

HC
111
.A3
1986/87

IC



Government
of Canada

Gouvernement
du Canada

Regional Industrial
Expansion

Expansion industrielle
régionale

Canada

DRIE ANNUAL REPORT 1986-1987

©Minister of Supply and Services Canada 1987
Cat. No. C1-1987
ISBN 0-662-55574-0

PU2917

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

Your Excellency:

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

The report shows the department's accomplishments in the fiscal year 1986-87.

The report reflects the departmental structure as of March 31, 1987, prior to the changes in the organization brought about by the establishment of the Atlantic Canada Opportunities Agency and the Western Diversification Office and the Prime Minister's announcement in August, 1987, of the intention to create the new Department of Industry, Science and Technology.

Respectfully submitted,



Robert R. de Cotret
Minister of Regional Industrial Expansion

DEPARTMENT OF REGIONAL
INDUSTRIAL EXPANSION
LIBRARY

FEB 11 1988

BIBLIOTHEQUE
MINISTRE DE L'EXPANSION
INDUSTRIELLE REGIONALE

TABLE OF CONTENTS

Departmental Profile	3
Departmental Structure	5
Overview	7
Financial Statement	8
Headquarters	
Development Programs and Investments	12
Industry Marketing	14
Native Economic Programs	16
Policy and Evaluation	17
Small Business	18
Tourism	19
Finance, Personnel and Administration	21
The Regions	
Newfoundland	25
Prince Edward Island	26
Nova Scotia	27
New Brunswick	28
Quebec	29
Ontario	30
Manitoba	31
Saskatchewan	32
Alberta	33
British Columbia	34
Northwest Territories	36
Yukon	36
Appendices	
A. Grants and Contributions by Region 1986-87	38
B. DRIE Program Activities 1986-87	
1. Industrial and Regional Development Program	38
2. Defence Industry Productivity Program	40
3. Western Transportation Industrial Development Program	41
4. Native Economic Development Program	42
5. Special Agricultural and Rural Development Act	43
6. Economic and Regional Development Subsidiary Agreements	44
7. Small Businesses Loans Act	45
C. Subsidiary Agreements Under ERDAs and GDAs Active During 1986-87	46

DEPARTMENTAL PROFILE

Legal Mandate

The Department of Regional Industrial Expansion (DRIE) has been mandated by Parliament to:

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

The mandate is set out in various statutes and regulations, the foremost of which are:

- *The Department of Regional Industrial Expansion Act*, proclaimed in December, 1983;
- the act establishing the Industrial and Regional Development Program (IRDP), which provides assistance in all regions; and
- *The Small Businesses Loans Act*, which provides loans to the small business sector.

Other acts set out responsibilities for Crown corporations which report to the Minister of Regional Industrial Expansion.

Departmental Objectives

To fulfill its mandate, the department aims at increasing overall industrial, commercial and tourism activities across the nation and, in the process, reducing economic disparities by:

- establishing and administering programs to carry out government policies;
- working with business, labour, other governments and the academic community;
- providing financial, marketing and other technical information to businesses; and
- extending direct financial assistance, where necessary.

DRIE fosters the development of an environment which encourages firms to be more internationally competitive by aiding firms to:

- develop new products, processes and services;
- establish the necessary production capacity;
- market such goods and services in Canada and abroad; and
- restructure their activities to adjust to changing market conditions.

Mechanisms

DRIE employs a number of mechanisms in its efforts to increase business in all parts of Canada. These include:

- Funded programs providing support for long-term major projects through the Economic and Regional Development Agreements (ERDAs) with the provinces and territories, the Defence Industry Productivity Program (DIPP) and the Industrial and Regional Development Program (IRDP).

- Non-program functions, including policy development, technology transfer, industry intelligence, the identification of industrial opportunities for investment, business counselling and the enhancement of domestic and foreign market penetration.
- Memoranda of Understanding (MOUs) which detail courses of action over a medium-term time frame. These provide a means of discussing strategies, goals and objectives with major corporations and, where appropriate, with industrial sectors.

Some special development initiatives address the specific needs of regional economies:

- The Atlantic Enterprise Program (AEP) provides loan insurance guarantees and contributions towards interest rate buy-downs to stimulate and support business investment, expansion and establishment in the four Atlantic Provinces and Eastern Quebec.
- The Enterprise Cape Breton (ECB) initiative, through its Cape Breton Investment Tax Credit (CBITC) and Topping-Up Authority (CBTUA) programs, attracts and fosters new investment on the island.

Programs focusing on the needs of small business in Canada include:

- *The Small Businesses Loans Act* (SBLA) program which encourages private-sector lenders to make loans to small businesses for capital investment purposes; and
- The Program for Export Market Development (PEMD), an External Affairs program delivered by DRIE that aids small businesses to achieve access to export markets.

Programs to assist Canada's native populations include:

- The Native Economic Development Program (NEDP) which supports native-owned economic and financial institutions, provides capital assistance for particular sectors of benefit to natives and offers development assistance for native projects at the community level.
- *The Special Agricultural and Regional Development Act* (Special ARDA) program which provides economic assistance aimed at employment creation for native groups in most western provinces, Yukon and the Northwest Territories.

DEPARTMENTAL STRUCTURE

DRIE has been organized to accommodate two basic principles.

These principles:

- allow direct delivery of services and programs to be concentrated in strong field organizations, with regional headquarters in every province; and
- ensure that focused expertise is concentrated in the corporate headquarters in order to provide technical advice and assistance to major firms and industries.

National Perspective

At DRIE headquarters, assistant deputy ministers (ADMs) are responsible for considering the national perspective in the specific sectors of:

- Development Programs and Investments
- Industry Marketing
- Native Economic Programs
- Small Business
- Tourism

and also providing a policy framework and administrative support.

Regional Perspective

Ten regional offices focus on development in their respective regions. A regional executive director is in charge of operations in each province.

Among the activities provided by these offices are:

- delivery of funded programs;
- trade development activities;
- administration of subsidiary agreements under the Economic and Regional Development Agreement; and
- promotion of the Department's non-funded activities including Think Canadian, Canada Awards for Business Excellence and the Business Opportunities Sourcing System (BOSS).

In addition, a federal economic development coordinator in each province encourages coherence among the policies and programs of various federal government departments.

Co-ordination

Regional executive directors and headquarters assistant deputy ministers meet regularly to ensure that the department's regional and sectoral policies concur.

The federal economic development coordinators are responsible for co-ordinating federal economic development overviews. In addition to managing the ERDA process in each province, they chair councils of senior economic officials, report regularly to the Federal-Provincial Relations Office and provide feedback on regional responses to matters on the federal agenda that are of particular interest to their regions.

OVERVIEW

The Department of Regional Industrial Expansion (DRIE) is the federal government's centre of expertise in the industrial, commercial and tourism sectors of the national economy and is the lead department for federal efforts in regional economic development.

To ensure the continuing efficacy of both its funded and non-funded programs, there has been an ongoing streamlining of the department's headquarters organization.

The new grouping places increased emphasis on the gathering of industrial intelligence to provide improved services to industry and to ensure strong support for the department's regional offices across the country.

New policy directions in government have allowed DRIE to redefine its role and become even more active in the areas of investment promotion, export marketing, innovation and technology transfer.

The department's organizational structure also shows the continuing emphasis being placed on three key elements in regional economic adjustment: tourism, small businesses and assistance to Canada's native peoples.

The department's efforts to promote Canada as a destination contributed to a 13 percent increase in international visitors to Canada (the highest level since 1972) who spent a total of \$6.3 billion while in this country.

The newly-created Native Economic Programs Branch will provide increased emphasis and co-ordination in the department's role of assisting native business and economic development. The branch also administers the Native Economic Development Program (NEDP), a unique national program producing direct financial contributions to viable, native-owned business ventures and economic development programs.

In all its activities, the department consults closely with industry, labour, academia and other governments in a continuing effort to secure co-operation and enhanced relationships between the various elements of the Canadian economy.

These efforts also serve to provide an attractive climate for investors, and Investment Canada (which reports to the DRIE minister) works closely with DRIE headquarters and regional offices to provide services to potential domestic and international investors.

Industrial Development

The new Industry Marketing section of the department was established to bring together all industry sector expertise at headquarters in order to provide: enhanced sector intelligence and analytical capabilities; a continuing development of export and domestic market opportunities for Canadian industry; and an Information Technologies Industry Branch to serve as a focal point for developments in this sector.

The establishment of strong communications links with industry led to the signing of several Memoranda of Understanding (MOUs) with firms and industry groups. These provide essential keys in defining government-business partnerships and establish a framework for co-operative action on a long-term basis. Through these instruments, DRIE is able to deal with its clients in an organized, effective manner.

Also on the national scene, the department continued to acknowledge singular efforts of Canadian firms and other organizations through its prestigious Canada Awards for Business Excellence, and continued to promote Canadian manufacturers through its Think Canadian program.

Under its flagship Industrial and Regional Development Program, the department made 850 offers of financial assistance to Canadian firms totalling \$206.6 million. These offers are expected to create or maintain 25 059 jobs across the country.

Regional Development

Although all DRIE programs help to strengthen regional economies, the Economic and Regional Development Agreements (ERDAs) between the federal and provincial or territorial governments are the primary tools for addressing regional economic requirements. These ERDAs form a 10-year framework for subsidiary agreements that meet specific regional needs.

New subsidiary agreements signed in 1986-87 included: Nova Scotia Tar Ponds Clean-up; New Brunswick Industrial Innovation and Technology Development; Quebec Agrifood Development and Development of Fisheries; Winnipeg Core Area Initiative (with Government of Manitoba and City of Winnipeg); Saskatchewan Irrigation; and Victoria, B.C., Convention Centre.

Across the country under new and existing subsidiary agreements, 1171 projects were approved, with DRIE committing \$98.8 million to them.

The economic problems of Atlantic Canada continued to receive added attention from DRIE and the department played a key role in organizing, providing support to and following up on the various issues arising out of the Atlantic Focus Conference held in Moncton, N.B.

This conference brought together politicians from all three levels of government with representatives from the private sector, labour and academia to analyse and assess the regional development needs of Atlantic Canada.

Following the conference, department officials developed a proposal for and carried out the background analysis work which subsequently led to the announcement, in the Speech from the Throne in October, of the government's intention to establish a new Atlantic Canada Opportunities Agency.

The year also saw the official launch of Enterprise Cape Breton. A central development agency, it is designed to attract and secure new investment for the area by providing prospective investors with a single point from which they can learn the benefits of locating in Cape Breton.

Negotiations continued with the Government of Nova Scotia to proceed with Stage II of the Sydney Steel Corporation (SYSCO) Modernization Program. The total federal contribution will be \$110 million and will result in the modernization of the rail facility in Cape Breton.

Department officials also worked with their colleagues in other federal departments and the provincial governments of Western Canada to develop a proposal on the Western Diversification Initiative.

In British Columbia, DRIE negotiated, signed and began implementation of an agreement with Cominco Ltd. to finance the modernization of the Trail lead smelter. Under the agreement, the federal government will purchase \$79 million in preferred shares of the company.

FINANCIAL STATEMENT

Regional Industrial Expansion

for the Fiscal Year 1986-1987

EXPENDITURES

(\$000)

Operating and Capital Expenditures

243 409

Grants and Contributions

✓ Grants under the Industrial and Regional Development Act	62
✓ Grants under the Native Economic Development Program	541
✓ Grants to non-profit organizations to promote economic co-operation and development	487
Grant under the Canada Awards for Excellence Program	5
Grant to the Société d'initiative et de développement d'artères commerciales	52
Grant to Baie Verte Mines Inc.	19 183
Grant to Corporation Rendez-vous '87	1 000
Grant to Société Zoologique de Saint-Félicien Inc.	300
Contributions to non-profit organizations and commercial operations	87
Contributions to the de Havilland Aircraft Canada Ltd.	19 455
Contributions under the Petromont Program	19 211
Contributions to Service Industries Sector Program	779
Contributions to Canadian National	1 988
Contributions under the Rendez-vous '87	1 170
Contributions to Massachusetts Institute of Technology	40
Contributions to SOCCRENT Program	140
Contributions to Newfoundland Labrador Development Corp.	180
Contributions to Tourism-Culture Pilot Projects	536
Contributions to Atlantic Provinces Economic Council	125
Contributions to Technology Outreach Program	6 616
Contributions to Footwear and Leather Institute of Canada	61
Contributions to Technology Opportunity Europe Program	23
Contributions to Tricot Domino	176
Contributions under the Think Canadian Program	492
Contributions under the Canada-China Trade Council Program	186
Contributions to Air Bras D'Or Ltd.	2 037
Contributions under the World Tourism Organizations Program	139
Contributions to stimulate economic activity in Cape Breton designated area	1 668
Contributions to Marine Industries Limited	40 500
✓ Contributions under the Industrial and Regional Development Act and outstanding commitments under discontinued predecessor programs	275 355
✓ Contributions under the Defence Industry Productivity Program	169 752
✓ Contributions to Canadair Financial Corporation	2 296
✓ Contributions under sub-agreements made pursuant to Economic and Regional Development Agreements/General Development Agreements with provinces and territories	146 858
✓ Contributions under the Agricultural and Rural Development Act	18 909
✓ Contributions under the Shipbuilding Industry Assistance Program	13 807
✓ Contributions under the Western Transportation Industrial Development Program	6 749
✓ Contributions to non-profit organizations and commercial operations in support of tourism	2 736
✓ Contributions under the Native Economic Development Program	42 735
✓ Contributions under the Canadian Industrial Renewal Regulations	73 189
✓ Contributions for outstanding commitments under the Industry and Labour Adjustment Program	3 987
✓ Contributions for outstanding commitments under the Special Recovery Capital Projects Program	4 150
✓ Contributions to the Barrie Relief Fund	299
✓ Contributions under the Business Opportunities Canada Program	220
✓ Contributions to TIEM Canada Inc.	2 797

✓(S) Liabilities under the Small Businesses Loans Act	37 060
✓(S) Insurance payments under the Enterprise Development Program and guarantees under the Industrial and Regional Development Program	3 821
✓(S) Insurance payment under the Atlantic Enterprise Development Program	1

921 960

Total-Budgetary

1 165 369

For the fiscal year ended March 31, 1987, the department's expenditures on Grants and Contributions exceeded by \$79 810 000 the appropriation voted by Parliament. While recorded as an expenditure against 1986-87 appropriations, the overexpenditure becomes a first call against funds appropriated for the 1987-88 fiscal year.

