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Government
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Gouvernement
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Industry, Trade
and Commerce

Industrie
et Commerce

and Regional
Economic Expansion

et Expansion
économique régionale

PROGRAM REVIEW TASK FORCE REPORT

Appendices — Volume I

Canada

MARCH 1982

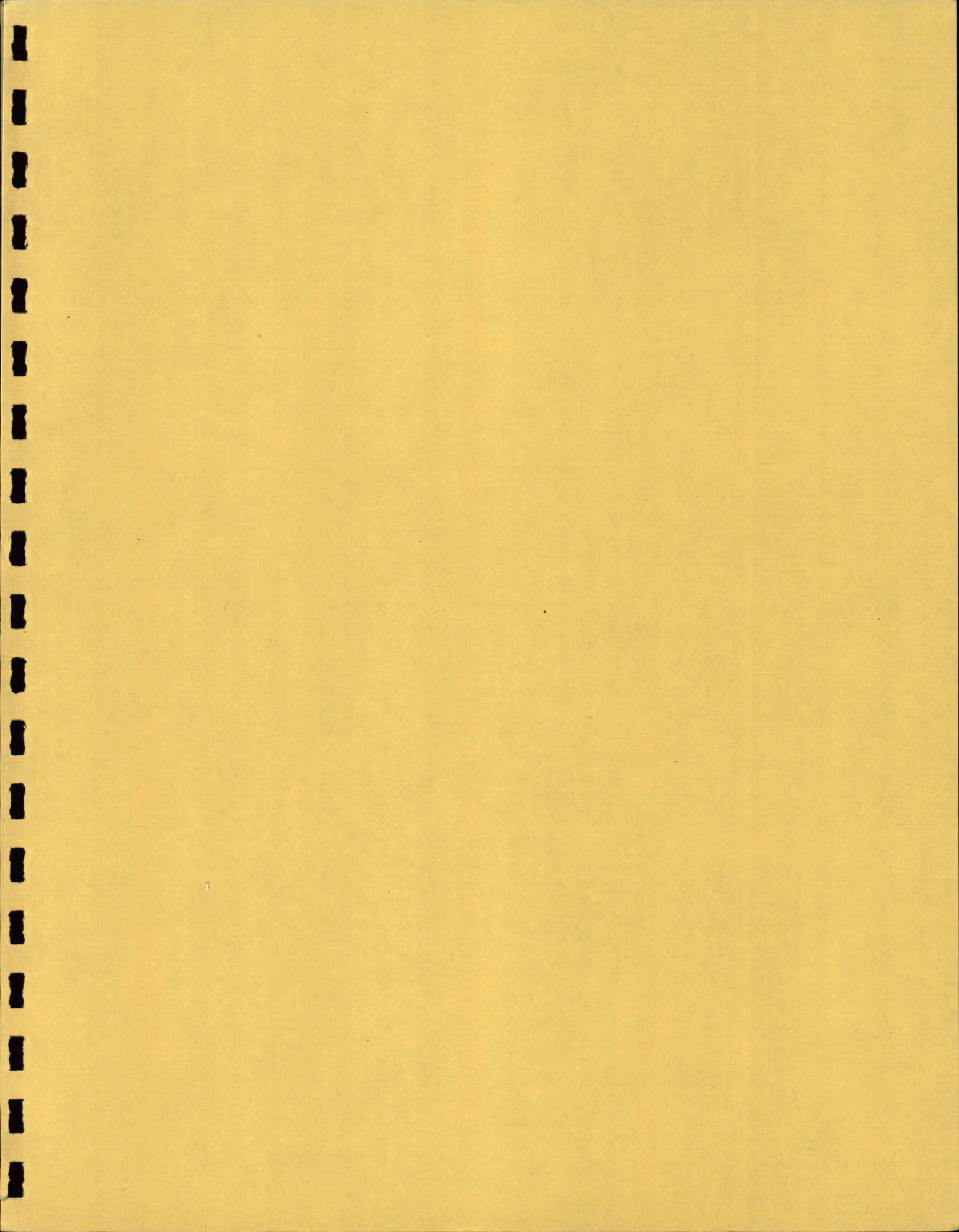
APPENDIX

VOLUME I

TASK FORCE ON PROGRAM REVIEW

- SECTION 1: ITC - DIRECT FINANCIAL ASSISTANCE PROGRAMS
- SECTION 2: ITC - NON-FINANCIAL PROGRAMS
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1983-09-30 Task Force report is secret - held in John Banigan's office.



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* Does not include the following Grain Marketing Programs:

- Credit Wheat
- Rapeseed
- Stopoff Charges
- Western Grain Stabilization
- Prairie Grain Agreement
- Oats Pool Deficit
- Miscellaneous Grains

III OVERVIEW OF EXISTING PROGRAMS

THE FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)

(IT&C - F)

1. PURPOSE/CLIENTELE

- 1.1 To provide term financing and management counselling to small and medium-sized businesses on a cost recoverable basis.
- 1.2 These objectives are part of ITC's overall objective to assist in developing business and industry in Canada.
- 1.3 Attainment of objectives is measured by the coverage throughout Canada both by region and by industrial sector; and, financing for activities which would otherwise not have been provided by private sector lenders (i.e. for high risk and start-up activities).

1.4 Clientele:

Small and medium-sized businesses (with emphasis on the service and manufacturing sectors) located throughout the regions of Canada.

2. HISTORY

- 2.1 The Bank was established in 1944 as the Industrial Development Bank at a time when small and medium-sized companies did not have access to term financing because the chartered banks were effectively prohibited by law from making term loans.
- 2.2 In 1975 the FBDB was formed to replace the IDB. It was established to provide term financing to small and medium-sized businesses.

3. RELATIVITY

The FBDB lends directly and also provides venture capital to small and medium-sized companies for higher risk activities as opposed to SBLA which provides loan guarantees to private sector lending institutions to lend to small businesses for fully secured loans. EDP provides larger loans to small and medium-sized companies for restructuring on a last resort basis and contributions for innovation projects.

4. IMPACT

- 4.1 The FBDB is currently under review both internally and through the Small Business Financing Review.
- 4.2 Should FBDB only complement the private sector in the term loan market or should the know-how and local presence of the Bank be used to expand delivery of a wide range of federal government services for small business.
- 4.3 A recent study has indicated that the FBDB has the highest degree of visibility in the small business community by a margin of two to one over any other federal government program.

5. STATUS

The FBDB is under review. Pending decisions by Ministers on its future role, the Bank has been instructed to continue to meet the legitimate needs of its clients but to adjust operations to ensure it is cost recoverable on new loans.

6. AUTHORITY

- 6.1 The Program's legislative basis is the FBDB Act passed in 1975.
- 6.2 The FBDB employs a wide range of instruments including direct loans, guarantees, equity investment and underwriting.
- 6.3 Principle - supplemental lender to small and medium-sized businesses providing financing which is otherwise not available to them.

7. RESOURCES

- 7.1 The Bank employs 2,299 people. In fiscal 1981/82 it required \$40 million of capital to fund financing activity and \$15-20 million to fund management services activities. It is expected that capital injections to fund financing will decline in future years.
- 7.2 - Thirty-two percent of loans are for businesses in the wholesale and retail sectors; twenty percent in the manufacturing and eighteen percent in the tourist industry.
- Thirty-nine per cent of the assistance is in the Western provinces, thirty-two per cent in Ontario, sixteen percent in Quebec and thirteen per cent in the Atlantic provinces.
- 7.3 Not available
- 7.4 The Government has \$193 million in net equity invested in the FBDB (not a contingent liability).

8. ORGANIZATION AND DELIVERY

- 8.1 FBDB is a schedule D Crown Corporation. It is ordinarily required to operate without appropriation (i.e. it is self-financing) and it is managed by a Board of Directors appointed by the Governor-in-Council. The chief operating officer is the president appointed by Order-in-Council. The assistance is delivered through the Bank's 103 branches and sub-branches.
- 8.2 FBDB works with DREE, the provinces and private sector lenders in providing financing (i.e. co-financing).

III OVERVIEW OF EXISTING PROGRAMS

SMALL BUSINESSES LOANS ACT (SBLA)

(IT&C-F)

1. PURPOSE/CLIENTELE

- 1.1 To facilitate term loans to small businesses in Canada for the purpose of improvement and modernization of equipment and premises. Over time, the Act has been revised to broaden the eligibility of loans, increase the loan ceiling and introduce a more flexible interest rate structure.
- 1.2 The SBLA objective supports the ITC mandate.
- 1.3 Program success is measured through the successful repayment of the term loans.
- 1.4 The clientele are located throughout Canada and consist of small business enterprises in manufacturing, wholesale and retail trade, service businesses, construction, transportation, communications and real estate.

2. HISTORY

- 2.1 Inception date of the SBL Act was January 19, 1961.

3. RELATIVITY

- 3.1 The SBLA program does not duplicate the support of other federal assistance programs such as the FBDB and EDP programs.

The insurance support relates directly to the lending of money to small businesses by private financial institutions.

4. IMPACT

- 4.1 The SBLA program was recently evaluated by outside consultants, with favourable results.
- 4.2 The Small Businesses Loans Act was renewed in July, 1980 for a two-year period expiring on June 30, 1982. The lending ceiling was established at \$850 million for the two-year period in 1980 and increased to \$1.5 billion in November, 1981.
- 4.3 The program has high and generally favourable visibility with the small business community.

5. STATUS

The SBLA will be reviewed as part of the small business financing review.

III OVERVIEW OF EXISTING PROGRAMS

ENTERPRISE DEVELOPMENT PROGRAM (EDP)

(IT&C-F)

1. PURPOSE/CLIENTELE

- 1.1 To enhance the growth and international competitiveness of the manufacturing and processing sectors of the Canadian economy.
- 1.2 This objective is complementary and supportive to the Departmental objectives.
- 1.3 Success criteria for innovation projects deal with technological advancement and commercial feasibility; for adjustment projects the resulting company viability and sales are the principal criteria.
- 1.4 The clientele are primarily small and medium-sized enterprises in the manufacturing and processing sectors of the economy.

2. HISTORY

- 2.1 The EDP commenced operation on April 1, 1977 and was a consolidation of a number of Departmental programs.

3. RELATIVITY

- 3.1 EDP applies mainly to the manufacturing and processing sectors of the economy and the funding is of a last resort nature. Loan insurance complements assistance available through FBDB, DREE and private lending agencies. EDP innovation complements research assistance programs such as IRAP (NRC) by providing assistance for the development of the projects that have passed the research stage.

4. IMPACT

- 4.1 A comprehensive audit of the program was done in 1980/81.
- 4.2 Recommended that the administration and delivery of program be speeded up and made more efficient; authority and responsibility for program delivery be matched; program objectives be stated more clearly; incremental contribution of the program should be measurable.
- 4.3 Clientele perception of the program is generally favourable.

5. STATUS

- 5.1 Almost all of the current year's contribution budget and a major portion of the 1982/83 budget are presently committed. A system of prioritization is currently being developed.

6. AUTHORITY

- 6.1 The program operates under the authority of Regulations approved by Governor-in-Council, and Terms and Conditions approved by Treasury Board. Funding authority for contributions comes under Vote 10, loan insurance under Vote 1, loans under Vote 35 and the authority to acquire stock options is under Vote L40.
- 6.2 The two main components of the assistance provided under EDP are:
- (i) Innovation contributions of up to 75 per cent of eligible costs.
 - (ii) Insurance of up to 90 per cent of loans for restructuring/modernization purposes.
- 6.3 Eligibility criteria pertain to the following:
- (i) Firm and project viability.
 - (ii) The project must represent a significant burden on the company's resources.
 - (iii) For loan insurance, the applicant usually must be engaged in manufacturing or processing and the project financing must be of a last resort nature.

7. RESOURCES

7.1	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
Budget (\$000)	47,000	55,600	61,088	67,198	67,198
Expenditures (\$000)	38,000	48,800	61,088 (est)		
AOM Budget					
(Program Branch)	375,100	378,500	343,400	350,000 (est)	350,000 (est)
Person Years					
(Program Branch)	31	31	29	32 (est)	32 (est)
Person Years					
(Total Dept.)	187	187	200	200 (est)	200 (est)

- 7.2 - For 18 months to Sept. 30/81, 40% of innovation approvals in Ontario, 46% in Quebec, 12% in Western provinces and 2% Atlantic;
- 67% of loan insurance approvals in Ontario, 26% in Quebec, 4% West, 3% Atlantic;
 - 31% of innovation approvals in electronics sector, 32% in transportation, 23% in machinery;
 - 33% of loan insurance approvals in transportation sector, 15% in resource sector, 19% in electronics and 8% in machinery sector.

8. ORGANIZATION AND DELIVERY

- 8.1 The program is delivered through the Department's ten Regional Offices and eight Industry Sector Branches in Ottawa. There is a Regional EDP Board in each province, having approval authority up to specified limits. The central EDP Board in Ottawa deals with all projects exceeding regional limits.
- 8.2 Each Board is comprised of an equal number of members from each of the private and public sectors. The Chairman and Vice Chairman of all Boards are from the private sector. Public sector members include DREE, FBDB, E&I, MOSST and Finance.

III OVERVIEW OF EXISTING PROGRAMS

INDUSTRY ENERGY RESEARCH AND DEVELOPMENT PROGRAM (IERD) (IT&C - F)

1. PURPOSE/CLIENTELE

- 1.1 To encourage and assist Canadian Industry to undertake research and development leading to new and improved processes and equipment of an energy conserving nature.
- 1.2 Complements the current national objective of energy conservation and the department's objectives.
- 1.3 Project success is measured by technological advance, practical application and commercial feasibility of the energy conservation project results.
- 1.4 The clientele to date is small in terms of number of firms and mainly consists of processing firms in the resource-based industries.

2. HISTORY

- 2.1 The program commenced operation April 1, 1977.
- 2.2 It was part of a larger joint industry/government conservation program which was coordinated by the federal Department of Energy, Mines and Resources.

3. RELATIVITY

- 3.1 IERD is complementary to other energy conservation programs.

4. IMPACT

- 4.1 An evaluation framework has just been completed. It is not anticipated that it will be evaluated for at least two years.
- 4.2 The program has suffered from a lack of demand since inception due in part to program design deficiencies.
- 4.3 The program has a poor image with clients but changes have been proposed to rectify this.

5. STATUS

- 5.1 A Treasury Board submission requesting program changes is being submitted to the Minister. EMR is seeking TB authority to transfer an additional \$5.5 million to the program in 82/83.

6. AUTHORITY

- 6.1 The program operates under authority of a Policy Administrative Directive approved by Treasury Board.

- 6.2 Funding authority for contributions comes under Vote 10.
- 6.3 Program support consists of contributions normally up to 50 per cent of eligible project costs.
- 6.4 The program eligibility criteria consists of the following:
 - (i) The company must have adequate technical and financial resources.
 - (ii) Projects must be technically sound, but with an above average level of risk.
 - (iii) The technology should have general applicability within industry.

7. RESOURCES

7.1	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
Budget (\$000)	1,500	1,500	1,500	6,750(est)	10,600(est)
Expenditures (\$000)	348	579	1,330	N/A	N/A
Person Years	1.0	1.0	1.0	6.0(est)	9.0(est)

- 7.2 Disbursements have been within Ontario and Quebec only.
- 7.3 Current demand appears high but due to long lead time to define and implement R&D projects, expenditures are low.
- 7.4 There is no contingent liability. Outstanding commitment is approximately \$4 million.

8. ORGANIZATION & DELIVERY

- 8.1 The program is delivered centrally through the Department's Industry Sector Branches.
- 8.2 The Interdepartmental Advisory Committee is made up of eight members, four from ITC, one from NRC, two from EMR and one for MOSST.

Approval authority under the program rests with the ADM, Finance of ITC, on the recommendation of the Advisory Committee.

III OVERVIEW OF EXISTING PROGRAMS

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM (DIPP) (IT&C-F)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To enhance Canada's economic growth through the promotion of viable defence, or defence-related products for export. A supporting objective is to provide a defence industrial base and to develop and maintain a defence technological capability.

1.2 The above objectives are supportive of the overall objectives of the department and of the mandate as expressed in the IT&C Act.

Strategic interests: industry viability export enhancement.

1.3 Success criteria comprise sales data of defence and defence-related exports plus statistics on the manufacturing facilities of firms which represent a defence industrial base.

1.4 Clientele:

High technology companies in the aerospace, avionics, surface transportation and electronics sectors of Canadian industry are the major recipients of program funding.

2. HISTORY

2.1 The DIP program came into effect in 1960.

2.2 It was designed to assist Canadian industry to actively participate in the Canada/United States Defence Production Sharing Agreement.

3. RELATIVITY

3.1 The DIP program is in keeping with the Department's roles of promoting export sales and viable industrial growth and efficiency.

4. IMPACT

4.1 Peat, Marwick and Partners completed an evaluation of the DIP program in 1981. The results indicated a very positive economic impact of the program. Further improvements in program delivery are being implemented as a result.

4.2 There are no major initiatives to expand or alter the program. Recent program changes involve the elimination of the interest-free loan and greater emphasis on the repayment of contributions.

The method of establishing priority ratings for projects is currently under review.

4.3 The program is very favourably perceived by the client firms.

5. STATUS

5.1 The program has on-going net commitments of approximately \$50 million.

6. AUTHORITY

6.1 The DIPP Administrative Directive approved by Treasury Board is the Authority under which the program is operated. The latest revision to the Directive was in 1981.

Program funding is provided from the Trade-Industrial Program, Vote 10, (Contributions).

6.2 Contributions are provided for research and development; source establishment, acquisition of advanced capital equipment and marketing feasibility studies; contributions in excess of 50% are repayable.

6.3 Principles are company and project viability; a system of prioritization is being developed.

7. RESOURCES

7.1	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
Annual Budget (\$000)	60,170	122,600	151,600	135,689	104,089
AOM Budget (DIPP Office)	10,300	12,000	46,500	85,000	85,000
Person Years (DIPP Office)	6	7	7	8	8
Person Years (Total Dept.)	38	38	38	40	40

7.2 54 percent of expenditures are in Quebec, 42 in Ontario and 4 percent in the Western provinces

72 percent of expenditures are in the aerospace sector and 23 percent in the electronics sector

Since 1960 the program has spent \$845 million in contributions and \$130 million in loans.

7.3 Program spent approximately 85% of the amount approved.

7.4 There are no loan guarantees under DIPP.

8. ORGANIZATION & DELIVERY

8.1 Program is directed by IT&C Management Committee and managed by Programs Branch.

Delivery is done centrally by the Industry Sector branches.

8.2 DSS, DND and DREE are members of the DIPP committee

Program supports Canada's cooperative international defence sharing agreements with several NATO countries.

III OVERVIEW OF EXISTING PROGRAMS

PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)

(IT&C-F)

1. PURPOSE/CLIENTELE

- 1.1 To increase the export of Canadian goods and services by sharing the risk of entering new foreign markets.
- 1.2 Relate to the Departmental objective of achieving growth in the production and trade of Canadian goods and services.
- 1.3 Performance is measured by its effectiveness in generating net incremental benefits to the Canadian economy and by the efficiency of its delivery system.
- 1.4 Program responds to demands for financial assistance mostly from new exporters (small and medium-sized companies) and some medium to large engineering consulting firms.

2. HISTORY

- 2.1 Was introduced in 1971 to increase Canada's share of contracts from multilateral financing agencies and to diversify export markets.
- 2.2 To provide financial assistance in three main areas of export marketing activities: specific project bidding; information gathering and dissemination; and infrastructure.

3. RELATIVITY

Complements other departmental programs such as EDP and PPP by assisting companies at the marketing stage; also complements CIDA and EDC.

Some duplication with provincial programs but some provinces have co-ordinated their export assistance with PEMD.

4. IMPACT

- 4.1 Independent evaluation completed March 1980, program found to be very cost effective. Recommendations to improve effectiveness, efficiency and accountability of the program were implemented.
- 4.2 Major problems identified were:

low incrementality of frequent users of the program,
slow approval process and payment of claims,
lack of accountability in the delivery process,
repayment feature was cumbersome.

