade development and investment promotion activities within the department
- preparing briefings covering regional and industrial development issues and framework policies
- * developing DRIE's medium-term strategic planning document
- o providing economic intelligence, analysis and statistical services in support of departmental activities.

In 1984-85, the Policy Branch consisted of the Office of the Senior Policy Advisor (Business and Labour) and six directorates:

- ° Structural Analysis
- ° Short-Term Economic Analysis
- ° Statistical and Data Base Services
- Strategic Planning and Regional Policy
- Framework Policies
- ° Trade Policy.

The branch's primary functions include policy development, advice and coordination. In the 1984-85 fiscal year, the branch:

POLICY DEVELOPMENT

- o developed policy options, proposals and initiatives in the context of the industrial/regional thrusts of the department
- * developed departmental policies on such framework areas as procurement, regulation (transportation, communications, financial institutions), investment, employment and industrial relations
- developed and maintained statistical and economic intelligence and data bases, particularly in the area of structural, regional and industrial analysis
- supported the development of industrial and adjustment policies with analytical research studies.

POLICY ADVICE

- ° participated in consultations and discussions with other government departments, foreign governments and the private sector in preparation for trade negotiations, with particular emphasis on Canada/U.S. bilateral discussions, and a new round of multilateral trade negotiations
- maintained departmental relations with business and labour and monitored issues of mutual Interest through the Office of the Senior Policy Advisor (Business and Labour)
- o updated and monitored the tier designation system of the Industrial and Regional Development Program, which is used to establish the level and type of government assistance available in each area
- o provided reports analyzing current economic developments and their implications for the Canadian economy in the short term.

COORDINATION

- ° coordinated trade development activities within DRIE and other government departments and agencies (CIDA, EDC, the Federal Investment Review Agency, DEA, Finance) in the areas of export promotion, export financing, and the investigation of trade activities and proposals originating with the minister
- o prepared the <u>Corporate Directions Paper</u>, 1985-86 to 1989-90, the medium-term strategic planning document for DRIE, and participated in the review of DRIE's planning process
- ° prepared and coordinated briefings on issues such as industrial incentives, innovation, adjustment, trade, business development and regional economic development.

The Regional Development Branch and the federal economic development coordinators (FEDCs) in each province make up the Office for Regional Development. The office provides advice and assistance to the chairman of CCERD on matters relating to:

- federal-provincial Economic and Regional Development Agreements (ERDAs)
- implementation and coordination of federal policies and programs relating to regional development and multi-sectoral opportunities and priorities.

Over the past year, the branch and the FEDCs have been involved in many activities and programs which have supported the government's emphasis on regional development as part of a new spirit of cooperation and consultation with the provinces.

MEETINGS OF ECONOMIC DEVELOPMENT MINISTERS

The branch and the FEDCs played a central role in preparations for the first multilateral meeting of economic development ministers, which occurred in as a prelude to the February First Ministers' Conference in Regina. At the multilateral meeting, ministers developed a set of principles for regional development which was presented to first ministers during their February meeting. economic development ministers' meeting took place in March. Ministers agreed to publish a joint position paper on regional economic development to which the branch and the federal economic development coordinators contributed.

In addition to having participated in regional economic development policy formulation, the federal economic development coordinators, as senior federal government officials in each province:

- advised the Cabinet Committee on Economic and Regional Development (CCERD) about regional development matters
- o prepared Perspectives, which are overviews of the major economic development opportunities in each province.

COORDINATING POLICIES AND PROGRAMS

Federal economic development coordinators worked to coordinate federal councils to manage Economic and Regional Development Agreements (ERDAs). Eight ERDA agreements were signed during the reporting period.

ERDAs, fifty-one to subsidiary addition agreements and six memoranda of understanding, instruments under ERDAs, were signed. Under ERDAs approximately 1.2 billion federal dollars committed to regional economic development over the The federal economic development past year.* coordinators had a continuing responsibility to oversee subsidiary agreements which were signed under GDAs (General Development Agreements, which have been replaced by ERDAs) and which were still in effect.

The FEDC offices are not involved directly in program delivery. Rather, they perform policy research, analysis and support functions which enable them to provide regional economic development advice to the chairman of CCERD. A brief overview of FEDC activities in each of the provinces appears in the regional section of this report.

* Table 16 documents ERDA agreements signed during the fiscal year. See Appendix B. The Small Business and Special Projects (SBSP) Branch comprises a grouping of diverse departmental responsibilities which are discharged through the Small Business Secretariat, the Special Projects, Projects Adjustment and Crown Investments directorates. and Program Development and Operations.

SMALL BUSINESS

The prime responsibility of the **Small Business** Secretariat is to provide support to the Minister of State for Small Businesses in his role as small business advocate.

A major undertaking in 1984-85 was the planning, development and execution of the "Consultation Paper on Small Business" process. This involved the minister in discussion sessions with representatives of the small business sector in the various regions of Canada.

Another major focus was a review of the Small Businesses Loans Act (SBLA). A memorandum to Cabinet resulted in amended legislation which modified and extended the SBLA for a new five-year term.

The minister's Small Business Consultative Committee, made up of 24 representatives of the small business, academic and financial communities, met twice during the fiscal year.

PROJECT ANALYSIS AND FINANCING

The **Special Projects** Directorate comprises a group of financial, economic and strategic analysts who, by applying private sector investment appraisal methods, assist the minister, the sector branches and regions in reaching decisions regarding departmental support of major industrial projects. During the past year, the directorate provided analytical support for major projects in the automotive, electronics, aerospace and resource processing sectors.

In fiscal 1984-85, the **Adjustment Projects** Directorate actively monitored a significant number of major loan guarantee accounts and assisted the sector branches and regional offices in the financial administration of several major funded projects.

These activities included management of the department's relationships with clients experiencing insolvency and/or other adjustment problems.

The directorate delivered and administered the program of credit insurance which assists applicants to purchase de Havilland Dash-7 and -8 aircraft.

GOVERNMENT CORPORATE INVESTMENTS

The **Crown Investments** Directorate exercises an ongoing support role to departmental ministers in their responsibility for particular Crown corporations and other corporate investments of the government. At the beginning of the year, this included:

- ° the Federal Business Development Bank
- ° Cape Breton Development Corporation
- ° Canadian Patents and Development Limited
- Canada Development Corporation (government's shares).

A realignment of ministerial responsibilities as a result of organizational changes in government added to this list Teleglobe Canada and the Canada Development Investment Corporation, incuding its subsidiaries the de Havilland Aircraft of Canada Ltd., Canadair Ltd., Eldorado Nuclear Ltd., and the government's shares in Massey Ferguson Ltd. Pêcheries Canada Inc. was also made a direct responsibility of this department late in the year.

A major activity in 1984-85 was to help implement new legislative provisions governing all Crown corporations (Bill C-24, an act to amend the Financial Administration Act).

FUNDED INDUSTRIAL PROGRAMS

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

Tables 1 to 14 of Appendix A summarize activities during fiscal year 1984-85 for the principal programs administered by DRIE. The data show program activity by province and by industry group.

The Industrial and Regional Development Program (IRDP), one of DRIE's principal programs, promotes regional industrial development through 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.

In 1984-85:

- ° 1 464 offers of assistance were accepted
- \$418.1 million in assistance was provided (estimate)
- ° 49 828 jobs were created or maintained through these accepted offers (estimate).

Types of IRDP projects included:

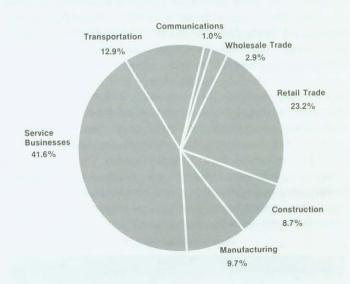
- ° modernization/expansion......55 per cent
- ° establishment of new facilities...23 per cent
- ° innovation projects......16 per cent.

Additional information on this program is contained in the 1984-85 IRDP Annual Report.

Tables 13 and 14 of Appendix A show Small Businesses Loans Act (SBLA) program activity. A total of 34 579 loans were made, for an amount slightly in excess of one billion dollars. These figures represent an increase of 20 per cent by number and 28 per cent by dollar amount over the previous year. Service-type businesses were the greatest users of the program, accounting for 41 per cent of program activity in 1984-85.

The SBLA Annual Report contains additional information on program activity.

SBLA LOANS by type of businesses, 1984-85



In the fiscal year 1984-85, Tourism focused on:

- a national consultation process involving provinces and the private sector, to design a comprehensive national tourism strategy on the future of the tourism industry.
- o promoting increased federal-provincial cooperation in the tourism sector through the signing of tourism subsidiary agreements under the Economic Development/Economic and Regional Development Agreement (EDA/ERDA) process.

Preliminary work on a comprehensive tourism strategy for Canada included the release of a working paper in February 1985 entitled <u>Tourism Tomorrow</u>. The document set the stage for a national consultation process with governments and industry on the future of tourism. Considerable staff resources were devoted to both the collection and analysis of data for the Tourism Tomorrow document and the consultation process.

Approximately \$250 million of federal/provincial/territorial support has been allocated to tourism subsidiary agreements for seven provinces, with over half of the funding, \$137 million, coming from the federal government. Negotiations with other provinces and territories are continuing. Tourism Development played a major consultative role in the development of crucial programs under the subsidiary agreements.

TOURISM MARKETING

Between 1981 and 1984, Tourism Canada developed an analytical model called the Tourism Product/Market Match (PMM) model. The PMM model is capable of integrating data on consumer market preferences and matching them with tourism products which meet the requirements. The product information is displayed in map format. The system also provides an economic impact and financial analysis. Two pilot projects were carried out in Nova Scotia and British Columbia to test the model.

Tourism Development initiated a second program in the "Tourism is Your Business" series entitled "Marketing Management - A Program for Canada's Tourism

Industry". It is directed to the various supply components comprising medium and smaller sized operations.

In cooperation with Agriculture Canada and Kraft Foods, Tourism Development took part in the World Culinary Olympics '84, held in the Federal Republic of Germany. The Canadian national team won the world championships and, in doing so, promoted an awareness of the professional culinary skills available in Canada. Two video instruction programs were prepared based on the experiences of the Canadian chefs. The videos, entitled "Victory" and "Hot and Cold Competitions", were distributed by Tourism Canada to 232 schools and colleges offering courses in food preparation.

Tourism Marketing specialists create industry-support programs designed to contribute to aggressive export market development of Canadian tourism products in the U.S. and overseas. In Canada, the objective is import substitution. These programs include communications, travel trade development and marketplaces — all aimed at enhancing Canada's share of the world tourism market and encouraging public and private sector participation in joint undertakings.

In the past, Tourism Canada's marketing budget fluctuated sharply, with funds injected on an ad hoc basis. The funding level has been stabilized at \$30 million annually for 1985 to 1988.

COMMUNICATIONS

A lead communications agency, Camp Associates Advertising Limited, was appointed to work with Tourism Canada in the development and implementation of an integrated global marketing and advertising program to be in effect by 1985.