Two studies dealing with DRIE's 1986-87 overexpenditure have been completed and were tabled in Parliament on August 27, 1987. Corrective action has been initiated to address the key factors identified in those reports, namely, deficiencies in forecasting, budgeting, financial reporting, financial control and program management.

REVENUES:

(\$000)

Return on Investments

Federal Business Development Bank	10 172
Eldorado Nuclear Limited	1 199
Teleglobe Canada	121
Enterprise Development Program	151
Footwear and Tanning Industries Program and Industrial and Regional Development Program	110
Atlantic Development Board	459
Atlantic Provinces Power Development Act	11 726
Special Areas and Highways Agreement	21 072
P.E.I. Comprehensive Development Plan	900
N.S. Mainland Investments Limited	70
Newfoundland and Labrador Development Corporation	24
Baie Verte Mines	6 201

Services and Service Fees

9 777

Refunds of Previous Years' Expenditures

65 436

Adjustment to Prior Years' Payables at Year End (PAYE)*

7 800

Other Non-Tax Revenues

2 148

Total Revenue**

137 366

*Balance remaining in 1986-87 after settlement of all debts set up under the PAYE process in 1985-86.

**In accordance with government accounting practices, amounts classified as revenues are credited to the Consolidated Revenue Fund.

HEADQUARTERS

DEVELOPMENT PROGRAMS AND INVESTMENTS

Development Programs and Investments was established in January 1987, by amalgamating the former Regional and International Affairs and Crown Investments and Special Projects sectors.

The sector's mandate includes program design, development, delivery and control; management of a portfolio of corporate investment accounts and of investments in crown agencies; domestic and international market development; trade and investment development; promotion of management excellence; and staff support to the Deputy Minister for operations of DRIE regional offices.

Program Affairs Branch

The Program Affairs Branch is responsible for the general direction, co-ordination and integration of all the funded program activities of the department. The branch serves as a corporate focal point in all matters of program planning, design and legislation. It provides administrative procedures, management information systems, program integrity and a secretariat service to the senior decision boards of the department.

Appendix B summarizes activities during fiscal year 1986-87 for the principal programs administered by DRIE. The data show:

- program activity by province and by industry group for all programs;
- activity by planning element for the Industrial and Regional Development Program and the Western Transportation Industrial Development Program;
- activity by sub-program for the Defence Industry Productivity Program, the Native Economic Development Program and the Special Agricultural and Rural Development Act program; and
- projects by activity for the Economic and Regional Development Subsidiary Agreements.

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 1986-87, 850 offers of assistance were accepted and \$206.6 million in authorized assistance was provided. It was expected that an estimated 25 059 jobs would be created or maintained as a result.

Types of IRDP projects included:

- modernization/expansion — 57 percent;
- establishment of new facilities — 23 percent; and
- innovation projects — 18 percent.

Additional information on this program is contained in the 1986-87 IRDP Annual Report.

Under the Economic and Regional Development Subsidiary Agreements, a total of 1171 authorized projects were expected for a DRIE commitment of \$98.8 million. The predominant project activity categories were:

- expanding and modernizing — 29 percent;
- marketing — 26 percent; and
- establishing — 16 percent.

Appendix B also includes Small Businesses Loans Act (SBLA) program activity.

Crown Investments and Guarantees Branch

During 1986-87 the Credit Insurance and Recoveries Directorate actively monitored a significant portfolio (\$170 million) of 70 major insured-loan accounts with commercial lenders and managed the department's relationship with clients experiencing insolvency or other financial problems. In addition, the directorate effected substantial recovery of amounts due to the Crown as a result of defaults on contribution agreements by companies.

The directorate also assessed and made recommendations to the minister on applications received under the department's program of credit insurance to assist applicant airlines in purchasing the de Havilland Dash-7 and Dash-8 aircraft. To date, that program involves provision of loan or lease insurance by the Crown, which currently amounts to some \$315 million on 10 accounts which are actively monitored.

The branch also administered the Small Businesses Loans Act (SBLA), designed to help new and existing small business enterprises obtain intermediate-term loans from designated commercial lenders to help finance specified fixed-asset needs.

The program provides partial loan-loss indemnification to lenders on loans made directly through some 8500 commercial lending offices of Canadian financial institutions. A total of 21 146 loans were made for \$709.9 million — a decrease of 10 percent by number and 3.8 percent by value from the previous year. Lenders in Quebec led the way with 7280 loans totalling \$239 million, followed by Ontario with 5940 loans totalling \$222 million.

The one-time, one percent registration fee generated \$7.1 million in revenue in 1986-87 for the Crown. Service businesses were the greatest users with 42 percent of lending volume, followed by retail trade borrowers with 24 percent. In addition, substantial numbers of claims for loss were reviewed and eligible payments made, while action was taken to recover on subrogated debts. The SBLA Annual Report contains additional information on program activity.

The Crown Investments Directorate exercised an ongoing support role to departmental ministers in their responsibility for particular Crown corporations and other corporate investments of the government during 1986-87.

The directorate was particularly active in the continued development of mandates and strategic plans for those Crown corporations which fulfil ongoing government policy objectives and which report to Parliament through DRIE ministers. Specifically, these included the Federal Business Development Bank, the Cape Breton Development Corporation and Canadian Patents and Development Limited.

Other major activities during the period included completion of the divestiture of Pêcheries Canada and, prior to the June 1986 transfer of these investments to the Minister of State (Privatization), continuation of privatization initiatives related to Canadair, Eldorado Nuclear, Teleglobe and the government holdings in the Canada Development Corporation, Fishery Products International, National Sea Products and Massey Ferguson.

Market Development Branch

The Market Development Branch is the focal point in the department for domestic market development policy and for a number of specific services designed to help businesses increase sales and productivity, locate new markets and assess new production opportunities.

The branch made significant progress in 1986-87 in becoming an effective client-driven, service-to-business organization. Major steps were taken to make branch services known to the private sector through the establishment of a Marketing Services Division. Linkages to Industry Marketing sector branches and regional offices were strengthened.

The Canada Awards for Business Excellence program was put into the mainstream of departmental industrial and trade development activities and steps were taken to strengthen the interfirm comparison and productivity enhancement techniques.

The Think Canadian program consolidated the department's ability to undertake practical, meaningful activities to expand the domestic market. The Business Opportunities Sourcing System (BOSS) was enhanced and marketed vigorously, with a view to establishing its role as a major sourcing tool in domestic and international markets.

Specific achievements for fiscal year 1986-87 included:

- implementation of the final phase of the BOSS development program to provide better access to a higher quality, more useful data base;
- support of 42 Think Canadian projects sponsored by Industry Marketing sector branches and regional offices and carried out in co-operation with the private sector;
- support of major national retail events (e.g., food and furniture);
- publishing 21 import analyses, 34 import profiles and updating of the Catalogue of Market Opportunities;
- completing 12 interfirm comparisons;
- presentation of 53 Canada Awards for Business Excellence (including 11 gold and 12 silver medals) at a prestigious ceremony in Vancouver on October 9, 1986, in the fields of productivity, marketing, entrepreneurship, labour-management co-operation, technology transfer, innovation, invention and industry design; and
- promotion of departmental services in general to the business community through BOSS demonstrations, presentations of Market Development Branch services and programs, trade fairs, annual conference and meetings.

International Affairs

This new group provides strategic corporate direction to manage key departmental initiatives for international industrial co-operation, trade, investment and technology development.

The group was responsible for putting in place industrial co-operation agreements with France, India, Japan and Korea. It organized an industrial co-operation mission to France aimed at the Common Market high-tech Eureka project.

It has provided input into the redesign of the Department of External Affairs' Program for Export Market Development (PEMD) and Promotional Projects Program (PPP); handled approximately 500 duty-remission and tariff enquiries; and provided monitoring and liaison on approximately 500 Canadian International Development Agency (CIDA) industrial co-operation project proposals.

The group co-ordinated approximately 300 investment enquiries and a number of incoming investment missions and investment seminars. A major project was the production of a series of industry sector, technology and regional investment promotion publications.

In 1986-87, it managed the new International Investment Fund under which 18 projects were approved for a total of \$293 900.

Regional Affairs

The branch provided analysis and advice on the development of ERDA subsidiary agreements; support to such specific regional industrial development initiatives as Enterprise Cape Breton, Atlantic Enterprise Program, SYSCO, Atlantic Canada Opportunities Agency and Western Diversification; analytical support to the Department of External Affairs on countervail negotiations respecting fresh groundfish, cut flowers and softwood lumber; and staff support to senior departmental management on a variety of regional industrial development issues and policies, including the gathering and analysis of information and intelligence on regional concerns, strategies and initiatives; and the preparation of appropriate briefing notes based on the establishment and maintenance of a broad network of regional and industrial sector contacts.

INDUSTRY MARKETING

Industry Marketing was created during the year by the amalgamation of the former Capital and Industrial Goods and the Consumer Goods, Services and Resource Processing organizations to bring together under a single responsibility centre all departmental headquarters industry sector expertise.

A subsequent realignment of responsibilities consolidated 12 former branches into the following seven new ones:

- Surface Transportation and Machinery
- Aerospace, Defence and Industrial Benefits
- Service Industries and Consumer Goods
- Resource Processing Industries
- Information Technologies Industry
- Planning, Co-ordination and Control
- Special Projects

The strategic priorities pursued by Industry Marketing during the year included:

- the enhancement of sector intelligence and analytical capabilities;
- the undertaking of sector policy development and consultation initiatives;
- the continuing development of export and domestic market opportunities for Canadian industry;
- the planning and pursuit of business development activities, including the promotion of new investments and technology applications;
- the strengthening of services such as financial assistance to the business community; and
- the development and delivery of industrial benefits strategies associated with major Crown projects.

Major initiatives in support of these priorities are outlined below.

Sector Intelligence and Analysis

About 100 sectoral competitiveness profiles were prepared to provide a concise information base for internal and external clients and to promote more effective management of industry issues.

The new Information Technologies Industry Branch serves as a focal point for the development of Canadian capabilities in the information technology sector.

Sectoral advice and information in the form of trade assessments and government procurement addenda were provided to the Trade Negotiations Office.

The Service Industries Study Program, a major two-year research program on Canada's service sector, was launched in conjunction with the Fraser Institute, the Institute for Research on Public Policy and Statistics Canada.

Sector Policy Development and Consultation

New Memoranda of Understanding (MOUs) were negotiated with a number of companies and industry groups, including Bombardier/Canadair, Hawker-Siddeley (Toronto), Vapor Canada, Canadian Marconi, CAE, Urban Transportation Development Corporation (UTDC), GM (Diesel Division), and the Canadian Meat Council.

Following the announcement of the new Textiles and Clothing Import Policy in June 1986, Industry Marketing participated with other government departments in the renegotiation of 22 bilateral restraint arrangements designed to reduce the growth in low-cost imports and guard against disruptive surges in imports in any given year.

The formation of an industrial biotechnology association was encouraged and various health care product development initiatives were undertaken.

A major report was submitted to Cabinet in support of substantial investment projects in the auto sector.

Initial work was carried out on development of a forest sector strategy which would encourage international competitiveness through increased private sector investment and the development of new technologies, products and markets.

A new Microelectronics and Systems Integration Program was developed after consultation with more than 50 firms.

Industry Marketing assumed responsibility for co-ordinating federal involvement in the Organization for Economic Cooperation and Development (OECD) review and study of industrial diversification potential in Western Canada. The final review of the report was undertaken by the DRIE Manitoba office.

A number of new initiatives were negotiated in relation to the shipbuilding industry, including:

- a plan to restructure the British Columbia shipbuilding industry and facilitate the construction of the largest icebreaker in the world, the Polar 8;
- an understanding with the provinces of Newfoundland, Nova Scotia and P.E.I. to facilitate the local construction of large fishing trawlers (in excess of 30 metres) for use by Atlantic Canada fishing concerns;
- an agreement to restructure Versatile Corporation's eastern marine and agricultural interests; and
- a plan to restructure the Ontario shipbuilding industry.