4.3 Private sector users of PEMD have overall, a highly favourable opinion of PEMD.

5. STATUS

Cabinet increased PEMD base budget in 1980 from seven to twenty-five million.

6. AUTHORITY

6.1 Latest revisions to PEMD were approved by Treasury Board on September 24, 1981.

6.2 Funding provided under Vote 10, grants and contributions.

6.3 Principles are company and project viability and incrementality; mechanism for prioritization of projects is being developed.

7. RESOURCES

	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
Budget (\$000)	7,000	7,000	17,493	24,093	24,093
Expenditures (\$000)	11,093	9,044	15,000(E)	20,900(E)	24,000(E)
AOM Budget					
PEMD Office (\$000)	45	114	58	75	100
Person Years					
PEMD Office	12	12	14	15	13
Person Years					
Department	65	70	75	75	75

7.2 1971 to 1981

	<u>Regions</u>				<u>Sections</u>				<u>Total</u>
	<u>Atlan.</u>	<u>Que.</u>	<u>Ont.</u>	<u>West</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>Other</u>	
Applications approved #	392	4776	5431	2486	3553	5626	3308	600	13807
%	3	36	42	19	27	43	25	5	100
Amount approved (in million)	2.8	35.3	42.2	18.9	62.0	16.2	15.3	5.9	99.3
Amount expended (in million)	1.6	17.8	20.0	9.0	28.3	9.5	8.9	1.7	48.4
%	3	37	41	19	58	20	18	4	100

Information by sector is not available.

- 7.3 PEMD disbursed only 66% of the funds approved.
- 7.4 Existing commitments under PEMD represent \$18 million of expenditures over a three year period.

8. ORGANIZATION AND DELIVERY

- 8.1 Program direction is the result of departmental consensus.

PEMD is managed by Programs Branch (PEMD Office).

Delivery is done by the R.O. (89% of PEMD volume), ISB (10% of volume and 47% of amount approved) and 1% by the Bureaux.

- 8.2 Comments on applications are obtained from TCS, Bureaux, EDC, CIDA, Corporate Analysis, Provincial Trade Department as appropriate.

Coordination is done with the provincial governments programs and CIDA Industrial Cooperation Program to avoid duplication of assistance.

III OVERVIEW OF EXISTING PROGRAMS

INDUSTRY & LABOUR ADJUSTMENT PROGRAM (ILAP)

1. PURPOSE/CLIENTELE

The Industry & Labour Adjustment Program (ILAP) has two components, the Community-Based Industrial Adjustment Program (CIAP) and the Industry Specific Restructuring Program (ISRP).

- 1.1 The objective of CIAP is to encourage firms to undertake viable capital projects in designated Canadian Communities which would otherwise not be undertaken.
- 1.2 This program complements other existing IT&C programs by enabling the use of highly selective and focussed approach in providing adjustment assistance through industrial development in communities which have experienced severe industrial layoffs of a structural nature.
- 1.3 Attainment of objectives may be measured by both job creation and direct investment figures.
- 1.4 The program's clientele is the small to medium sized business community willing to undertake projects in designated areas (presently Brantford, Chatham, Windsor, Tracy/Sorel, Port Cartier/Sept-Iles, L'Islet/Montmagny, McAdam, Sydney). ISRP is a sister program aimed at specific industries (to date, Appliances and Auto-Parts have been designated).

2. HISTORY

- 2.1 CIAP was established in January 1981 and ISRP has recently been introduced.
- 2.2 ILAP was introduced as a result of severe layoffs & unemployment in the automotive industry.

3. RELATIVITY

A distinction must be made between the adjustment problem that CIAP addresses and the generalized industrial development problem which is addressed by other programs. CIAP complements existing IT&C and DREE programs by providing a highly locationalized development focus (i.e. Designations are in place for one year with two six-month extensions possible). Each community is served by an Adjustment Committee made up of Federal, Provincial, municipal and private members. The repayable nature of the majority of the contributions distinguishes this program from most others. ISRP allows for a highly industry approach.

4. IMPACT

- 4.1 Given the short time (one year) that the program has been in place, no evaluation has yet been performed.

4.2 An evaluation framework has been designed and will soon be implemented by the ILAP Secretariat at the Department of Finance. The program is very visible in the areas designated.

5. STATUS

Cabinet has recently approved the extension of extent designations and the naming of four new communities under CIAP. At the same time, \$40 million has been allocated to ISRP for the Autoparts (\$25 million) and Appliance (\$15 million) sectors.

6. AUTHORITIES

The program operates under the Treasury Board approval of special amendments to the Enterprise Development Regulations. Expenditures are chargeable to Vote 10, grants & contributions. Assistance is provided through repayable interest-free contributions of up to 50% of capital costs and non-repayable contributions of up to 75% of consulting costs. Program criteria dictate that the firm and project must be viable, the project must be incremental, offer net economic benefit to the designated community and not create competitive overcapacity.

7. RESOURCES

	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>
Contribution (000)	8,000	44,000	53,000	37,500	23,600
Operating (000)	<u>1,300</u>	<u>1,800</u>	<u>1,800</u>	<u>2,000</u>	<u>2,000</u>
TOTALS	<u>9,300</u>	<u>45,800</u>	<u>54,800</u>	<u>39,500</u>	<u>25,600</u>
Person Years	18	26	26	10	10

PROJECTS APPROVED (Inception through December 31, 1981)

<u>NUMBER</u>		<u>CONTRIBUTION</u>
24	Windsor	\$17,338,810
2	Tracy/Sorel	234,750
3	Port Cartier/Sept-Iles	557,950
<u>2</u>	Sydney	<u>1,400,000</u>
31		<u>\$19,419,510</u>

8. ORGANIZATION & DELIVERY

Offers and payments are delivered from Headquarters. Projects requiring assistance of \$200,000 or less are evaluated by regional offices, those greater than \$200,000 are evaluated at Headquarters by a team of two officers drawn from the appropriate Industry Sector Branch and the special ILAP Division of the Corporate Analysis Branch. All proposals are reviewed and approved or rejected by the special Industry and Community Development Panel of the Enterprise Development Board.

The responsibility centre for the program is the ILAP Office of IT&C (Office of Primary Interest) which coordinates Departmental efforts and liaises with the ILAP offices of the Departments of Finance, Labour, and Employment and Immigration.

III OVERVIEW OF EXISTING PROGRAMS

SPECIAL ELECTRONICS FUND (SEF)

1. PURPOSE/CLIENTELE

1.1 Objective:

To promote and support R&D, manufacture and use of microelectronic devices.

1.2 How it Relates:

a) consistent with the Department's general objective to promote efficient and sustained growth in the production and trade of Canadian goods and services to assist Canadian industries to adjust to changes in the domestic and external economic environment;

b) Strategic interests: increased competitiveness.

1.3 Criteria:

- measured by degree of improvement in productivity in Canada attributable to the program

- economic benefits generated by major projects.

2. HISTORY

2.1 Established in April 1979.

2.2 To grasp opportunities in a fast growth, high technology sector which could otherwise escape.

3. RELATIVITY

3.1 The program is aimed at proven winners whose activities will have beneficial ripple effect through the industry. It complements EDP and RDIA by giving more enriched assistance.

4. IMPACT

4.1 Has not been assessed. Operational 1980 major Projects - 1981 - Microelectronic.

4.2 Programming problems identified.

4.3 No information yet available on client perception.

5. STATUS

The program is operating under a three-year authority but is going to be subsumed by the Support for Technology Enhanced Productivity program recently approved by Cabinet.

6. AUTHORITY

- 6.1 - Cabinet's approval was received in April 1979 (195-79RD)
- Approval for resources under T.B. minute 771519
- Funding is provided under IT&C Vote 10.

6.2 Instruments - contributions.

6.3 The principles - incrementality - economic benefits.

7. RESOURCES

7.1	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>
Annual Budget	Nil	\$13.7M (orig.)	\$15.0M
AOM Budget	Nil	\$2,000	\$7,000
Total Person Years	Nil	0.2	0.7

- 7.2 a) So far applications have been received from every province except Newfoundland and about \$0.5 million has been committed.
- b) Major Projects occurred only in Ontario - \$45 million being committed.
- c) Intended to support one university in each province but to date only five (in B.C., Alberta, Manitoba, Ontario and Quebec) have been selected.

7.3 Disbursements have tended to lag demand in respect of the Major Projects segment of the program but are reasonably matched in the other segments.

7.4 There is no contingent liability as the instrument is contributions.

8. ORGANIZATION & DELIVERY

8.1 Direction is provided by IT&C Electrical and Electronics Branch and managed by the Enterprise Development Board. Delivery of Major Projects is from Ottawa's Central ED Board, while the Microelectronics Support Program is decentralized somewhat to the ten IT&C Regional Offices. The University Microelectronics Centres are largely Ottawa delivered.

8.2 There is very little external involvement in this program.

III OVERVIEW OF EXISTING PROGRAMS

CREDIT REINSURANCE PROGRAM (IT&C-F)

1. PURPOSE/CLIENTELE

- 1.1 To facilitate the availability of adequate long-term financing to smaller business enterprises by promoting the formation of credit insurance companies.
- 1.2 Relate to the departmental objectives of promoting growth and development of Canadian industries.

Strategic interests: business expansion; financial viability.

- 1.3 Criteria for attainment of program objectives will be based on number of credit insurance firms established plus number of loans insured and number of loans and amounts lost.
- 1.4 Three levels of clientele located across Canada:
 - a) direct clientele of the program are the credit insurance companies,
 - b) the clientele of the credit insurance companies are mainly financial institutions engaged in long term lending,
 - c) the clientele of lending institutions are smaller manufacturers, processors and other businesses engaged in commercial activities.

2. HISTORY

- 2.1 Program not yet operational.

Regulations recently approved by Governor-in-Council; established following a study done by Gordon Sharwood in 1977/78 on the availability of long term capital for small business enterprises.

- 2.2 To reduce the risk to financial institutions of providing long term financing to small and medium size businesses.

3. RELATIVITY

- 3.1 Not a last resort program such as EDP.

Loan size is larger and lending period longer than SBLA or FBDB.

Fully secured loans made by private financial institutions.

4. IMPACT

4.1 The program is not yet in operation.

4.2 N/A.

4.3 N/A.

5. STATUS

5.1 Funding is in place for at least two years of operation.

Expected program life is ten years.

6. AUTHORITY

6.1 Approved by Cabinet on March 6, 1979; regulations proclaimed by Order-in-Council in February 1980 and January 1982.

6.2 Instrument is reinsurance under Vote 1 (a) provided to credit insurance companies so as to protect them from excessive losses.

6.3 Credit insurance companies would not be formed without the reinsurance scheme. Principles are incrementality and viability.

7. RESOURCES

7.1	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1983/83</u>
Reinsurance Authority (\$000)	200,000	400,000	600,000	600,000
Annual Budget	Nil	Nil	Nil	Nil
AOM Budget (\$000)	Nil	25	33	40
Total Person Years	Nil	2.0	3.0	3.0

7.2 Program not yet in operation.

7.3 Reinsurance fee extended to cover losses and operational expenses; Demand on government funding will be minimal.

7.4 No outstanding contingent liability at this time.

8. ORGANIZATION & DELIVERY

8.1 Program management and delivery under the responsibility of Programs Branch.

No involvement in day to day approbation of applications by financial institutions.

8.2 No involvement by other departments or provinces except for the Department of Insurance Canada.

III OVERVIEW OF EXISTING PROGRAMS

COOPERATIVE OVERSEAS MARKET DEVELOPMENT PROGRAM (COMDP)

1. PURPOSE/CLIENTELE

1.1 Objectives:

- (1) to stimulate integrated growth and development of the wood products industry of B.C. with particular emphasis on the northern and interior regions of the province and on more fully manufactured products from this industry sector;
- (2) to achieve greater recognition and acceptance of Canadian wood product specifications, building practices and supply capabilities in foreign building codes and standards and with local trade.

1.2 Given the dominant position of the wood products industry in the Canadian and B.C. economies, these initiatives play an important role in achieving industrial and regional development goals, enhancing international competitiveness and productivity, facilitating industrial adjustment, and increasing further processing of our forest resources.

1.3 Program evaluation criteria includes production ratios (sales, exports, employment), productivity ratios, etc.

1.4 The clientele are the Province of British Columbia as joint partners and the Council of Forest Industries of British Columbia (COFI) and its affiliated associations representing about 90 per cent of the production capacity of wood products in that province. COMDP is not a program in the traditional sense, but a contribution to an industry association for industrial and trade development purposes.

2. HISTORY

2.1 The COMDP was established in 1971 and renewed for additional five year terms in 1976 and 1981 by tripartite agreement between IT&C, the Department of Industry and Small Business Development of B.C. and COFI and is jointly funded by these three parties.

2.2 To achieve the above stated objectives and to reduce dependence of this industry sector on the highly cyclical North American market.

3. RELATIVITY

3.1 COMDP complements other programs of the Department. The COMDP is the most visible mechanism for support by the federal government of the B.C. forest industries; the pulp and paper modernization program is not available in B.C. RDIA support is available only to companies in the northern part of the province. Proposed contributions to the QLMA in Quebec recommended export of the industrial strategy for the sector in IT&C's forthcoming MC on forest industry development would have to be coordinated with the contributions to COFI. There are no other programs of this nature in Canada although other countries with a major wood products industry have similar programs.

4. IMPACT

4.1 A full mid-term review was undertaken in 1978 during the second five-year term of COMDP by IT&C and by COFI. Significant progress was demonstrated since the inception of COMDP. Total offshore exports of softwood lumber and plywood amounted to \$649 million in 1978 up from \$228 million in 1970 prior to COMDP because of increased awareness of Canadian supply capabilities in Europe and Japan and progress in gaining acceptance of Canadian building codes and product standards. Over the past ten year period employment has been increased in the sawmill sector along by some 10,000 people. In the same period plywood production has increased by some 54 percent in face of inroads made in traditional markets by substitute products.

4.2 No information.

4.3 No information.

5. STATUS

5.1 The third five-year phase of the COMDP began on January 1, 1981 and a new tripartite agreement was signed by the three partners on February 2, 1981. The federal government share over the five-year term is \$10.5 million.

6. AUTHORITY

6.1 The current COMDP was approved by TB(TB774239) and Order in Council (1981-70).

6.2 The instrument used by IT&C and the Province are contributions to COFI. A Steering Committee comprised of a representative from the three partners is responsible for administration and financial control. Payments are made monthly against documented invoices received from COFI.

6.3 Projects are chosen according to sector strategies for each of the major product sectors and broad program guidelines approved by the Steering Committee.

7. RESOURCES

7.1 Annual Budget	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>
(\$000)	1698	1876	2079	2302	2546
Total PY	0.5	0.5	0.5	0.5	0.5

7.2 The COMDP applies to B.C. only at the present time.

7.3 The program usually spends 100 per cent of its budget.

7.4 All expenditures under the five year program are subject to the ceilings outlined above, or one-third of total program costs, whichever amount is the lesser.

8. ORGANIZATION AND DELIVERY

- 8.1 The program is operated by COFI under the direction of the Steering Committee. Federal involvement is administered by the Resource Industries Branch.
- 8.2 Since this is a tripartite program, close involvement is required both with the B.C. government and COFI in setting out annual work programs, and in monitoring and evaluating program performance.

III OVERVIEW OF EXISTING PROGRAMS

PROMOTIONAL PROJECTS PROGRAM (PPP)

(IT&C - F)

1. PURPOSE/CLIENTELE

1.1 Main objectives have been and remain promotion of Canadian exports and export market education of Canadian firms and market opportunity identification.

1.2 Objectives are related directly to Department's mandate as defined in IT&C Act, and to Government's Export Market Strategy for the 1980's.

1.3 Criteria:

Incremental sales, new agencies created, licensing or industrial cooperation agreements, market intelligence, image building.

1.4 The Clientele:

Canadian firms that are existing or prospective exporters, chosen from a broad regional base, and representing priority export sectors.

2. HISTORY

2.1 A trade fairs program has existed in IT&C since 1954, but PPP has been in operation since 1971.

2.2 To centralize departmental responsibility for all phases of the Program. In 1981, the administration of PPP was decentralized among four Trade Development Bureaux.

3. RELATIVITY

3.1 PPP, and PEMD are closely related through their general objectives and clientele. The major difference is that PEMD leaves initiative to companies MSED has been pressing for over a year to have PPP and PEMD amalgamated.

4. IMPACT

4.1 PPP was evaluated in 1980-81 - The evaluation found that:

- i) PPP has a positive net economic benefit-cost ratio (with economic benefits being essentially incremental sales),
- ii) Non-economic benefits (market intelligence, exposure to foreign buyers, etc.) are key for many companies,
- iii) Program generally meets its objectives of incremental export sales and export education,

iv) PPP could benefit from a more systematic project selection, monitoring and control process.

4.2 Split responsibility and joint approval by ISB and Bureaux create confusion.

4.3 Evaluation revealed PPP well perceived by clients.

5. STATUS

5.1 A departmental decision had been made in the Fall of 1981 to make PPP a discrete component of PEMD. Implementation modalities not yet carried out.

6. AUTHORITY

6.1 PPP is funded through IT&C's Trade and Industry Programs (TIP) Operating Expenditures budget and as such has no separate legislative basis.

6.2 Instruments: Contributions - PPP underwrites some of the costs to industry (air fares, shipping, trade show floor space) of participation in promotional events.

6.3 Principles: incrementality in terms of firms, markets, export sales.

7. RESOURCES

7.1 1981/82: P-Y: 38 (plus other elements of Dept. in Ottawa and at posts).
O&M: \$6,662,000

7.2 Trade Fairs and Info Booths	\$4.5 million
Outgoing Missions	\$480,000
Incoming Missions	\$1.1 million
Trade Visits	\$310,000

7.3 Not officially reported - but demand exceeds commitments;
- fund allocated on a priority basis.

7.4 Carry over and pre-commitments around 15% of budget.

8. ORGANIZATION & DELIVERY

8.1 Directed by PRB and a Planning Division in accordance with a priority market/product strategy managed by Bureaux, once resources allocated by PRB administered by Bureaux with inputs from ISB's and TCS posts.

8.2 Consultation with provinces and industry.

III OVERVIEW OF EXISTING PROGRAMS

SHIPBUILDING INDUSTRY ASSISTANCE PROGRAM (SIAP)

(IT&C - F)

1. PURPOSE/CLIENTELE

1.1 Objective:

A viable and competitive shipbuilding industry in Canada sustained employment.

SIAP replaced earlier programs whose objectives were to maintain shipbuilding and repair capabilities in Canada.

1.2 Direct relationship with the Department's mandate for industrial development.

1.3 Measurement criteria:

level of economic output,
viability and profitability of industry firms,
increased productivity,
level of employment,
increased level of income in community.

1.4 Clientele:

Canadian shipbuilding companies in all provinces except Saskatchewan.

2. HISTORY

2.1 Established in 1975 to replace Shipbuilding Temporary Assistance Program (STAP) and the Ship Construction Subsidy Regulations (SCSR).

2.2 SIAP consolidated two earlier programs and added productivity improvement assistance as a new venture.

3 RELATIVITY

3.1 No direct duplication or overlap of other assistance programs. EDP and provincial support to shipyards may complement SIAP.