In 1984-85, program highlights included:

In the U.S.:

a \$15.5 million advertising campaign on television, radio and in magazines, followed by a product/market match model. Incremental funding of \$7.5 million strengthened the program.

- a \$1.3 million direct marketing program in cooperation with provincial and private sector partners. It identified potential customers for Canada, especially in the fishing, skiing and outdoors/adventure markets.
- ° an advertising campaign promoting the meetings and incentive travel industry.
- ° major ministerial presentations in New York, Boston, Chicago, Cleveland and Buffalo. The tour incorporated Canadian talent, arts and culture. The Minister of State for Small Business and Tourism was invited to be keynote speaker at the convention of the National Tour Association, one of Canada's most important trade association partners.
- o an editorial program promoting tourism services and facilities available in Canada. Twenty-one feature articles were sent to over 1 000 U.S. publications.

In Canada:

a major advertising effort of close to \$4 million in support of "1984 - The Year of Tourism", proclaimed by the Tourism Industry Association of Canada. Television and magazine advertising during spring and late summer reached 70 per cent of the adult population. Post-campaign research showed that Canada overtook the United States in public perception as a value-for-money destination.

PROMOTING TOURISM INTERNATIONALLY

More than ever, in cooperation with the Department of External Affairs, emphasis was on internationally competitive products and services. The most visible communications programs were:

- ° UK: television campaign with tag-ons by Wardair and tour operators
- ° Federal Republic of Germany: major colour magazine campaign with Air Canada, CP Air and Wardair participation
- o Japan: campaigns targetted to the young female and "silver age" markets, plus the introduction of outdoor posters, all co-sponsored by CP Air.

The Tourism Branch provides strategic direction for the creation and implementation of tourism programs delivered by:

- ° DRIE regional offices in Canada
- of the embassy and 13 consulates general in the United States
- ° nine embassies abroad.

As well, officers in as many as 16 additional embassies are assigned part-time to tourism promotion.

Market Development overseas included programs in primary markets—the United Kingdom, the Federal Republic of Germany, Japan, France, the Netherlands, Australia, Hong Kong, Italy and Mexico—as well as activities in developing markets such as Southeast Asia, Scandinavia and South America.

Among the highlights for trade development overseas was a visit by the Minister of State for Tourism to the International Tourism Bourse in Berlin, where he met with Canada's private sector partners from the Federal Republic of Germany and Switzerland. In November, Tourism Canada launched a federal tourism program in Italy, following the appointment by DEA of a Trade Commissioner (Tourism) to Milan.

Cooperative marketing programs, such as trade promotions, consumer shows, reverse marketplaces and product testing tours, facilitate increased participation by Canadian provinces, territories and industry partners in the marketplace.

The highly successful U.S. and overseas meetings program brought approximately 700 meeting planners to test Canada's convention product. The computerized meetings and incentive travel data bank provided detailed profiles of approximately 8 000 U.S. and offshore organizations directly available to the industry.

An estimated \$80 million of business was transacted at the eighth annual Rendez-vous Canada in Ottawa, April 29-May 3, 1984, an increase of \$10 million over 1983. The international marketplace attracted 332 Canadian selling organizations, 250 foreign buyers and 38 international media representatives.

The Comptroller provides objective advice and management support in policy making and program direction. The Comptroller is responsible for:

- design and coordination of the department's management planning and control process
- o provision of financial and information services and management support.

MANAGEMENT PLANNING

The **Resource Management** 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 **Program Evaluation** Branch provides information on the effectiveness of departmental programs and recommends appropriate changes. Major activities during 1984-85 involved evaluation studies on:

- Industry and Labour Adjustment Program (ILAP) (Community-based and Auto Parts)
- Tourism Marketing
- ° Product Development Management Program
- ° Canadian Travel Film Program
- Source Development Fund (jointly with SSC)

as well as:

- evaluation assessment of the Machinery Program
- ° evaluation frameworks of IRDP elements
- re-drafting of the departmental program evaluation manual
- evaluation of several subsidiary agreements.

The **Portfolio Management** Branch is responsible for coordinating the corporate planning process. The process provides a vehicle for establishing corporate directions and for ensuring accountability accords.

The Management Practices Branch:

- coordinated the department's Management Action Plan to improve management practices and controls
- conducted studies aimed at developing, enhancing and integrating management processes.

SUPPORT SERVICES

The **Financial Operations** Branch is responsible for:

- o developing and implementing financial policy and systems
- accounting for and controlling financial resources
- auditing assistance projects
- ° providing financial advisory services.

During the year, a quality control review of audit activities in all regional offices was carried out, and further developments and enhancements were made to the Resource Accounting Management System to meet the increased needs of departmental management.

The Administrative Services Branch is responsible for administrative policy, manuals and directives, contracting and material administration, property administration, teleconferencing and telephony, printing and duplicating, forms management, micrographics, mail and messenger services, travel services, library services and office automation within the branch.

Several major activities were undertaken during 1984-85. Among the most important were the decentralization of control for two of the major service areas of the department:

- ° word processing
- ° administrative units.

Both these service areas were transferred to the various sector ADMs as a means of improving service and ensuring accountability to the managers served.

Other major areas of activity included the transfer, from the Ministry of State for Economic and Regional Development (MSERD) to DRIE, of responsibility for:

- administrative support of the Ministry of State for Science and Technology (MOSST)
- ° The Office for Regional Development (ORD).

Trials in the area of electronic mail and teleconferencing were conducted by the branch and resulted in a senior management decision to expand these facilities to all areas of the department on an "as required" basis. Internal measures required to respond to the expected introduction of revenue dependency by Public Works Canada were developed. An automated departmental inventory control system (DAMIS) was designed and system implementation begun. Material management and contracting for services policies were drafted and submitted to senior management for review.

The **Information Management** Branch is responsible for the application of resource management principles to all departmental information resources and develops and maintains computer-based system design software and operating software. It is also responsible for the physical management of corporate data, and the provision and operation of all computer facilities, including hardware and data communication networks. The department spent \$11.3 million in 1984-85 to purchase data processing goods and services from the private sector.

Branch activities included:

- ° development of the departmental Long Range System Plan
- coordination of integration activities associated with departmental information systems
- development and distribution of departmental Information Resource Management Policy directives.

There was continued emphasis on the integration of systems through increased uniformity in departmental data, resulting in greater efficiency in the recording and accessing of information. By year end, branch human resources had been reorganized. A major new component, the information Centre, became the focal point for assistance to departmental personnel who develop and use computer technologies in the workplace.

The Access to information and Privacy Office was created in response to the enactment of access to information and privacy laws. Primary responsibilities include:

- ° assisting the public with access requests
- ° developing policies
- advising senior management on the administration of the legislation and the disposition of cases.

In the period from April 1, 1984, to March 31, 1985, a total of 76 Access to Information cases were dealt with, of which 58 were completed. Under the Privacy Act, 11 cases were dealt with and nine were completed. The number of complaints received by the department under the Access to Information Act in 1984-85 remained low. Six new complaints were filed with the Information Commissioner. No complaints were registered with the Privacy Commissioner.

REGIONAL INDUSTRIAL EXPANSION

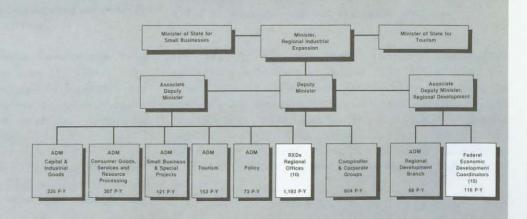
Grants and Contributions by Region

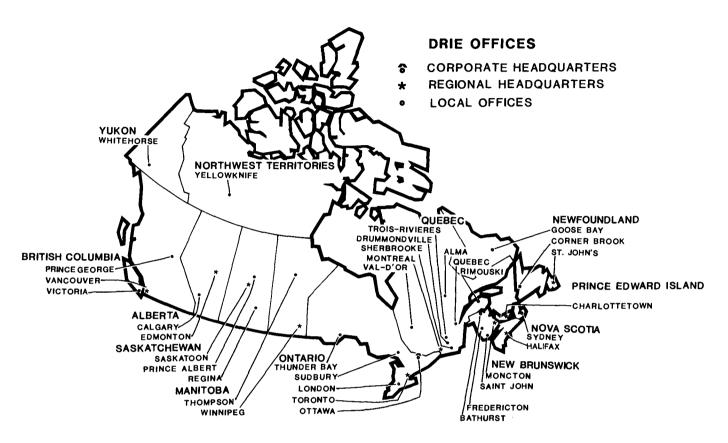
For the Fiscal Year 1984-85

	(\$000)
NEWFOUNDLAND	29 956
NOVA SCOTIA	52 684
PRINCE EDWARD ISLAND	6 436
NEW BRUNSWICK	45 925
QUEBEC	356 028
ONTARIO	192 087
MANITOBA	74-719
SASKATCHEWAN	13 432
ALBERTA	16 770
BRITISH COLUMBIA	42 475
YUKON	1 498
NORTHWEST TERRITORIES	4 431
OUTSIDE CANADA	146
TOTAL	<u>836_587</u>

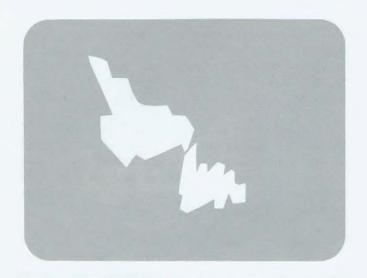
The department is organized on the principle that:

- o direct delivery of service should be concentrated in strong field organizations with regional headquarters in every province
- * focused expertise, to provide technical assistance and advice to major firms and industries, should be concentrated in industry branches in the corporate headquarters.





In 1984-85, there were also local offices in Summerside, PEI; and Cocagne, NB.



ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

Newfoundland's Economic and Regional Development Agreement (ERDA) was signed in May 1984. Activity in the region during 1984-85 focused on the signing of seven subsidiary agreements under the ERDA and continuing implementation of projects under the existing General Development Agreement (GDA) subsidiary agreements.

The office of the federal economic development coordinator (FEDC) played a central role in the development of the seven ERDA agreements on:

- ° planning
- ° mineral development
- ° the Burin Peninsula
- ° rural development
- ° pulp and paper
- ° ocean industry
- * tourism development.

All but the first two of these agreements were fully developed by the DRIE regional office.

The \$28 million **Burin Peninsula Development Fund** subsidiary agreement was signed June 11, 1984. This five-year ERDA agreement is designed to diversify the economic base of the Burin Peninsula and involves a federal contribution of \$19.6 million. Projects identified for financing include:

- reactivation of the St. Lawrence Fluorspar mining operation (up to \$6.8 million set aside to help finance expected costs of \$14.4 million)
- ° construction of an \$11 million oil rig servicing facility at Cow Head near Marystown.

An incentive fund also is being established under the agreement to assist local entrepreneurs.

A five-year, \$18.2 million **Rural Development II** ERDA subsidiary agreement was signed in July 1984 and is cost-shared 50:50. It is designed to revitalize and strengthen the rural sector of the provincial economy. During the year under review, financial assistance was provided to:

- ° 52 regional development associations for administration costs
- Olocal entrepreneurs for establishment, modernization or expansion
- * two provincial craft associations and individual craft producers for products and market development and promotion.