Two consultative committees, involving industry, federal and provincial representatives, were created to identify and address the issues facing the computer services industry.

Market Development

Jointly funded projects with the U.S. government were pursued under the auspices of the Defence Development and Production Sharing Arrangements.

Voluntary export restraints on automobiles were negotiated with Japan and Korea in association with the Department of External Affairs.

Work was completed on a new edition of the Chemical Register, a directory of Canadian-made chemicals used as a sourcing guide in Canada and abroad.

Work continued on co-operative overseas market development under tripartite agreements with the provinces of British Columbia and Quebec and their respective wood products industries. Particular emphasis in this activity was placed on Japan, China, other Pacific Rim countries and the United Kingdom.

An export strategy for Canada's winter outerwear manufacturers was developed in co-operation with sector firms in association with the Department of External Affairs.

Investment and Technology Development

A number of investment projects resulted from MOUs with firms in the automotive, aerospace and electronics sectors. In the automotive sector in particular, a long-range program was developed to encourage additional Japanese and Korean automotive investment in Canada and a major joint-venture investment was negotiated with GM/Suzuki.

A project to ensure the long-term viability of the GM Ste-Thérèse auto plant was developed and Industry Marketing provided support for the government's privatization efforts, with particular focus on the sale of Canadair to Bombardier.

Negotiations with the Quebec government and Noranda led to an agreement of financial assistance for modernization required for acid rain abatement.

Industry Marketing continued its efforts to seek commitment by, and provide services to, Canadian industry for innovation and the application of new technologies.

Service to Business

Business services in support of market expansion activities were strengthened through publications, investment opportunity reviews and consultant studies.

A \$150 million program of federal financial assistance was established to assist companies in reducing emissions of sulphur dioxide into the atmosphere.

A Technology Opportunities in Europe Program (TOEP) was established to promote collaboration on R&D projects between Canadian high-tech firms and European companies involved in state-of-the-art projects in Europe.

A Technology Outreach Program (TOP) was initiated to provide support to non-profit centres for technology development and diffusion and the transfer of initiatives to industry in support of their efforts to improve productivity and competitiveness.

An agreement was signed with the Footwear and Leather Institute of Canada (FLIC) to share the cost of implementing its global strategy to strengthen the marketing and technology functions of the footwear and tanning industries.

The Defence Industry Productivity Program (DIPP) was reoriented in accordance with recommendations of the Nielsen Task Force, the Auditor General and the Aerospace Industries Association of Canada. Improvements included identifying domestic DIPP projects and the development and implementation of new procedures, in particular a fast-track schedule for lower-value cases.

With the termination of the Canadian Industrial Renewal Board (CIRB) on March 31, 1986, Industry Marketing assumed responsibility for the implementation of contracts entered into under the CIRB Sector Firms Program for the textiles, clothing and footwear industries.

Industry Marketing continued administration of the Shipbuilding Industry Assistance Program (SIAP).

Industrial Benefits

An Annual Strategic Acquisition Plan for the government was developed in consultation with other affected departments and an Atlantic Opportunities Program review process was established in relation to Procurement Review Committee cases and major Crown projects.

A new Industrial Benefits Policy was approved and announced by the government. Major features of the new approach include:

- Providing clear policy direction — long-term industrial and regional development is the primary industrial benefits objective.
- Putting a strong emphasis on high-quality benefits such as new investments, technology transfer, joint ventures and licensing arrangements as the vehicles for promoting long-term industrial development and the international competitiveness of Canadian firms.
- De-emphasizing quantitative offset maximization as an objective; dollar value targets for offsets are no longer a goal of industrial benefits policy, and purchase offsets will be accepted as an industrial benefit only where they offer significant long-term economic benefits.
- Replacing the objective of achieving a regional balance of benefits on each procurement (which has required the use of short-term offsets) with the objective of maximizing the long-term regional development potential of projects, allowing for selective measures to develop regional economies.
- Anticipating more Canadian firms will take part in federal procurements because of better exchange of information between government and industry on upcoming projects, thus improving long-term government planning, co-ordination of research and development assistance, the use of special regional programs and the use of government funding programs.

Industrial benefits strategies and/or evaluation plans were developed for such major projects as the NATO Frigate Replacement Project, the Polar 8 icebreaker and the Canadian Submarine Acquisition Project.

NATIVE ECONOMIC PROGRAMS

During 1986-87, a new sector branch, Native Economic Programs, was created to provide increased emphasis and co-ordination with respect to the department's important role of assisting native business and economic development.

The branch is headed by an assistant deputy minister who is accountable for the management and direction of the department's native economic programs and also is responsible for the day-to-day operations of the Native Economic Development Program (NEDP).

The NEDP is a unique national program which fosters native economic self-reliance by providing direct financial contributions to viable, native-owned business ventures and economic development projects.

The NEDP works in conjunction with the Native Economic Development Board which makes recommendations to the Minister of State (Small Businesses and Tourism) on which projects merit financial assistance. The board also advises the minister as to how federal government programs can be improved to assist the development of native entrepreneurship. The board is made up of 20 voting members who have extensive experience in business and native economic development issues. Most board members are native people.

To emphasize its continuing commitment to improve aboriginal access to the NEDP, the board held two of its regular meetings in the North, one in Whitehorse, Yukon, and the other in Rankin Inlet, Northwest Territories.

The board also established a special task force on co-ordination to study how federal government programs can be better harmonized to support native economic development. A second task force on primary resources also was formed to review how the NEDP could increase assistance to native people engaged in viable primary resource activities and businesses.

A series of improvements to the NEDP were announced by the minister in March of 1987. These improvements were designed to improve the NEDP's overall effectiveness and efficiency in providing timely and appropriate support for native business ventures and economic development projects.

The improvements focused on five key areas:

- **Primary Resources** — Program eligibility criteria were widened to enable viable, native-owned primary resource businesses and activities to receive NEDP assistance.
- **Community Economic Development** — This program element was opened up to enable native communities to receive assistance to develop business or economic plans which lead directly to the creation of viable enterprises.
- **Program Access** — A new, more open policy of communication with clients was initiated to help applicants become more aware of what information is required in a proposal and to assist them to better understand the project assessment process.
- **Program Extension** — The program was originally scheduled to terminate on March 31, 1988, but, with the improvements, the NEDP was extended a full year until March 31, 1989, so that clients would have ample opportunity to benefit from the changes to the program.
- **Flexibility for Institutional Applicants** — Improvements were made to benefit applicants seeking NEDP assistance for the establishment of native-owned-and-controlled economic and financial institutions. The changes enable applicants to use one of two funding options, depending on which approach is most appropriate for their developmental circumstances. Previously, only one approach was allowed, making it difficult for applicants with limited financial and managerial resources to successfully establish viable economic development institutions.

The Native Economic Programs Branch also was instrumental in establishing an interdepartmental committee, composed of key federal departments and agencies, designed to develop a better framework for the delivery of native programs.

The Assistant Deputy Minister of Native Economic Programs for DRIE co-chaired this committee together with the Assistant Deputy Minister, Economic Development, for the Department of Indian and Northern Affairs. The committee's work complemented the extensive planning undertaken by the Native Economic Programs Branch with respect to a national consultation process with native people on the future direction of DRIE's native economic programs.

POLICY AND EVALUATION

During the latter part of the 1986-87 fiscal year, the Policy sector's mandate was expanded to include responsibility for program evaluation. This expanded organizational structure, Policy and Evaluation, covers nine directorates:

- Trade Policy
- Industrial Policy
- Regional Development Policy
- Economic Development Policy
- Strategic Analysis and Special Projects
- Statistical Analysis
- Short-term Economic Analysis
- Economic Analysis
- Evaluation

The development and co-ordination of horizontal and cross-sectoral policies and programs in accordance with the government's regional, economic and industrial priorities are the primary focuses of the Policy and Evaluation sector. The sector monitors and co-ordinates policy issues across the range of cabinet committees and provides advice to DRIE ministers. The principal functions of this sector include industrial intelligence and analysis, policy co-ordination and response, and program evaluation.

Industrial Intelligence and Analysis

Within the broad area of industrial intelligence and analysis the sector:

- Prepared position papers on Trade Related Investment Measures (TRIMS), subsidies/countervail and sector competitiveness profiles.
- Completed key studies on business dynamics, the determinants of job creation, capital investment intentions, Canada's competition in the South Korean and Japanese markets and high technology growth; and co-ordinated the development of the Department of Finance/DRIE outlook for industries and provinces as a source of intelligence for the assessment and formulation of policy options on such issues as small business development and entrepreneurship, innovation, industrial development and investment.

Policy Co-ordination and Response

The Policy and Evaluation sector continued to play a lead role in the co-ordination and development of policy positions which reflected department, government and private sector concerns.

In the area of industrial policy, responses to legislative proposals on such framework issues as regulation (financial institutions, transportation and communications), technology, tax policy and investment led to the development of departmental positions and increased consultation with other government departments, provinces and the private sector.

With respect to economic development policy, the sector provided briefing material on regional development policy issues, contributed to the work of the Federal-Provincial Task Force on Regional Development Assessment and represented Canada on the OECD Working Party on Regional Development Policy. Ongoing policy analysis was provided on issues including unemployment insurance reform, community development, labour mobility, industrial adjustment and other policy issues of relevance to the department.

The major thrust of the sector's trade policy work was directed at representing industrial policy interests in the Canada/U.S.A. bilateral trade negotiations. Work towards the development of Canadian positions in the multilateral trade negotiations continued, as did work with various departments on ongoing trade issues. This included preparations for various GATT dispute settlement panels, the accessions of several countries to the GATT and many sectoral and issue-specific trade actions.

The sector contributed to ministerial discussions that secured an agreement among provincial premiers to a moratorium on new barriers to interprovincial trade and to a permanent process of consultation to reduce existing barriers. An agreement of provincial ministers of regional development also was obtained to define government procurement and liquor regulations as priority areas for reducing barriers.

The sector provided strategic advice to DRIE ministers for cabinet and for all cabinet committees and sub-committees, particularly for the Priorities and Planning Committee, the Trade Negotiations Subcommittee, and the Cabinet Committee for Economic and Regional Development. Input and comment also were provided on all major policy studies, statements or proposals produced in the department, including the Annual Business Plan and the Statement of Management Directions. Preparation of the strategic paper on Western Economic Diversification was led by the sector.

Evaluation

The evaluation function involves a periodic review of departmental programs, activities and services to business, looking at objectives achievement, impacts and effects, and leading to inputs in policy and program development.

During the 1986-87 fiscal period a number of projects were successfully completed, including:

- DIPP evaluation framework;
- framework for Enterprise Cape Breton;
- helicopter program framework;
- IRDP program-usage study; and
- Think Canadian program evaluation.

SMALL BUSINESS

The Minister of State (Small Businesses and Tourism), in conjunction with his provincial and territorial colleagues, agreed to a \$3.3 million joint funding of a Small Business Data Base.

This data base contains information for small businesses which they can utilize for market research and business planning. It also provides data which are used by policy makers to further their understanding of the dynamics of the small business sector. With the exception of one small survey, all data were collected from administrative records with no additional paperburden on small businesses. The first products were provided by Statistics Canada in November 1986.

Federal-Provincial Relations

The second federal-provincial meeting of ministers responsible for small business was held in Ottawa, in October 1986.

Ministers focused on the need to develop a national perspective if governments are to deal co-operatively and effectively with the problems facing the small business sector.

Discussions also included paperwork reduction, the Small Business Data Base and small business as an agent for regional economic development. A committee of senior officials from the federal, provincial and territorial governments was formed to address the needs of small businesses in the areas of financing, management services and technology transfer.

Small Business Week

Small Business Week, held each year during the last week in October, was launched by the Prime Minister in Charlottetown, P.E.I. During the week, the Minister of State (Small Businesses and Tourism) undertook a cross-country speaking tour to promote entrepreneurship and pay tribute to the thousands of Canadian men and women who own and/or operate small businesses.

The Small Business Office also sponsored a public forum on sub-contracting at the Salon de la PME in Montréal.

Small Business Consultative Committee (SBCC)

In April 1986, the minister re-established the Small Business Consultative Committee (SBCC). It is made up of 33 entrepreneurs, academics, professionals and representatives of business associations from across Canada.

The committee reviewed and made recommendations to the minister on policy directions that might be pursued by the government in the following areas:

- small business financing (including tax policy);
- entrepreneurship;
- innovation and technology transfer;
- market development;
- procurement;
- sub-contracting; and
- issues concerning the business environment, such as amendments to the Bankruptcy Act and paperwork reduction.

During the fiscal year, six working groups held 28 meetings in cities from Whitehorse, Yukon, to St. John's, Newfoundland. The Small Business Office provided support services to the committee, and senior policy analysts were assigned to each working group to assist them as required. Other federal departments, agencies and officials from DRIE regional offices also provided guidance in the development of public policies.

Paperburden Reduction

Reducing the paperwork burden imposed by government on small business continued to be a priority in 1986-87.