4. IMPACT

4.1 Currently being examined by special task force.

4.2 Programming problems to be identified by special task force currently examining Program.

4.3 Perceptions favourable; visibility high.

5 STATUS

5.1 Program currently being examined. Possibility of it being replaced by a new assistance program.

6 AUTHORITY

6.1 Set of regulations made pursuant to the Appropriation Act.

6.2 Grants and subsidies.

6.3 Approved cost of each project.

7 RESOURCES

7.1 No PYs formally allocated. Grants and subsidies total \$75,000,000 annually; O&M approximately \$750,000 per year.

7.2 For 1976-77 to 1980-81 (incl.), disbursements in \$ millions:

<u>Province</u>	<u>Grants</u>	<u>Subsidies</u>	<u>Total</u>
British Columbia	1.1	47.5	48.6
Alberta	-	0.2	0.2
Manitoba	-	0.1	0.1
Ontario	0.5	64.2	64.7
Quebec	43.5	71.3	114.8
New Brunswick	36.2	33.8	70.0
Nova Scotia	16.2	7.6	23.8
Newfoundland	-	14.0	14.0
Prince Edward Island	-	0.5	0.5
TOTAL	97.5	239.2	336.7

7.3 Budget capped at \$75 million annually for 1980-81, 1981-82, and 1982-83. Expenditures equalled authorized amounts in 1980-81 and 1981-82. Industry sought a limit of slightly over \$100 million.

7.4 \$200 million.

8 ORGANIZATION AND DELIVERY

8.1 Program managed centrally from Ottawa through IT&C's Aerospace and Marine Branch, and Corporate Analysis Branch. Control of Program by IT&C involves field inspection reports prepared by DSS and ASB audits.

8.2 No other departments or government levels involved in administration of Program except as noted in 8.1

III OVERVIEW OF EXISTING PROGRAMS

BUSINESS COUNCILS PROGRAM (BCP) (IT&C-F)

1. PURPOSE/CLIENTELE

1.1 Objective:

To provide consulting assistance to small businesses on productivity problems.

1.2 Related to departmental mandate of making Canadian business more efficient and more competitive.

Strategic interests: productivity improvement.

1.3 To measure attainment of objective, criteria are:

cost of assistance per project,
degree of satisfaction of users,
number of councils established.

1.4 Program clientele are business councils i.e., non-profit legal entities composed of high profile businesses resident in a specific area.

Councils assist manufacturers and processors with less than 100 employees to resolve productivity problems.

2. HISTORY

2.1 Program was established in 1980 following a pilot project with the Hamilton-Wentworth Business Council in 1978.

2.2 Established to provide high quality consulting assistance to small firms.

3. RELATIVITY

3.1 Other consulting programs use private consultants, retired executives (e.g. CASE), university professors, undergraduate and graduate students.

BCP uses specialists experts in productivity problems who are full-time employees of large successful firms in the area.

BCP shares costs with provincial and/or municipal authorities.

4. IMPACT

4.1 No formal evaluation of the program has been undertaken.

Only one council established to date.

4.2 Reasons for lack of success is mostly due to the shared cost concept:

provincial governments see the Program as duplicating other efforts;
lack of provincial or municipal funds for such purposes;
insufficient enthusiasm from local chambers of commerce or boards of trade;
the Program has little in the way of political value.

4.3 All participating governments, i.e. federal, provincial and municipal, as well as the 20 large businesses members of the Hamilton-Wentworth Business Council, are highly pleased with the council's operations and results.

Only Ontario seems interested in the Program.

5. STATUS

5.1 Program will be reviewed in 1982 and recommendations will be made to either cancel the program or modify the shared cost concept.

The only outstanding commitment is a contribution of \$30,000 for 1982/83.

6. AUTHORITY

6.1 Program was approved by Treasury Board on January 25, 1980.

6.2 Instruments: Contributions (provided under Vote 10 to share 50% of the council's net operating cost with the provincial and/or municipal governments.)

6.3 Operates on the principle of council viability.

7. RESOURCES

7.1 Budget	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>
Annual Budget (\$000)	125	125	125	125
Expenditures (\$000)	25	25	25	30
AOM Budget (\$000)	10	5	5	5
Total Person Years	NIL	1.0	NIL	NIL

7.2 The Hamilton-Wentworth Business Council, initially established as a pilot project in 1978, is the only Council established to date. Council undertakes approximately 100 projects every year.

7.3 The program disburses 100% of funds committed.

7.4 The only outstanding commitment is an amount of \$30,000 for 1982/83.

8. ORGANIZATION & DELIVERY

8.1 Program direction is delegated to the ADM Finance.

Program Branch manages the program including assessment of proposals for the establishment of a council, preparation of agreement, processing of claims and review of council performance.

The regional offices serve as the initial contact point with provincial and municipal governments.

8.2 Cost sharing program with the provincial and/or municipal governments.

III OVERVIEW OF EXISTING PROGRAMS

TOURISM PROGRAM

(IT&C-F)

1. PURPOSE/CLIENTELE

1.1 Main objective has been to sustain orderly growth of tourism in Canada. It has been supplemented by sub-objectives relating to increased demand and efficiency, coordination and information.

1.2 Related to precise wording of IT&C Act, re: development of tourism in Canada.

Strategic interests: industry expansion; balance of payments; productivity.

1.3 Criteria needed to measure objective attainment are, as identified by Performance Measurement: market share, return on investment (advertising), awareness level.

1.4 Clientele on supply side is Canadian tourism industry. On demand side, it is specific target groups (travel agents, brokers, individuals) in markets of high potential for travel to and within Canada.

2. HISTORY

2.1 Established in 1934 as the result of a recommendation from a Senate committee, largely as an anti-depression measure. It was initially involved in limited marketing activities with U.S. sportsmen.

2.2 Established to promote tourism into Canada.

3. RELATIVITY

3.1 On supply side, closely linked with DREE programs designed to develop and improve tourism establishments in regions. Works closely with tourism industry (transportation, hotels, etc.).

4. IMPACT

4.1 No evaluation yet but an A-Base review was done in 1979 and a study by the Performance Measurement Group.

4.2 T.O.P.S. proposed.

4.3 Perception and visibility: advertising quite visible.

5. STATUS

5.1 No time limit set for the program.

6. AUTHORITY

6.1 One of IT&C's main estimates programs.

- 6.2 Instruments: studies, planning, strategies, advice facilitation, advertising, marketing, inputs to DREE sub-agreements, coordination, contributions.
- 6.3 Principles involved: return on investment, increased competitiveness and efficiency, capacity growth, dissemination of information.

7. RESOURCES

7.1	1981-82:	PY	309
		O&M	\$24.3 million
		G&C	\$100,000

7.2 Unknown

7.3 N/A

7.4 N/A

8. ORGANIZATION & DELIVERY

- 8.1 Direction provided by ADM, Tourism and by Policy Planning Branch. Supply activities managed by Director, Tourism Development, and demand thrust by Director, Tourism marketing. Delivery done by headquarters and by officers in 9 foreign posts and 6 Canadian offices.
- 8.2 Close involvement with DREE, the provinces and the Canadian tourist industry.

III OVERVIEW OF EXISTING PROGRAMS

SOURCE DEVELOPMENT FUND (SDF) - DSS

(IT&C - F)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To increase industrial development, particularly in high technology sectors.

To develop internationally competitive activities.

Improved R&D, product innovation and adaptation of new production techniques.

Improve opportunity for subcontracting to Canadian companies, particularly small Canadian businesses and suppliers in regions of high unemployment.

1.2 Relationship to Mandate:

IT&C's interest in this endeavour would be through IT&C's mandate for industrial development.

1.3 Criteria:

incremental export sales,
increased employment,
net increase in value added,
increased capital investment and expanded production,
net increase in R&D expenditures,
new products,
increased participation of small business in government procurement,
regional distribution of fund expenditures by region, firm size and industrial sector.

1.4 Clientele:

Potential suppliers in all regions who are capable of meeting a government contract requirement as well as the objectives of the SDF.

2 HISTORY

2.1 The fund commenced operation in late 1981-82.

2.2 The Source Development Fund (SDF) is a part of the Federal Government's stated intent to utilize the government procurement process, where feasible, in support of socio-economic objectives; in this particular context, industrial development.

3. RELATIVITY

- 3.1 SDF is meant to be used as a "last resort" type of assistance, providing funds to recipients to accomplish over-all objectives when provision of funding through other established mechanisms, i.e., EDP, PILP, IRAP, etc., is neither possible nor appropriate.

4. IMPACT

- 4.1 SDF has not undergone an assessment.
- 4.2 Not known as yet. No programming problems identified.
- 4.3 Program perception by clients not known.

5. STATUS

- 5.1 SDF operates under a sunset provision requiring Ministerial review in 1984-85.

6. AUTHORITY

- 6.1 SDF was approved by Cabinet April 8, 1981.
Funding authority granted by TB Minute 778986 of September 22, 1981.
- 6.2 Funds disbursed through contracting process.
- 6.3 Proven capability to ratify SDF objectives.

7. RESOURCES

- 7.1 SDF allocated \$10 million from Economic Development envelope in each of 1981/82, 1982/83 and 1983/84.
- 7.2 Disbursement pattern not known at this time.
- 7.3 Not determined as yet.
- 7.4 No contingent liability.

8. ORGANIZATION AND DELIVERY

- 8.1 DSS Supply Administration, government client department, IT&C, MOSST and Treasury Board perform complementary roles.

Central control and over-all program administration is carried out by DSS, Supply Planning Sector, Inter-Program Planning Branch.

- 8.2 DSS Finances with other Federal departments to determine relevance of potential use of SDF funds to accomplishment of SDF objectives.

III OVERVIEW OF EXISTING PROGRAMS

DESIGN CANADA

1. PURPOSE/CLIENTELE

1.1 Program Objectives:

act as a secretariat for the National Design Council;

liaise and co-operate with Governments, Industry, National and International Design Organizations, and Educational Institutes;

through promotional activities create a better awareness of the benefits of design both in the general public and in industry;

administer incentive programs (awards, tags, etc.) and Grants Programs (scholarships, PDMP etc.).

1.2 Mandate:

Consistent with the Department's mandate to support industry.

1.3 Measures:

Increased awareness of benefits of good design.

Increased design compatability in Canadian industry.

1.4 Clientele:

Primary clientele is industry in general.

Secondary clientele includes:

professional designers and students;

design organizations;

design education institutes;

general public.

2. HISTORY

2.1 Design-Canada has gone through several names since the National Design Branch was created to support the National Design Council in 1961. In 1969 it became a branch of IT&C known as the office of Design and the NDC was given its own small permanent staff. In 1976 these two entities were merged and renamed Design Canada but the two responsibilities remained; one to support the council and the other to be the focal point of "design" in the government. In 1981 the "focal point" role was diminished and Design Canada became basically an NDC Secretariat.

3. RELATIVITY

3.1 Certain industry Sector Branches have interests in "good design".

Provinces have design organizations.

4. IMPACT

4.1 Evaluation Assessment Study done Spring 1981.

4.2 Dual responsibility seemed to cause a lot of duplication of effort to the detriment of both IT&C and NDC.

4.3 Clients see a requirement for Design Canada but perhaps in a different role.

5. STATUS

Ongoing program.

6. AUTHORITY

6.1 IT&C Act.

6.2 Grants, scholarships

6.3 Incrementality.

7. RESOURCES

7.1 15 PYs \$323,900

7.2 Information not available.

7.3 Information not available.

7.4 Information not available.

8. ORGANIZATION AND DELIVERY

8.1 Design Canada is Secretariat/Operational arm of National Design Council.

8.2 Many interfaces with industry and provinces.

III OVERVIEW OF EXISTING PROGRAMS

FASHION CANADA

(IT&C-N.F.)

1. PURPOSE/CLIENTELE

1.1 To assist the Canadian apparel and textile industries to increase their competitive position in domestic and world markets.

To encourage increased Canadian design creativity and content.

To enhance an image of creative fashion design in Canada.

To create an environment in Canada to encourage and retain indigenous fashion design talent.

1.2 Mandate:

Consistent with the Department's mandate to promote industry.

1.3 Measures:

Improved level of design in Canadian apparel industry.

1.4 Clientele:

Fashion Canada receives contribution from IT&C to assist the Canadian textile and apparel industries, through Fashion Design Assistance Program (FDAP).

2. HISTORY

2.1 April 30, 1970 FDAP introduced:

Administered by Fashion Canada a registered non-profit organization.

2.2 To assist Canadian apparel and textile industries to increase their competitive position in domestic and world markets.

3. RELATIVITY

3.1 No similar program.

4. IMPACT

4.1 Assessed last in 1980/81

4.2 Many recommendations contained in report by Gherzi-Simpson, Consultants.

4.3 Well received by the industry.

5. STATUS

5.1 To be transferred to CIRB.

6. AUTHORITY

6.1 TB Submissions dating back to 1973.

6.2 Contribution.

6.3 Incrementality.

7. RESOURCES

7.1 1979/80 \$222,000, 2 Pys.
1980/81 \$300,000, 2 Pys.
1981/82 \$233,000, 2 Pys.

7.2 N/A

7.3 N/A

7.4 N/A

8. ORGANIZATION AND DELIVERY

8.1 D.G. Textiles and Consumer Products to approve contribution after reviewing annual operational plan introduced by Fashion Canada.

Fashion Canada Co-ordinator and his assistant are IT&C employees.

8.2 Fashion Canada is industry body.

III OVERVIEW OF EXISTING PROGRAMS

FORD MOTOR COMPANY V6 ENGINE PLANT PROGRAM (IT&C-F)

1. PURPOSE/CLIENTELE

1.1 Objectives:

secure location of a Ford Engine Plant in Canada;
counter incentives offered by State of Ohio.

1.2 Relation to Departmental Mandate/Objectives:

secures investment and employment;
increased productivity and modernized plant.
Strategic interests: manufacturing expansion.

1.3 Criteria:

engines produced by 1987,
employment,
investment data.

1.4 Clientele/Location:

Ford Motor Company - Southern Ontario.

2. HISTORY

2.1 Agreement to provide inducement made in 1979.

2.2 Counter inducement from Ohio.

Threatened loss of the engine plant.

3. RELATIVITY

3.1 As a more or less straightforward inducement in return for investment, no other vehicles were available.

4. IMPACT

4.1 Program has not been formally evaluated.

Impacts were:

strong negative reaction from U.S.A.;

Canada/U.S. agreement on undesirability of transnational bidding for investment;

no subsequent bidding competition due to downturn in automotive industry;

incentive paid, investment secured, and plant currently in production.

4.2 Problems:

None identified.

4.3 Perception among clients:

Extremely high public visibility.

5. STATUS

5.1 Not a continuing program,

Inducement paid.

6. AUTHORITY

6.1 Legislative basis:

Federal funds paid out of IT&C vote 10.

6.2 Instruments:

A direct grant, contingent on production of 1.5 million engines by 1987.

6.3 Principles:

Negotiation and counterbidding from Ohio.

7. RESOURCES

7.1 Resources: no information.

7.2 Disbursements:

\$40 million in federal funds to Ford Motor Company Ltd. Oakville, Ontario.

7.3 Demand/Disbursements:

A one shot payment - demand was a measure of the level of incentive needed to shift economics back from Ohio to the originally favoured location in Southern Ontario.

7.4 Contingent liability:

None.

8. ORGANIZATION AND DELIVERY

8.1 Package deal put together between the Federal Government, Ontario Government and Ford Motor Company.

8.2 Major external player was the Government of Ontario.

III OVERVIEW OF EXISTING PROGRAMS

CHRYSLER LOAN INSURANCE REGULATIONS

(IT&C-F)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To assist Chrysler in obtaining financing from private lenders for its proposed investments in certain specific production projects in Canada for 1984.

1.2 Direct relationship with Department's mandate for industrial development (as expressed in IT&C Act).

Strategic interests: company rationalization and viability. Employment.

1.3 Criteria:

Viability of the company.
Economic output.
Employment levels.

1.4 Client:

Chrysler Canada Ltd. in Ontario.

2. HISTORY

2.1 In 1980, government assistance was announced, to take effect beginning in 1982. This was in response to Chrysler Canada's request to the Canadian government, based on the company's poor financial situation.

2.2 The assistance responded to the company's inability to finance by itself the necessary investment to modernize its facilities to take part in building the next generation of vehicles needed for the company to re-establish itself in the market.

3. RELATIVITY

3.1 Similarity with the loan insurance feature of EDP.

4. IMPACT

4.1 Assistance project was assessed in preliminary phase, prior to approval. Anticipated results include:

maintenance of company viability;
maintained employment;
sustained economic output.

4.2 N/A

4.3 Presumably quite favourably seen by client.

5. STATUS

5.1 Loan guarantees come into effect January 1, 1983 provided the company meets certain conditions. Assistance is also available for 1984.

6. AUTHORITY

6.1 Order-in-council, based on recommendation of the Minister of IT&C and Treasury Board, pursuant to IT&C Vote 1 of the Main Estimates, 1980-81 as extended by IT&C Vote 1a of Appropriation Act No. 1, 1980-81.

6.2 Instruments: loan insurance.

6.3 Principle: Company viability.

7. RESOURCES

7.1 No PY's are formally allocated to this project. Loan insurance provided for up to \$200 million.

7.2 N/A

7.3 N/A

7.4 Potential exposure could be up to \$200 million.

8. ORGANIZATION AND DELIVERY

8.1 There is a Chrysler Program Review Group comprising officials from several government departments. This Group meets regularly with company management to monitor adherence to the restructuring plan.

8.2 The Ontario Government is also involved in monitoring, but independently.

III OVERVIEW OF EXISTING PROGRAMS

MASSEY-FERGUSON LTD.

(IT&C-F)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To assist in keeping company viable and to maintain employment.

1.2 Direct relationship with the Department's mandate for industrial development.

Strategic interests:

company rationalization; maintain manufacturing employment.

1.3 Measurement criteria:

Company viability;
employment levels;
economic output;
level of exports.

1.4 Client:

Massey-Ferguson Ltd.

2. HISTORY

2.1 Established in 1980, in response to the company's request for assistance in obtaining an infusion of new equity.

2.2 Established to make up the difference in the needed new equity: the total provided by existing investors and lenders fell short of total requirements.

3. RELATIVITY

3.1 No other IT&C program provides for guarantees of equity. There is some similarity to the EDP (loan insurance) in that the purpose of this project includes maintenance and expansion of the manufacture of products subject to international competition.

4. IMPACT

4.1 Project was assessed only in approval process.

Anticipated results included:

Maintenance of 12,500-15,500 jobs;
saving production worth \$540 million;
saving exports worth \$315 million;
avoiding losses to the banking system in the order of \$300-\$500 million.

4.2 N/A

4.3 Presumably quite favourably.

5. STATUS

5.1 Guarantee was executed as of June 15, 1980 and shall remain in force till May 31, 1991.

6. AUTHORITY

6.1 Order-in-Council 1981-576 pursuant to IT&C Vote 8c of Appropriation Act No. 4, 1980-81 for regulations respecting the guarantee of preferred shares issued by Massey-Ferguson Ltd.

6.2 Instrument:

Guarantee of equity.

6.3 Principle:

Viability

7. RESOURCES

7.1 If the company ceases to pay dividends, the Government of Canada would be obliged to meet its guarantee of \$125 million in principal plus accrued dividends (to a maximum of \$130 million).

7.2 N/A.

7.3 N/A.

7.4 \$130 million (liability).

8. ORGANIZATION & DELIVERY

8.1 A joint Federal/Ontario Government Monitoring Committee reviews, on an ongoing basis, the affairs and finances of the company and its performance and its obligations under the agreements.

8.2 The Government of Canada and that of Ontario are both involved in the guarantees as follows:

	<u>Stated Value of Shares</u>	<u>Maximum Exposure</u>
Canada	\$125M	\$130M
Ontario	75M	78M

DE HAVILLAND AND CANADAIR

1. PURPOSE

- 1.1 The objective has been to provide security for commercial loans raised to develop the Challenger and Dash 8 aircraft.
- 1.2 They are in accordance with the strategy agreed upon by the Department and industry relative to the development of an integrated capability for the manufacture of selected aircraft.
- 1.3 Project profitability, export sales, socio-economic benefits.
- 1.4 Canadair, Montreal,
De Havilland, Toronto.

2. HISTORY

- 2.1 Challenger program was started in late 1976 with a commercial loan of \$70 million guaranteed by the Crown. Present loan guarantee authority is \$535 million with \$1,350 million requested.

Dash 8 was launched in late 1980. \$450 million loan guarantee authority is in place.
- 2.2 Without loan guarantees the program could not have been launched with commercial financing. The Crown would have had to provide the funds directly.