In July 1984, the **Pulp and Paper Mill Modernization** subsidiary agreement was extended and an additional \$8 million added to the original \$33.3 million. It was further amended in December 1984 and an additional \$5 million added, bringing the total agreement to \$46.3 million, of which Canada's total share is \$38.5 million. These funds are intended to improve the viability, efficiency and international competitiveness of the Newfoundland pulp and paper industry.

An agreement was signed with Abitibi-Price Inc. of Grand Falls to provide \$6.2 million towards a \$32 million modernization program to be undertaken over the next three years.

Kruger Inc. signed an agreement to carry out a modernization program at its new mill at Corner Brook at an estimated cost of \$198.3 million. The federal government, through DRIE, will contribute \$32.7 million towards the five-year program.

The signing of the **Ocean Industry Development** subsidiary agreement in August 1984 established the Ocean Industry Development Centre with a mandate to maximize the benefits to Newfoundland and Canada from the various developments in the ocean industry sector. This ERDA pact includes funding of \$28 million (federal share \$19 million) to provide financial support for the development of supply-side business.

Most of the 12 projects approved in the first six months of operations were for development of a variety of innovative products for use in the offshore hydrocarbon exploration industry and in the fishery and marine transportation sectors. Focus is on products with potential for downstream export markets.

A new, five-year **Tourism Development** subsidiary agreement was signed in August 1984 under the ERDA umbrella. It provides an infusion of \$21 million in support of tourism initatives in the province, with DRIE contributing \$12.5 million.

GENERAL DEVELOPMENT AGREEMENT

General Development Agreement subsidiary agreements active in 1984-85 included:

- ° Industrial Development Phase II
- ° Community Development -- Coastal Labrador
- ° Canadian Fisheries Development Program --Labrador
- ° Institute of Fisheries and Marine Technology.

The \$17.8 million **Industrial Development Phase II** agreement is funded 100 per cent by DRIE. It provides for construction of:

- ° an industrial park and mall at Port aux Basques
- ° an industrial mall at Pasadena
- ° industrial parks at Windsor and Gander.

Contracts were awarded for the construction of the \$2 million park at Port aux Basques and the \$4 million park at Gander. Construction has started at the \$2.9 million mall at Pasadena.

Five water and sewer projects were completed during the fiscal year under the **Community Development** — **Coastal Labrador** subsidiary agreement. These were: L'Anse Au Clair, L'Anse Au Loup, Forteau, Cartwright and St. Modeste. Similar projects were started in Red Bay and Mary's Harbour.

The construction of new medical clinics at Cartwright and Black Tickle is continuing on schedule and will be completed by the end of 1985. A similar facility has been constructed in St. Lewis and the facility at Mary's Harbour has been renovated.

Work also continued on the modernization of five fish processing plants as well as on the construction of four community stages. To date, three ice making machines have been installed as well as five bait holding units, six fish holding units, 14 fish unloading systems and two salt holding units.

Work also continued during the year on the construction of the \$42.5 million (federal share: \$27.5 million) Institute of Fisheries and Marine Technology in St. John's. The 20 000-m² building is being constructed on a 17-hectare site and will be ready for occupancy in the fall of 1985. The institute will provide the province with the capacity to meet the skilled training needs in the fisheries and offshore oil and gas industrial sectors in the 1980s and beyond.

FUNDED PROGRAMS

Also ongoing during the year was activity under the Industrial and Regional Development Program (IRDP). Sixty-nine companies accepted contributions under the IRDP during the year. resulting in the creation of 231 jobs. The DRIE commitment through these offers amounted to \$5.6 million with eligible capital investment totalling \$17.0 million. Total payments during 1984-85 were \$1.7 million.

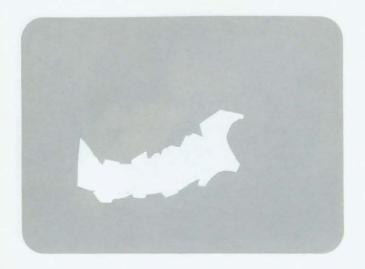
REGIONAL DEVELOPMENT

The FEDC office also was active in the Atlantic fisheries in 1984-85, assisting the minister and the ADM, Crown Investments and Special Projects, in:

- implementing the fisheries restructuring agreement
- ° forming Fishery Products International Ltd.

The office also worked with the Department of Energy Mines and Resources in the coordination of inter-departmental policy and planning for the development of offshore oil and gas.

The FEDC office carried out ongoing liaison, with the provincial government, business, labour and municipal groups concerning regional development issues.



The fiscal year 1984-85 was a year of transition for DRIE on Prince Edward Island. During this period, activities and planning concentrated on:

- building on the infrastructure previously put in place
- oresponding to the department's more focused mandate.

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

The Prince Edward Island Economic and Regional Development Agreement (ERDA) was signed in June 1984. Eight subsidiary agreements on:

- ° planning
- ° transportation
- ° agri-food
- ° alternate energy
- ° forestry
- ° fisheries development
- ° tourism
- ° marketing

also were signed over the course of the year as was one memorandum of understanding on science and technology. The office of the federal economic coordinator (FEDC) was involved in each of these undertakings, and in the commissioning of a study under the Canada-P·E·I· Planning Agreement which is to review the financing of P·E·I· enterprises.

The DRIE regional office participated in the development of the ERDA sub-agreements on tourism and marketing and was active in the planning and negotiations for others related to industrial development.

The five-year subsidiary agreement on **Tourism Development** calls for contributions from Canada of \$5.8 million and from Prince Edward Island of \$3.2 million towards the delivery of three major programs:

- ° market and product research
- ° marketing assistance
- ° product development.

The five-year subsidiary agreement on **Marketing** calls for contributions from Canada of \$5 million and from Prince Edward Island of \$2.5 million towards the implementation of a wide range of programs aimed at expanding Prince Edward Island's markets and strengthening marketing skills and techniques.

Planning for a subsidiary agreement on Industrial Development began with a view to providing programs that will increase productivity, encourage innovation, and lead to greater diversification in the manufacturing sector.

FUNDED PROGRAMS

Ongoing programs, such as the Industrial and Regional Development Program (IRDP) and the Program for Export Market Development (PEMD) continued to provide essential assistance to Prince Edward Island's business and exporting communities.

During the 1984-85 fiscal year, 51 projects were undertaken with offers of IRDP assistance amounting to \$4.2 million. While the majority of the projects were small by national standards, their contributions to the island's economy -- which is constrained by high energy costs, discontinuities in transportation and high unemployment -- are important and valuable. It is expected that once the projects are in full operation they will have generated investments of \$13.4 million and created approximately 200 jobs.

TRADE ACTIVITIES

The export trade section of the regional office experienced a high level of activity during the fiscal year ending March 31, 1985. Direct project activity under the **PEMD** was almost double the level of the previous year, and trade staff maintained an active involvement with local business firms. Exports from Prince Edward Island during the calendar year 1984 increased by almost 25 per cent over the previous year.

REGIONAL DEVELOPMENT

As well as playing a central role in the province's ERDA activities, the FEDC:

- chaired the P•E•I• Regional Council of senior federal officials from all economic sector departments
- ° chaired a federal-provincial task force on the Georgetown Seafoods Plant that presented a report to federal and provincial fisheries ministers.

The FEDC and his staff frequently met with island industry, labour and government officials to seek their views on government policy and to explain government programs and activities.



ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

Nova Scotia's Economic and Regional Development Agreement (ERDA) was signed in June 1984. The office of the federal economic development coordinator (FEDC) was active during the year in the development of six subsidiary agreements on:

- ° planning
- ° the Strait of Canso
- ° minerals
- ° forest renewal
- ° fisheries
- o tourism.

The DRIE regional office participated in the sub-agreements on the Strait of Canso and tourism.

The \$28 million, second-generation Strait of Canso Area Development agreement enabled continued operation of the Strait of Canso Industrial Development Authority and provided funds for infrastructure projects.

Tourism industry requirements for industry and market development and supporting planning activities were addressed through the signing of the \$14 million Tourism agreement.

GENERAL DEVELOPMENT AGREEMENT

The DRIE regional office oversaw continuing activity on several existing subsidiary agreements under the General Development Agreement (GDA).

For example, major modernization projects in the Pulp and Paper Sector and at the Sydney Steel Corporation continued under the aegis of the federal-provincial agreements. During the year, Bowater Mersey and Scott Maritimes continued work on major modernization projects at their pulp and paper mills while work on the establishment of a blast furnace and modernization of the rolling mills continued at the Sydney Steel Corporation.

With assistance provided under the Assistance to Michelin Tires (Canada) Ltd. subsidiary agreement, Michelin completed establishment of its third plant at Waterville.

Activity in the Ocean Industry Development sector remained strong. Development of centres of excellence continued to be a priority with major efforts aimed at establishing a Canadian Underwater Centre in Nova Scotia.

Promotion of joint ventures netted positive results, as exemplified by the Can-Dive/Deep Ocean Engineering partnership which saw the development and launching of Deep Rover, a state-of-the-art sub-sea vehicle designed for use in ocean exploration.

FUNDED PROGRAMS

In other ongoing programs during 1984-85, 80 firms accepted offers of assistance under the Industrial and Regional Development Program (IRDP) for a wide variety of projects — from resource—based activities to high technology ventures. Projects ranged from establishment of a winery by Hans Jost to the most recent expansion by K.B. Electronics Ltd. of its research and development program.

TRADE ACTIVITIES

Trade development was promoted through a number of vehicles including the **Program for Export Market Development (PEMD).** Further expansion of traditional markets was emphasized. For example, six Nova Scotia fish companies participated in a mission to Dallas, Texas, introducing their products to the marketplace.

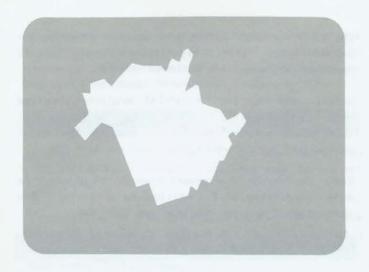
A number of initiatives, such as an ocean industry trade mission to China, were designed to penetrate new markets. Seven Canadian companies participated in the China mission to demonstrate their technologies and to establish contacts in this major marketplace.

On the domestic side, the Nova Scotia office worked closely with two business associations, the Halifax Board of Trade and Atlantic Canada Plus, to develop a novel marketing concept — the reverse trade fair. The fair, sponsored by the "Think Canadian" program, called for buyers to staff the booths to explain company purchasing policies and requirements to potential Nova Scotia suppliers.

REGIONAL DEVELOPMENT

In addition to its work on ERDA subsidiary agreements, the FEDC office was involved with the provincial government on:

- o the Canada-Nova Scotia Executive Committee on Economic and Social Benefits Related to Offshore Oil and Gas Activities
- of the management committee of the Canada-Nova Scotia Offshore Development Fund.