In the spring of 1986, studies carried out jointly with the provinces were completed. They identified and ranked paperwork problems across Canada, based on interviews with approximately 1100 business people and organizations.

At their fall meeting in Ottawa, federal, provincial and territorial ministers responsible for small business agreed to release the findings, with each government taking responsibility for solving the problems arising in its jurisdiction.

Accordingly, in December 1986, ministers released "Obstacles to Entrepreneurship — A summary report of federal, provincial, and territorial studies on paperburden and regulatory problems in the small business sector".

The report noted that 75 percent of the problems identified originated at the federal level, involving about 10 departments, and that small business is skeptical about the government's intent to address the problems in any real way.

Subsequently, the Small Business Office began work on an action plan. In consultation with other federal departments and agencies, various options to instil paperburden awareness, monitoring and correcting mechanisms in government operations were reviewed. By the end of 1986-87, the office was in a position to seek Cabinet approval of a new government-wide procedure to systematically and steadily reduce the paperwork requirements emanating from government departments.

TOURISM

There were 40.5 million international visits to Canada in 1986, up 13 percent over 1985. The United States is Canada's primary source of tourism, representing 94 percent of all international visits and \$4.5 billion in visitor expenditures. Overseas markets generated visitor expenditures resulting in \$1.8 billion in receipts.

Market Development

Tourism Canada was reorganized effective October 1986, and Market Development Branch's structure was changed from a geographic to a functional orientation. The three directorates are responsible for advertising, public relations and promotions, and planning and program development.

Market Development's \$33 million budget included provision for activities that included advertising, public relations, Department of External Affairs post operations, co-op promotions and trade show participation.

Advertising expenditures totalled \$21.1 million with \$18 million apportioned to the United States. An \$11 million award-winning U.S. spring/summer consumer campaign ran under the umbrella theme "Canada: The World Next Door." More than 30 domestic and international awards were received for creative excellence.

Tourism Canada allocated \$3.1 million for international advertising programs in the United Kingdom, the Federal Republic of Germany, France and Japan. A television campaign was developed with Air Canada for the U.K. market. Joint advertising/public relations activities were run in Hong Kong, Italy, the Netherlands and Switzerland.

Co-operative advertising programs in U.S. and overseas markets obtained an additional \$3.8 million in joint funding from the provinces/territories and the tourism industry.

For the first time, a fall campaign in the U.S. was mounted jointly with provincial and industry partners. The \$4.3 million campaign included \$1.3 million in partner funds.

A joint marketing agreement was signed with Air Canada, and Memoranda of Understanding were signed with Air Canada, the National Tour Association, American Bus Association and the Canadian Ski Council.

The Air Canada agreement is valued at more than \$4 million, and Tourism Canada and the airline conducted joint print and television advertising campaigns in the U.K., West Germany, France and Switzerland.

The Wardair agreement signed in 1985 continued, with co-operative advertising campaigns in France and West Germany.

A three-year agreement was signed with Walt Disney World to enhance Canada's image at Epcot Center in Orlando, Florida.

A contract was signed with Canadian Airlines International Ltd. to test private sector delivery of federal tourism in Italy and New Zealand.

The U.S. Meetings and Incentive (M&IT) marketing program brought 350 meeting planners to test Canada's convention product. In addition, 1400 qualified prospects were added to the M&IT data bank. Tourism Canada and its private sector partners participated in the American Society of Association Executives and the Incentive Travel and Meeting Executives shows and hosted the Meeting Planners International Convention in Winnipeg.

Marketing direction and resources were provided for the delivery of local activities in 23 Department of External Affairs posts in the U.S. and overseas markets.

Tourism Canada participated in the World Travel Market in London, the International Tourism Bourse in Berlin and the American Society of Travel Agents World Congress in Singapore.

Product Development

The Product Development Branch seeks to promote the development of tourism industry products and services such as events and attractions, accommodation, food and transportation services. During 1986 the branch was reorganized into three directorates: Policy, Products and Services, and Program Development. The reorganized branch:

- worked with industry associations and the Canada Employment and Immigration Commission to develop standards for key jobs in the tourism hospitality industry;
- organized seminars and consultations, in conjunction with the Niagara Institute, on identifying ways and means of encouraging investment in major Canadian tourism projects;
- provided policy advice on tax reform and free trade;
- organized two annual travel trade marketplaces, Rendez-vous Canada and TourCanada, which provide a forum for buyers and sellers of tourism products to conduct business;
- began pilot projects with Nova Scotia, Quebec, Ontario, Manitoba and British Columbia to test the appeal of their cultural attractions in the U.S. market;
- completed the production of "Tourism Is Your Business — Marketing Management," a video training program for the industry;
- initiated the Tourism Ambassador Program, which recognizes outstanding service to tourists by individual Canadians; and
- provided advice to regional offices and the minister on project assistance provided under 12 tourism sub-agreements.

Research

Research Directorate efforts were geared towards acquiring substantive data through extensive market studies.

Under a joint Tourism Canada-United States Travel and Tourism Administration agreement, similar studies were undertaken of Japan, the Federal Republic of Germany, France and the United Kingdom.

The following major recommendations of the National Task Force on Tourism Data were endorsed by the federal, provincial and territorial ministers of tourism in November 1986:

- to establish a tourism research institute under the sponsorship of the Conference Board of Canada;
- to improve the major demand-side surveys and to increase the financial support from federal and provincial governments; and
- to establish and maintain a tourism satellite account through Statistics Canada.

Research also established a commercial intelligence program, and began issuing the monthly Tourism Intelligence Bulletin in December. The Tourism Research and Data Centre, part of the program, handled more than 3500 inquiries in 1986-87.

Management Services and Liaison

The official bid to host the 1990 Conference and Travel Mart of the Pacific Asia Travel Association (PATA), prepared in conjunction with Alberta and British Columbia, was informally accepted in January 1987.

A review of consumer servicing was undertaken as a base for the development of a new delivery system.

FINANCE, PERSONNEL AND ADMINISTRATION

This sector provides comprehensive financial, personnel, administrative and other services including:

- provision of overall direction on the development of the departmental human resource objectives, policies and programs; and
- provision of objective advice to senior management on resource and financial aspects of policy and program proposals being prepared for scrutiny by Cabinet, Treasury Board and other external agencies.

Major Activities

The Resources Management Branch provides ongoing advice to senior departmental management and other responsibility centres on budgetary planning, allocation and control consistent with government and departmental priorities and practices.

The Financial Operations Branch is responsible for:

- developing and implementing financial policy systems;
- accounting for financial resources; and
- auditing assistance projects.

The Information Management Branch is responsible for:

- development and monitoring of computer-based design software;
- administration of the corporate database; and
- provision and operation of all mainframe and mini-computer facilities, including hardware and data communications networks.

The Human Resources Branch:

- provides overall direction and advice on the development and administration of department-wide human resource policies, programs and practices;

- provides overall direction on the development of policies and programs that maintain the management and professional capability of the human resources of DRIE, and of standards for the evaluation of management and performance in all DRIE's activities; and
- ensures that statutory and central agency requirements are met in personnel administration.

The Administrative Services Branch is responsible for the provision of all corporate administrative services at headquarters, and for providing functional direction to these activities in the regions. These services include:

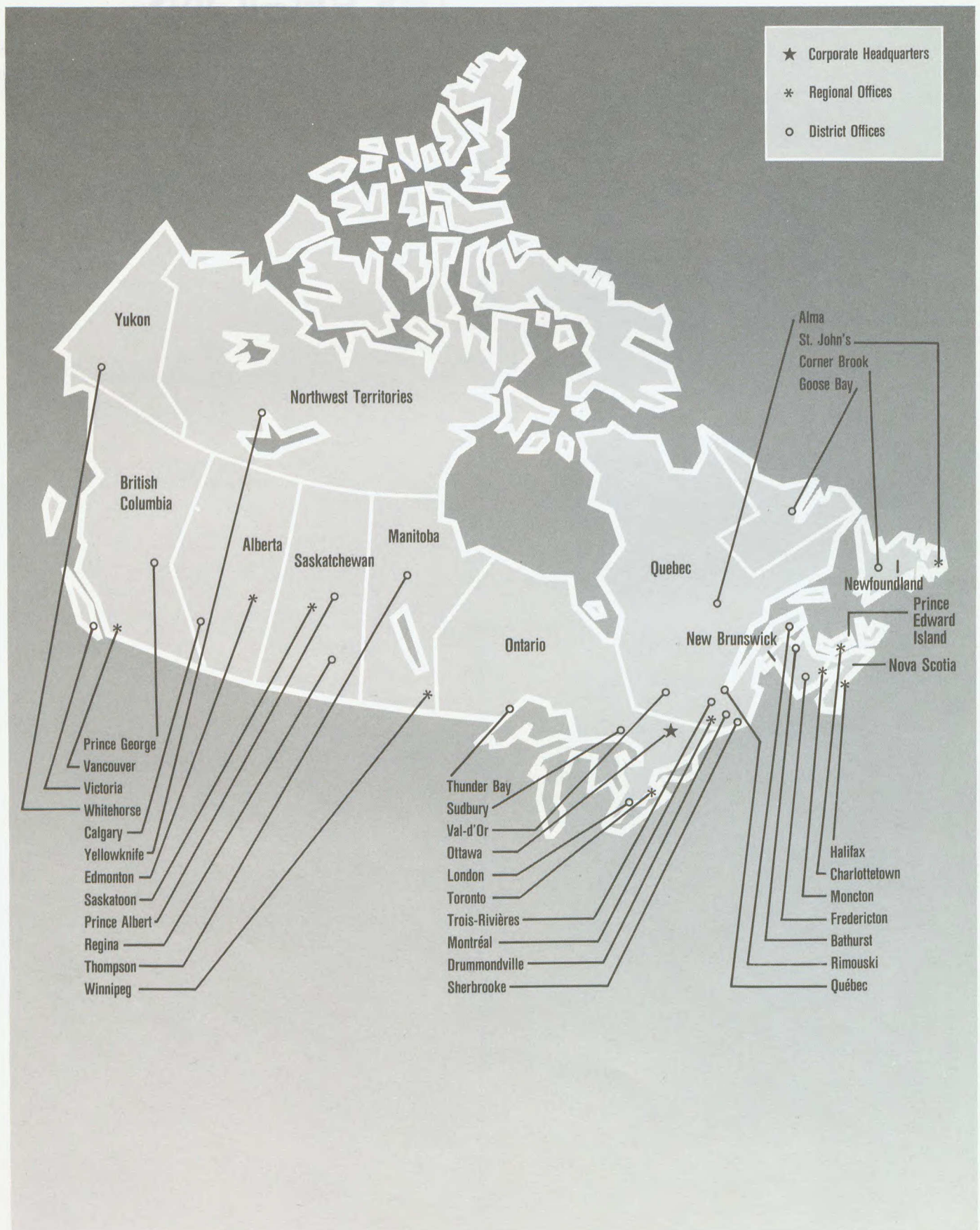
- facilities management;
- telephone services;
- security services;
- contracting, inventory control, forms management and printing;
- library services;
- administrative policy, manuals and passports; and
- records management and mail services.

The Access to Information and Privacy Office is responsible for:

- implementing policies;
- advising senior management on the administration of the legislation and dealing with cases;
- assisting the public with access requests; and
- approval of departmental information collection proposals in accordance with new government policies.

THE REGIONS

DRIE OFFICES



NEWFOUNDLAND

The DRIE Newfoundland Regional Office actively pursued the identification of business opportunities and provided assistance to the private sector in securing capital, technology and marketing expertise to exploit business opportunities.

In concert with the provincial Department of Development and Tourism, an inventory of more than 50 business opportunity prospectuses was developed and a portfolio promotion package printed. These opportunity packages have been sent to trade posts and targeted potential investors throughout the world.

The regional office also was the driving force in the organization of a consortium of five companies with new technology-based equipment aimed at the fishing industry. The consortium allows the companies to integrate their technologies into overall systems and to pursue export markets through joint marketing programs.

The Atlantic Opportunities Program has provided a focus to promote government procurement as a basis for industrial development.

A Memorandum of Understanding for analysing a liaison between DRIE and the Memorial University of Newfoundland (MUN) was signed. Its intent is to develop the biotechnology research carried out at MUN to the point of commercial feasibility.

Industrial Development

The regional office was responsible for five ERDA Subsidiary Agreements: the Burin Peninsula Development Fund, Rural Development II, Pulp and Paper Mill Modernization, Ocean Industry Development and Tourism Development.

Burin Peninsula Development Fund project highlights were:

- continuation of fluorspar mine reactivation and mill construction at St. Lawrence;
- completion of the Cow Head oil-rig servicing facility; and
- continuation of construction on the secondary fish processing facility and the trawler refit centre at Burin.

Under Rural Development II in the past year:

- \$1.5 million was allocated for administration costs for 55 Regional Development Associations;
- \$800 000 was provided to assist the establishment, modernization, or expansion of 58 small businesses, resulting in the creation of approximately 75 full-time and 100 part-time jobs; and
- assistance in the amount of \$90 000 was provided to two provincial craft associations.