3. RELATIVITY

- 3.1 The issue of loan guarantees substitutes for direct financing through DIPP, EDP, etc.

4. IMPACT

- 4.1 It is not a program as such but without the guarantees the projects could not have started.
- 4.2 The major problem is the continuing high interest being paid and the delegation of project management to the companies.
- 4.3 Clients would prefer direct investment by the Crown.

5. STATUS

- 5.1 Not possible to answer. The projects are ongoing.

6. AUTHORITY

6.1 Appropriation Acts (several).

6.2 Loan guarantees.

6.3 N/A.

7. RESOURCES

7.1 None specifically allocated to administer loan guarantees. Four officers work virtually full time on the projects and on ownership aspects of the two companies. It also consumes a great deal of senior management and ministerial time.

7.2 None.

7.3 None.

7.4 Approximately \$1,800 million.

8. ORGANIZATION

8.1 Approval by Cabinet and Appropriation Act legislation. Managed by companies with review by Government. Administrated by Department.

8.2 Both projects are industrial. Companies are both owned by Crown. TB, Finance, MSERD, DOT all have an involvement.

III OVERVIEW OF EXISTING PROGRAMS

FEDERAL ASSISTANCE TO THE CONSTRUCTION
OF CONVENTION CENTRES

1. PURPOSE/CLIENTELE

- 1.1 To financially assist in the construction of convention centres in Canada. Not modified.
- 1.2 The development of facilities to attract and service the national and international congress and meetings market which comprises the highest spending tourist on a per capital basis.
- 1.3 N/A.
- 1.4 Provincial and municipal governments and the private sector in Charlottetown, Halifax, Montreal, Toronto, Hamilton and Windsor. Eligible applications will soon be under Cabinet review for Quebec City and Edmonton. Other expressions of interest have also been received from the Province of Newfoundland and Labrador, the cities of Jonquiere, Val d'Or, Fredericton, Summerside, Sydney, Kingston, London, Sudbury, Thunder Bay, Regina, Calgary and Creston, British Columbia. The Vancouver and Victoria projects have been cancelled.

2. HISTORY

- 2.1 FY 1980-81, pursuant to a Cabinet decision.
- 2.2 It was established to respond to requests at the political level from federal, provincial and municipal interests.

3. RELATIVITY

- 3.1 It complements provincial funding.

4. IMPACT

- 4.1 Not yet assessed.
- 4.2 N/A.
- 4.3 The program has high political and programming visibility in terms of regular press coverage and site location in urban core areas.

5. STATUS

At the present time Cabinet has approved the following contributions toward the capital costs of convention centres:

<u>Convention Centre</u>	<u>Federal Contribution</u>	<u>Treasury Board Approval</u>	<u>Expenditures To Date</u>
Vancouver	\$17.0 Million	Yes	\$3.1 Million
Toronto	\$19.0 Million	No	Nil
Montreal	\$15.0 Million	Yes	Nil
Windsor	\$300,662	Yes	\$300,662
Hamilton	\$4.0 Million	Yes	\$4.0 Million
Halifax	\$2.75 Million	Yes	\$2.75 Million
Charlottetown	<u>\$3.8 Million</u>	Yes	\$2.2 Million
TOTAL	\$61.850 Million		

- 5.1 \$3.1 million had been spent on the Vancouver Convention Centre when its indefinite postponement was announced:
\$2.2 million in FY 1980-81 and \$900,000 in FY 1981-82.

Cabinet will soon be asked to consider the future of federal assistance to the construction of convention centres in terms of eligible applications from Quebec City and Edmonton particularly, but also in terms of interest expressed by the Province of Newfoundland and Labrador, the cities of Jonquiere, Val d'Or, Fredericton, Summerside, Sydney, Kingston, London, Sudbury, Thunder Bay, Regina, Calgary and Creston, British Columbia.

The recommendation to Cabinet is to cap the program after assisting Quebec City and Edmonton. Federal assistance would then end in FY 1984-85.

6. AUTHORITY

- 6.1 Department of Industry, Trade and Commerce Act,

The Minister of Industry, Trade and Commerce shall:

- (a) promote the establishment, growth and efficiency of manufacturing, processing and tourist industries in Canada, contribute to the sound development and productivity of Canadian industry generally and foster the expansion of Canadian trade;

The Minister of Industry, Trade and Commerce, in exercising his powers and carrying out his duties and functions under this Act:

- (b) may, with the approval of the Governor in Council, enter into agreements with the government of any province or any agency thereof respecting the carrying out of programs for which the Minister is responsible.

6.2 Contributions.

6.3 Five criteria apply, as follows:

- 1) federal assistance is limited to the capital costs, including land of trade and convention centres, and in no case will the federal assistance be used to cover the operating costs of the centres;
- 2) the Federal contribution under this program for any one centre is not to exceed 25% of the total estimated capital cost, including land, or the contribution of the provincial government, whichever is less;
- 3) in any one year, total federal assistance under this program is limited to a maximum of \$15 million, including land;
- 4) this federal government initiative is not to cover any cost overruns; and,
- 5) federal support is limited to those centres which have been shown to be economically viable. Selection of qualifying trade and convention centres will reflect the priorities of regional requirements and opportunities.

7. RESOURCES

7.1 Nil PY's

\$15.0 million G & C per annum, Vote 10

7.2 Vancouver	\$3.1 Million
Windsor	\$300,662
Hamilton	\$4.0 Million
Halifax	\$2.75 Million
Charlottetown	\$2.2 Million

7.3 Demand exceeds disbursements by about \$2.00 for every \$1.00 disbursed.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 It is directed, managed and administered by CGOT Headquarters.

8.2 There is monthly liaison with provincial governments. Provincial governments are contributing as much or more than the federal government.

III OVERVIEW OF EXISTING PROGRAMS

CONTRIBUTION TO BOMBARDIER FOR THE PURCHASE OF TWO L.R.C. TRAIN SETS

1. PURPOSE/CLIENTELE

1.1 Objectives:

To provide a guarantee to Bombardier in the event that AMTRAK decide not to exercise its purchase options of two LRC trainsets for \$9 million.

1.2 This assistance relates to the Departmental mandate to assist Canadian industries to adjust to changes in domestic and external economic environment.

1.3 Effectiveness of this assistance will be measured by the marketing aggressivity shown by Bombardier to sell additional trainsets and by their efforts to continue the development of this technology.

1.4 Clientele:

This contribution agreement is directly for the benefit of Bombardier and the two sub-contractors Alcan and Dofasco.

2. HISTORY

2.1 The LRC train was developed by Bombardier (MLW) with the assistance of PAIT and the Transportation Development Agency of Transport Canada. In 1976, Amtrak expressed interest in a short term lease/option to purchase for two trainsets. The financing arrangement between Bombardier and Amtrak took a considerable length of time. The lease with Amtrak is due to expire in the near future.

2.2 Bombardier has invested a considerable amount of money in the development and marketing of the LRC trains. Failure to sell the two units to Amtrak or to find alternate customers in the short term will seriously affect the company's medium term financial stability.

3. RELATIVITY

This is not a program but a unique contribution agreement which complements other assistance given for the development of the LRC train technology.

4. IMPACT

4.1 No assessment made to date.

4.2 Specific contribution not a program by itself.

4.3 Very important contribution to offset marketing issue.

5. STATUS

5.1 Agreement in effect until the two LRC trainsets are sold.

6. AUTHORITY

6.1 Treasury Board's approval was given in February 1981 and the Order-in-Council was signed on March 26, 1981.

6.2 Instrument is contribution under Vote 1d-IT&C Appropriation Act No. 1, 1977.

6.3 Incrementality, re-technology development.

7. RESOURCES

7.1 Contingent costs of up to \$9 million.

7.2 Company created in Quebec.

7.3 N/A.

7.4 Up to 9 million.

8. ORGANIZATION AND DELIVERY

8.1 This agreement was negotiated by Transportation Industries Branch of IT&C with the concurrence of the Minister and Treasury Board.

8.2 The Department of Finance was also involved in the negotiation of the agreement.

III OVERVIEW OF EXISTING PROGRAMS

GRANT, SCHOLARSHIPS AND BURSARIES TO PROMOTE MANUFACTURING (OTHER)
AND PROCESSING INDUSTRIES

1. PURPOSE/CLIENTELE

1.1 Program Objectives:

To promote studies or projects of direct interest to the department which will lead to increased understanding of the technological innovation process in Canada.

1.2 Mandate:

Consistent with the Department's mandate to provide industry.

Strategic interests: knowledge base; productivity improvement.

1.3 Measures:

Increase in relevant research in technological innovation and suitably trained people.

1.4 Clientele:

Recipients of grants, scholarships and bursaries benefit directly.

Manufacturing and processing industries benefit in the medium to long term.

2. HISTORY

2.1 Established in 1971-72.

2.2 Program established to increase use of, and to improve management of, technological innovation in Canada.

3. RELATIVITY

3.1 This is an indirect form of assistance not closely related to other programs offering direct support.

4. IMPACT

4.1 No assessment. Has created a pool of researchers interested in technological innovation.

4.2 Has helped the development of specialized courses.

4.3 More than 80 research reports are available and appreciated by business and academics.

5. STATUS

5.1 Proposals are numerous. Selection is based on support received by appropriate branches of the Department.

6. AUTHORITY

6.1 Originally T.B. Submission 76146.

More recently T.B. Submission creating Institutional Assistance Program.

6.2 Instruments: grants.

6.3 Principle: incrementality.

7. RESOURCES

7.1 To be maintained at a level of \$236,000.

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 A letter inviting research proposals is sent to deans of business schools and others on request. Proposals are reviewed, recommended, and funded. The final report is distributed to appropriate individuals inside or outside the Department.

8.2 N/A.

III OVERVIEW OF EXISTING PROGRAMS

CANADIAN FOOD INDUSTRY SCHOLARSHIP FUND (OTHER)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To assist the upgrading of technological capability in the food industry.

To increase the number of appropriately trained individuals in this industry.

1.2 Mandate:

IT&C Act's provisions re: assistance to industry in adapting to technological changes.

Strategic interests: knowledge base; productivity improvement.

1.3 Criteria:

Increase in suitably trained managers.

1.4 Clientele:

The recipient of the scholarship will benefit from the program in a direct manner whereas the food industry should benefit in the medium to long term.

2. HISTORY

2.1 Established in 1969-1970.

2.2 Program established to increase the number of suitably trained managers for the Canadian food processing industry.

3. RELATIVITY

3.1 Stand alone.

4. IMPACT

4.1 No external review ever.

4.2 N/A

4.3 Not known.

5. STATUS

5.1 The present terms and conditions will be reviewed March 31, 1985.

6. AUTHORITY

6.1 Originally T.B. Submission to establish program.

6.2 Instruments: grants.

6.3 Principle: incrementality.

7. RESOURCES

7.1 History of Funding

1969-70	5,000	1974-75	15,000	79-80	15,000
1970-71	10,000	1975-76	15,000	80-81	15,000
1971-72	15,000	1976-77	15,000	81-82	15,000
1972-73	15,000	1977-78	15,000	82-83	15,000
1973-74	15,000	1978-79	15,000		

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 A grant is paid to the Canadian Food Industry Scholarship Fund Committee which in turn awards scholarships to food science students at Canadian universities. The Department is represented on the committee. Financial statements, minutes, etc. are sent to the Department regularly.

8.2 Government/industry supported program.

III OVERVIEW OF EXISTING PROGRAMS

GRANTS TO TEX-SCOPE AND WENTWORTH FOUNDATIONS

(OTHER)

1. PURPOSE/CLIENTELE

1.1 Program Objectives:

To improve the viability of the textile industry.

To increase the supply of qualified textile management candidates required at all levels.

1.2 Mandate:

IT&C Act.

The Minister of Industry, Trade and Commerce shall develop and carry out such programs and projects as may be appropriate to assist manufacturing and processing industries to adapt to changes in technology and to changing conditions in domestic and export markets.

1.3 Measures:

Increase in suitably trained management personnel for textile industry.

1.4 Clientele:

Individual scholarship recipients benefit directly and over the medium to long term the viability of the industry is improved.

2. HISTORY

2.1 Established in 1969-1970.

2.2 To improve viability of textile industry through improving management capabilities.

3. RELATIVITY

3.1 There is no duplication related to federal programs. In Quebec, the provincial government contributes \$500 per student specializing in textile management and technology. The contribution is applicable to the first year of studies only.

4. IMPACT

4.1 The program was assessed in 1980/81: Tex-Scope Foundation Inc. reported for September 1981 a total of 87 students compared to 65 the previous year. Wentworth Foundation reported a total of 41 students for 1981 compared to 40 in 1980. In 1977, the enrollment at CEGEP and Mohawk College was 48 and 30, respectively. The demand for textile graduates is higher than the offer.

4.2 No major programming problem has been identified.

4.3 The program is known and well perceived by the recipients and the textile industry. List of contributors to the Tex-Scope Foundation which includes the Department of Industry, Trade and Commerce has been published in the Canadian Textile Journal.

5. STATUS

5.1 To be transferred to CIRB.

6. AUTHORITY

6.1 T.B. Submission - 769937. Funding provided under IT&C main estimates.

6.2 Instruments:

Grants. (IT&C Vote 10)

6.3 Principle:

Incrementality.

7. RESOURCES

7.1 \$15,000 grant per year for each foundation.

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 Grants are given to the two foundations. Each foundation has its own selection committee (academic and industry representatives). The committees adjudicate applications and make awards. The committees report on a regular basis to the Department. The Director General, Textile and Consumer Products Branch (ITC) approves the annual grants and reviews reports.

8.2 Each foundation has its own selection committee (academic, industry and government representatives).

CENTRES FOR INTERNATIONAL BUSINESS STUDIES
AND SCHOLARSHIPS IN INTERNATIONAL BUSINESS (OTHER)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To encourage the development of research on Canadian performances and practices in international business and to develop graduate courses at selected Canadian universities.

To encourage the better students to register in international business courses offered by the selected Canadian universities.

1.2 Mandate:

Related to IT&C Act.

Strategic interests: knowledge base.

1.3 Criteria:

Research published.

Courses developed and offered, enrollment.

Scholarship recipients career.

1.4 Clientele:

Universities, which serve students, business and government.

2. HISTORY

2.1 It has been established in 1972. Centres have been created at four universities between 1973-1975: British Columbia, Western Ontario, HEC and Dalhousie.

2.2 This measure is an element of a broader program to enhance Canadian management capability; to increase the training facilities in the form of university courses to promote expertise in export marketing and upgrade the international business management of Canadian firms.

3. RELATIVITY

3.1 The unique incentive has been initiated with the full support of the concerned provinces. Designed to fill a gap in business training facilities which existed at the time.

4. IMPACT

4.1 Last evaluation (formal) 1979.
Objectives have been reached.

4.2 None

4.3 The program is perceived as one of the best initiatives of IT&C. This is highly supported by business representatives serving on the advisory boards.

5. STATUS

5.1 The financial support is coming to an end in 1981-82 for UBC and 1982-83 for the others. It is expected that the scholarships will continue to be awarded to students of the centres.

6. AUTHORITY

6.1 T.B. 763185 to establish program.

T.B. 776537 to extend the program - 3 years.

6.2 Instruments: grants and fellowships are provided to qualifying universities.

6.3 Principle: applicant university must be willing to set up necessary teaching facilities. Regional distribution of participating universities was also a criterion.

7. RESOURCES

7.1	1981-82	\$505,000
	1982-83	\$385,000
	1983-84	\$200,000

7.2 Main recipients have been universities of BC, Western Ontario, Dalhousie and HEC.

7.3 Department had to take the initiative in seeking program participants.

7.4 No contingent liability.

8. ORGANIZATION AND DELIVERY

8.1 Centres have been approved by the Deputy Minister. Administration of the grants is done by Technology Branch and requires minimal time of officers. Contacts are kept by senior officers serving as members of the advisory boards. Scholarships are proposed by universities and approved by the Deputy Minister.

8.2 Provincial governments were involved in the selection process plus the universities.

IV OVERVIEW OF EXISTING PROGRAMS

GRANTS TO PROMOTE IMPROVEMENT OF MANAGEMENT
IN CANADIAN FOOTWEAR AND TANNING INDUSTRY

(OTHER)

1. PURPOSE/CLIENTÈLE

1.1 Program Objectives:

To improve management capability in the Canadian footwear and tanning sector.

To improve the viability and competitiveness of the Canadian footwear and Tanning sector.

1.2 Mandate:

The ITC Act states that: "The Minister of ITC shall ... promote ... modern management techniques ..."

1.3 Measures:

Number of graduates assuming management positions in industry.

1.4 Clientèle:

Recipients of the grants benefit directly whereas over the medium to long-term the Footwear and Tanning sector will benefit.

Candidates must have a minimum of a CEGEP or Community College background plus some working experience in this sector.

2. HISTORY

2.1 Related programs began in 1973.

2.2 To improve capability in the Canadian footwear and tanning sector.

3. RELATIVITY

3.1 Exclusive to this industry. It complements normal existing educational programs. Also, it provides support to implementation of restructuring plans made under the Footwear and Tanning Industrial Assistance Program.

4. IMPACT

4.1 Has not yet been formally assessed although has been reviewed by AG's office.

4.2 None.

4.3 Utilization: 36 candidates in accordance with the outcome of restructuring studies.

5. STATUS

5.1 To be transferred to CIRB.

6. AUTHORITY

6.1 TB Submission 76,1245. Funding provided under IT&C main estimates.

6.2 Instruments:

Grants. (IT&C Vote 10)

6.3 Principle:

Incrementality.

7. RESOURCES

7.1	1978-79	\$45,000
	1979-80	\$45,000
	1980-81	\$45,000
	1981-82	\$45,000

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 Grants are made to Canadian tanning and footwear companies who sponsor selected students to pursue studies in management at an accredited footwear or tanning school outside of Canada. A maximum of \$5,000 per student may be disbursed.

8.2 Industry is involved.

IV OVERVIEW OF EXISTING PROGRAMS

GRANTS AND SCHOLARSHIPS TO PROMOTE INDUSTRIAL DESIGN

(OTHER)

1. PURPOSE/CLIENTÈLE

1.1 Program Objectives:

To increase the number of Canadian graduates from internationally recognized institutions of design.

1.2 Mandate:

"The Minister of ITC shall promote ... the utilization of improved industrial design ...".

1.3 Measures:

Increase in suitably trained people in Canadian Industry.

1.4 Clientèle:

Direct benefit under the program accrues to the recipient of the Scholarships. Over the medium to long term Canadian industry is expected to benefit through improved industrial design.

2. HISTORY

2.1 Program established in 1971.

2.2 Reason:

To increase the number of Canadians trained in industrial design and to improve the design capability of Canadian industry.

3. RELATIVITY

3.1 Stand alone.

4. IMPACT

4.1 No external review.

4.2 N/A

4.3 N/A

5. STATUS

5.1 On-going.

6. AUTHORITY

6.1 TB Submission 762914. Funding provided under IT&C Main Estimates.

6.2 Instruments:

Grants/scholarships. (IT&C Vote 10)

6.3 Principle:

Incrementality.

7. RESOURCES

7.1 \$180,000 (G. & C.)

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 A panel of experts reviews all submissions for scholarships to the Design Canada Scholarship Program. Recommendations of the panel must be approved by the National Design Council. The maximum grant is \$13,000 per annum and the recipient must attend a school outside of Canada.

8.2 N/A.

III OVERVIEW OF EXISTING PROGRAMS

GRANTS TO ACCELERATE FOOTWEAR DESIGN IN THE FOOTWEAR AND TANNING INDUSTRIES
(OTHER)

1. PURPOSE/CLIENTÈLE

1.1 Program Objectives:

To improve the viability and competitiveness of the Canadian footwear and tanning sector.

To improve design competence within the Canadian tanning and footwear industries.