The New Brunswick regional office of DRIE is located in Moncton, and sub-offices were maintained in Bathurst to serve northeastern New Brunswick, in Cocagne to deliver the Southeast New Brunswick Development Initiative, and in Fredericton to serve the central and western parts of New Brunswick.

Activity in the region during 1984-85 focused on subsidiary agreements under the Economic and Regional Development Agreement and the General Development Agreement.

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

The New Brunswick Economic and Regional Development Agreement (ERDA) was signed in April 1984. Seven subsidiary agreements were signed during the year on:

- ° planning
- ° agri-food
 - ° forest renewal
 - ° mineral development
 - ° transportation
 - ° fisheries development
 - ° tourism

as was a memorandum of understanding on science and technology.

The office of the federal economic development coordinator (FEDC) was involved not only in the development of these agreements, but also in the commissioning of three studies under the **Planning** agreement to:

- o identify priority measures to encourage the development and application of new technology, working toward a new science and technology strategy for New Brunswick
- o provide a basis for determining priorities for special development programs by ranking regions according to need and outlining opportunities for governments to provide development incentives
- o identify the quantity and species in the present provincial hardwood surplus and to provide suggestions about the best processing opportunities.

The DRIE regional office participated in the development of the new **Tourism** subsidiary agreement, signed during fiscal 1984-85 and in effect until March 1989. The total estimated cost of the agreement is \$32 million, with DRIE contributions amounting to \$22 million and the province providing the balance. DRIE expenditures to date are \$357 200. The agreement is designed to:

- o improve the ability of N.B. tourism firms to compete more effectively in the intraprovincial, interprovincial and international markets
- improve sector performance and increase levels of income and employment
- ° increase tourism expenditures.

GENERAL DEVELOPMENT AGREEMENT

Several subsidiary agreements under the General Development Agreement (GDA) were active during the year.

The Northeast New Brunswick sub-agreement. expiring March 1986, has a total estimated value of \$95.5 million (\$67.2 million federal \$28.3 million provincial). During 1984-85, DRIE expenditures under this agreement amounted to \$6.4 million, bringing the total expenditure to March 1985 to \$58.8 million. The agreement is designed to improve the long-term prosperity and living standards of the population of this region and to speed up economic and industrial development. Among projects active during the fiscal year were:

- the Resource Centre for Small Business (\$376 000)
- a study on the use of peat as a source of energy (\$100 000)
- ° a computer assistance program to small business (\$264 000)
- an industrial water standpipe in Caraquet (\$187,000)
- ° a dry kiln at Restigouche (\$240 000)
- ° Campbellton Waterfront Development (\$3 million).

The Modernization Consol Idated-Bathurst subsidiary agreement signed in March 1982 runs to March 31, 1989, during which time DRIE is expected to contribute \$19.6 million and the province of New Brunswick \$4.9 million towards Consol idated-Bathurst's totai estimated expenditure \$175 million to modernize its Bathurst facility. During fiscal 1984-85, DRIE spent \$99 800 on the agreement. bringing the department's tota! expenditures to date to \$11.9 million.

The duration of the **Sulphation Roast Leach Pilot Plant** subsidiary agreement is from September 30, 1983, to March 31, 1987. Total estimated cost is \$18.8 million, with \$15 million being provided by DRIE and the remaining \$3.8 million coming from the province. DRIE spent \$8.8 million on the agreement during the fiscal year, bringing the department's expenditures to date to \$10.3 million.

The GDA Pulp and Paper subsidiary agreement expired March 31, 1985. To date, DRIE has expended a total of \$32.1 million, of which \$3.3 million was spent during 1984-85. Seven of the province's mills have received offers of assistance under the Based on planned capital expenditures exceeding \$500 million through March 1986, incentive assistance is expected to total \$53.3 million Most of the work carried (\$42.6 million federal). out in the mills was in the areas of process modernization. pollution abatement energy conservation.

The **Southeast New Brunswick Development initiative** was signed on August 25, 1981, and runs
until March 31, 1986. Through separate submissions
by each participating department, funding for the
Initiative emanates from:

The DRIE component officially became effective in October 1983. DRIE's expenditures during 1984-85 amounted to one million dollars.

During 1984-85, ten industrial projects received offers amounting to \$156.810 under the industrial development element of the program. The total expenditure for 1984-85 fiscal year was \$108.069.

Under the tourism development element, 51 offers were made, committing \$1.7 million to projects. The total expenditure for the year was \$909 960.

FUNDED PROGRAMS

In other ongoing activities, a total of 70 offers of assistance were accepted by companies under the Industrial and Regional Development Program (IRDP) during 1984-85. The eligible capital investment associated with these offers amounted to \$64.9 million, while DRIE's commitment through the offers totalled \$21.3 million. (In addition, six accepted offers were transferred to IRDP from the predecessor program, Regional Development Incentives Program.)

TRADE AND TOURISM ACTIVITIES

Activity within the trade unit concentrated on encouraging and assisting New Brunswick firms to pursue international marketing opportunities for the purpose of expanding exports as a contribution to job creation and regional economic development. Provincial exports increased by 27 per cent in 1984 from \$1.7 billion in 1983 to \$2.1 billion in 1984.

The Program for Export Market Development (PEMD) operated with a reduced budget from the previous year yet had 56 projects approved for an expenditure commitment of \$236 175. Forty-six per cent of New Brunswick applications originated from first-time users. Under the Promotional Projects Program (PPP), regional participation in trade fairs, incoming and outgoing missions continued with activity in some 20 events by 50 different firms.

[°] DRIE (\$3.7 million)

Agriculture Canada (\$3.6 million)

[°] Fisheries and Oceans (\$2.7 million).

The tourism unit was involved in studies aimed at the future development of provincial potential, in particular the New Brunswick Ski Industry Study and the East Coast Beach Development Study.

REGIONAL DEVELOPMENT

In addition to its work on ERDA sub-agreements, the FEDC office was involved in numerous task forces and committees.

A representative from the office chaired the DRIE-New Brunswick Task Force on Trade and the FEDC chaired a management committee on southeast New Brunswick development initiatives.



During 1984-85, expenditures by the Quebec region totalled \$293 million, including more than \$49 million spent in the context of federal-provincial agreements and \$244 million under regular departmental programs.

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

The highlight of 1984-85 in the Quebec region was the signing of the Economic and Regional Development Agreement (ERDA) in December 1984. Federal-provincial subsidiary agreements on:

- ° industrial development
- ° tourism development
- ° communications enterprises
- ° cultural infrastructure

also were signed during the year. The office of the federal economic development coordinator (FEDC) played a central role in the development of these agreements.

The DRIE regional office participated in the signing of the agreements on industrial development and tourism. These new agreements should result in disbursements over the next five years of more than \$450 million, of which DRIE's share will be \$225 million.

The five-year subsidiary agreement on **Industrial Development**, signed on January 23, 1985, has a budget of \$350 million, shared equally between Canada and Quebec, to assist in financing industrial infrastructures and major industrial projects.

On January 16, 1985, the department concluded a new subsidiary agreement on **Tourism Development**. This agreement will last five years and has a budget of \$100 million, shared equally between Canada and Quebec. The agreement supports initiatives to improve the competitiveness of Quebec's tourism industry and increase Quebec's share of the international tourism market.

Under the agreement, support will be provided for:

- o initiatives involving the development of new geographical markets
- ° marketing of fishing and hunting activities
- opromotion of Montreal and Quebec City as sites for international congresses
- o modernization and consolidation of the downhill ski centres
- ° development of major tourist attractions.

To date, DRIE has spent \$3.9 million under the agreement.

GENERAL DEVELOPMENT AGREEMENT

Numerous federal-provincial subsidiary agreements under the General Development Agreement (GDA) were active in 1984-85.

By means of a subsidiary agreement for the Modernization of the Pulp and Paper Industry, the two governments are enabling the industry to modernize its plants and improve its competitiveness. Firms are given financial assistance to encourage additional investment. Assistance is primarily for projects aimed at reducing production costs, increasing the value-added of finished products and encouraging protection of the environment. This agreement has a budget of \$240 million, of which \$135 million comes from DRIE. The department spent \$35.2 million on the program in 1984-85.

The activities of **la société inter-Port de Québec** are concerned with promotion and industrial development in the Quebec City area. The sub-agreement emphasizes projects that are likely to derive benefit from the port installations. This agreement, which is in force from July 3, 1981, to March 31, 1986, has a budget of \$9.3 million (60 per cent DRIE, 40 per cent Quebec).

Industrial The subsidiary agreement Infrastructure, which expired April 30, 1984, has provided more than \$137.6 million (60 per cent DRIE, 40 per cent Quebec) for the development of industrial parks and fishery parks and the establishment of the infrastructure required for industrial projects. In total. DRIE spent \$9.6 million on this and the ERDA sub-agreement on sub-agreement Industrial Development in 1984-85.

Finally, the department completed the consolidation of the network of small-craft harbours on the St. Lawrence River. This program called for 12 such harbours and involved expenditures totalling \$11.2 million over three years. The objective of the program was to provide the St. Lawrence with infrastructures which would attract a larger number of Canadian and American pleasure craft.

REGIONAL DEVELOPMENT

The FEDC office took an active role in the Gaspé-Lower St. Lawrence Development Plan. Although the plan was announced in 1983, most of the components were not implemented until spring 1984. By March 31, 1985, approximately \$113 million of \$264 million had been committed for expenditure, of which \$48 million was spent during this reporting period. The FEDC office also was involved in the preparation of regional development profiles for various regions of Quebec and provided ongoing advice and assistance on policy issues and developments to the minister and sectoral departments through regular consultations with the private sector and other government organizations.

FUNDED PROGRAMS

Under ongoing programs during the year, the department received 1 545 applications for assistance under the **Industrial and Regional Development Program (IRDP)**, and 573 offers were made for a total commitment of \$120.5 million. These projects should generate some \$549.4 million and result in the creation of 9 624 jobs. Among major projects which received assistance were:

- Philips Information Systems (\$9.5 million)
- ° STC Canada (\$5.6 million)
- ° RCA (\$4 million)
- ° Johnson and Johnson (\$3.8 million).

TOURISM ACTIVITIES

In the area of tourism, the region received 58 requests for financial assistance under the IRDP prior to November 1984 when amendments were adopted making tourism programs ineligible for assistance under this program. Prior to this date, the department approved 28 tourism projects in Quebec for the 1984-85 year, for a total federal contribution of \$6.4 million.



During 1984-85, regional expenditures in Ontario totalled \$105.9 million. Included in this amount are program expenses of \$86.2 million for direct-delivery industrial incentive programs and \$11.1 million in Canada-Ontario subsidiary agreements.

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

The Ontario Economic and Regional Development Agreement (ERDA) was signed in November 1984. The office of the federal economic development coordinator (FEDC) assisted in the development of specific long-term industrial and development programs.

Subsidiary agreements on:

- ° planning
- ° forest resources
- tourism development

also were signed during the year.