Under Pulp and Paper Mill Modernization:

- modernization of Abitibi-Price Inc. of Grand Falls was substantially completed; and
- Kruger Inc. proceeded with its modernization program at the Corner Brook Pulp and Paper Mill.

Under the Ocean Industry Development Subsidiary Agreement:

- Activity increased dramatically during the year with commitments under federal program elements totalling \$4 million. Of particular significance was the number of projects dealing with applied research and development in the supply side of the fishery sector.

- Assistance was provided toward the establishment of the Canadian Centre for International Fisheries Training and Development to promote the capabilities of the Newfoundland fisheries infrastructure worldwide.
- Funding was provided to assist in the development of long-range radar and communications systems. Petroleum-related projects focused on training and intelligence gathering.

Among projects assisted under the Tourism Development Subsidiary Agreement were the St. John's Convention Centre, scheduled for completion in the fall of 1987, outfitting camps in Labrador and a railway theme park in Trinity. A total of 339 projects were approved for the Newfoundland hospitality industry, for a federal allocation of \$7 829 000.

Three GDA Subsidiary Agreements remain active:

- Industrial Development Phase II milestones included completion and official opening of the Port aux Basques, Windsor and Gander Industrial Parks and the Pasadena Industrial Mall, and the start of construction on the Port aux Basques Industrial Mall.
- Noteworthy events for the Institute of Fisheries and Marine Technology in St. John's were completion of the first academic year in the new core building, the start of construction on the third floor west block, and continuation of the construction of the flume test tank facility.
- As this was the final year of the Community Development Agreement for Coastal Labrador, most of the activity consisted of completion of projects undertaken in past years. A number of studies and pilot projects were undertaken concerning the caribou herds, fish habitat, agriculture and the effects of low-level flying. As all projects could not be completed in the time allocated, an amendment was approved to extend the term of the agreement by six months.

Economic Co-ordination

Activities in the Office of the Federal Economic Development Coordinator (FEDC) included:

- management of the Economic and Regional Development Agreement (ERDA);
- providing strategic advice to the Cabinet Committee on Economic and Regional Development (CCERD) on federal government policies and programs in the region;
- chairing of an interdepartmental committee on Newfoundland issues;
- chairing of a federal committee which reviewed and helped co-ordinate activities related to ocean industries;
- co-managing the Canada/Newfoundland Offshore Development Fund;
- continuing as the main point of contact for Fishery Products International in its dealings with the Government of Canada;
- helping co-ordinate communications in relation to sub-agreements and other major federal initiatives; and
- ongoing liaison with the provincial government, business, labour and municipal governments concerning regional development issues.

PRINCE EDWARD ISLAND

Through five subsidiary agreements, funded programs and export marketing support, the DRIE Regional Office helped Prince Edward Island businesses to remain competitive and to pursue new opportunities.

Industrial Development

Under the ERDA Tourism Subsidiary Agreement, Prince Edward Island tourism operators were provided with professional expertise in the design and marketing of vacation packages. This has resulted in a ten-fold increase in tourist response to this form of vacation over the previous year.

The subsidiary agreement on marketing assisted more than 450 product development and marketing projects during the reporting year. Included among them was a specialized packaging technique that led to the first-time sale of lobsters to England and the development of a vegetable conveyor which has resulted in important sales to processors in southern Ontario.

Contributions provided through IRDP led to the establishment of the province's first potato chip processing plant, the expansion of a cultured mussel operation that has developed into one of the country's major suppliers and the expansion of a unique biotechnology business which is Canada's only manufacturer of diagnostic kits and chemicals for analysing blood components.

The regional trade unit provided support, through provision of links with external posts and PEMD assistance, to more than 100 P.E.I. firms exporting goods and services. In 1986, the value of export shipments originating in Prince Edward Island amounted to a record \$147 million, representing an increase of 29 percent over the previous year.

Economic Co-ordination

The Federal Economic Development Coordinator's Office in Prince Edward Island continued to play a major role in the co-ordination of regional development activities by liaising and working closely with the various federal departments and the provincial government.

There were no new ERDA agreements signed during the period April 1, 1986 to March 31, 1987. However, a total of 12 subsidiary agreements have been signed under the ERDA to March 31, 1987, involving a total federal contribution of \$103.7 million. Negotiations were finalized for the \$23.5 million Industrial Development Subsidiary Agreement between DRIE and the province. Many of the agreements have passed the half-way point in their existence and evaluations are being carried out on their effectiveness.

NOVA SCOTIA

The DRIE Nova Scotia Regional Office administered several existing ERDA agreements and one GDA agreement and delivered assistance programs for industry on mainland Nova Scotia.

Industrial Development

Under the Advanced Manufacturing Support Subsidiary Agreement, the Aerotech Business Park and the Automated Manufacturing Technology Centre were completed. The Aerotech Business Park has been successful in attracting two high-technology firms (Pratt & Whitney and Litton Systems) and the Centre graduated the first class of students, with more than 80 percent of the graduates hired to work at the Pratt & Whitney plant.

Activities under the Technology Transfer and Industrial Innovation Subsidiary Agreement focussed on stimulating collaborative R&D undertakings between industry and advanced technology institutions and universities. Four CAD/CAM (computer aided design/computer aided manufacturing) centres either were established or expanded during the year. An industry incentives program to encourage private sector use of advanced technological equipment and processes also was started.

During 1986-87, 181 applications for assistance were received under the Tourism Subsidiary Agreement. The federal and provincial governments negotiated a \$14 million amendment to the agreement for a tourism initiative to identify and develop top-quality major tourism attractions in Cape Breton.

SNC/Dravo of Montréal was awarded a contract under the Sydney Steel Corporation Modernization Program Subsidiary Agreement to do basic engineering work for a new electric arc furnace and ancillary equipment which are expected to begin operations July 1, 1989.

The GDA Ocean Industry Development Subsidiary Agreement was extended for one year. Ocean-related firms continued to receive technical, marketing and financial support. Projects of note were the establishment of the world's first commercial seaplant culture facility, the development of an innovative fish stock assessment system and an Ocean Industry Development Office-led trade mission to China focusing on cold-ocean technology and equipment used in the oil and gas industry.

In Nova Scotia (excluding Cape Breton), 33 offers of assistance under the Industrial and Regional Development Program were accepted, representing a \$2.63 million DRIE commitment and approximately \$12.3 million in private sector investment.

The Atlantic Enterprise Program became operational on May 1, 1986. The introduction of the program created a heavy upsurge in requests for information and client counselling. In Nova Scotia (excluding Cape Breton), 28 applications for loan insurance and 47 applications for interest buy-downs were received.

During the year, advanced industrial materials and electronics were the targets of investment prospecting activities. DRIE Nova Scotia also worked closely with the Department of Supply and Services to achieve the goals of the Atlantic Opportunities Program. Co-operative activities included visits to many small businesses to assess their capability of becoming suppliers to government and, together with the Nova Scotia Department of Development, organization of a major reverse trade show to expose Nova Scotia companies to government procurement business opportunities.

Export trade development was promoted primarily through the Program for Export Market Development. In 1986-87, a total of 61 applications were approved with a total expenditure of \$215 202.

Economic Co-ordination

The Office of the Federal Economic Development Coordinator (FEDC) continued to manage the ERDA system. In 1986, the Sydney Tar Ponds Clean-up Subsidiary Agreement was signed, providing expenditures of \$34.2 million over five years and direct employment for 616 people. In total, there have been 10 agreements, valued at \$429 million, signed under the ERDA. The federal government is responsible for 70 percent of this expenditure.

Cape Breton remained a priority for the federal government and the FEDC Office spent the early part of the year assisting in the establishment of Enterprise Cape Breton. This lead agency for Cape Breton was officially opened in May.

Other FEDC activities included:

- frequent meetings of the Federal Economic Development Co-ordinating Committee and its communications sub-committee; and
- co-ordination of such initiatives as the Atlantic Enterprise Program and the Atlantic Opportunities Program.

NEW BRUNSWICK

In addition to the DRIE Regional Office located in Moncton, sub-offices were maintained in:

- Bathurst, to serve northern New Brunswick; and
- Fredericton, to serve the central and western parts of New Brunswick.

Industrial Development

Activity in the region during 1986-87 focused on delivery of the Industrial and Regional Development Program (IRDP) and the Atlantic Enterprise Program (AEP), as well as implementation of subsidiary agreements under the Economic and Regional Development Agreement (ERDA) and the General Development Agreement (GDA).

The AEP provides loan insurance and interest buy-down incentives in support of investments to tourism, manufacturing and certain service sectors and resource harvesting firms. Together with the IRDP, 49 businesses accepted offers of assistance in support of over \$36 million of investment involving 499 jobs.

The Canada/New Brunswick Industrial Innovation and Technology Development Agreement was introduced, offering assistance:

- to support technology resources and technology transfer;
- to create a climate favorable to entrepreneurship and innovation; and
- for research and development in applied science and technology.

Expenditures under the three ERDA agreements (Tourism, Industrial Development and Industrial Innovation and Technology) between DRIE and the Province of New Brunswick totalled \$6.2 million in 1986-87.

Subsidiary agreements under the GDA active during the year were:

- Northeast New Brunswick (DRIE expenditures \$1.7 million in 1986-87);
- Consolidated Bathurst Modernization (DRIE expenditures \$248 000 in 1986-87);
- Sulphation Roast Leach Pilot Plant (DRIE expenditures \$2.8 million in 1986-87);
- Pulp and Paper (DRIE expenditures \$255 000 in 1986-87).

Trade activities in the regional office concentrated on encouraging and assisting New Brunswick firms to pursue international marketing opportunities.

In 1986-87, an industrial licensing opportunity service was introduced, designed to acquaint businesspeople with new products available for manufacturing. Seven such workshops were held around the province.

DRIE New Brunswick carried out two new exporter missions to New England, involving 40 businesses.

Under the Program for Export Market Development (PEMD), 65 applications were approved during 1986-87. Approvals amounted to \$277 246.

The tourism unit was involved in evaluation of the travel generators' initiatives submitted under the ERDA subsidiary agreement on Tourism Development. The tourism unit also played an active role in the preparation of studies aimed at future tourism potential.

Economic Co-ordination

The office of the New Brunswick Federal Economic Development Coordinator was active in intergovernmental liaison, consultation, planning and ERDA management during 1986-87.

Liaison, consultation and planning activities included:

- co-chairing of the Task Force on Regional Development Assessment for economic development ministers;
- the Atlantic Focus Conference which brought together key economic figures and policy makers in the Atlantic Region;
- initiation of the Moncton Regional Development Incentives Board; and
- participating in several studies under the Canada/New Brunswick Planning Subsidiary Agreement.

ERDA initiatives undertaken during the year included:

- signing of an Industrial Innovation and Technology Development Subsidiary Agreement with the provincial government; and
- concluding negotiations for an Economic Diversification Subsidiary Agreement aimed at reducing regional disparities within the province.

QUEBEC

The Quebec region intensified its customer services, particularly those aimed at small businesses and selected industries in the sectors of highest potential. It also stepped up its investment prospecting and market development activities in close co-operation with Quebec's business communities and development partners.

Industrial Development

As in previous years, the eight offices across the province organized seminars for businesspeople on topics such as exporting, management, financing and design, and participated in several exhibitions, fairs and industrial shows.

Regional highlights included the implementation of the Atlantic Enterprise Program and the establishment of the Société en commandite de création d'entreprises (SOCCRENT) in Saguenay-Lac-St-Jean.

In the area of international trade, the region

- organized approximately 30 seminars and trade shows;
- co-ordinated the activities of Export Trade Month and Marketplace '86;
- hosted 30 foreign trade missions and sent three missions abroad, involving a total of 422 companies in the region;
- arranged six trips to border cities for new exporters, in which 277 businesspeople took part;
- welcomed 1177 visitors; and
- processed 647 applications under the Program for Export Market Development.

The Quebec region also administered more than 200 ongoing foreign investment files and undertook activities abroad to meet potential investors in the packaging, medical equipment, instruments and electronics sectors.

In domestic market development, the Quebec region promoted the Think Canadian theme at ten major events. Other priorities included support for subcontracting and supplier development, promotion of the Business Opportunities Sourcing System (1000 new registrations) and dissemination of information on domestic market development services.

Under Element I of the subsidiary agreement on Industrial Development, 11 municipalities received industrial infrastructure assistance totalling \$189 million. Since the signing of this agreement, 18 municipalities have received assistance representing, at March 31, 1987, 38 percent of the total budget.

Under Element II, only one new commitment of \$229 000 was approved, for a feasibility study on a major industrial project. Since the signing of the agreement, 89.6 percent of the budget under this element of the agreement has been committed to major industrial projects in four main sectors: pulp and paper, chemicals, transportation equipment and electrical and electronic products.

The region supported several expansion and modernization projects in the plastic and electrical sectors, as well as innovation projects in the machinery sector. Six foreign buyer missions were organized in an effort to introduce new Canadian suppliers to the American defence industry. Further initiatives were taken to promote the software market and accelerate the development of the office automation, microelectronics and telecommunications sectors.

The region also was active in the biotechnology industry with a view to developing a strategy for intervention, establishing a national and international association in Montréal and participating in colloquia and trade shows. A study conducted in the pulp and paper industry led to the recommendation of a new policy.