1.2 Mandate:

The IT&C Act States that:

"The Minister of IT&C shall promote the establishment, growth and efficiency of manufacturing, processing and tourist industries in Canada, contribute to the sound development and productivity of Canadian industry generally and foster the expansion of Canadian trade. He shall promote and assist product and process development and increased productivity, the greater use of research, the application of advanced technology and modern management techniques, the modernization of equipment, the utilization of improved industrial design and the development of sound industrial standards in Canada and in world trade."

1.3 Measures:

Increase in number of suitable trained personnel.

1.4 Clientèle:

Direct benefit accrues to the recipient of a grant under this program. Medium to long-term benefits are intended to accrue to the footwear and tanning industry in improved design/capability.

2. HISTORY

2.1 Part of Footwear & Tanning Industries Section Strategy, 1973.

2.2 It was established to improve the competitiveness of the Canadian footwear and tanning sector through improved design.

3. RELATIVITY

3.1 Exclusive to the industry. No similar service is provided elsewhere.

4. IMPACT

4.1 No formal assessment made.

4.2 None. (No program problem identified.)

4.3 For those interested in improving design capabilities, it is an important program - 13 candidates.

5. STATUS

5.1 To be transferred to CIRB.

6. AUTHORITY

6.1 TB submissions dating from 1974. (TB-760246); funding provided under IT&C main estimates.

6.2 Instruments:

Grants. (IT&C Vote 10)

6.3 Principle:

Incrementality.

7. RESOURCES

7.1 1981/82 - \$10,000 per annum. (G. & C.)

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

Grants under the program are made to Canadian tanning and footwear companies acting as sponsors of selected students studying at an accredited formal footwear design school. A selection committee of industry academy and departmental representatives adjudicates candidates and the Deputy Minister (IT&C) approves the selection.

III OVERVIEW OF EXISTING PROGRAMS

SCHOLARSHIPS TO DEVELOP CAPABILITY IN THE CANADIAN CLOTHING INDUSTRY

(OTHER)

1. PURPOSE/CLIENTELE

1.1 Program Objectives:

To accelerate the development of production management and technical engineering capabilities in the Canadian clothing industry.

To increase the number of qualified people in these areas of the apparel industry.

1.2. Mandate:

Consistent with Department's mandate as expressed in the IT&C Act.

1.3. Measures:

Increase in number of suitable trained personnel.

1.4. Clientèle:

The scholarship recipients benefit directly whereas in the medium to long-term the management capability of the Canadian clothing industry is expected to improve.

2. HISTORY

2.1 Established by TB submission 1974.

2.2 To improve the viability of the Canadian clothing industry through enhancing production and technical engineering management.

3. RELATIVITY

3.1 No similar programs to encourage management development for the apparel industry.

4. IMPACT

4.1 Internal divisional evaluation 1980.

4.2 Problem Identified:

Lack of industry financial support.

4.3 Industry in favour.

5. STATUS

5.1 To be transferred to CIRB.

6. AUTHORITY

6.1 TB submission 1974 - TB-761899. Funding provided under IT&C main estimates.

6.2 Instruments:

Grants. (IT&C Vote 10)

6.3 Principle:

Incrementality.

7. RESOURCES

7.1 \$25,000 (G. & C.)

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 The President of Canadian Industrial Renewal Board approves payments under this program. Recipients must be students enrolled in an apparel management program at a recognized college in Canada or elsewhere. Scholarships will not exceed \$3,500 in any one year for a single recipient.

8.2 A selection committee comprised of industry, academic and departmental representatives adjudicate applications.

III OVERVIEW OF EXISTING PROGRAMS

INDUSTRIAL RESEARCH INSTITUTE (IRI), CENTRES OF ADVANCED TECHNOLOGY (CAT)
AND INDUSTRIAL RESEARCH ASSOCIATIONS (IRA)

(OTHER)

1. PURPOSE/CLIENTELE

1.1 Program Objectives:

IRI: To provide a broad spectrum of research, development and engineering and associated services to any industry on a contract basis, primarily in the geographical area surrounding the organization.

CAT: To provide research, development, engineering and associated services in a specific area of advanced technology which is of broad interest and utility to industry.

IRA: To provide research, development, engineering and associated services directed towards the common requirements of all, or a significant number of companies, in a specific sector of industry.

1.2. Mandate:

Consistent with Department's mandate to promote development and use of advanced technology in industry, as stated in IT&C Act.

1.3. Measures:

Increase in services and information available to industries.

1.4. Clientele:

The institutes, centres and associations benefit directly. Through those, businesses and individuals benefit.

Industrial Research Institutes, Centres of Advanced Technology and Industrial Research Associations are established only when there is a reasonable expectation that they can become self-supporting. As of 1978-79, 11 organizations had become self-sufficient and 11 were being supported.

2. HISTORY

2.1 Created in 1972 through TB submission. (TB-753589)

2.2 Established to promote and provide research, development, engineering and associated services on a contract basis to industry within a specific geographical area and to specific industry sectors.

3. RELATIVITY

3.1 Unknown.

4. IMPACT

4.1 No knowledge of any assessment.

4.2 N/A.

4.3 N/A.

5. STATUS

5.1 36 Centers have been funded, 22 are still funded.

Five new ones are almost ready for approval.

6. AUTHORITY

6.1 TB submission 753589. Funding provided by IT&C Main Estimates.

6.2 Instruments:

Grants. (IT&C Vote 10)

6.3 Principle:

Incrementality.

7. RESOURCES

7.1 \$2,650,000 (G. & C.)

7.2 Unknown.

7.3 Unknown.

7.4 Unknown.

8. ORGANIZATION & DELIVERY

8.1 Eligible recipients are educational institutions. Applications are adjudicated by officers of IT&C and approved by the Deputy Minister. Support for Industrial Research Institutes is three years, Centres for Advanced Technology five years and Industrial Research Associations 5 years. Grants per annum are \$60,000, \$200,000 respectively.

8.2 Not answered.

III OVERVIEW OF EXISTING PROGRAMS

INNOVATION CENTRES

(OTHER)

1. PURPOSE/CLIENTELE

1.1 Program Objectives:

To stimulate an increase in the quantity and quality of technological innovation carried out in Canada in the form of new products, new processes or new businesses.

To make greater use of the resources contained in our university and college systems in strengthening the performance of small and medium sized Canadian technology-based businesses and in evaluating and commercializing inventions from private inventors; and

To encourage and support the entrepreneurial activities of Canadians in their efforts to start or expand technology-based companies.

1.2. Mandate:

IT&C Act:

"The Minister of IT&C shall ... promote and assist product and process development and increased productivity, the greater use of research, the application of advanced technology and modern management techniques ..."

1.3. Measures:

Increase in the use of technological innovation in Canadian industry.

1.4. Clientele:

Selected Canadian universities who, in turn, provide assistance to inventors and small technologically intensive firms.

2. HISTORY

2.1 Industrial Innovation Centre Program initiated as a nine year program in 1978-79.

2.2 Established to increase the quantity and quality of technological innovation in Canada by tapping university resources and encouraging entrepreneurial efforts.

3. RELATIVITY

3.1 Unknown.

4. IMPACT

4.1 No assessment

4.2 N/A.

4.3 N/A.

5. STATUS

5.1 On-going.

6. AUTHORITY

6.1 TB submission approved in principal March 15, 1979. (TB-761154); Funding provided under IT&C main estimates.

6.2 Instruments:

Contributions. (IT&C Vote 10)

6.3 Principle:

Incrementality.

7. RESOURCES

	<u>81-82</u>	<u>82-83</u>
7.1 Grants & Contributions:	\$2,000,000	\$2,000,000

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 Recipients are Waterloo University and Ecole Polytechnique de Montreal. Semi-annual reports are submitted to the Department.

Level of funding is established yearly - Contracts are in force for five years with a possible extension for three more years.

8.2 Not answered.

III. OVERVIEW OF EXISTING PROGRAMS

FOOTWEAR AND LEATHER INSTITUTE OF CANADA

(OTHER)

1. PURPOSE/CLIENTELE

1.1. Program Objectives:

To assist the Canadian footwear manufacturing and tanning industries to improve their competitive positions in both the domestic and international markets.

To establish the Footwear and Leather Institute of Canada (FLICCC) as a self-sufficient institute to provide specialized services to member companies on a fee basis.

To encourage increased membership in FLICCC of Canadian footwear manufacturing and tanning industries.

1.2. Mandate:

IT&C Act:

The Minister of Industry, Trade & Commerce shall:

promote the establishment, growth and efficiency in Canada, contribute to the sound development and productivity of Canadian industry generally and foster the expansion of Canadian trade.

1.3. Measures:

Annual share of governments contributions in total FLICC Revenues.

Increase in services available to footwear and leather industries.

Membership levels.

1.4. Clientèle:

The FLICC organization is the direct beneficiary under this program and in turn provides specialized services to individual companies.

2. HISTORY

2.1. FLICC incorporated in 1976, following recommendations of joint government/industry task force.

2.2. To provide specialized services which were either unavailable at the time or unaffordable by individual companies.

3. RELATIVITY

3.1 Provides unique services.

4. IMPACT

4.1 Full assessment now underway.

4.2 Problem identified:

Strong possibility of underestimation of resources.

4.3 Well thought of by industry - high level of demand.

5. STATUS

5.1 Maximum contribution \$1M - CIRB to decide on continuation.

6. AUTHORITY

6.1 TB Submission No. 762225; Funding provided under IT&C main estimates.

6.2 Instruments:

Contributions. (IT&C Vote 10)

6.3 Principles:

Incrementality.

7. RESOURCES

7.1 Maximum annual contribution is \$285,000.

Expected to become self-sufficient.

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 The contribution is made on an annual basis to FLICC (1976 - 1982-83) with the expectation that the organization will become self-sufficient. Specialized services are offered to individual companies. The Director General (Textiles and Consumer Products Branch) has signing authority up to the approved grant ceilings. Budgets and reports must be submitted annually by FLICC.

8.2 FLICC supported by IT&C and industry.

III OVERVIEW OF EXISTING PROGRAMS

MANITOBA FASHION INSTITUTE

(OTHER)

1. PURPOSE/CLIENTELE

1.1. Program Objectives:

To assist the Manitoba clothing industry to develop a self-sufficient Development and Productivity Program that will improve productivity and efficiency of the industry in that province.

To provide ongoing assessments of the industry's productivity and efficiency, to disseminating technical information, and to assist in the implementation of new techniques and technology.

1.2. Mandate:

Consistent with Department's mandate to improve productivity in industry, as stated in IT&C Act.

1.3. Measures:

Increased services, training and information for the clothing industry in Manitoba.

1.4. Clientele:

The program is administered by Manitoba Fashion Institute for the benefit of the Manitoba clothing industry.

2. HISTORY

2.1 Contributions began in 1977 to help MFI create a productivity centre -- costs shared by province, federal government & industry.

2.2 Established to assist the industry in deriving the full benefits of new technology and production processes.

3. RELATIVITY

3.1 Program instituted to provide facilities and services unavailable or insufficient.

4. IMPACT

4.1 A review of the program in July 1980, indicated that it was resulting in improved productivity and greater efficiencies.

4.2 Problem identified:

Inadequate scope.

4.3 Program is widely utilized and survey showed industry considers it beneficial.

5. STATUS

5.1 To be transferred to CIRB.

6. AUTHORITY

6.1 TB Submission 750904, 1977. Funding provided under IT&C main estimates.

6.2 Instruments:

Contribution. (IT&C Vote 10)

6.3 Principle:

Incrementality.

7. RESOURCES

7.1 Originally total amount to be \$135,200 in period July 1, 1977 to August 31, 1980, amount in 1980-81 estimates of \$33,000.

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION & DELIVERY

8.1 Contribution to the extent of two-thirds of operating deficit made to MFI to assist them in running the productivity programs.

8.2 Province/industry/federal government shared.

III. OVERVIEW OF EXISTING PROGRAMS

MANAGEMENT ADVISORY INSTITUTE (OTHER)

1. PURPOSE/CLIENTELE

1.1 Program Objectives:

To assist in the creation of institutes by means of which business professors could more easily establish contacts with firms and offer their services.

1.2 Mandate: related to IT&C Act (promotion of modern management techniques).

Strategic interests: productivity improvement.

1.3 Criteria:

Clients served by sectors, types of services and movements towards a self-supporting status. Impact on teaching and on consulting industry.

1.4 Clientele

Firms which need multidisciplinary approach to their problems and small business firms. Public institutions are not excluded.

2. HISTORY

2.1 The Management Advisory Institutes have been established on a pilot basis in 1975-76 at Laval University and at the University of Alberta. They are an element of the Management Advancement Program approved in 1972.

2.2 Established to provide specialized services to industry which are not already available through the consulting industry; also to conduct research into management problems.

3. RELATIVITY

3.1 While professors have been consulting on their own for a long time, this type of organization is unique in Canada.

4. IMPACT

4.1 No formal assessment; continuing assessment was done during the administration of the program.

4.2 Consulting industries were reluctant at the outset. They no longer see the institutes as serious competitors but as complementary to what they offer.

4.3 Clients are still reluctant to "go to university" but those who have are satisfied. Students profit either from better courses or by participating in consulting projects.

Universities were in favour of program but business firms were somewhat hesitant to utilize university facilities.

5. STATUS

5.1 The funding for both institutes comes to an end in fiscal year 1981-82. It is likely that the Institute in Alberta will not become self-supporting.

6. AUTHORITY

6.1 TB 763185 of March 1979.

TB 776537 (revised) for IAP.

6.2 Instruments: contributions.

6.3 Principle: incrementality. Willingness of university to organize and set up research facilities on a pilot basis.

7. RESOURCES

7.1 1981-82 120,000

7.2 Facilities were established at University of Alberta and Laval.

7.3 Demand for the program was limited as universities found it difficult to sell their services to business.

7.4 No contingent liability.

8. ORGANIZATION AND DELIVERY

8.1 Proposals have been presented by universities and approved by the Deputy Minister. Administration of the grant is done by Technology Branch and requires minimal time. Monitoring is done through presence on the Advisory Board and Institutes' reports.

8.2 Two universities involved in delivery. Provincial government involvement in the selection of university for program involvement.

III OVERVIEW OF EXISTING PROGRAMS

URBAN TRANSPORTATION AUTHORITY OF BRITISH COLUMBIA
FOR THE GREATER VANCOUVER ALRT PROJECT

1. PURPOSE/CLIENTELE

1.1 Objective:

To provide "up front" money in fiscal year 1981-82 of \$20 million toward a pre-build section and \$40 million toward the purchase of vehicles for an automatic light rapid transit system for Greater Vancouver.

1.2 The assistance relates to the Departmental mandate by supporting industrial and trade development objectives for this Canadian leading edge urban transit technology.

1.3 Effectiveness of this assistance will be measured by sales of the urban transit systems in world markets.

1.4 The contribution is being made to the Urban Transportation Authority of British Columbia for the Automated Light Rapid Transit (ALRT) project to be constructed in Greater Vancouver by June 1986 in time for a high profile launching of the technology with Transpo 86.

2. HISTORY

2.1 Research and development work in the area of intermediate capacity transit systems has been undertaken with Ontario government support at the Kingston, Transit Centre and test track during the past several years. The Vancouver ALRT project will be the first application of the technology in a regional urban environment.

2.2 The project will be a clear demonstration to the world of Canada's leadership in the leading edge technology of rapid transit.

3. RELATIVITY

3.1 This is not a program but a unique contribution agreement which complements other funding government and industry have directed toward the development of ALRT technology.

4. IMPACT

4.1 Not yet assessed.

4.2 Not a program, but a specific contribution.

4.3 The project will represent the first application of rapid transit technology in a regional urban environment and will fulfill a present need for this service for the Greater Vancouver region.

5. STATUS

5.1 The agreement is unique only to the Vancouver ALRT project for the pre-build demonstrating section of the project. The project is currently linked to Transpo 86; however, Cabinet may fund the contribution for the ALRT before the Transpo 86 negotiations are concluded.

6 AUTHORITY

6.1 Treasury Board approval was given on August 8, 1981.

6.2 The assistance is a contribution to be provided from IT&C Vote 10, Trade Industrial program.

6.3 The principle of incrementality applies as the Greater Vancouver Transit System had previously decided on a German system. Also the project will provide high federal visibility for support to the region in an area of leading edge technology.

7 RESOURCES

7.1 Contribution for 1981-82 is \$60 million.

7.2 Are doubled at British Columbia.

7.3 Not available.

7.4 Nil.

8. ORGANIZATION & DELIVERY

8.1 The agreement is negotiated by the Transportation Industries Branch of IT&C with the concurrence of the Minister and Treasury Board.

8.2 Total funding of the project will also include financing by the British Columbia government, and will be guaranteed by the Ontario government.

III OVERVIEW OF EXISTING PROGRAMS

ASSISTANCE PROGRAM - WORKER'S METRIC TOOLS

1. PURPOSE/CLIENTELE

1.1 Objective:

To alleviate the cost burden on individual workers who are required to own their tools as a condition of employment, when such workers have to duplicate existing tools with metric tools. No modification since the beginning of the program.

1.2 Related to national program of metric conversion in all sectors of the economy.

1.3 Metric conversion in machinery manufacturing and services industries.

2. HISTORY

2.1 Established by cabinet decision of 1977-03-31, in support of the national metric conversion program based on recommendation by a Metric Commission working group consisting of gov't, industry and labour representatives.

2.2 To lessen the burden of metric conversion costs for those individuals who have no other means of writing off the costs of metric tools required for employment.

3. RELATIVITY

3.1 Not related to any other program.

4. IMPACT

4.1 Evaluated by MSED Task Force in July 1981 with recommendations to reduce processing time for payment of claims.

4.2 Insufficient staff to process claims in reasonable period of time, unpredictable rate of claims.

4.3 Generally well received but is a low profile program.

5. STATUS

5.1 Program operational; approaching cut off date for purchases to be eligible (1982-03-31), request for 2 years extension under review.

6. AUTHORITY

6.1 Cabinet minute # 91-77RD dated 1977-03-31.

- 6.2 Contribution of 50% of cost of metric tools purchased and owned by the individual.
- 6.3 Complete payment upon receipt of proper documentation.

7. RESOURCES

- 7.1 6 person-years and operating expenditure of \$47,200 in 1980-81. Contribution \$2,824,056 in 1980-81.
- 7.2 Disbursement by region in 1980-81

<u>REGION</u>	<u>AMOUNT</u>	<u>% OF TOTAL</u>
NFLD	37,101	1.3
NS	95,146	3.4
PEI	18,651	0.7
NB	54,874	1.9
QUE	602,669	21.3
ONT	1,077,792	38.2
MAN	158,623	5.6
SASK	136,314	4.8
ATLA	246,740	8.7
BC	317,764	11.3
NWT	70,451	2.5
YUKON	7,931	0.3

Since program inception, a total of \$7,100,000 paid out in contributions to 33,800 applicants.

- 7.3 Disbursements have exceeded budget allocation (\$2.8 million paid out versus 1980-81 estimate of \$2.5 million).
- 7.4 Contingent liability as of 1982-01-31 - \$5,320,000.

8. ORGANIZATION AND DELIVERY

- 8.1 Directed by Metric Commission in consultation with its - Working group - Employees' Privately Owned Tools. Managed by Director, Engineering Industries Plans of Metric Commission. Administered by the Program Manager of the Worker's Tools unit to process the claims, with the Financial Services Branch IT & C completing the payments.
- 8.2 External involvement with other departments limited to identification checks and distribution of applications forms.

III OVERVIEW OF EXISTING PROGRAMS

PRODUCT DEVELOPMENT MANAGEMENT PROGRAM (PDMP)

(IT&C-N.F.)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Develop within small and medium size manufacturing companies the interest and capability to undertake new product development and marketing.

1.2 Related to IT&C Act (growth of manufacturing capacity, productivity increase).

1.3 Criteria: New marketable product developed; systematic approach to new product development.

Strategic interests: Manufacturing expansion; export enhancement; knowledge base.