The first of those involving DRIE was signed in November 1984 -- the Canada-Ontario Subsidiary Agreement for **Tourism Development**. Under this five-year program, \$44 million is committed to assist major tourism projects in the province. This amount will be shared 50:50 between the two governments.

GENERAL DEVELOPMENT AGREEMENT

Under the General Development Agreement (GDA) signed in 1974, two subsidiary agreements were still in effect:

- o the Eastern Ontario subsidiary agreement was allocated an additional \$1.2 million, shared equally by Canada and Ontario, and extended by six months to September 30, 1985
- o the Community and Rural Resource Development subsidiary agreement ended March 31, 1985.

FUNDED PROGRAMS

Fiscal 1984-85 saw a continued high demand for assistance under the Industrial and Regional Development Plan (IRDP), under which 332 offers were made for a total commitment of \$174.7 million. There was a notable increase of activity in northern and eastern Ontario. IRDP focus was on assisting companies with a proven record, with particular stress placed on helping companies with a potential to break into (or expand upon) the export market. Consideration also was given to companies whose products could be substituted for existing imports.

The Industrial and Labour Assistance Program (ILAP) came to a close during this fiscal year. The program was designed to assist companies in five cities (Windsor, Chatham, Brantford, Sudbury and Kitchener-Waterloo) and companies elsewhere in the province provided they were engaged in manufacturing auto parts or appliances. DRIE Ontario expended \$20.3 million during the 1984-85 fiscal year.

Another program that completed its course was the Regional Develoment Incentives Act (RDIA), which had been extended to December 31, 1984, to allow outstanding applications to be processed. DRIE Ontario expended \$4.1 during the 1984-85 fiscal year.

TRADE ACTIVITIES

Export Trade Month (October) was heavily promoted through a Toronto symposium, The Competitive Edge, followed the next day by one-to-one interviews between manufacturers' representatives and trade commissioners. Over 200 companies participated in this event.

Expanding on the success of these interviews, a series of three **Trade Commissioners' Marketplaces** took place in March 1985 in:

- Sault Ste. Marie (with 20 trade commissioners from abroad)
- ° Toronto (with 50 commissioners)
- London (with 35 commissioners).

At the three sessions, over 2 300 interviews took place with representatives from 470 companies. These sessions were instigated by External Affairs with DRIE Ontario providing the logistics backing. Several DRIE sector officers joined their clients at these interviews and have been engaged in follow-up work.

In all, DRIE Ontario was involved in 110 conferences, seminars and workshops that dealt with export education for manufacturers, 21 of which were jointly organized with the provincial government.

At the request of External Affairs, DRIE Ontario arranged itineraries or accompanied buyers for 35 incoming trade missions, as well as 55 individual buyers from abroad. It also helped find Ontario companies to take part in 65 trade fairs and overseas missions.

SERVICES TO BUSINESS

To provide increased access by business to DRIE and its services, a district office was opened in Ottawa in September 1984, in the same building as the local Federal Business Development Bank (FBDB). The new office serves the growing number of manufacturers in eastern Ontario, particularly those in the high-technology field. Other district offices are located in Sudbury, London and Thunder Bay.

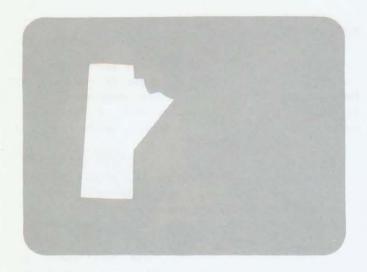
Counselling businesses is a form of assistance that became increasingly significant. Manufacturers, at their request, are given advice on entering new markets, developing existing ones or expanding or modernizing their plants. Systems are being established to ensure that an active "intelligence network" of markets and available sources is maintained in each manufacturing sector.

In the summer of 1984, 25 university students in marketing or trade courses were hired under Canada Employment and Immigration's COSEP program. After a week of intensive training in Toronto, they returned to their home towns to help manufacturers open or expand export markets. Each student worked with about eight companies, doing necessary research, legwork and follow-up.

REGIONAL DEVELOPMENT

In addition to its work on the ERDA sub-agreements, the FEDC office, through the aegis of the **Ontario**Federal Council, assisted nine departments and agencies to establish and maintain a Pathfinder Network across Ontario. The network, established as a pilot project, aims at:

- enhancing and extending the access of the Ontario business community to federal assistance programs and services by networking and cross-training some 120 officers working in 75 Ontario centres
- of facilitating, through these pathfinders, a high level of communication and cooperation among nine federal organizations in their respective dealings with the business community.



During the fiscal year, the Manitoba office was responsible for delivery of unexpired programs under the former General Development Agreement (GDA) and the new Canada/Manitoba Economic and Regional Development Agreement (ERDA).

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

Manitoba was the first province to sign an ERDA, in January 1984. During the fiscal year, the office of the federal economic development coordinator (FEDC) was instrumental in the development of subsidiary agreements on:

- o forest renewal
- ° Churchill
- ° transportation
- ° mineral development
- ° agri-food development
- o urban bus
- ° communications

as well as a memorandum of understanding on aluminum processing.

The DRIE regional office was actively involved in ERDA sub-agreements concerning tourism and urban bus development.

The **Urban Bus Industrial Development** agreement, signed in June 1984, seeks to establish Winnipeg as a national centre of excellence for technological development and manufacture of advanced urban buses and related industrial products by focusing on:

- ° research and development
- ° prototype development and demonstration.

The \$50 million Canada-Manitoba agreement is cost-shared equally. DRIE expenditures in 1984-85 were \$12 074.

GENERAL DEVELOPMENT AGREEMENT

Several sub-agreements remained active under the General Development Agreement (GDA) during 1984-85.

The \$20 million (\$12 million DRIE) Tourism

Development sub-agreement aims to:

- ° strengthen destination areas in the province
- improve the productivity of the tourism industry through joint industry-government action.

DRIE expenditures in 1984-85 totalled \$3.4 million.

The **Northern Development** sub-agreement focuses on community economic development, human development and community improvements. The agreement provides for the coordination of participating departments to:

- ° provide employment preparation
- ° identify emerging opportunities
- ° assist in the placement of trained workers

in a range of resource developments and technical, professional and service jobs. The \$186.2 agreement expires in March 1987. Costs are shared by:

- ° DRIE (\$62.8 million)
- * Employment and Immigration (\$40 million)
- Indian Affairs and Northern Development (\$22.2 million)
- ° the provincial government (\$61.2 million).

DRIE expenditures to date total \$23.9 million.

The tripartite (Canada, Manitoba, City of Winnipeg) Winnipeg Core Area agreement was designed to respond to the social, economic and neighbourhood conditions in the city's core area -- an area that accounts for one-fifth the city's population.

This GDA subsidiary agreement is aimed at:

- o providing increased employment opportunities
- encouraging appropriate industrial, commercial and residential development
- revitalizing the physical and social environment of the core area
- of facilitating the effective social and economic participation of core area residents in development opportunities.

The \$96 million program extends to March 31, 1986, with costs shared equally by DRIE, Manitoba and the city. DRIE expenditures during 1984-85 totalled \$7.7 million.

Although the **Industrial Development** agreement expired March 31, 1983, DRIE expended \$741 278 during 1984-85 to fund existing commitments.

FUNDED PROGRAMS

Under ongoing programs during 1984-85, assistance under the Industrial and Regional Development Program (IRDP) increased, while payments continued to be made to projects approved under the former Regional Development Incentives Program (RDIP).

A total of 89 offers of assistance were accepted by companies under the IRDP during 1984-85. The total eligible capital investment associated with these offers amounted to \$55.2 million, while DRIE's commitment through the offers totalled \$11 million. The activity was expected to create 1 029 new jobs.

Under the RDIP there were a total of five offers of assistance. Total eligible capital investment associated with the offers was \$1.9 million, with DRIE commitments of \$513 784. A total of 148 jobs were expected to be created.

The Western Transportation Industrial Development Program (WTIDP) provides industrial development assistance to firms in Western Canada involved in manufacturing, processing and related service industries which are suppliers for:

- railway and resource development projects
- ° food and agricultural processors
- industrial diversification projects
- ° related research and development.

In 1984-85, activity under this program showed:

- o net accepted offers: 21
- ° jobs expected to be created: 192
- ° eligible capital investment: \$7.3 million
- ° DRIE commitment: \$1.9 million
- ° total 1984-85 payments: \$300 436.

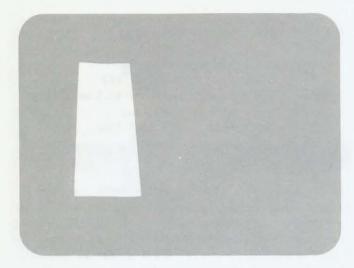
SPECIAL ARDA

The purpose of the **Special ARDA** agreement, entered into under the Agricultural and Rural Development Act (ARDA), is to assist in the economic and social adjustment of residents of rural and remote areas, particularly people of native ancestry, who have previously had little or no access to regular earnings and employment opportunities. Financial assistance is available to commercial undertakings and primary producing activities for job creation and income improvement. DRIE Special ARDA expenditures for 1984-85 were \$7.6 million.

REGIONAL DEVELOPMENT

In addition to its role in the development of the subsidiary agreements, the FEDC office, on an ongoing basis, provided regional economic development policy support to the minister as well as to central agencies such as Treasury Board and Privy Council.

The office also hosted and arranged special events such as the federal budget seminars and media lock-up, meetings between the president of the Economic Council of Canada and business and labour groups, as well as consultations with the director general of regional development for the European Economic Community and senior officials of the provincial government.



In 1984-85, activities in Saskatchewan revolved around:

- ° advanced technology industry development
- industrial services (including those supporting business development and industrial promotion in the province)
- value-added processing and resource-related supply industries
- o tourism
- o northern and native development.

Special efforts were made to enhance the region's service role to industry and to strengthen the framework for cooperative development between the federal and provincial governments.

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

The Saskatchewan Economic and Regional Development Agreement (ERDA) was signed in January 1984 and, during the period covered by this report, substantial progress was made in implementing the opportunities identified in the 1984-85 Course of Action by the federal and provincial ministers responsible for the ERDA.

The office of the federal economic development coordinator (FEDC) was actively involved in the management of these activities as well as in the development of eight additional subsidiary agreements on:

- ° Regina-Moose Jaw water
- ° mineral development
- ° forest resources
- ° agricultural development
- ° agricultural water
- advanced technology
- ° northern development
- ° tourism.

The DRIE regional office participated in developing the ERDA sub-agreements on tourism, northern development and advanced technology.

In November 1984 the five-year subsidiary agreement for **Tourism** was signed, totalling \$30 million cost-shared equally with the province. The agreement will enhance the growth of tourism in Saskatchewan and increase the economic benefits from tourism-related activities.

Programs under the agreement are designed to:

- o upgrade the quality and diversity of the tourism plant and attractions
- expand the scope of provincial events to attract provincial and international visitors
- o develop the commercial accommodation base and leisure attractions
- of human resources in the tourism sector
- o develop a strong tourism industry structure within the province
- increase public awareness of the benefits of tourism
- establish visitor information/reception centres
- ° support business/association facility development and marketing.