Under the subsidiary agreement on Tourism Development, 66 new projects were approved for total commitments from the two governments of close to \$70 million (including \$35 million from the federal government). The agreement has generated private investment of nearly \$215 million since it was signed in 1985.

Among the highlights of the agreement are the consolidation and modernization of 11 ski resorts in Quebec, the implementation of six regional development plans (Laurentians, Eastern Townships, Outaouais, Charlevoix, North of the 55th Parallel and Manicouagan), and the implementation of a special \$10 million program for tourism development around the perimeter of Parc Saguenay which will focus primarily on accommodation and boating infrastructures.

Also in the area of tourism, the Quebec region contributed to the success of an international event, Rendez-vous 87, held in Québec City in February 1987.

Economic Co-ordination

During the fiscal year 1986-87, the Office of the Federal Economic Development Coordinator (FEDC) played a central role in the development of subsidiary agreements on Agrifood Development and the development of Quebec Fisheries.

In addition to the overall management of the Canada-Quebec Economic and Regional Development Agreement (ERDA), the office provided ongoing advice and assistance on policy issues and developments to the ministers of DRIE and to other departments, through regular consultations with the private sector and government organizations.

During 1986-87, the office also was involved in preparing an economic development profile for the province of Quebec and continuing a major review of the Gaspé-Lower St. Lawrence Development Plan.

The office, through a special secretariat, also played a major role in support of the work of the ministerial committee on the development of the Montréal region created in December 1985, as well as that of the consultative committee made up of representatives from the private sector, labour and academia. In November 1986, the report of the consultative committee was released, containing 86 recommendations on means to further the economic growth of the greater Montréal region. Since release of the report, the FEDC has been responsible for follow-up activities.

ONTARIO

During 1986-87, Ontario Region expenditures totalled \$65 million, shared between directly funded industrial incentives programs and Canada-Ontario agreements under ERDA and GDA.

While the delivery of funded programs remained a key activity, greater emphasis was placed on expanding non-funded services: improving competitiveness in industry, increasing exports, encouraging greater investment, furthering diversification in one-industry towns, and promoting tourism in the province.

Industrial Development

During the year, over 4000 meetings were held with individual firms or groups to discuss increased productivity, market development, modernization and exporting. In addition, 25 000 business inquiries were handled by the Toronto office and its four district offices (Sudbury, Thunder Bay, London and Ottawa).

Commitments of \$45 million under IRDP were approved for 118 projects, which in turn are expected to generate investment of \$430 million in modernization, expansion and R&D.

A computerized database on the auto-parts industry was set up (in co-operation with two provincial ministries) to provide an exchange of current information about this increasingly competitive industry. About 350 companies were listed by the year's end.

Other notable ventures included:

- the expansion of an IRDP-aided printing plant resulting in over 100 new jobs;
- a \$5.9 million investment in an abrasives refining operation, resulting in increased use of Canadian materials;
- the negotiation of a memorandum of understanding with a major electronics firm under which it will be given assistance to purchase extensive CAD/CAM and other high-tech equipment.

Three major offshore auto-parts makers were attracted to Ontario, including the first U.S.-Japan joint venture in Canada (by TRW and Tokai Rika, with a \$14.7 million investment, triggered by an IRDP repayable contribution of \$2.6 million); a \$1.1 million IRDP contribution to a fine-chemicals producer to develop a line of pharmaceutical ingredients that now have to be imported.

In addition, two large Sudbury-area nickel mining and smelting companies, Inco and Falconbridge, received a commitment of \$8.3 million under IRDP to develop technology that will reduce their emissions of sulphur dioxide.

Twenty trade fairs and missions were organized in co-operation with External Affairs. Some results to date:

- of the 20 Ontario firms which met with a major U.S. defence contractor, three realized immediate sales and another was asked to tender on a \$73-million contract;
- over half the foreign firms on 10 food and beverage missions placed orders with Ontario companies; and
- visitors from Japan and Australia expect to sponsor Canada Food Week promotions in their countries.

Under the PEMD program, 1583 applications were received, of which 1078 were accepted and shared \$3.5 million in assistance.

Several seminars and trade missions were held to assist Ontario manufacturers to expand their markets in the U.S. Most companies reported increased sales as a result.

A series of pilot seminars was held for those anxious to gain entry to the vast U.S. defence market by the use of automated bidding systems.

To help offset the effect of the closure of a century-old shipyard in Collingwood, DRIE played a vital role on two counts: it encouraged an \$18 million investment (by Magna Lemmerz) in a new auto-parts plant in the area, and (under the tourism component of ERDA) it provided seed money for a \$26.9 million investment by Cranberry Village that will turn the resort into a four-season tourism facility which, according to estimates, will inject \$100 million directly and indirectly into the local economy.

DRIE's efforts to bolster the economy in the Cornwall and Hawkesbury areas continued under the CIRB Business and Industrial Development Program. The program ended prior to fiscal 1986-87, but during the year 11 remaining applications were approved which are expected to create 300 jobs and a capital investment of some \$22 million. In Cornwall a \$26.9 million investment in a metal-alloy processing plant was leveraged under IRDP.

Assistance of \$36.8 million was earmarked through the Canada-Ontario Tourism Development Agreement (COTDA), the tourism component of ERDA. This is expected to produce \$126 million of private investment in major travel generators.

DRIE has also committed \$7.5 million to the Algoma Central Railway and its Agawa Canyon Tour Train, thereby permitting the region to maintain about 1000 jobs enabling the popular train to continue as a tourist attraction. On the urban front, \$250 000 of DRIE tourism funds were combined with \$525 000 in funds from the province, Metropolitan Toronto and various cultural groups to promote Toronto as a place to visit for its galleries and theatres. An advertising campaign offered packaged tours, and was directed to three U.S. markets.

Economic Co-ordination

The Office of the Federal Economic Development Coordinator consults frequently with the Government of Ontario on a wide range of economic and social issues and carries out liaison activities with the private sector, business associations and organized labour.

These efforts form the base for analytical work to provide regionally sensitive policy support to federal ministers and such central agencies as the Privy Council, Treasury Board and Department of Finance.

Co-operative and co-ordinated activities with the province continued under the Canada-Ontario ERDA through five sub-agreements and one memorandum of understanding.

The Planning Agreement provided first-year funding of \$160 000 to the Small Business Data Base project previously approved at the Calgary meeting of federal and provincial ministers of regional development. The tourism, forestry and minerals sub-agreements were utilized to address development opportunities in Northern Ontario, augmenting ongoing federal programs and services.

MANITOBA

During 1986-87, the Manitoba Regional Office continued to administer the Industrial and Regional Development Program (IRDP) and the Western Transportation Industrial Development Program (WTIDP). Activity was strongest in the food processing sector.

The Business Services Centre, an initial point of contact for information and counsel on the range of federal programs and services available to business clients, was established in recognition of DRIE's increasing emphasis on services and information to business. The centre completed its first year of operation, responding to over 12 000 enquiries.

Industrial Development

More than 400 Manitoba companies export their products and services. In 1986, exports from Manitoba totalled \$2463 million, with fabricated materials and manufactured end products accounting for \$1148 million.

The Manitoba Regional Office actively assists these companies in identifying and pursuing new opportunities through linkages with External Affairs and its network of trade offices throughout the world. Particular emphasis is given to helping companies become "export ready" through company visits and intensive export counselling.

Special activities, such as the "Product Liability in the United States" seminar held during Canada Export Trade Month, helped to educate new and existing exporters. (Almost 70 percent of Manitoba's exports are destined for the northern United States.)

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

Under the GDA, the active agreement was the Northern Development Subsidiary Agreement.

Under the Canada-Manitoba ERDA, activity continued under the Urban Bus Industrial Development Subsidiary Agreement and the Tourism Development Subsidiary Agreement. Under the latter agreement, designed to establish world-class attractions and facilities in Manitoba, major initiatives such as the IMAX theatre in downtown Winnipeg were launched.

In October of 1986, the governments of Manitoba and the City of Winnipeg and a network of six federal departments signed the new Winnipeg Core Area Initiative Subsidiary Agreement. Programming continues the momentum begun under the previous agreement to rejuvenate Winnipeg's inner city.

An essential part of the negotiations, in which DRIE was instrumental, was the agreement with Canadian National Railways to transfer 36.5 hectares of land, historically known as the CN East Yard, to the public domain for future development.

During the fiscal year, construction began on the \$250 million North Portage redevelopment, a component of the first Core Area Agreement. The redevelopment covers a four-hectare site on the north side of Portage Avenue in downtown Winnipeg and includes a retail complex, housing, office space and theatres.

The Special ARDA program exists to facilitate the economic and social adjustment of residents of rural and remote areas. It focuses particularly on people of native ancestry who have previously had little or no access to regular earnings and employment opportunities. Through the DRIE regional office, financial assistance is available to commercial undertakings and primary producing activities for job creation and income improvement.

Economic Co-ordination

Federal-provincial relations continue to be of primary concern to the Office of Federal Economic Development Coordinator.

The office also provides support to specific projects such as a committee of federal-provincial ministers looking at industrial development and the unique Winnipeg Core Area initiative which brings together three levels of government committed to downtown rejuvenation.

The FEDC office also manages ten subsidiary agreements, including an active joint planning agreement, and two memoranda of understanding in place under the Canada-Manitoba Economic and Regional Development Agreement.

SASKATCHEWAN

In addition to administration of subsidiary agreements, DRIE Saskatchewan office was involved with the delivery of funded programs and the promotion of non-funded activities.

Industrial Development

During the fiscal year the region processed 18 IRDP applications and made 15 offers totalling \$3.5 million. An estimated 27 jobs were created by the projects assisted.

There were 89 WTIDP applications and 51 offers of assistance totalling \$8.3 million were made. An estimated 627 jobs were created by the projects assisted.

One-hundred and forty-four Special ARDA projects were approved during 1986-87, with assistance offered totalling \$5.6 million. It is estimated this assistance will create 192 new jobs with an additional 130 jobs maintained.

Under the Northern Economic Development Subsidiary Agreement, 67 projects were approved for a total federal commitment of \$2,349 million. An estimated 198 jobs will be created by the projects. The most significant project was the creation of the Canadian Wild Rice Council. Wild rice is a burgeoning industry with good potential for export and expansion under way provides seasonal employment for northern Saskatchewan residents.

Under the Tourism Subsidiary Agreement, commitments totalling \$12 million were made for 67 projects. Of this \$12 million, \$7.5 million was committed by the federal government. Projects assisted included private sector resort developments, convention facilities, visitor reception centres and marketing studies by industry associations.

In 1986-87 a total of 11 projects involving DRIE funds were approved under the Advanced Technology Subsidiary Agreement. The total commitment for these projects was \$1.358 million of which DRIE's share was \$728 766.

Trade activities focused on:

- promoting Saskatchewan exports through working with Canadian trade officers around the world and Saskatchewan-based exporting companies;
- the PEMD program of financial assistance to exporters under which 120 applications were approved resulting in an expenditure of \$426 000;
- projects of special interest included the co-ordination of a high-tech mission to Japan in April 1986, presentation of the University of Saskatchewan export marketing course which resulted in students working with 10 local exporters, co-ordination of the Canada Export Trade Month activities in Saskatchewan and promotion of the Western Farm Progress Show and the Canadian Western Agribition to potential international purchasers; and

- increasing the section's activities, particularly in the area of PEMD assistance, because of the discontinuation of a provincially funded program to promote exports, leading to a dramatic increase in first-time PEMD users for the rest of the fiscal year.

The Investment and Industrial Promotions Branch is the departmental focal point for non-funded services to the business community in Saskatchewan, including providing business advice, assisting in sourcing equity capital, finding joint-venture partners, locating new products or process technologies and helping clients with documentation required for other DRIE-funded programs.

During the fiscal year 1986-87, 50 clients helped by the Investment and Industrial Promotion Branch made new investments in Saskatchewan. In addition, the branch was involved in 20 investment-related missions, seminars and shows.

Economic Co-ordination

For the fiscal year, two major responsibilities of the Saskatchewan Federal Economic Development Coordinator's Office were co-ordinating federal and federal/provincial economic development and providing analysis and advice on regional economic development to DRIE headquarters and central agencies.

These were achieved by working closely with three regional federal committees chaired by the FEDC and by consulting with the provincial Executive Council and other provincial departments, as well as with the private sector. Analysis of key areas of the Saskatchewan economy was undertaken.

The number of instruments pursuant to the Canada-Saskatchewan ERDA stand at two memoranda of understanding and ten subsidiary agreements.

The Saskatchewan FEDC's responsibilities include the management of the ERDA system in Saskatchewan and management of the Planning Agreement which identifies and analyzes strategic regional economic development opportunities.

In 1986-87 the Canada-Saskatchewan Irrigation Subsidiary Agreement was signed.

ALBERTA

The Alberta economy returned to recession conditions throughout 1986-87 due to slumping oil prices. DRIE's funded program activity accelerated largely because of the new subsidiary agreements and the Western Transportation Industrial Development Program. Trade development activities also continued to remain strong.

Industrial Development

The three subsidiary agreements signed by the federal and provincial governments in the last fiscal year continued to provide the basis for the majority of projects funded by the Alberta regional office.