1.4 Clientele:

Small and medium size manufacturers throughout Canada

2. HISTORY

2.1 Introduced by Design Canada in 1979, it built upon experience gained in two earlier programs, PDDP and PRDP, whose scope was more limited.

2.2 Experience with EDP has shown that many small firms do not have the management experience or capability to formulate a good proposal and operational plan even where they appear to have a sound new product idea.

3. RELATIVITY

3.1 PDMP is a joint federal-provincial program.

4. IMPACT

4.1 An evaluation framework was terminated in April 1981. A number of direct impacts and effects were identified:

marketable products process in place;
product development process in place;
trained management team;
corporate development strategy;
application for EDP or similar program.

4.2 Some issues identified were:

The target population should be looked at and reassessed. There is considerable divergence among the provinces in the nature and scope of projects undertaken. Only two provinces assigned any importance to Product Development Management, which from the federal viewpoint is the main objective of the program.

4.3 Do not know how program perceived by clients.

5. STATUS

5.1 Conditional approval granted for 1981-82, with the possibility of one extra year (1982-83).

6. AUTHORITY

6.1 Believed to be same as EDP.

6.2 Instruments: Grants.

6.3 Principles: Seed money.

7. RESOURCES:

7.1 1981-82: P-Y: 1.5
O&M: -
G&C \$880,000

7.2 Only \$4,093.26 disbursed as of January 26, 1982 (for FY 81-82).

7.3 Not known.

7.4 Not known.

8. ORGANIZATION AND DELIVERY

8.1 Directed by Design Canada, managed and administered jointly with provinces.

8.2 Provinces and provincial and regional productivity centres/motivities involved.

III OVERVIEW OF EXISTING PROGRAMS

SCIENTIFIC AND TECHNICAL CONFERENCES

(IT&C-N.F.)

PURPOSE/CLIENTELE

1.1 Program Objectives:

To promote scientific and technical seminars and conferences (including innovation and entrepreneurship) with particular attention to small business including the dissemination of relevant information.

1.2 Mandate:

Consistent with the Department's mandate to promote industry.

1.3 Measures:

N/A.

1.4 Clientele:

Canadian industry and the technological community, in particular.

2. HISTORY

2.1 TB Submission January 1978.

2.2 To underwrite losses on seminars deemed of benefit to Canadian Industry.

3. RELATIVITY

3.1 We do not know any similar program.

4. IMPACT

4.1 Has helped many organizations in the past.

4.2 None indentified.

4.3 No information.

5. STATUS

5.1 Approved to March 31, 1983.

6. AUTHORITY

6.1 TB Submission 75-3907 January 12, 1978; amended by 75-7778 May 2, 1978.

6.2 Grant.

6.3 Incrementality.

7. RESOURCES

7.1 \$7,000 per annum, typically not used as the program only insures the cost of seminars rather than providing funds.

8. ORGANIZATION AND DELIVERY

8.1 Request for grant made to Director, Technology Programs who has approval authority.

8.2 Industry support program.

III OVERVIEW OF EXISTING PROGRAMS

CONSTRUCTION MANAGEMENT DEVELOPMENT INSTITUTE

(IT&C-N.F.)

1. PURPOSE/CLIENTELE

1.1 Program Objectives:

To improve residential and non-residential construction management through education.

To support the establishment and initial operation of the Construction Management Development Institute.

To increase the efficiency and productivity of the construction industry.

1.2 Mandate:

Consistent with the Department's mandate to promote industry.

1.3 Measures:

Increased number of professionally trained managers in the construction industry.

1.4 Clientele:

The institute is the direct recipient through which management education in this sector is coordinated and improved.

2. HISTORY

2.1 A shared program, (DPW, CMHC, ITC) beginning in 80/81.

2.2 Need to use formal training to upgrade management skills of construction managers.

3. RELATIVITY

3.1 Stand alone.

4. IMPACT

4.1 Only established in 1980/81.

4.2 N/A

4.3 N/A

5. STATUS

5.1 Federal Government committed through 84/85-FY.

6. AUTHORITY

6.1 TB submission 773279, 1980.

6.2 Contributions.

6.3 Incrementality.

7. ORGANIZATION & DELIVERY

7.1 \$40,000 80/81 to be found from existing funds.

A Base Increase	81/82	45K
	82/83	50K
	83/84	55K

7.2 N/A.

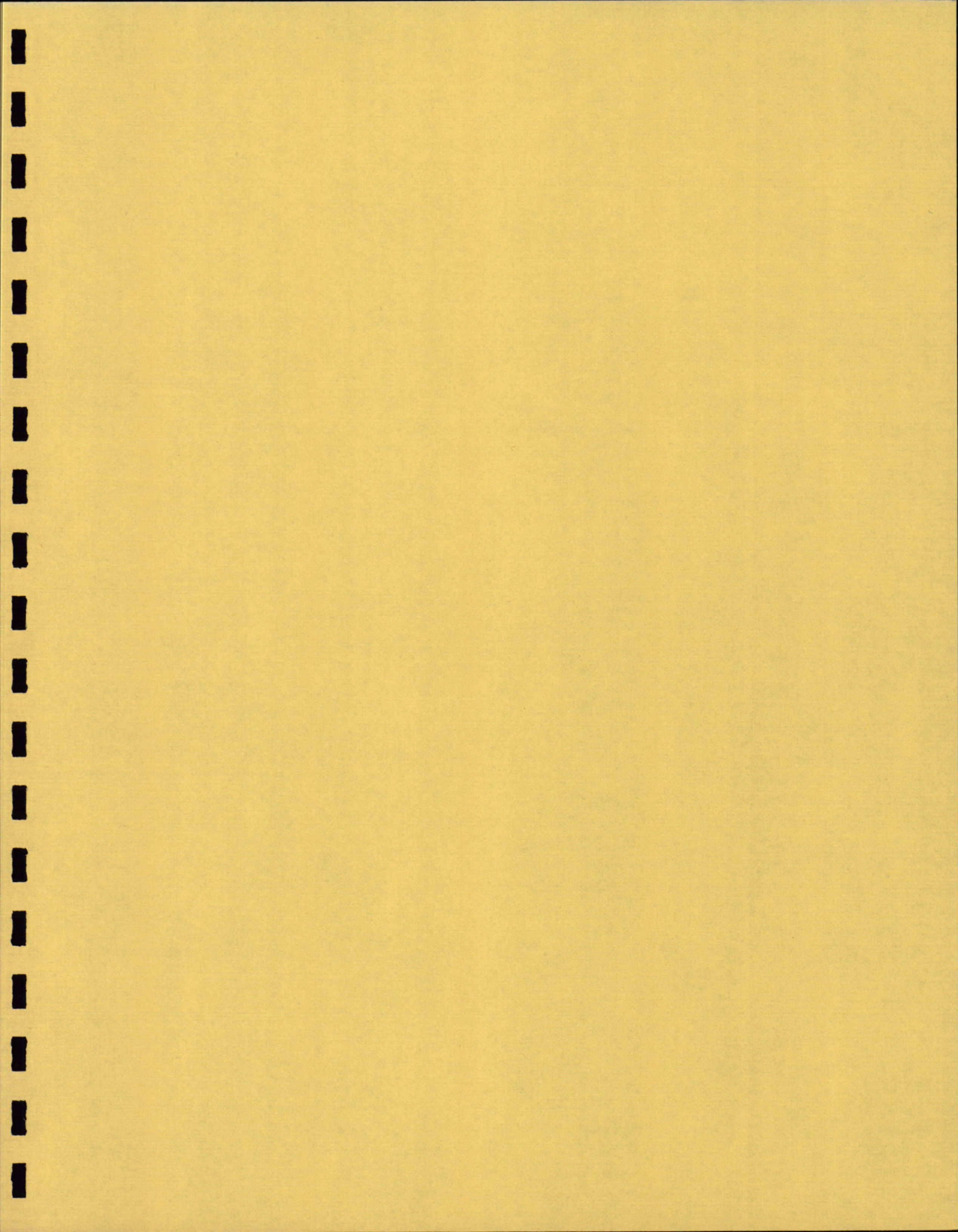
7.3 N/A.

7.4 N/A.

8. PROGRAM OPERATION

8.1 The contribution is made to the Institute which coordinates construction management education. Monies are disbursed by IT&C, annual budgets and reports must be submitted to the Department.

8.2 IT&C/DPW/CMHC share on equal basis.



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III OVERVIEW OF EXISTING PROGRAMS

MACHINERY PROGRAM

DUTY REMISSION 1(A)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To meet Kennedy Round trading commitments under the Gatt.

To eliminate:

- 1) tariff difficulties emanating from "class or kind" designation in tariff item descriptions; and
- 2) perverse tariff impact on emerging Canadian manufacturers (10% rule regarding market share).

To increase efficiency throughout Canadian industry by enabling machinery users (manufacturing and service sectors) to acquire advanced equipment not available from production in Canada at the lowest possible cost.

To provide Canadian machinery manufacturers with tariff protection on the machinery and equipment.

1.2 Relation to Mandate

Program assists in:

A) Industrial Development:

Makes Canadian manufacturers aware of market potential indicated in duty remission applications.

Increases Canadian value added through leverage potential in determination of CVA required to qualify as a manufacturer.

B) Regional Industry Expansion by:

Lowering costs, providing tariff protection, identifying import replacement opportunities, increasing Canadian value added, increasing employment.

Strategic Interests:

Maintenance of knowledge base, import replacement, expansion of existing scope of manufacturing, production rationalization, improved productivity across all sectors, progression toward free trade.

1.3 Criteria:

Commitment on average incidence of duty under the program (about 5.2% by 1987).

Number of resubmissions (presently less than 1%/year).

Complaints from manufacturers.

1.4 Clientele:

Manufacturing and service sectors throughout Canada.

2. HISTORY

2.1 Introduced in 1968 as part of Kennedy Round Tariff Negotiations (largest single tariff reduction).

2.2 Established to meet trading commitments and to remove inequitable tariff treatment for both "builders" and "users" of machinery.

3. RELATIVITY

3.1 Complements all other programs designed to lower production costs in manufacturing and service sectors; no overlap or duplication, except in Grants and Contributions - EDP, DREE, etc.

4. IMPACT

4.1 Program assessed by Auditor General in 1979 and by Internal Audit in 1981 - both assessments concluded that program was meeting objectives.

4.2 No major program problems - except some delivery delays due to resource constraints.

Change in program would require extensive renegotiations with international trading partners (GATT).

Both Canadian machinery users and manufacturers would be concerned by any changes in Program.

4.3 Well received (industry association, press release).

Able to deal with special client requirements expeditiously.

5. STATUS

Major international commitment under the GATT.

Ongoing program - no plans for basic changes; however, improved delivery mechanisms under continuing review.

6. AUTHORITY

6.1 Customs Tariff Act

Orders in Council under authority of Dept. of Industry Act.

6.2 Approximately \$350 million in customs duty remitted annually. This does not constitute a charge on the economic envelope.

6.3 Principle:

The Program is based on the principle that the tariff is a tool for industrial development rather than a revenue source. Accordingly, remission is based on detailed knowledge of Canadian machinery manufacturing capabilities and potential for new manufacturing opportunities (i.e., the tariff should only apply when there is the possibility of an industrial development advantage).

7. RESOURCES

7.1 Estimated 35 PYs (20 support - 15 officers)

7.2 \$350 million remitted annually, primarily in Ontario and Quebec

7.3 Not applicable

7.4 Not applicable

8. ORGANIZATION AND DELIVERY

8.1 Directed - Interdepartmental Committee comprised of IT&C, Finance, and Revenue Canada

Managed - Chairman, Machinery and Equipment Advisory Board

Administered - Machinery and Equipment Advisory Board Secretariat and Machinery Branch

8.2 External Involvements

Finance and Revenue Canada represented on Board
Representations from provinces regarding their particular interests
Entire spectrum of Canadian manufacturing and service sectors

III OVERVIEW OF EXISTING PROGRAMS

POWER CRUISERS DUTY REMISSION ORDER

Duty Remission 1 (b)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Rationalize production of power cruisers on a North American Scale.

Reduce cost to Canadian manufacturers through specialization and longer production runs.

1.2 Relation to Departmental Mandate:

Increased efficiency, productivity and output of Canadian producers in this sector. (IT&C Act).

Strategic interests: industry rationalization.

1.3 Criteria:

Increased Canadian value added by users.

Increased exports by users.

Increased productivity of user firms.

1.4 Clientele/Location:

Currently used by 2 firms, one in B.C., one in Ontario.

2. HISTORY

2.1 When? Established in late 1960's.

2.2 Why? Established as a means of deterring failure of Shepherd Boats Inc. and termination of operations by the American Parent Firms. This has subsequently occurred.

3. RELATIVITY

3.1 There is no appreciable overlap with other programs because of the very narrow target population and very specific objectives.

4. IMPACT

4.1 Assessed as part of a Duty Remission Evaluation Assessment Study completed December 11, 1981.

Plausible impacts identified but not measured were:

Reduced costs through longer production runs.

Increased output from the power cruiser industry.

4.2 Programming Problems:

Considering fate of Shepherd Boats, effectiveness may be an issue; however, continuing operation of existing two companies may depend on operation of program.

4.3 Perception among clients:

Program is negotiated with client firms, often at their own request. Their Canadian operations may depend on it.

5. STATUS

5.1 Commitments are made during program negotiation, firms involved have made investment decisions based on continued operation of the program.

6. AUTHORITY

6.1 Legislative Basis:

Program operates under Order-in-Council P.C. 1978-842 pursuant to Section 17 of the F.A.A.

6.2 Instruments:

Duty remitted provided Canadian value added targets are met.

6.3 Principles:

Two important principles are rationalization of the product line and incremental or sustained output which results.

7. RESOURCES

7.1 There are no IT&C person years assigned to the program.

7.2 Duty remitted is several hundred thousand dollars annually to firms in British Columbia and Ontario.

7.3 Demand is determined by the total Canadian value added in Canadian Production and the level of Cruiser Imports by the participating firm.

7.4 There are no contingent liabilities.

8. ORGANIZATION & DELIVERY

- 8.1 Other than modifications and occasional negotiations there is no IT&C involvement. Program administration resides with Finance and Revenue Canada.
- 8.2 High degree of external involvement by Finance and Revenue Canada.

III OVERVIEW OF EXISTING PROGRAMS

STATUS QUO

FRONT END WHEEL LOADER

DUTY REMISSION 1(c)

1. PURPOSE/CLIENTELE

1.1 Objective:

To facilitate major restructuring of production capabilities.

1.2 Relates directly to the department's mandate, specifically to rationalize and restructure productive facilities.

Strategic interests: industry rationalization; export enhancement.

1.3 Criteria:

Measure of rationalization in this sector (number of companies).
Increased exports

1.4 Companies participating in the program are:

Caterpillar of Canada Ltd., Mississauga, Ontario
International Harvester Co. of Canada Ltd., Candiac, Quebec
Clark Equipment of Canada Ltd., St. Thomas, Ontario
General Motors of Canada Ltd. (Terex Div.), London, Ontario

2. HISTORY

2.1 The program was established by an Order-in-Council (P.C. 1980-2751) dated October 16, 1980, retroactive to April 1, 1980. Prior to the introduction of the program, the front-end loader sector in Canada could be described as a fragmented industry characterized by high production costs, comparatively inefficient production units, low levels of Canadian content and domestic market orientation.

2.2 Established to provide an incentive for manufacturers for product rationalization and specialization. As a result of MTN tariff reductions, the sector was faced with possible major dislocations and repatriation of production into the United States. Evidence of such an occurrence appeared during 1980 with the termination of production in Canada of certain models of loaders.

3. RELATIVITY

3.1 Duty remission schemes of this kind (i.e. product rationalization) provide benefits and flexibility not available under an existing support programs.

No other industrial support programs are associated with this program.

4. IMPACT

- 4.1 The first assessment (audit) is currently being conducted by Revenue Canada.
- 4.2 No problems have been identified.
- 4.3 Each of the four Canadian front-end wheel loader manufacturers are participating under the program. In addition, enquiries have been received concerning the establishment of new production facilities in Canada which would utilize the program.

5. STATUS

- 5.1 In existence since October, 1980, and it is intended to review the program after five years to determine the appropriateness of its performance criteria.

6. AUTHORITY

- 6.1 The program was established by an Order-in-Council, P.C. 1980-2751, dated October 16, 1980.
- 6.2 Instrument: duty remission.
- 6.3 The program is based on the principle that tariff remission can be used as an effective industrial development tool, i.e. rationalization.

7. RESOURCES

- 7.1 There are no direct IT&C resources assigned to the program except for sporadic implication of ISB officers. Resource implications of the program center on duties foregone. To date duties forgone have not been considered to be a charge against the economic development envelope.
- 7.2 N/A
- 7.3 N/A
- 7.4 N/A

8. ORGANIZATION AND DELIVERY

- 8.1 Developed within the Department of Industry, Trade and Commerce in consultation with the Departments of Finance and Revenue Canada.
- 8.2 IT&C (Machinery Branch) assists the operation of the program. Revenue Canada administers issuing program.

III OVERVIEW OF EXISTING PROGRAMS

SHIRTING FABRICS DRAWBACK AND REMISSION ORDERS

DUTY REMISSION 1(d)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Maintain employment in Canadian shirt Manufacturing.

Lower input costs to Canadian Shirt Manufacturers.

Make available to shirt manufacturers fabrics not readily available from Canadian production.

1.2 Related to Departmental mandate to provide adjustment assistance and lower costs to industry.

Strategic interests: productivity improvement; import replacement.

1.3 Criteria:

Increased productivity and output of the shirt manufacturing sector (allowing for other factors).

1.4 Clientele:

Canadian shirt manufacturers, located predominantly in Québec (44%) and Ontario (35%).

2. HISTORY

2.1 Established in 1969 and 1970.

2.2 Why? Competition in men's and boys shirts is predominantly on the basis of style and as there is only one Canadian producer of men's shirting fabrics that producer agreed with the need for lower cost shirting fabrics of styles and patterns not available in Canada.

3. RELATIVITY

3.1 Program operates in conjunction with the tariff, quotas, and a host of other support programs available for this sector. Overlap is unlikely, given the special nature of the problem of non-availability of a wide range of shirting fabrics from Canadian production.

4. IMPACT

4.1 Program was assessed as part of an Evaluation Assessment Study completed January 11, 1982.

Plausible impacts identified but not measured were:

Improved competitiveness of the sector;
Stronger Canadian market for Domestic Shirting Fabrics;
Specialization in the production of shirting fabrics.

4.2 Major programming problems identified: None.

4.3 Program Perception among clients:

Very sensitive due to current action on quotas and tariffs.

5. STATUS

5.1 Program is ongoing. Commitments of support to this sector are very sensitive.

6. AUTHORITY

6.1 Orders-in-Council P.C. 1969-950 and 1970-958 pursuant to section 17 of the Financial Administration Act.

6.2 Instruments:

Duty Remission and Duty Drawback.

6.3 Primary principle is cost reduction feeding through to lower input costs and thus enhanced competitiveness. Question is effectiveness in relation to other market factors.

7. RESOURCES

7.1 There are no IT&C PY and administrative costs dedicated to the program.

7.2 1980-81 Duty remitted was \$1.3 million, disbursed to Shirt Manufacturing Sector predominantly in Québec and Ontario.

7.3 Demand:

Level of duty remitted depends on imports of shirting fabrics.

7.4 Contingent Liabilities: None.

8. ORGANIZATION & DELIVERY

8.1 On-going delivery and administration resides with Revenue Canada:

Customs and Excise. Authority for original remission and drawback orders resides (as in all duty remission orders) with the Minister of Finance.

8.2 Joint administration by Revenue Canada Customs and Excise, Finance and IT&C.

III OVERVIEW OF EXISTING PROGRAMS

THE TELEVISION PROGRAM

DUTY REMISSION 4 (e)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Product rationalization and diversification.
Import replacement.
Maintenance of television set assembly.

The original intention was to promote diversification out of TV set manufacturing. This has altered to include maintenance of some capacity in this area due to favourable exchange rate movements and improvements in the economics of domestic production.