The purpose of the **Northern Economic Development** subsidiary agreement is to enhance the economic development of, and increase the opportunity for, employment in northern Saskatchewan. The agreement was signed on August 31, 1984, calling for \$36 million in funding cost-shared with the Saskatchewan government on a 50:50 basis over five years. One offer for \$621 000 was made during the current fiscal year.

The Advanced Technology sub-agreement is intended to facilitate the establishment and accelerated growth of technology development industries in Saskatchewan. The agreement was signed August 31, 1984, for \$33.2 million in funding on a 50:50 cost-shared basis over five years. No offers were made in the fiscal year 1984-85.

FUNDED PROGRAMS

Under ongoing programs during the fiscal year, 49 offers totalling \$6 million were made to firms in the province under the **industrial and Regional**Development Program (IRDP). In July 1984 the Melville census division was reduced from a Tier II to a Tier I level.

The Western Transportation Industrial Development Program (WTIDP) program is a federal government initiative designed to assist businesses in western Canada to take advantage of the economic opportunities resulting from the decision to revise the Crow's Nest Pass freight rate and expand the western railway system. In the fiscal year 1984-85, eight offers totalling \$700 000 were made.

The **Regional Development Incentives Program** (RDIP) expired on December 31, 1984. However, eight offers totalling \$444 888 were made during the current fiscal year. The program was replaced by IRDP.

The **Enterprise Development Program** expired on March 31, 1984, but two offers totalling \$364 903 were made in the current fiscal year on projects approved prior to that time.

SPECIAL ARDA

The purpose of the **Special ARDA** agreement is to improve income and employment opportunities for rural residents, especially those of native ancestry. The agreement was extended in August 1984 to March 31, 1987, and maintains the program which initially began in 1971. Ninety-one offers were made in the fiscal year by the Saskatchewan office totalling \$3.3 million.

TRADE ACTIVITIES

In the area of trade promotion, increased efforts were made to assist individual companies to pursue international export market opportunities.

Delivering the **Program for Export Market**Development (PEMD), the office provided assistance to 131 companies in the amount of \$473 000. Similar activity was initiated with External Affairs'

Promotional Projects Program (PPP) under which notable export sales were developed from outgoing and incoming buyers, including the 42 buyers who participated in the Western Canada Farm Progress Show.

Through Marketplace '85 in Saskatoon and Regina, 16 trade commissioners held a total of 224 business interviews with potential Saskatchewan exporters.

The importance of international trade to Saskatchewan needed to be further strengthened, as did the capability and knowledge of those working in the competitive and complicated international marketplace. Because of this, the office instigated an international marketing course at the University of Saskatchewan this year. This innovative project involved 35 commerce students who were divided into seven groups to work on export marketing plans with seven Saskatchewan firms. The course was an unqualified success and will be continued.

The Canada Awards for Excellence program was introduced throughout the province via media advertising. In Regina and Saskatoon, seminars were held including the media, the Chambers of Commerce and the academic community. The "Think Canadian" program also was launched in Saskatchewan with publicity events held in Regina and Saskatoon with the Chambers of Commerce and the media.

The second annual **Export Trade Month** was successfully promoted in Saskatchewan. Two major export seminars were held in Regina and Saskatoon and involved representation from many of the External Affairs trade posts. Saskatchewan again had a winner of the National Export Award with Canpotex winning an award for its efforts in the marketing of potash.

REGIONAL DEVELOPMENT

In addition to its activities concerning ERDA agreements, the FEDC office is responsible, on an ongoing basis, for the coordination of the non-fiscal benefits of two heavy-oil upgrader projects. This involves, in one case in conjunction with the Alberta FEDC office, coordination between two levels of government and project sponsors in the areas of:

- ° industrial benefits
- ° human resources planning
- ° environmental impact assessment.

The FEDC chaired two regional committees of senior federal officials as forums for coordination and consultation, and liaised with senior officials of the provincial government and the private sector on regional development issues.



Continued economic constraints in 1984-85 resulted in a decreased demand for DRIE financial assistance in Alberta. Activity in the region shifted to increased cooperation and liaison with public and private sector groups.

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

Alberta's Economic and Regional Development Agreement (ERDA) was signed in June 1984. The office of the federal economic development coordinator (FEDC) was active in the development of memoranda of understanding on tourism and agriculture as well as a subsidiary agreement on forest resources which was signed during the year.

GENERAL DEVELOPMENT AGREEMENT

Under the General Development Agreement (GDA), the Nutritive Processing Assistance subsidiary agreement, due to expire March 31, 1985, was given a one-year extension. During 1984-85, a total of 55 projects were offered \$2.2 million in financial assistance. Total DRIE expenditure to date for the program is \$3.1 million.

TRADE AND TOURISM ACTIVITIES

Both the regional office in Edmonton and the local office in Calgary continued to work closely with local economic development organizations, academic communities and business groups to sponsor activities ranging from productivity enhancement workshops to international trade seminars, as well as establishing an ongoing relationship with the University of Calgary's New Venture Forum for aspiring entrepreneurs.

DRIE in Alberta maintains an affiliation with the Organizing Committee for the Calgary Winter Olympics through the tourism development division.

Cooperative ventures undertaken in 1984-85 included:

- Small Business Consultation, Edmonton: February 27, 1985
- Marketplace '85, Edmonton and Calgary: March 7-8, 1985
- International Trade Consultations,
 Edmonton and Calgary, March 25-26, 1985.

FUNDED PROGRAMS

The thrust of the Industrial and Regional Development Program (IRDP) expenditures in Alberta remains In innovation and marketing assistance. To date, more than \$8.4 million has been offered to 43 manufacturers in Alberta.

Five projects were funded under the Western Transportation Industrial Development Program (WTIDP) in Alberta, with DRIE expenditures totalling \$1.2 million.

In addition to responsibilities related to the ERDA agreements, the FEDC office was involved in a coordinating role on two major regional projects:

- In one, complex environmental issues were involved with potential federal-provincial implications. The office helped to reduce overlap and duplications between the two levels of government.
- In the other, the Alberta and Saskatchewan FEDC offices coordinated the federal interest in all non-fiscal issues, which included human resources, the environment and industrial benefits.

Through its comprehensive data base on energy, the office provided assistance over the year to oil companies dealing with federal government officials and provided briefings to Ottawa on the provincial position.

The office prepared a major report on technology transfer based on interviews with key executives at federal research stations in the province.



During 1984-85, DRIE focused its activities in British Columbia on the pursuit of several objectives to:

- o improve the long-run competitiveness of industry in the province
- enhance the ability of the economy to create employment
- ° create an environment where industry can adapt to and benefit from technological advances, changing market conditions and natural competitive advantages.

Since the economy of the province is resource based, priority was placed upon those sectors -- notably forest products, tourism and mining -- which both underpin the economy and which have suffered from the present difficult economic climate.

ECONOMIC AND REGIONAL DEVELOPMENT AGREEMENT

Following the expiry of the General Development Agreement, a new era of cooperation and consultation was launched with the November 23, 1984, signing of a ten-year Economic and Regional Development Agreement (ERDA) by the governments of Canada and British Columbia. The office of the federal economic development coordinator (FEDC) was instrumental in the development of the ERDA and the signing in March 1985 of a memorandum of understanding on science and technology.

FUNDED PROGRAMS

During the year, the DRIE regional office undertook particular initiatives through funded programs, industry consultations and efforts in the trade area.

Funded programs include the:

- Industrial and Regional Development Program (IRDP)
- Western Transportation Industrial Development Program (WTIDP)
- Special Recovery Capital Projects Program (SRCPP).

The objectives of these programs include:

- oproductivity enhancement of resource-based industries
- innovation to help industry improve its competitiveness
- ° market development to further export growth
- ° helping in the diversification of the provincial economy.

Promotion and implementation of IRDP was a priority 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 on July 1, 1984, and officers of the bank worked on IRDP applications in the DRIE office throughout the year.

INDUSTRIAL ACTIVITIES

The "Think Canadian" program was launched in B.C. with information sessions conducted in Vancouver, Prince George and Victoria for the media, industry associations, purchasing managers and advertising agencies. It also was featured in the "DRIE in British Columbia" newsletter which has a circulation of 27 000 readers.

The regional office supported the **Canada Awards for Excellence** program by undertaking a major promotion of the program in B.C. Competing in seven categories, B.C. companies captured three Awards of Excellence and one Award of Merit. The winners were honoured at an awards luncheon in Vancouver and were featured in departmental exhibits at the Pacific National Exhibition (PNE) and Wood Expo.

Funded programs were supplemented by extensive consultations designed to:

- ° identify industry plans and expectations
- ° detail the investment opportunities and constraints in each sector and throughout $B \cdot C \cdot$
- ensure industry is informed of departmental activities
- seek advice on how these activities could be improved to meet Industry needs.

TRADE ACTIVITIES

Trade-related efforts were aimed at:

- o improving the market intelligence available to firms (particularly small and medium-sized)
- opportunities and awareness of procurement and other investment opportunities both domestically and abroad
- of facilitating effective contacts between qovernment and the exporting community.

Export Trade Month activities included seminars, meetings and special events. Exhibits featuring the two Export Award winners from B.C. were displayed at the PNE, Wood Expo and the Vancouver International Trade Fair.

SPECIAL ARDA

The Canada-British Columbia **Special ARDA** agreement, first signed in 1977, was extended to March 31, 1987. This agreement provides financial assistance to native people for commercial businesses, primary producing activities (farming, fishing and trapping), business-related infrastructure, training, and community development in remote areas.

Special ARDA has been able to involve both levels of government, status and non-status Indians and Métis in a cooperative and comprehensive approach to native economic development. One feature of the program is the involvement of an advisory committee, one half of which is composed of native representatives whose views have a significant impact on decision making. DRIE expenditures under Special ARDA in B.C. totalled \$2.2 million during 1984-85.

REGIONAL DEVELOPMENT

In addition to its involvement in the development of the ERDA subsidiary agreements, the FEDC office was active in 1984-85 in policy research and analysis activities related to federal-provincial relations and to interdepartmental coordination.

Regional assistance was provided to national initiatives such as:

- ° the budget process
- o the National Economic Conference consultation exercise.

As in other regions of the country, the FEDC chaired a council of senior federal government representatives in the province as a forum for consultation and coordination.



Continuing and significant increases in activity were experienced in virtually all sectors of departmental programming during the year.

Most dramatic was a sharp upswing in activity in the Special ARDA (Agricultural and Rural Development Act) program, complemented by continuing high usage of the Business Assistance and Tourism Development Programs of the Canada-Northwest Territories subsidiary agreement on Domestic Market Development.

Development of the fledgling export trade market was pursued at a variety of events and activities throughout the year.

ECONOMIC DEVELOPMENT AGREEMENT

Signed in December 1982, the subsidiary agreement on Market Development (Small Business and Tourism) is designed to stimulate income and employment opportunities through:

- ° an increase in business activity
- expansion and improvement of the tourism sector of the Northwest Territories.