The Tourism Development Subsidiary Agreement is designed to enhance Alberta's stature as a major year-round Canadian and international tourist destination. The five-year, \$56.3-million program offers assistance in six key areas ranging from product and facility development to opportunity analysis and evaluation. During 1986-87, 113 projects were offered \$4.1 million (DRIE share).

Signed in October 1985, the \$40-million Northern Development Subsidiary Agreement provides assistance to businesses, institutions and communities in northern Alberta for economic, industrial and business development; human resource support; and community and infrastructure support. In 1986-87, 58 projects were offered \$1.6 million (DRIE share).

The value-added processing of agricultural products is a key industry in Alberta. The Agricultural Processing and Marketing Subsidiary Agreement was negotiated to assist local processors and thereby aid in diversifying the Alberta economy. Providing capital and non-capital assistance, this program has helped 116 projects and, to date, DRIE expenditures have totalled \$1.5 million. Total cost of the agreement is \$50 million, to be administered over five years.

DRIE in Alberta maintains a close working relationship with its provincial counterparts, as well as local economic development authorities, educational institutions and business groups. Through these relationships, DRIE offices are able to facilitate co-operative ventures to benefit the local business community.

Among ventures in 1986-87 were:

- ongoing promotion of the Think Canadian domestic marketing program by means of displays in numerous shopping malls throughout Alberta during October and November 1986;
- National Ski Industry Tourism Conference in Calgary, September 10-12, 1986;
- Small Business Information Fairs in Calgary, Red Deer and Edmonton in October 1986;

- Business Opportunities Sourcing System (BOSS) exhibit at the Manufacturing Opportunities '86 reverse trade show in Calgary on November 18, 1986;
- Government of Canada Information Days in Edmonton, January 22-24, 1987;
- ongoing support and promotion of the Canada Awards for Business Excellence program, including a regional presentation of award certificates to Alberta finalists on January 27, 1987;
- Petroleum Industry Exporting Conference '87;
- continued relationship with the University of Calgary's New Venture Forum for aspiring entrepreneurs; and
- maintaining liaison with the Organizing Committee for the Calgary Winter Olympics with respect to tourism development.

The Alberta Regional Office in Edmonton administers the Program for Export Market Development (PEMD) for External Affairs in the region. More than 610 PEMD applications were received in this fiscal year, and 385 applications were approved. Total funding for PEMD projects was \$1.3 million.

In addition to program delivery, the office arranged numerous trade seminars, co-ordinated 48 incoming trade delegation missions, jointly co-ordinated 25 outgoing trade delegation missions involving Canadian companies and was involved with ten trade shows abroad.

Economic Co-ordination

Four subsidiary agreements and five memoranda of understanding are now in place under the Canada-Alberta Economic Development Agreement (ERDA). Work continued on resolving outstanding ERDA commitments from 1985-86 and on strengthening communications activities under the ERDA.

Work also continued on possible subsidiary agreements in the areas of water development and industrial diversification.

In addition to responsibilities related to the ERDA, the Office of the Federal Economic Development Coordinator (FEDC) was actively involved in a co-ordinating role in a number of other areas such as the involvement of native people in the Calgary Olympics and other multi-departmental issues. The office also provided advice to Ottawa on a number of Western issues.

BRITISH COLUMBIA

In 1986-87, DRIE's activities in British Columbia focused on improving industrial performance and broadening the range of income and growth opportunities in the province.

Priorities included:

- resource industry modernization, primarily in forest products;
- expanding those investments by firms and industries which diversify, strengthen the technological base or otherwise promise strong growth and job creation potential; and
- working to broaden market opportunities for all industries.

Industrial Development

During the year, the regional office undertook certain initiatives through funded programs, industry consultations, and services to business.

Promotion and implementation of three subsidiary agreements under the Economic and Regional Development Agreement (ERDA) was a priority during the year. Projects funded under these agreements are cost-shared equally by the federal and provincial governments.

The Industrial Development sub-agreement aims to modernize and spur development in the resource and industrial sectors of the B.C. economy.

Financial assistance is provided through five programs: Resource Industries Modernization; Resource Industries Value-Added; Industrial Diversification; Institutional Support; and Opportunity Identification and Assessment.

The objective of the Small Business Incentives sub-agreement is to help certain small and medium-sized enterprises in British Columbia to establish, modernize or expand in order to create new employment opportunities and to diversify the economic base of the province. Financial assistance is provided through the Small Manufacturers Incentive Program; the Industrial Development Assistance Program; and the Aquaculture Incentive Program.

The Tourist Industry Development sub-agreement is intended to stimulate tourist industry development through market and product development activities and support to industry in order to create new employment opportunities and to help maintain long-term growth in the tourism industry. Financial assistance is provided through three programs: International Market Development; Product Development; and Tourist Industry Support.

The objective of the Industrial and Regional Development Program (IRDP) is to encourage and stimulate industrial activity in the most economically disadvantaged areas. In B.C., assistance is available for innovative product and process development projects and market development activities. No establishment, expansion or modernization projects are supported under IRDP because sub-agreements are in place to accommodate these types of projects.

The Program for Export Market Development (PEMD) aims at improving Canada's international trade performance and stimulating the Canadian economy through increased production and employment. Assistance totalling \$2.1 million was provided to 391 applicants during 1986-87.

Under the Special Rural Development Agreement (Special ARDA), financial assistance is provided to native people for commercial businesses; primary production activities such as agriculture, fishing, forestry and trapping; business-related infrastructure; and community development in remote areas.

On November 19, 1986, DRIE signed a Memorandum of Understanding (MOU) with Glenayre Electronics of Vancouver to assist Glenayre to strengthen its position as an internationally competitive designer, manufacturer and marketer of proprietary communications products.

On May 30, 1986, DRIE signed the Victoria Convention Centre Subsidiary Agreement with the provincial government which provides \$14.55 million towards the cost of constructing the Victoria Convention Centre. This new centre will make the city more attractive to year-round convention business and will help to strengthen Victoria's economy by stimulating the business travel and tourism industries.

During the year, the regional office completed the negotiation, signing, and initial implementation of a Lead Smelter Modernization Agreement with Cominco Ltd. to help finance the modernization of its lead smelter at Trail, B.C. Through this agreement, the federal government purchased \$79 million in preferred shares of the company.

This federal participation helped to trigger the modernization project which will have major strategic significance for the non-ferrous metals industry. Up to 6000 direct and indirect jobs are expected to be maintained as a result of the project which will secure Cominco's position in world lead markets.

Service initiatives included technology and investment prospecting missions, expansion of a data base to assist in identification of manufacturing gaps, preparation of high-technology promotional literature, organizing investment related seminars, co-operating with trade posts and industry in product-market matching and a major effort in export education to familiarize B.C. firms with the logistics of exporting.

During EXPO '86, the B.C. office operated the Canada Business Opportunity Centre at Canada Place, providing a central source of business information for visitors to the EXPO site. More than 2500 business visitors from 87 countries used its facilities.

Economic Co-ordination

The Office of the Federal Economic Development Coordinator (FEDC) is responsible for co-ordination of ERDA sub-agreements in B.C. in the areas of:

- Forestry
- Minerals
- Agriculture
- Industrial Development
- Tourism
- Small Business Incentives
- Science and Technology
- Victoria Convention Centre

Under the ERDA, a memorandum of understanding (MOU) on the development of B.C. as a Pacific centre for trade, commerce and travel was ratified with the province on December 16, 1986. This provides a co-ordinating mechanism under which several analyses have been made concerning economic opportunities in the province.

In addition to ERDA co-ordination, the FEDC office was active in policy research and issues analysis related to federal-provincial relations and to interdepartmental issues and opportunities. A major initiative involved assistance in the region in discussions with the province toward the development of a national park reserve at South Moresby in the Queen Charlotte Islands.

The office maintains liaison with business, labour and local governments. The FEDC also convened meetings of senior B.C. federal government representatives as a forum to interdepartmental consultation and co-ordination.

NORTHWEST TERRITORIES

The prime activity of the Northwest Territories office during the year was implementation of joint programs with the Northwest Territories Department of Economic Development and Trade.

The Subsidiary Agreement on Domestic Market Development (Small Business and Tourism) was designed to stimulate income and employment opportunities through:

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

This agreement expired on March 31, 1987. During the fiscal year 1986-87, 102 applications were received and 86 offers of assistance were made totalling \$4 047 251. Activity to the expiration of the five-year sub-agreement is summarized as follows:

- | | |
|---------------------------------|---------------|
| • No. of applications submitted | 500 |
| • No. of applications approved | 265 |
| • Amount of government funding | \$10 750 000. |

Formal discussions continued concerning a proposed Tourism subsidiary agreement and a proposed Small Business Development subsidiary agreement.

Special ARDA continued as a very active program with DRIE funding commitments totalling \$5 562 937 for 196 projects.

Promotion of export trade opportunities continued on a limited basis with assistance being provided under the Program for Export Market Development (PEMD) and with activities in support of Canada Export Trade Month.

DRIE continued to stress the delivery of non-funded business services, including:

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

YUKON

Approved Special ARDA projects in Yukon covered a wide spectrum of economic activity including trapping, trucking, logging, a fiberglass plant, the EXPO 86 boutique, construction, river freighting, mining, native crafts, feasibility studies, tourism and facility establishment, acquisition, modernization or expansion.

Because tourism is Yukon's major industry, the Tourism sub-agreement was again very active enhancing facilities, marketing and events. Thirty-two projects were assisted with the major project being the revitalization of the entire main street of the capital city of Whitehorse.

IRDP assisted in the development of a custom furniture shop, supporting a goal of Yukon to be more economically self-sufficient.

The Yukon office placed a strong emphasis on international trade development and non-funded support to industry through such measures as the Business Opportunities Sourcing System (BOSS) and import substitution studies.

APPENDICES

APPENDIX A: THE HISTORY OF THE
APPENDIX B: THE HISTORY OF THE
APPENDIX C: THE HISTORY OF THE
APPENDIX D: THE HISTORY OF THE
APPENDIX E: THE HISTORY OF THE
APPENDIX F: THE HISTORY OF THE
APPENDIX G: THE HISTORY OF THE
APPENDIX H: THE HISTORY OF THE
APPENDIX I: THE HISTORY OF THE
APPENDIX J: THE HISTORY OF THE
APPENDIX K: THE HISTORY OF THE
APPENDIX L: THE HISTORY OF THE
APPENDIX M: THE HISTORY OF THE
APPENDIX N: THE HISTORY OF THE
APPENDIX O: THE HISTORY OF THE
APPENDIX P: THE HISTORY OF THE
APPENDIX Q: THE HISTORY OF THE
APPENDIX R: THE HISTORY OF THE
APPENDIX S: THE HISTORY OF THE
APPENDIX T: THE HISTORY OF THE
APPENDIX U: THE HISTORY OF THE
APPENDIX V: THE HISTORY OF THE
APPENDIX W: THE HISTORY OF THE
APPENDIX X: THE HISTORY OF THE
APPENDIX Y: THE HISTORY OF THE
APPENDIX Z: THE HISTORY OF THE

APPENDIX A: Grants and Contributions by Region 1986-87

	(\$ 000)
Newfoundland	63 014
Nova Scotia	46 498
Prince Edward Island	6 915
New Brunswick	68 749
Quebec	346 798
Ontario	207 472
Manitoba	43 717
Saskatchewan	38 501
Alberta	13 450
British Columbia	49 786
Miscellaneous*	37 060
Total	921 960

*Liabilities under the Small Businesses Loans Act

APPENDIX B: DRIE Program Activities 1986-87

1. Industrial and Regional Development Program

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE

BY PROVINCE/TERRITORY, 1986-87

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ Million)
Newfoundland	37	17.80
Prince Edward Island	18	2.50
Nova Scotia	65	12.10
New Brunswick	40	7.50
Quebec	489	102.80
Ontario	118	45.00
Manitoba	26	3.90
Saskatchewan	15	3.50
Alberta	16	1.20
British Columbia	25	10.30
Yukon/Northwest Territories	1	0.01
Canada Total	850	206.61

BY MAJOR INDUSTRY GROUP, 1986-87

Major Industry Group	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Food	73	11 332
Beverages	6	1 014
Tobacco Products	—	—
Rubber Products	6	2 193
Plastic Products	41	7 345
Leather Products	7	405
Primary Textiles	6	3 772
Textile Products	13	1 954
Clothing	28	2 052
Wood Industries	125	24 919
Furniture and Fixtures	42	8 485
Paper Products	14	7 033
Printing and Publishing	24	6 934
Primary Metals	15	5 259
Fabricated Metal Products	106	11 228
Machinery	88	15 221
Transportation Equipment	56	18 448
Electrical and Electronic Products	62	30 580
Non-metallic Mineral Products	25	5 480
Petroleum and Coal Products	2	82
Chemicals	21	7 920
Other Manufacturing	41	5 107
Tourism	—	—
Other	49	29 823
Total	850	206 586

BY PLANNING ELEMENT, 1986-87

Planning Element	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Climate	2	22
Marketing	19	1 162
Innovation	150	55 871
Establishment	193	68 930
Expansion and Modernization	486	80 601
Restructuring	—	—
Total	850	206 586