1.2 Related to Departmental Mandate:

Contributes to industrial adjustment in response to competition.

Strategic interests: product rationalization, import replacement.

1.3 Criteria:

Employment and output maintained.
Industry sector Canadian Value added and exports.
Extent of product and market diversification.

1.4 Clientele and Location:

7 producers of televisions and television tubes - located primarily in Ontario and Québec.

2. HISTORY

2.1 Originated in 1976, frequent modification since.

2.2 Established in response to dumping (from Japan and Singapore) of television sets in Canadian market.

3. RELATIVITY

3.1 Program operated in conjunction with an EDP Grant for product development and certain tariff actions. Overlap is not a major factor.

4. IMPACT

- 4.1 Program last assessed as part of an evaluation assessment study completed, January 11, 1982.

Plausible impacts identified but not measured were:

continued production of some sizes of TV tubes;
continued operation of television assembly plants;
some exports;
development of domestic capacity in word processing and television monitors.

4.2 Programming problems:

Reversal in economics of domestic TV production led to some redesign of program.

4.3 Perception among Clients:

Program is currently renegotiated yearly and continues on a year to year basis, very visible to user firms.

5. STATUS

- 5.1 Continues on a year to year basis, recently extended into 1982.

6. AUTHORITY

- 6.1 An Order-in-Council made pursuant to Section 17 of the Financial Administration Act.

6.2 Principles:

Major one is incrementality. Is the amount of duty remitted more than is required to maintain continuing production and support diversification?

7. RESOURCES

- 7.1 Annual duty remitted for 1980 was \$8 million, no IT&C person years were dedicated in administration.

- 7.2 Since program inception in 1976, \$40 million in duty has been remitted. Loan insurance of \$13.5 million was provided. Concentrated in Ontario and Québec.

7.3 Demand/Disbursements:

Amounts of duty to be remitted are negotiated annually with participating TV producers.

7.4 Contingent Liability:

IT&C exercised a stock option in 1981 for \$10.1 million in profit.

8. ORGANIZATION & DELIVERY

8.1 IT&C involvement is limited to annual negotiations with producers in the sector to secure investment and diversification in exchange for duty remitted. Ongoing audit and administration lies with Revenue Canada: Customs and Excise.

8.2 Joint administration with IT&C, Finance, and Revenue Canada.

III OVERVIEW OF EXISTING PROGRAMS

SINGER SEWING MACHINE DUTY REMISSION ORDER

Duty Remission 4 (f)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Rationalize sewing machine production in Singer's Canadian Plant.

Preserve employment and output (since collapse in market).

Secure World Product Mandate.

1.2 Relation to Departmental Mandate:

Meant to increase efficiency and productivity of this firm's Canadian operations. (IT&C Act)

Strategic interests: product rationalization.

1.3 Criteria:

Incremental Production, Exports and Employment at Singer's St-Jean Plant. (i.e. Jobs maintained).

1.4 Clientele and Location:

One sewing machine manufacturing plant in St-Jean, Québec.

2. HISTORY

2.1 It was established in 1971.

2.2 Established in response to increased competition from Japanese and other low cost producers. Subsequently worldwide market for sewing machines has undergone disastrous slump.

3. RELATIVITY

3.1 Program originated in conjunction with a PAIT grant for development of a new machine. Problem of sectoral decline perhaps called for some other form of adjustment assistance.

4. IMPACT

4.1 Program was last assessed as part of an evaluation assessment study completed on January 11, 1982.

Plausible impacts identified but not measured were:

Product development and diversification.

Enhanced exports.

Product rationalization.

(Some of these were not realized)

4.2 Programming Problems:

Product was not successful in the American Market

Major downturn in the sector as a whole.

4.3 Client Perception:

Program provides some time for diversification out of sewing machines, sustains employment.

5. STATUS

5.1 Program is currently being wound down as Singer diversifies out of the product line.

6. AUTHORITY

6.1 Legislative Basis:

An Order-in-Council Pursuant to Section 17 - of the F.A.A.

6.2 Instruments:

An original PAIT grant coupled with ongoing duty remission on imported sewing machines.

6.3 Principles:

Original principle was product rationalization, has now become adjustment assistance and employment preservation.

7. RESOURCES

7.1 Resources:

No IT&C person-years in administration.

7.2 Disbursements:

Duty remitted in 1981 was \$724,000, all to support operations in St-Jean, Québec.

7.3 Relationship between demand/disbursements:

Duty remitted depends totally on the volume of sewing machines imported by Singer but with annual maximum limits, i.e. \$5.6 million in duty-free imports in 1981.

7.4 Contingent Liability: None.

8. ORGANIZATION & DELIVERY

8.1 Because the program is without CVA or other requirements, ongoing administration is minimal and rests with Revenue Canada: Customs and Excise.

8.2 Joint involvement of Revenue Canada, Industry, Trade and Commerce and Finance.

III OVERVIEW OF EXISTING PROGRAMS

AUTOMOTIVE COMPONENTS AND EXPANDED AUTOMOTIVE COMPONENTS
REMISSION ORDER

DUTY REMISSION 4 (G)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Increased sourcing of parts production in Canada.

Establishment of component plants by third country (non-US) vehicle manufacturers in Canada.

Increased incremental Canadian value added.

Increased exports.

1.2 Relation to Departmental Mandate/Objectives:

Increased production, exports and productivity in an important industrial sector.

1.3 Criteria to Measure Attainment:

Automotive component exports.

Capital investment by third country manufacturers.

1.4 Clientele and Location:

Clientele are 10 third country vehicle manufacturers participating through their Canadian Distribution Companies, located mainly in Toronto, Vancouver and East coast ports. Only one production facility is committed, location is Barrie, Ontario.

2. HISTORY

2.1 Program was established in 1975 and expanded in 1978/79.

2.2 Established as a means of promoting sourcing of parts in Canada by firms outside the Auto Pact.

3. RELATIVITY

3.1 Program operates in close proximity with the Canada/US Automotive Agreements.

4. IMPACT

4.1 Last Assessment and Results:

Program was last assessed as part of a Duty Remission Evaluation Assessment study completed on January 11, 1982.

Plausible impacts identified but not measured were:

- increased economic output in Components Sector;
- possible US retaliation through countervailing duty.

4.2 Major Programming Problems:

Extensive use of the program seems to be limited to V.W. Canada the only participant with North American Assembly Facilities.

4.3 Perception/Visibility:

Very high visibility, especially with V.W.

5. STATUS

5.1 Recent commitment by V.W. to establish a large Canadian Parts Facility contingent on existence and expansion of automotive duty remission agreements.

6. AUTHORITY

6.1 Legislative Basis:

Orders-in-Council pursuant to Section 17 of the Financial Administration Act.

6.2 Instruments:

Duty remitted on the basis of parts orders placed and CVA in those parts.

6.3 Principle:

Actual value of duty remitted per export part sourced may be too small in comparison to costs of sourcing in Canada. Incremental exports from firms without assembly plants in North America may require a higher level of incentive.

7. RESOURCES

7.1 Resources:

Annual resources used are 0.2 person-years and duty remitted of \$5.8 million.

7.2 Disbursements:

\$5.8 million disbursed, mainly to a single company headquartered in Toronto. Benefits of parts orders concentrated in auto parts sector in Southern Ontario.

7.3 Demand/Disbursements:

Demand is a function of the extent to which third country manufacturers are able to source components in Canada and thus 'earn' duty remission on vehicles entering Canada.

7.4 Contingent Liability:

None.

8. ORGANIZATION AND DELIVERY

8.1 The program is directed and managed at IT&C, including design, and negotiation of the orders and ensuring that firms comply with conditions stipulated in the order.

8.2 Other aspects of program administration lie with Revenue Canada, Customs and Excise.

III OVERVIEW OF EXISTING PROGRAMS

OFF-HIGHWAY VEHICLES DUTY REMISSION ORDER

DUTY REMISSION 4 (H)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Rationalized production of off-highway vehicles.

Increased specialization in Canada.

Establishment of production facilities by foreign firms.

Increased exports of off-highway vehicles.

1.2 Relation to Departmental Mandate/Objectives:

Increased productivity, investment, output and exports from this sector which relies heavily on the resource and mining industries for domestic and export demand.

1.3 Criteria Needed to Measure Attainment:

Incremental CVA.

Incremental exports.

Production facilities established, jobs created.

1.4 Clientele and Location:

Five producers of very large trucks, Ontario and B.C.

2. HISTORY

2.1 The order was established in 1972.

2.2 Industry sector was characterized by product fragmentation and short production runs. US based firms were interested in establishing production facilities if duty remission was possible.

3. RELATIVITY

3.1 Program operates in an environment determined by the Auto Pact. No apparent overlap with other programs.

4. IMPACT

4.1 The program was last assessed as part of an Evaluation Assessment Study completed on January 11, 1982.

4.2 Plausible Impacts identified but not measured were:

- specialization in smaller number of models;
- imports of foreign units to round out product lines;
- establishment of production facilities by foreign producers;
- possible barriers to entry for domestic firms.

4.3 Programming Problems:

Some possibility that Canadian firms without foreign MNE's with which to "rationalize production are barred from entering the market.

4.4 Visibility among clients:

Very high, some have established Canadian facilities because of the existence of the DR order.

5. STATUS

5.1 Activity growing under program - efforts are under way to increase minimum levels of CVA. Negotiations dependant on continuing existence of D.R.

6. AUTHORITY

6.1 Legislative basis:

Order-in-Council P.C. 1972-215 made pursuant to Section 17 of the Financial Administration Act.

6.2 Instruments:

Duty remitted on imported vehicles and parts based on production levels in Canada and CVA.

6.3 Major principle is the realization of productivity gains through rationalization of production and access to a world market.

7. RESOURCES

7.1 Resources:

Less than one-person year annually at IT&C.

7.2 Disbursements by sector and region:

Approximately .4 million annually in duty remitted to 5 firms manufacturing very large trucks. Firms are located in Ontario, Quebec and B.C.

7.3 Demand:

Duty remitted is dependant on the levels of production, exports (a large element in production) and Canadian Value added in the domestic production of very large trucks.

7.4 None.

8. ORGANIZATION AND DELIVERY

8.1 Program is directed, managed and administered by Program Planning and Coordination Division, Surface Transportation Branch IT&C.

8.2 Close involvement with Revenue Canada Customs and Excise and Department of Finance.

III OVERVIEW OF EXISTING PROGRAMS

THE DUTY REMISSION SECTION OF THE OFFICE OF SPECIAL TRADE
RELATIONS (IT&C)

DUTY REMISSION 4(I)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Represent IT&C at the Interdepartmental Remission Committee (IRC).

Provide Canadian firms with the maximum advantage resulting from the operation of the customs tariff, drawback procedures and duty remission.

Influence Department of Finance and National Revenue decisions on tariff, customs and duty remission matters so as to enhance competitive position of Canadian industry.

1.2 Relation to Departmental mandate/objectives:

Contribute to competitive advantage of Canadian firms.

1.3 Criteria Needed to Measure Attainment:

Level of service provided to firms and ISBs on Duty Remission matters

Record of decisions of the IRC

Firms' opinions

1.4 Clientele and Location:

Virtually any importing or exporting firm may have reason to seek duty remission or other special tariff treatment through the IRC, which is the main forum of activity for this group.

2. HISTORY

2.1 The Interdepartmental Remission Committee was established in 1971 and the duty remission section of OSTR was moved into OSTR from the now-defunct Customs and Tariffs Procedures Section of the Business Services Branch.

2.2 There was a perceived need in 1971 to co-ordinate Departmental requests to Finance for duty remission orders of a one-shot or temporary nature.

3. RELATIVITY

3.1 None.

4. IMPACT

4.1 Last Assessment and Results:

The program unit was last assessed as part of an Evaluation Assessment Study of Duty Remission completed on January 11, 1982.

Plausible impacts identified but not measured were:

- Changes in the profitability and competitive strength of firms receiving duty remission in relation to their domestic and foreign competitors.
- Investment decisions with positive and/or negative impacts on local or regional economies.

Preferential treatment of some end users.

4.2 Major Programming Problems:

Lack of a formal mandate for the office.

4.3 Program Perception Among Clients:

Clients deal mainly through ISPs and the Inter-Departmental Remission Committee.

5. STATUS

No external (as apposed to Inter-Departmental) commitments.

6. AUTHORITY

6.1 The duty remission section of OSTR has evolved an informal mandate within IT&C. Remission Orders resulting from Inter-Departmental Remission Committee Decisions are issued pursuant to Section 17 of the Financial Administration Act.

6.2 N/A.

6.3 N/A.

7. RESOURCES

7.1 Three person-years and \$1,000 in admin. costs are sustained annually by the duty remission section.

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION AND DELIVERY

8.1 The section deals primarily with issues presented before the Inter-Departmental Remission Committee which is chaired by the Department of Finance and secretaried by Revenue Canada.

8.2 Involvement with Revenue Canada and Finance.

III OVERVIEW OF EXISTING PROGRAM

THE IMPORT ANALYSIS DIRECTORATE

Market Analysis Service (IT&C-N.F.)

1. PURPOSE/CLIENT

1.1 Objectives:

Provide timely, terse and actionable reports to senior management of Crown Corporations.

Provide market analysis services on cost recovery basis.

1.2 Mandate:

Section 5(e) of the IT&C Act, provision of information.

Strategic interests: knowledge base.

1.3 Criteria:

Cost recovery. If no one buys, there is no demand for service; the original and ultimate "sunset law".

1.4 Clientele:

Government-owned and Controlled Corporations.

2. HISTORY

2.1 A Fast Response Market Report Service was custom-designed for the Regional General Managers of Federal Business Development Bank (FBDB).

2.2 The service will help FBDB reduce market-related risks in their loan/investment program. Response time is 5 days and 100 reports will be provided in the first year.

3. RELATIVITY

3.1 A unique service not available from private sources. IAD has both legal access to confidential data and expertise to massage it to publishable form without violating confidentiality restraints. Private sector firms cannot get access and modifying confidentiality restrictions is a long-term proposition. This uniqueness ensures saleability of the product, and that there is no conflict with private firms. Statistics Canada is not interested in entering the field.

There is no such service offered by private industry in Canada. The pre-launch costs for initiating such a service coupled with the limited number of potential clients, make it almost impossible for a private sector company to deliver such a service.

4. IMPACT

4.1 No information

4.2 No information

4.3 No information

5. STATUS

5.1 The Department's first cost recovery agreement requires IAD to commence delivery April 1, 1982. This will require 3 new staff with specialized skills, and a minimum of support facilities.

6. AUTHORITY

No information

7. RESOURCES

No information

8. ORGANIZATION AND DELIVERY

No information

III OVERVIEW OF EXISTING PROGRAMS

THE IMPORT ANALYSIS DIRECTORATE

Import Analysis Service (IT&C-N.F.)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Stimulate competitive import replacement action by providing detailed import data and analysis.

1.2 Mandate:

Specific; Section 5(e) of the IT&C Act.

Contributing to the development and expansion of Canadian industry.

Strategic interests: import replacement.

1.3 Criteria:

Effectiveness and quick payback (benefits vs cost) eg. 26% of the 1980 analyses resulted in generating and saving jobs; specifically:

3,240 jobs created or saved by clients;

140 jobs for each PY in Import Analysis Program;

IT&C cost of less than \$200 per job created or saved;

In addition, see client testimonials Appendix I.

1.4 Clientele:

426 individual clients in 1980

Direct, individual firms

Indirect; industry associations, Provincial and Federal Government Departments (DREE, IT&C)

2. HISTORY

2.1 Started in early 1950's by Statistics Canada as a supplement to regular import statistics publications.

2.2 Established in response to demands by industry and other data users for actionable information on imports.

3. RELATIVITY

- 3.1 No known overlap with other federal programs, provincial governments, or private institutions.

IAD is complementary to Federal and Provincial Government industrial development and import replacement initiative.

4. IMPACT

- 4.1 Internal audit in 1978 by Office of Departmental Review (IT&C).
- 4.2 Problem identified: lack of Departmental focus for Domestic Marketing.
- 4.3 An "import Competition Survey" of 4580 manufacturing companies in late 1981 showed:
- (a) 61% response
 - (b) 1015 companies accepted the principle of paying for service
 - (c) 561 companies are willing to pay (\$1,000 to 10,000) for import analysis

5. STATUS

- 5.1 Not provided

6. AUTHORITY

- 6.1 Section 5(e) of IT&C Act.
- 6.2 Not applicable.
- 6.3 Not applicable.

7. RESOURCES

- 7.1 23 PY and \$200,000 in fiscal 81/82.
- 7.2 Not applicable.
- 7.3 Not applicable.
- 7.4 Not applicable.

8. ORGANIZATION AND DELIVERY

8.1 Direction:

Targetting of both clients (firms interested in import replacement) and markets (areas with potential for import replacement), maximize return on IA Program (expressed in job creation and investment by client).

Management:

Priority system based on quick payback and job creation vis-a-vis cost of providing an import analysis.

Administration:

Direct client-supplier relationship is essential both for accurate assessment of clients information needs for problem solving and follow-up and analysis or results.

8.2 External Involvement:

Only client-supplier.

III OVERVIEW OF EXISTING PROGRAMS

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)

MANAGEMENT TRAINING PROGRAM

1. PURPOSE/CLIENTELE

- 1.1 To provide owner/manager courses, seminars and management clinics.
- 1.2 Relates to the Departmental objective of making Canadian business more efficient and competitive.
- 1.3 To measure attainment of objective, criteria are:
 - number of owner/manager courses sold to the Provincial and Territorial Ministries of Education for distribution through community colleges;
 - number of seminars presented;
 - number of management clinics (i.e. self-teaching management programs through videotape and workbook) sold.

1.4 Program clientele are:

- for owner/manager courses -- Provincial and Territorial Ministries of Education;
- for seminars -- small and medium-sized business throughout Canada;
- for management clinics -- those starting or operating small and medium-sized businesses in Canada.

2. HISTORY

- 2.1 The Program was established in 1975 to broaden FBDB's scope to provide a package of management services along with traditional financial services.
- 2.2 To meet a demand for generalized management training for small and medium-sized businesses.

3. RELATIVITY

- Program works with close cooperation of provinces and local governments.

4. IMPACT

- 4.1 Program now under review as part of over-all review of FBDB.

4.2 Programing problems (if any) under review.

4.3 - Manager/owner courses distributed to Provincial and Territorial Ministries of Education throughout Canada;

- business Seminars (1,500 full-day and 300 half-day to 29,000 participants in 1981);

- Management clinics (3,700 sold across Canada in 1981).

5. STATUS

- The program is under review but is expected to continue.

- Budgetary provisions have been made through 1984/85.

6. AUTHORITY

6.1 The FBDB Act of 1975 is the legislative basis for the Program.

6.2 The program sells owner/manager courses and management clinics and it charges a modest fee for its seminars.

6.3 Program operates of the principle of demand for services.

7. RESOURCES

7.1 Budget:

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>
Financial Resources \$ Millions	\$2.9	\$4.1	\$4.1	\$3.9	\$3.6

7.2 Regional Coverage:

	<u>Atlantic</u>	<u>Quebec</u>	<u>Ontario</u>	<u>Prairie & Northern</u>	<u>B.C. & Yukon</u>
Management Training Seminars in 1981	275	340	395	385	420

7.3 Program provides services on basis of demand.

7.4 Commitment is \$5.8 million for 1981/82.

8. ORGANIZATION AND DELIVERY

- 8.1 - Owner/manager courses sold to provincial and territorial ministries of education for distribution through community colleges.
 - Business Seminars distributed through regional offices.
 - Management clinics sold through regional offices.
- 8.2 Provinces are aware and cooperate in distribution of the program.

III OVERVIEW OF EXISTING PROGRAMS

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)

COUNSELLING ASSISTANCE TO SMALL ENTERPRISES (CASE)

1. PURPOSE/CLIENTELE

- 1.1 To counsel new and established entrepreneurs.
- 1.2 Relates to the Departmental objective of making Canadian business more efficient and competitive.
- 1.3 To measure attainment of objective, criteria are:
 - degree of satisfaction of user
 - cross country coverage
 - number of assignments.
- 1.4 Program clientele are small and medium-sized businesses across Canada.