Ninety-two offers were accepted for a total contribution of \$3.8 million, of which 90 per cent was funded by DRIE.

Preliminary discussions have been undertaken towards the creation of a subsequent tourism-specific subsidiary agreement and the establishment of a further business assistance agreement.

SPECIAL ARDA

The Canada-Northwest Territories Special ARDA agreement assists in the economic development and social adjustment of residents of the Northwest Territories, particularly those of Indian and Inuit ancestry. Goals of the program are the:

- ° development of entrepreneurs
- ° improvement of incomes
- ° social and economic advancement of northern communities.

Following the June 28, 1984, renewal of the agreement to March 31, 1987, program activity has been intense, particularly under the Commercial Undertakings element. It was decided that 50 per cent of the remaining funds will be allocated to projects under the Commercial Undertakings program and the remainder under the agreement's three other programs.

Since the appointment of a Government of the Northwest Territories co-secretary to the Special ARDA committee, the territorial government has assumed responsibility for the processing and payment of projects under the remaining three programs -- Primary Producing Activities, Special Adjustment Measures and Related Infrastructure Programs.

During the fiscal year 1984-85, 52 offers were made in the N+W+T+ with the total amount offered being 2 million.

TRADE ACTIVITIES

Export promotion and the **Program for Export Market Development (PEMD)** were stressed during the period,
in cooperation with the territorial government.

Marketplace '85 and events in conjunction with and in support of **Export Trade Month** have resulted in increasing formal attempts to expand export trade and an increasing awareness across the Northwest Territories of the opportunities that export trade presents.

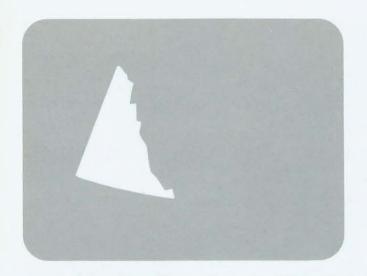
Assistance under PEMD was extended to N.W.T. firms for the first time to attend the Alaska State Chamber of Commerce Trade Fair in Anchorage.

NORTHWEST TERRITORIES

Increasing delivery of DRIE non-funded service programs is also being pursued in the areas of:

- statistical and business information
- product listings and customer referrals
- sourcing of local suppliers for national and international markets.

Such activities include referral of N.W.T. operators for bidding on supply and service contracts for the planned Canada North Warning System.



FUNDED PROGRAMS

Implementation of the Industrial and Regional Development Program (IRDP) and negotiation of a Tourism subsidiary agreement were priority activities during the year. Efforts also were directed at developing and expanding export markets for Yukon products.

During the year, seven offers of assistance were made under the IRDP for a total DRIE commitment of \$1.5 million.

The Yukon office continued to supply support under IRDP to the tourism industry until November 9, 1984, when the program was adjusted to delete this sector. One such tourism project is a 9-hectare botanical garden in Whitehorse.

Negotiations were started between the department and the Yukon government to establish a **Tourism** subsidiary agreement intended to lever private sector capital for the orderly planning, construction and marketing of competitive hospitality facilities, attractions, special events and improved visitor service capability in Yukon. Through this agreement, both governments would recognize the tourism industry as an important resource which can generate employment and economic growth for Yukon.

SPECIAL ARDA

ARDA (Agricultural and The Special Rural Development Act) agreement, first signed with Yukon in 1978, expired in March 1984 but was extended for three years. The program is designed to assist in the economic development and social adjustment of native people who have had little or no access to earnings and employment opportunities. regular Special ARDA provides assistance for the establishment, expansion or modernization of commercial undertakings which provide employment for people of native ancestry.

Assistance also is available to meet the special training needs of potential native employees. Special ARDA also can be used to improve incomes and working conditions for native hunters, trappers and fishermen by assisting projects which improve resource harvesting capabilities. During the fiscal year, 16 projects were approved, with offers totalling \$652 410.

TRADE ACTIVITIES

In October 1984, in conjunction with the Government of Yukon and the Whitehorse Chamber of Commerce, DRIE organized Yukon's first business promotion tour to Alaska to open up new markets for Yukon products.

A number of Yukon companies attended Marketplace '85. Six Canadian trade commissioners travelled to Whitehorse on March 12 as part of the national trade promotion campaign.

Several Yukon companies have used the **Program for Export Market Development (PEMD)** to expand their export marketing efforts and in the past year, 13 companies received a total of \$23 867 under the program.

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INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

Table 1

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY PROVINCE/TERRITORY, 1984-85

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ million)
Newfoundland	69	5.6
Prince Edward Island	51	4.2
Nova Scotia	80	15.3
New Brunswick	76	49.3
Quebec	573	120.5
Ontario	332	174.7
Manitoba	89	11.0
Saskatchewan	49	6.0
Alberta	4 3	8 • 4
Brittsh Columbta	91	21.5
Yukon/Northwest Territories	11	1.6
Total	1 464	418.1

Table 2

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY MAJOR INDUSTRY GROUP, 1984-85

		Auth	norized
Major Industry	Number of	Ass	istance
<u>Group</u>	Accepted Offers	<u>(\$ T)</u>	nousand)
Food	161	21	973
Beverages	1 7	3	985
Tobacco Products	4		46
Rubber Products	1.1	8	455
Plastic Products	49	9	801
Leather Products	2		49
Primary Textlles			~-
Textile Products	3	1	134
Clothing	2		19
Wood	108	21	032
Furniture and Fixtures	50	4	892
Paper Products	1 4	1.1	789
Printing/Publishing	2 4	1	169
Primary Metal Products	38	21	316
Fabricated Metal Products	166	16	409
Machinery	149	22	247
Transportation Equipment	80	99	562
Electrical/Electronic Products	141	84	624
Non-metallic Mineral Products	4 1	8	014
Petroleum and Coal	1		43
Chemicals	46	15	717
Other Manufacturing	8 8		302
Tourism	124		993
Other	1 4 5	32	513
Total	1 464	418	084



DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Table 3

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY PROVINCE/TERRITORY, 1984-85

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ million)
Newfoundland		
Prince Edward Island		
Nova Scotia	1	0.1
New Brunswick		
Quebec	20	26.3
Ontario	3 3	24.5
Manitoba	3	1.7
Saskatchewan		
Alberta		
British Columbia	5	14.4
Yukon/Northwest Territories		
Total	62	67.0

Table 4

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, 87 MAJOR INDUSTRY GROUP, 1984-85

Major Industry	Number of	Authorized Assistance
Group	Accepted Offers	(\$ Thousand)
Plastic Products	1	65
Primary Metal Products	4	265
Fabricated Metal Products	4	1 455
Transportation Equipment	4 1	36 385
Electrical/Electronic Products	10	28 222
Chemicals	2	597
Total	62	66 989

WESTERN TRANSPORTATION INDUSTRIAL DEVELOPMENT PROGRAM

Table 5

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY PROVINCE/TERRITORY, 1984-85

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ million)
Newfoundland		
Prince Edward Island		
Nova Scotia		
New Brunswick		
Quebec		
Ontario		
Manitoba	21	1.9
Saskatchewan	8	0.7
Alberta	5	1.2
British Columbia	1	0.2
Yukon/Northwest Territories		
Total	35	4.0

Table 6

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY MAJOR INDUSTRY GROUP, 1984-85

		Authorized
Major Industry	Number of	Assistance
Group	Accepted Offers	(\$ Thousand)
Food	1 4	1 656
Primary Metal Products	1	25
Fabricated Metal Products	3	32
Machinery	2	101
Transportation Equipment	2	1 3 5
Electrical/Electronic Products	3	486
Chemicals	1	4
Other Manufacturing	1	1 4
Other	8	1 581
Total	35	4 034

NATIVE ECONOMIC DEVELOPMENT PROGRAM

Table 7

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY PROVINCE/TERRITORY, 1984-85

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ million)
Newfoundland		
Prince Edward Island		
Nova Scotia	1	0.07
New Brunswick	1	0.2
Quebec	3	0.09
Ontario	5	0.7
Manitoba	4	0.7
Saskatchewan	3	1.5
Alberta	6	1.3
British Columbia	4	0.5
Yukon/Northwest Territories		
Total	27	5.1

Table 8

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY MAJDR INDUSTRY GROUP, 1984-85

Major Industry Group	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Wood	1	220
Printing/Publishing	1	7
Tourism	2	150
Other	23	4 674
Total	27	5 051

INDUSTRY AND LABOUR ADJUSTMENT PROGRAM

Table 9

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY PROVINCE/TERRITORY, 1984-85

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ million)
Newfoundland		
Prince Edward Island		
Nova Scotia		
New Brunswick		
Quebec	6	4.6
Ontario	16	4.7
Manitoba		
Saskatchewan		
Alberta	~ ~	
British Columbia	†	1.3
Yukon/Nortwest Territories		
Total	23	10.6

Table 10

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY MAJOR INDUSTRY GROUP, 1984-85

		Authorized	
Major Industry	Number of	Assistance	
Group	Accepted Offers	(\$ Thousand)	
Rubber Products	1	3 650	
Wood	1	1 300	
Furniture and Fixtures	2	1 0 4	
Primary Metal Products	1	820	
Fabricated Metal Products	3	7 27	
Machinery	1	4	
Transportation Equipment	12	3 769	
Chemicals	2	260	
Total	23	10 634	

SPECIAL AGRICULTURAL AND RURAL DEVELOPMENT ACT

Table 11

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY PROVINCE/TERRITORY, 1984-85

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ million)
Newfoundland		
Prince Edward Island		
Nova Scotia		
New Brunswick		
Quebec		
Ontario		
Manitoba	199	7.6
Saskatchewan	91	3.3
Alberta		
British Columbia	53	2.2
Yukon/Northwest Territories	39	1.5
Total	382	14.6

Table 12

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE, BY MAJOR INDUSTRY GROUP, 1984-85

		Authorized
Major Industry	Number of	Assistance
Group	Accepted Offers	(\$ Thousand)
Food	1	10
Beverages	1	33
Leather Products	2	69
Clothing	1	5
Wood	6	292
Furniture and Fixtures	1	3
Printing/Publishing	1	38
Machinery	1	11
Non-metallic Mineral Products	1	19
Chemicals	1	30
Other Manufacturing	2	23
Tourism	47	3 700
Other	317	10 403
Total	382	14 636

SMALL BUSINESSES LOANS ACT

Table 13

NUMBER AND AMOUNT OF LOANS BY PROVINCE/TERRITORY, 1984-85

		Number of	Amount
Province/Territory		Loans	(\$ million)
Newfoundland		654	17.6
Prince Edward Island		1 75	4 • 2
Nova Scotia		761	24.2
New Brunswick	1	092	37.1
Quebec	13	200	374.8
Ontario	7	902	242.6
Manitoba		843	24.3
Saskatchewan	1	574	43.9
Alberta	2	741	73.5
British Columbia	5	463	153.6
Yukon/Northwest Territories		1 74	5.2
Total	34	579	1 001.0