2. Defence Industry Productivity Program

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE

BY PROVINCE/TERRITORY, 1986-87

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ Million)
Newfoundland	—	—
Prince Edward Island	—	—
Nova Scotia	5	28.5
New Brunswick	—	—
Quebec	28	40.8
Ontario	72	110.1
Manitoba	—	—
Saskatchewan	—	—
Alberta	1	0.5
British Columbia	6	12.0
Yukon/Northwest Territories	—	—
Canada Total	112	191.9

BY MAJOR INDUSTRY GROUP, 1986-87

Major Industry Group	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Plastic Products	1	380
Primary Metal Products	3	396
Fabricated Metal Products	3	2 706
Machinery	2	4 683
Transportation Equipment	48	102 397
Electrical and Electronic Products	52	72 856
Chemicals	2	711
Other Manufacturing	1	7 811
Total	112	191 940

BY SUB-PROGRAM, 1986-87

Sub-Program	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Research and Development	36	109 303
Source Establishment	16	10 130
Capital Assistance	59	72 496
Market Feasibility Studies	1	11
Total	112	191 940

3. Western Transportation Industrial Development Program

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE

BY PROVINCE/TERRITORY, 1986-87

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ Million)
Newfoundland	—	—
Prince Edward Island	—	—
Nova Scotia	—	—
New Brunswick	—	—
Quebec	—	—
Ontario	—	—
Manitoba	37	10.8
Saskatchewan	49	8.6
Alberta	11	2.5
British Columbia	—	—
Yukon/Northwest Territories	—	—
Canada Total	97	21.9

BY MAJOR INDUSTRY GROUP, 1986-87

Major Industry Group	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Food	19	6 374
Beverages	1	49
Plastic Products	3	768
Clothing	3	772
Wood Industries	6	1 891
Furniture and Fixtures	6	2 248
Paper Products	2	523
Printing and Publishing	1	1 225
Primary Metal Products	2	471
Fabricated Metal Products	14	1 103
Machinery	8	415
Transportation Equipment	5	1 720
Electrical and Electronic Products	5	2 170
Non-metallic Mineral Products	3	418
Petroleum and Coal Products	1	17
Chemicals	4	737
Other Manufacturing	3	304
Other	11	720
Total	97	21 925

BY PLANNING ELEMENT, 1986-87

Planning Element	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Climate	—	—
Marketing	—	—
Innovation	8	2 802
Establishment	30	4 776
Expansion and Modernization	59	14 347
Restructuring	—	—
Total	97	21 925

4. Native Economic Development Program

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE

BY PROVINCE/TERRITORY, 1986-87

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ Million)
Newfoundland	5	1.6
Prince Edward Island	—	—
Nova Scotia	8	4.5
New Brunswick	10	2.9
Quebec	15	1.0
Ontario	21	13.7
Manitoba	17	8.7
Saskatchewan	16	15.4
Alberta	8	11.7
British Columbia	22	16.6
Yukon/Northwest Territories	10	8.9
Canada Total	132	85.0

BY MAJOR INDUSTRY GROUP, 1986-87

Major Industry Group	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Food	3	1 653
Plastic Products	1	800
Leather Products	2	300
Textile Products	1	15
Clothing	1	28
Wood Industries	4	4 298
Printing and Publishing	1	75
Transportation Equipment	2	330
Non-metallic Mineral Products	1	285
Other Manufacturing	2	241
Tourism	15	7 165
Other	99	69 771
Total	132	84 961

BY SUB-PROGRAM, 1986-87

Sub-Program	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Strategic Investments in Native Economic Institutions	30	58 632
Community-based Economic Development	5	1 120
Special Projects	97	25 209
Total	132	84 961

5. Special Agricultural and Rural Development Act

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE

BY PROVINCE/TERRITORY, 1986-87

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ Million)
Newfoundland	—	—
Prince Edward Island	—	—
Nova Scotia	—	—
New Brunswick	—	—
Quebec	—	—
Ontario	—	—
Manitoba	183	5.2
Saskatchewan	131	4.5
Alberta	—	—
British Columbia	196	7.9
Yukon/Northwest Territories	198	6.0
Canada Total	708	23.6

BY MAJOR INDUSTRY GROUP, 1986-87

Major Industry Group	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Food	4	304
Leather Products	3	91
Clothing	1	8
Wood Industries	5	156
Furniture and Fixtures	3	75
Printing and Publishing	3	286
Fabricated Metal Products	2	160
Machinery	3	180
Transportation Equipment	1	12
Non-metallic Mineral Products	1	6
Other Manufacturing	3	99
Tourism	68	3 037
Other	611	19 232
Total	708	23 646

BY SUB-PROGRAM, 1986-87

Sub-Program	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Area Employment Training	4	188
Commercial Undertakings	409	16 635
Primary Producing Activities	267	4 693
Related Infrastructure	2	13
Remote Rural Communities	14	1 770
Special Adjustment Measures	12	347
Total	708	23 646

6. Economic and Regional Development Subsidiary Agreements

ACCEPTED OFFERS AND AUTHORIZED ASSISTANCE BY PROVINCE/TERRITORY, 1986-87

Province/Territory	Number of Accepted Offers	Authorized Assistance (\$ Million)
Newfoundland	216	11.8
Prince Edward Island	27	1.4
Nova Scotia	103	19.2
New Brunswick	244	6.6
Quebec	75	28.7
Ontario	5	1.1
Manitoba	7	0.3
Saskatchewan	92	8.0
Alberta	257	9.3
British Columbia	145	12.4
Yukon/Northwest Territories	—	—
Canada Total	1 171	98.8

BY MAJOR INDUSTRY GROUP, 1986-87

Major Industry Group	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Food	102	2 950
Beverages	9	649
Plastic Products	9	445
Primary Textiles	1	2
Clothing	7	90
Wood Industries	18	5 222
Furniture and Fixtures	5	85
Printing and Publishing	3	30
Primary Metals	5	11 864
Fabricated Metal Products	25	579
Machinery	5	286
Transportation Equipment	12	4 828
Electrical and Electronic Products	33	2 650
Non-metallic Mineral Products	3	80
Petroleum and Coal Products	1	16
Chemicals	12	8 492
Other Manufacturing	21	488
Other	900	60 037
Total	1 171	98 793

BY PROJECT ACTIVITY, 1986-87

Project Activity	Number of Accepted Offers	Authorized Assistance (\$ Thousand)
Administering and Managing	11	747
Development	105	12 121
Educating	48	1 626
Establishing	184	22 935
Expanding and Modernizing	338	45 449
Informing	23	200
Manufacturing and Servicing	8	5 882
Marketing	307	4 873
Planning	15	353
Studying and Researching	126	3 997
Other	6	610
Total	1 171	98 793

7. Small Businesses Loans Act

NUMBER AND AMOUNT OF LOANS

BY PROVINCE/TERRITORY, 1986-87

Province/Territory	Number of Loans	Amount (\$ Million)
Newfoundland	411	10.4
Prince Edward Island	114	3.1
Nova Scotia	470	17.6
New Brunswick	470	16.0
Quebec	7 280	239.2
Ontario	5 940	221.8
Manitoba	674	22.2
Saskatchewan	1 154	34.3
Alberta	1 790	52.2
British Columbia	2 734	89.3
Yukon/Northwest Territories	109	3.8
Canada Total	21 146	709.9

BY TYPE OF BUSINESS, 1986-87

Type of Business	Number of Loans	Amount (\$ Million)
Wholesale Trade	748	20.3
Retail Trade	4 895	172.0
Construction	1 765	51.6
Manufacturing	2 137	69.7
Service Businesses	8 919	296.5
Transportation	2 498	94.0
Communications	184	5.8
Total	21 146	709.9

APPENDIX C: Subsidiary Agreements Under ERDAs and GDAs Active During 1986-87

Agreement	Duration	Total Estimated Cost (\$)	DRIE Share (\$)
Newfoundland			
Ocean Industry	16/08/84 to 31/03/90	49 000 000	29 500 000
Rural Development II	19/07/84 to 31/03/88	18 200 000	9 100 000
Tourism II	16/08/84 to 31/03/89	21 000 000	12 500 000
Burin Peninsula	11/06/84 to 31/03/89	28 000 000	19 600 000
Community Development for Coastal Labrador	29/05/81 to 30/03/89	38 996 000	33 800 000
Pulp and Paper Mill Modernization	20/12/84 to 31/12/89	46 333 333	38 500 000
Industrial Development Phase II	03/06/83 to 31/03/88	17 800 000	17 800 000
Institute of Fish and Marine Technology	16/05/83 to 31/03/87	42 000 000	27 500 000
Prince Edward Island			
Industrial Competitiveness	13/09/85 to 12/09/87	8 500 000	6 800 000
Tourism	26/10/84 to 31/03/89	8 985 000	5 800 000
Industrial Commissions	23/05/85 to 01/01/90	1 000 000	650 000
Marketing	29/03/85 to 31/03/89	7 500 000	5 000 000
Hog Kill	23/05/85 to 31/03/86	6 019 000	4 500 000
Nova Scotia			
Tourism	09/11/84 to 31/03/89	28 000 000	19 600 000
Technology Transfer and Industrial Innovation	09/07/85 to 31/03/90	34 100 000	21 720 000
Strait of Canso II	11/06/84 to 31/03/89	28 000 000	19 600 000
Assistance to Michelin Tires (Canada) Ltd.	07/06/80 to 31/12/90	56 000 000	42 000 000
Ocean Industry Development	24/07/81 to 25/07/88	35 000 000	22 950 000
Sydney Steel Corporation Stage II	28/02/86 to 31/03/91	157 143 000	110 000 000
Advanced Manufacturing Support	09/10/85 to 31/03/88	31 000 000	21 720 000
New Brunswick			
Industrial Development	05/12/85 to 31/03/90	30 000 000	21 000 000
Tourism	30/11/84 to 31/03/89	52 000 000	36 000 000
Northeast New Brunswick	23/06/77 to 31/03/89	95 500 000	67 175 000
Pulp and Paper	27/08/80 to 31/03/84	53 750 000	43 000 000
Consolidated-Bathurst Inc.	30/03/82 to 31/03/89	199 500 000	19 600 000
Sulphation Roast Leach Pilot Plant	30/09/83 to 31/03/87	22 350 000	17 880 000
Innovation and Technology	28/05/86 to 31/03/91	28 570 000	20 000 000
Quebec			
Industrial Development II	23/01/85 to 31/03/90	350 000 000	175 000 000
Industrial Infrastructure	26/03/75 to 30/04/84	137 670 000	82 602 000
Tourism II	16/01/85 to 31/03/90	100 000 000	50 000 000
Modernization of the Pulp and Paper Industry	15/05/79 to 31/03/84	240 000 000	135 000 000
Société Inter-Port de Québec	03/07/81 to 31/03/86	9 250 000	5 550 000

Agreement	Duration	Total Estimated Cost (\$)	DRIE Share (\$)
Ontario			
Tourism	20/11/84 to 31/10/89	44 000 000	22 000 000
Community and Rural Resource Development	07/12/77 to 31/03/85	29 523 000	13 828 000
Pulp and Paper Industry Facilities Improvement	15/05/79 to 31/03/84	188 100 000	62 700 000
Eastern Ontario	20/12/79 to 30/09/85	51 550 000	25 775 000
Manitoba			
Tourism Development	15/12/78 to 31/03/85	20 000 000	12 000 000
Winnipeg Core Area	04/09/81 to 31/03/86	96 000 000	32 000 000
Northern Development	29/11/82 to 31/03/87	186 000 000	62 800 000
Urban Bus Industrial Development	04/06/84 to 31/03/89	50 000 000	25 000 000
Tourism II	13/05/85 to 31/03/90	30 000 000	15 000 000
Industrial Development	21/04/78 to 31/03/83	44 000 000	26 400 000
Saskatchewan			
Advanced Technology	31/08/84 to 31/03/89	33 200 000	16 600 000
Qu'appelle Valley	06/10/75 to 31/03/84	33 700 000	7 760 000
Tourism	22/11/84 to 31/03/89	30 000 000	15 000 000
Northern Economic Development	31/08/84 to 31/03/89	36 000 000	18 000 000
Alberta			
Nutritive Processing Assistance II	19/08/81 to 31/03/86	28 000 000	14 000 000
Nutritive Processing Assistance I	11/03/75 to 30/06/81	17 000 000	8 500 000
Agriculture Processing	01/02/86 to 31/03/91	50 000 000	25 000 000
Tourism	13/05/85 to 31/03/90	56 300 000	28 150 000
Northern Development	02/10/85 to 31/03/91	40 000 000	20 000 000
British Columbia			
Tourism	21/08/85 to 31/03/90	30 000 000	15 000 000
Industrial Development	22/08/85 to 31/03/90	125 000 000	62 500 000
Small Business Incentives	24/10/85 to 31/03/90	50 000 000	25 000 000
Northwest Territories			
Domestic Market Development	16/06/83 to 31/03/87	10 750 000	9 675 000
Yukon			
Tourism and Small Businesses	02/05/85 to 31/03/89	10 000 000	8 000 000