Table 14

NUMBER AND AMOUNT OF LOANS BY TYPE OF BUSINESS, 1984-85

	Number of	Amount
Type of Business	Loans	(\$ million)
Wholesale Trade	1 243	29.1
Retali Trade	7 862	232.2
Construction	3 249	87.1
Manufacturing	3 397	97.6
Service Businesses	14 332	416.7
Transportation	4 167	128.8
Communications	329	9.5
Total	34 579	1 001.0

SUBSIDIARY AGREEMENTS UNDER ERDAS AND GDAS ACTIVE DURING 1984-85

(Amounts represented in \$ million)

TABLE 15

		TOTAL	DRIE
AGREEMENT	DURATION	ESTIMATED COST	SHARE
NEWFOUNDLAND			
Ocean Industry	16/08/84 to 31/03/89	28.000	19.000
Labrador	03/12/76 to 31/03/84	22.097	18.258
Rural Development II	19/07/84 to 31/03/88	18.200	9.100
Tourism Development	01/01/78 to 31/03/84	13.264	11.938
Tourism II	16/08/84 to 31/03/89	21.000	12.500
Rura! Development	01/04/78 to 30/09/83	16.802	15.122
Burin Peninsula	11/06/84 to 31/03/89	28.000	19.600
Industrial Development	11/06/79 to 31/03/84	26.650	23.985
Community Development for Coastal Labrador	29/05/81 to 31/03/87	38.996	33.800
Pulp and Paper Mill Modernization	20/12/84 to 01/06/87	46.333	38.500
Industrial Development Phase II	03/06/83 to 31/03/88	17.800	17.800
Institute of Fisheries and Marine Technology	16/05/83 to 31/03/87	42.000	27.500
PRINCE EDWARD ISLAND			
Tourlsm	26/10/84 to 31/03/89	8.985	5.800
Marketing	29/03/85 to 31/03/89	7.500	5.000
NOVA SCOTIA			
Stralt of Canso Area Development	31/03/75 to 30/06/84	31 •057	23.503
Strait of Canso II	11/06/84 to 31/03/89	28.000	19.600
Halifax Panamax Dry Dock	22/01/80 to 31/03/85	57.600	43.900
Assistance to Michelin Tires (Canada) Ltd.	07/06/80 to 31/12/90	56.000	42.000
Modernization of Facilities at the Sydney			
Steel Corporation	02/06/81 to 30/06/84	96.250	77.000
Pulp and Paper Modernization	23/05/81 to 31/03/84	21.250	17.000
Ocean Industry Development	24/07/81 to 24/07/86	35.000	22.950
NEW BRUNSWICK			
Tourlsm	30/11/B4 to 31/03/89	32.000	22.000
Northeast New Brunswick	23/06/77 to 31/03/86	95.500	67.175
Pulp and Paper	27/08/80 to 31/03/84	53.750	43.000
Consolidated-Bathurst Inc.	30/03/82 to 31/03/89	199.500	19.600
Sulphation Roast Leach Pilot Plant	30/09/83 to 31/03/87	18.750	15.000
QUEBEC			
industrial infrastructure	26/03/75 to 30/04/84	137-670	82.602
Tourism Development	06/04/78 to 31/03/84	136.000	69.600
Modernization of the Pulp and Paper Industry	15/05/79 to 31/03/84	240.000	135.000
Société Inter-Port de Québec	03/07/81 to 31/03/86	9.250	5.550

Table 15 (continued)

AGREEMENT	DURATION	TOTAL ESTIMATED COST	DR I E SHARE
ONTARIO			
Community and Rural Resource Development	07/12/77 to 31/03/85	29.523	13.828
Pulp and Paper Industry Facilities improvement	15/05/79 to 31/03/84	188.100	62.700
Eastern Ontario	20/12/79 to 30/09/85	51.550	25.775
Northern Rural Development	02/03/81 to 31/03/84	18.500	9.250
MANITOBA			
Industrial Development	21/04/78 to 31/03/83	44.000	26.400
Tourism Development	15/12/78 to 31/03/85	20.000	12.000
Winnipeg Core Area	04/09/81 to 31/03/86	96.000	32.000
Northern Development	29/11/82 to 31/03/87	186.200	62.800
Urban Bus Industrial Development	04/06/84 to 31/03/89	50.000	25.000
SASKATCHENAN			
NorthI ands	28/08/78 to 31/03/83	145.000	58.300
Qu'Appetle Valtey	06/10/75 to 31/03/84	33.700	7.760
Planning 1979/84	01/04/79 to 31/03/84	1.500	0.750
Northern Economic Development	31/08/84 to 31/03/89	36.000	18.000
ALBERTA			
Nutritive Processing Assistance II	19/08/81 to 31/03/86	28.000	14.000
Nutritive Processing Assistance I	11/03/75 to 30/06/81	17.000	8.500
BRITISH COLUMBIA			
Travel industry Development	17/10/78 to 17/10/83	50.000	25.000
NORTHWEST TERRITORIES			
Domestic Market Development	16/06/83 to 31/03/86	10.750	9.675

SUBSIDIARY AGREEMENTS AND MEMORANDA OF UNDERSTANDING SIGNED UNDER ERDAS DURING 1984-85

(Amounts represented in \$ million)

TABLE 16

AGREEMENT	DEPARTMENT	SIGNED	TERMINATING	TOTAL ESTIMATED COST	FEDERAL SHARE
NEWFOUNDLAND					
ERDA	RIE	04/05/84	31/03/94		
Planning	RIE	04/05/84	31/03/89	4.000	2.000
Mineral Development	EMR	04/05/84	31/03/89	22.000	15.400
Burin Peninsula	RIE	11/06/84	31/03/89	28.000	19.600
Rural Development 11	RIE	19/07/84	31/03/88	18.200	9.100
Ocean Industry	RIE	16/08/84	31/03/89	28.000	19.000
Tourism Development	RIE	16/08/84	31/03/89	21.000	12.500
Pulp and Paper Mill	RIE	20/12/84	31/12/89	46.333	38.500
PRINCE EDWARD ISLAND					
ERDA	RIE	13/06/84	31/03/94		
Forestry	AGR	29/07/83*	31/03/88	20.144	13.688
Planning	RIE	13/06/84	31/03/89	1.000	0.500
Transportation	TC	13/06/84	13/06/89	41.900	25.000
Agrl-F∞d	AGR	13/06/84	31/03/89	41.000	26.000
Alternative Energy	EMR	13/06/84	31/03/89	10.000	8.000
Fisheries Development	F&0	13/06/84	31/03/89	10.000	7.500
Science and Tech. (MOU)	MSST	29/06/84			
Tourism	RIE	26/10/84	31/03/89	8.985	5.800
Marketing	RIE	29/03/85	31/03/89	7.500	5.000

^{*} Amended June 13, 1984, to place the existing agreement under the authority of the Canada-Prince Edward Island ERDA.

Table 16 (continued)					
AGREEMENT D	EPARTMENT	SIGNED	TERMINATING	TOTAL ESTIMATED COST	FEDERAI SHARE
NOVA SCOTIA					
ERDA	RIE	11/06/84	31/03/94		
Planning	RIE	11/06/84	31/03/89	4.000	2.000
Stralt of Canso Area	RIE	11/06/84	31/03/89	28.000	19.600
Mineral Development	EMR	11/06/84	31/03/89	26.945	16-125
Forest Renewal	AGR	27/06/84	31/03/87	17.500	12.000
Fisheries	F&0	26/10/84	31/03/89	50.000	35.000
Tourism	RIE	09/11/84	31/03/89	14.000	9.800
NEW BRUNSWICK					
ERDA	RIE	13/04/84	31/03/94		
Planning	RIE	13/04/84	31/03/89	4.000	2.000
Science and Tech. (MOU)	MSST	13/04/84			
Agri-Food	AGR	25/06/84	31/03/89	32.000	25.000
Forest Renewal	AGR	25/06/84	31/03/89	77.400	42.300
Mineral Development	EMR	25/06/84	31/03/89	22.307	15.000
Transportation	TC	14/08/84	31/03/89	90.500	63.417
Fisheries Development	F80	27/08/84	31/03/89	45.000	25.000
Tourism	RIE	30/11/84	31/03/89	32.000	22.000
QUEBEC					
ERDA	RIE	14/12/84	14/12/94		
Tourism Development	RIE	16/01/85	31/03/90	100.000	50.000
Industrial Development	RIE	23/01/85	31/03/90	350.000	175.000
Communications Enterprise	s DOC	01/02/85	31/03/90	40.000	20.000
Cultural Infrastructures	DOC	29/03/85	31/03/90	40.000	20.000
ONTARIO					
		02/11/84	31/03/94		
ERDA	RIE	02/11/04	2., -2, 2.		
ERDA Planning	RIE RIE	02/11/84	31/03/89	2.000	1.000
				2.000 150.000	1.000 75.000

Table 16 (continued)					
AGREEMENT	DEPARTMENT	SIGNED	TERMINATING	TOTAL ESTIMATED COST	FEDERAL SHARE
MANITOBA					
Forest Renewal	AGR	15/03/84	31/03/89	27.160	13.580
Churchill	TC	13/04/84	31/03/89	93.150	38.060
Transportation	TC	13/04/84	31/03/89	137.660	111.610
Mineral Development	EMR	18/04/84	31/03/89	24.700	14.800
Agri-Food Development	AGR	30/05/84	31/03/89	38.300	23.000
Urban Bus	RIE	04/06/84	31/03/89	50.000	25.000
Communications	DOC	11/06/84	31/03/89	21.000	13.000
Aluminum Processing (MOL	J) RIE	29/08/84			
SASKATCHEWAN					
Regina-Moose Jaw Water	EC	01/05/84	31/03/86	*15.000	5.000
Mineral Development	EMR	16/05/84	31/03/89	6.380	3.190
Forest Resource	AGR	21/06/B4	31/03/89	28.000	14.000
Agricultural Development		07/08/84	31/03/89	60.000	30.000
Agricultural Water	AGR	07/08/84	31/03/89	32.000	16.000
Advanced Technology	RIE	31/08/84	31/03/89	33.200	16.600
Northern Development	RIE	31/08/84	31/03/89	36.000	18.000
Tourism	RIE	23/11/84	31/03/89	30.000	15.000
* includes municipaliti	les' share				
ALBERTA					
ERDA	RIE	08/06/84	31/03/94		
Tourism (MOU)	RIE	08/06/84			
Agriculture (MOU)	AGR	08/06/84			
Forest Resource	AGR	26/10/84	31/03/89	23.000	11.500
BRITISH COLUMBIA					
ÉRDA	RIE	23/11/84	31/03/94		
Science and Tech. (MOU)	MSST	01/03/85			
TOTAL				2 133.000	1 228.000
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DUE DATE

OCT. 8 1	986		-
NOV. 26 1	386		- ISBN 0-662-54388-2
DEC 8			N° de cat. C1-1985
DEC 18			- Ministre des Approvisionnements et Se
SEPI 20	1988		_
OCT 24 19	94		-
JUN 1	8 2010		-
NOV 2	1 2012		-
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	201-6503	Printed in USA	-