2. HISTORY

- 2.1 The Program was established in 1975 to broaden FBDB's scope by providing management counselling along with the traditional financial services.
- 2.2 To utilize the expertise of retired successful business people in providing much-needed counselling for small and medium-sized businesses.

3. RELATIVITY

- Other consulting programs use private consultants, university professors and university students whereas CASE use retired successful executives.

4. IMPACT

- 4.1 Program now under review as part of over all FBDB review.
- 4.2 No programming problems have been identified.
- 4.3 Program is highly visible and highly popular (14,000 assignments completed in 1981).

5. STATUS

- Program is now under internal review of FBDB.
- Popularity and success of program (14,000 assignments in fiscal 81) has meant that its continuation has never been brought into question.

6. AUTHORITY

- 6.1 The FBDB Act of 1975 is the legislative basis for the program.
- 6.2 The Program provides counselling services and charges a modest fee for those services.
- 6.3 Operates on the principle of demand for services.

7. RESOURCES

7.1 Budget:

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
Person-Years	82	82	90	99
Financial	\$4.9m	\$5.9m	\$5.8m	\$6.0m

7.2 Regional Coverage:

	<u>Atlantic</u>	<u>Quebec</u>	<u>Ontario</u>	<u>Prairie & Northern</u>	<u>B.C. & Yukon</u>
Assignments Completed 1981	1,621	1,432	4,386	2,006	4,665

- 7.3 Program completes all viable assignments.
- 7.4 Commitment is \$5.8 m for 1981/82.

8. ORGANIZATION AND DELIVERY

- 8.1 Program is directed and delivered through FBDB's 103 regional offices.
- 8.2 Provinces aware of CASE and can refer businesses to it.

III. OVERVIEW OF EXISTING PROGRAMS

PRODUCTIVITY IMPROVEMENT SERVICE/INTERFIRM COMPARISON (IFC) (IT&C-NF)

1. PURPOSE/CLIENTELE

1.1 Objectives:

- (1) to help groups of Canadian companies help themselves to become more productive and more competitive and to hold down prices, and
- (2) to help IT&C and other federal and provincial government departments make their policies more effective through a better identification of the different productivity problems of the various industry sectors.

1.2 Related to the departmental objective of facilitating the improvement of industrial productivity and efficiency and to help increase the output of Canadian goods and services on an internationally competitive basis.

Strategic interests: productivity improvement.

1.3 Criteria:

Effectiveness of the program in identifying productivity problems and in the follow up actions taken by the firms to improve their productivity.

1.4 Clientele:

Businesses in various industrial sectors. Some 1500 participating companies in manufacturing and related services across Canada have already benefited from the program.

2. HISTORY

2.1 The Productivity Improvement Service (PRIS) was created in 1968 when the Department of Industry and the Department of Trade and Commerce were integrated. The first Interfirm Comparison was undertaken in 1971. Since 1977 has used private consultants under IT&C direction to conduct survey of participating firms.

2.2 Established to generate solid information on industrial productivity.

3. RELATIVITY

The program complements the other programs of the Department

It is used by the Industry Sector Branches to obtain a better understanding of the performance of firms in their sector.

There are no other similar programs in Canada.

Most leading industrialized countries have Interfirm Comparison programs of one kind or another.

4. IMPACT

- 4.1 Program was internally assessed in 1981. The general reaction of participating companies to the Interfirm Comparisons has been almost uniformly very positive.
- 4.2 There were several suggestions to broaden the comparisons to include financing, to separate costs by more product categories and to initiate inter-regional comparisons.
- 4.3 Very well perceived by participating firms.

5. STATUS

- 5.1 Ongoing.

6. AUTHORITY

- 6.1 The Interfirm Comparison program operates under ITC Act with funding from Vote 1.
- 6.2 The program uses AOM funds to prepare confidential reports to participating firms on their relative strengths and weaknesses, and a report on the performance of the sector for public release.
- 6.3 The projects are chosen by order of priority established by Programs Branch and the corresponding Sector branches.

7. RESOURCES

7.1	1979/80	1980/81	1981/82
Annual budget including personnel costs (\$000)	495	522	642
AOM Budget (\$000)	381	381	452
Total Person-Years	5	5	5

- 7.2 Forty-two percent of firms are located in Ontario, thirty-four percent in Quebec and nineteen percent in the western provinces.

Program uses only AOM funds.

- 7.3 The program usually spends 100% of its budget.
- 7.4 No contingent liability.

8. ORGANIZATION AND DELIVERY

- 8.1 Most of the projects are initiated by the Sector branches or industry associations.

The program is directed, managed and administered by the Productivity Improvement Service division of the Programs Branch.

- 8.2 Only outside involvement is that of various industry associations, cooperation is maintained with productivity programs of other OECD countries.

III OVERVIEW OF EXISTING PROGRAMS

FEDERAL BUSINESS DEVELOPMENT BANK (FBDB)

Information Services Program

1. PURPOSE/CLIENTELE

1.1 To provide information to business people about federal and provincial financial and non-financial assistance programs and to provide referrals to the programs.

1.2 Relation to Departmental Mandate/Objectives:

Relates to departmental objective of making Canadian business more efficient and more competitive.

1.3 Criteria to measure attainment:

To measure attainment of objective, criteria are:

- extent of distribution of information
- number of referrals.

1.4 Clientele are small and medium-sized business throughout Canada.

2. HISTORY

2.1 The Program was established in 1975 as part of FBDB's new package of management services.

2.2 It was established to disseminate as widely, as possible, information on provincial and federal assistance to small and medium-sized businesses.

3. RELATIVITY

3.1 The program represents an attempt to provide an over-all information package on all assistance programs in the federal and provincial governments. The FBDB has 103 regional offices to distribute this information.

4. IMPACT

4.1 The Program is now under review as part of over-all review of FBDB.

4.2 Problems are not apparent.

4.3 In 1981 there were: 105,000 referrals to government representatives; 450,000 copies of the quarterly newsletter "Small Business News" distributed; and, 1 million copies of the booklet "Minding Your Own Business" were distributed.

5. STATUS

5.1 The program is under review as part of our overall review of FBDB but it is expected to continue.

6. AUTHORITY

6.1 The program's legislative basis is the FBDB Act.

6.2 The program distributes booklets, a newsletter and makes referrals to government representatives.

6.3 The program operates on the principle that information on federal and provincial financial and non-financial assistance to small business should be distributed as widely as possible.

7. RESOURCES

7.1 BUDGET

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
Person-Years	181	181	197	215
Financial Resources (\$ millions)	\$4.5	\$6.7	\$7.1	\$7.7

7.2 REGIONAL COVERAGE

	Atlantic	Quebec	Ontario	Prairies & North	British Columbia & Yukon
Referrals to assistance programs	33,793	12,564	28,227	19,748	11,064

7.3 Not applicable.

7.4 \$6.7 million has been committed for 1981/82.

8. ORGANIZATION AND DELIVERY

8.1 The program is operated through the 103 regional offices of FBDB.

8.2 The provincial and federal governments are aware of the program and those which have assistance programs for small business are the targets of the referrals.

III OVERVIEW OF EXISTING PROGRAMS

INDUSTRIAL REGIONAL BENEFITS PROGRAM (IRBP)

(IT&C-N.F.)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To induce Canadian industry to gain maximum advantage and experience from mega projects.

To obtain full and fair access to mega projects.

To strengthen Canadian engineering and construction industries.

Projects defined as those having minimum capital investment of \$100 million.

235 projects currently identified as underway or planned up to 1990.

1.2 Related to Departmental Mandate to promote:

Increased employment;

expansion of manufacturing and service sectors;

strategic interest;

maintenance of knowledge base;

import replacement;

energy conservation and development;

restructuring of depressed industries;

diversifying and improving regional economies;

acquiring and developing new technologies and engineering skills to make Canada more competitive in foreign markets;

market development;

regional supply;

provincial relations;

manpower-labour planning.

1.3 Criteria - Measure of Attainment:

Annual review of benefits created

1.4 Clientele:

major contractors;

major project directing companies;

energy and resources developers.

2. HISTORY

- 2.1 As an initial response to the Report of the Major Projects Task Force (Blair/Carr Report), the Office of Industrial and Regional Benefits was established in IT&C.

Guidelines for major projects were announced in August, 1981 by Minister of IT&C.

- 2.2 Established to maximize industrial and regional benefits from major projects.

3. RELATIVITY

- 3.1 IT&C OIRB office acts as a catalyst with respect to industrial and regional benefits.

IT&C OIRB office has no funding programs of its own.

IT&C OIRB office seeks to utilize full range of existing programs in IT&C and other departments, i.e., EDP, DREE, IDP.

4. IMPACT

- 4.1 Not been assessed to date.

4.2 Problem identified:

Lack of positive instrument to influence product acceptance.

- 4.3 No evaluation re: visibility - program received strong introduction politically.

5. STATUS

- 5.1 On-going - no commitments as only a "compliance program".

6. AUTHORITY

- 6.1 Bill C-48, Act to Govern Oil and Gas Exploration and Development on Canada Lands, reflects this requirement.

Compliance with guidelines is compulsory for owners/sponsors operating on federal lands.

Compliance is voluntary for projects on non-federal lands.

- 6.2 Hold the authorization to explore and/or operate.
- 6.3 Fair access (Equity) for manufacturer is principle applied.

7. RESOURCES

- 7.1 Actual PY's - 18.

4 PY management - 8 Project Review, 6 Planning & Analysis.

Approved PY's - 28 (staffing frozen).

Requested PY's - 43 (T.B. Submission).

O&M - Actual - \$0.5 million.

- 7.2 No actual disbursements.
- 7.3 No actual disbursements.
- 7.4 No contribution or grants made. (Liability nil)

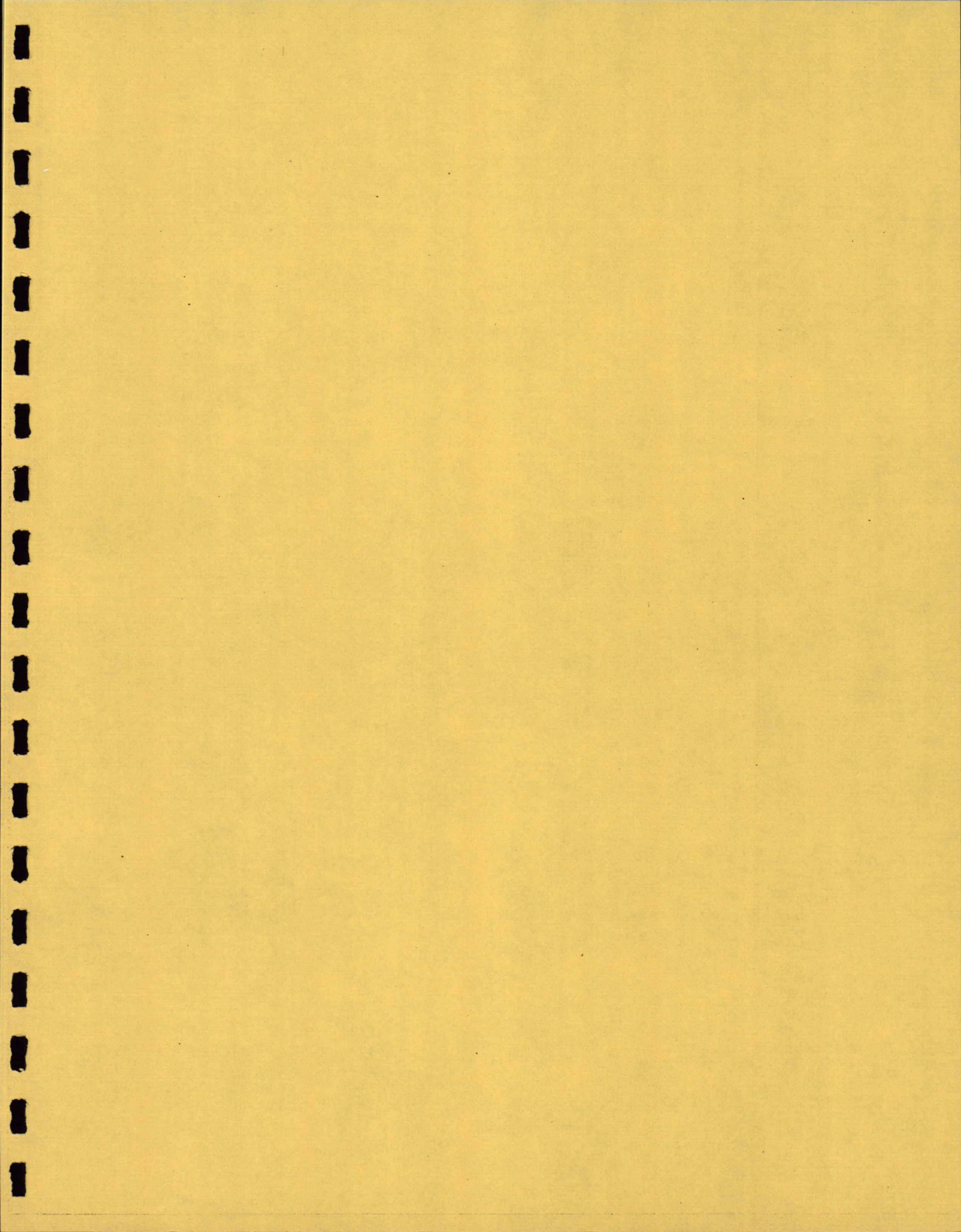
8. ORGANIZATION AND DELIVERY

- 8.1 Directed - Committee on Mega Project Industrial and Regional Benefits (C-MIRB) replaced Advisory Committee on Industrial Benefits set up in 1975.

Committee monitors compliance with Bill C-48.

Administers - manages - IT&C OIRB office is operational arm of Committee.

- 8.2 C-MIRB has provincial and territorial membership plus departments of IT&C, CEIC, DREE, EMR, DIAND.



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* This is an existing program operating since Oct/81 and should have been included with the Direct Financial Programs Group

III OVERVIEW OF EXISTING PROGRAMS

SUPPORT FOR TECHNOLOGY ENHANCED PRODUCTIVITY (STEP)

1. PURPOSE/CLIENTELE

1.1 Objective:

To encourage sectors of Canadian industry to exploit the burgeoning opportunities for economic and employment gain which the electronics revolution is creating. (Same as Special Electronic Fund.)

1.2 Mandate:

a) Consistent with the Department's general objectives: to promote efficient and sustained growth in the production and trade of Canadian goods and services, and to assist Canadian industries to adjust to changes in the domestic and external economic environment.

b) Strategic interest: increased competitiveness.

1.3 Criteria:

Measured by degree of improvement in productivity in Canada attributable to the program.

1.4 Clientele:

Manufacturers or users of electronics anywhere in Canada.

2. HISTORY

2.1 Program is not yet operational; Cabinet's approval was recently received; a submission to the Treasury Board is being prepared.

2.2 The program will pull together existing programs which promote and support the manufacture and application of electronics, fill gaps in program coverage and create a regionally sensitive comprehensive program for industry that is delivered through a "one-stop shopping" mechanism.

3. RELATIVITY

3.1 When approved program will serve essentially the same clientele as the EDP, RDIA and FBDB but will be offering more enriched assistance as an added incentive.

4. IMPACT

4.1 The program is not yet operational.

4.2 See 4.1.

4.3 See 4.1.

5. STATUS

5.1 While not yet operational the program has been established as a \$93 million three year program.

6. AUTHORITY

6.1 Cabinet has approved the program January 20, 1982. (S94-81CR) Funding is provided under ITC Vote 10.

6.2 Contributions.

6.3 Principles: incrementality; benefit to Canada.

7. RESOURCES

7.1 Program is not operational and resources have not as yet been allocated.

7.2 See 7.1.

7.3 See 7.1.

7.4 See 7.1.

8. Organization and Delivery

8.1 The program will receive its strategic direction from IT&C's Electrical and Electronics Branch, will be managed generally by the Minister IT&C and the Enterprise Development Board. (Programs Branch will provide the secretariat.) Delivery of the major projects segment will be from Ottawa as will largely, the University Microelectronic Centres. The remainder of the program will be delivered through the 10 IT&C regional offices.

8.2 There will be very little external involvement in this program.

III OVERVIEW OF EXISTING PROGRAMS

CANADIAN INDUSTRIAL RENEWAL BOARD (CIRB)

(IT&C-N)

1. PURPOSE/CLIENTELE

1.1 To establish new employment in communities affected by industrial adjustment; assist in modernizing viable firms; help displaced workers take advantage of new employment opportunities; revitalize textile and clothing, and footwear and tanning sectors.

1.2 Related to department's mandate for industrial and regional development as expressed in IT&C Act.

Strategic interests: productivity improvement; industry rationalization; manufacturing expansion.

1.3 Attainment of objectives measured by:

- impact on employment;
- viability of firms assisted;
- workers assisted.

1.4 Clientele are manufacturing and related firms in designated communities.

2. HISTORY

2.1 Cabinet announced a new policy for textiles and clothing in June 1981; footwear and tanning industries were added in November, 1981.

The intention to establish CIRB was announced on June 19, 1981.

CIRB's formal establishment was announced October 26, 1981.

2.2 CIRB was established as a part of a new textile policy.

3. RELATIVITY

3.1 Extensive interface and liaison with other departments and programs, in particular EDP, RDIA and ILAP.

May complement provincial initiatives as well.

4. IMPACT

- 4.1 Too new to have been assessed.
- 4.2 Not applicable.
- 4.3 Highly visible due to publicity given as well as special oversight arrangements (see below).

5. STATUS

- 5.1 Funding approved for five years until 1985/86

Community designation (Drummondville, Sherbrooke, Trois-Rivieres/
Shawinigan, Valleyfield and Cornwall) expected in February, 1982

CIRB is also seeking authority to implement reactive economic development programs in non-designated communities subjected to hardship because of lay-offs and closures.

6. AUTHORITY

- 6.1 Funding authorized by Treasury Board Minute 779555 of October 15, 1981.
- 6.2 Loans, loan insurance and contributions in manner similar to EDP regulations.
- 6.3 Viability of firms is a major objective (principle).

7. RESOURCES

- 7.1 Operating budget for 1981/82 is \$3.1 million and 55 person years;
\$267 million is allocated over 5 years.
- 7.2 Not known at this time.
- 7.3 Not known at this time.
- 7.4 Not known.

8. ORGANIZATION AND DELIVERY

- 8.1 Special committee of Ministers chaired by Prime Minister oversees program, approves policies and strategies.

CIRB is operationally accountable to Minister of IT&C and DREE.

CIRB has program delivery responsibilities.

8.2 Inter-departmental liaison is involved.

CIRB interfaces with industry; the board is chaired by a representative from the private sector.

III OVERVIEW OF EXISTING PROGRAMS

THE INDUSTRIAL OPPORTUNITIES PROGRAM (IOP)

(IT&C-N)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To strengthen and restructure the industrial base in all regions to improve regional economic balance;

to increase investment for modernization, expansion, and improved productivity, development of advanced production technologies and innovative products;

to improve Canadian supply capability, and exports of high-technology products and related processes;

to strengthen Canadian management and marketing efforts.

1.2 Relation to Departmental Mandate:

Virtually encompasses IT&C mandate with strategic emphasis on regions, resources, high-tech, and R&D.

1.3 Criteria needed to measure attainment:

Increased R&D productivity and exports, especially high-tech; regional industrial growth in selected sectors: resources, electronics, aerospace, etc.

1.4 Clientele Location:

Firms in all industry sectors located in all regions of Canada.

2. HISTORY

2.1 Not yet implemented, Cabinet memorandum in drafting stage.

2.2 Initiated as a result of the need for co-ordination and negotiation in industrial assistance identified in a number of evaluations, audits and policy reviews.

3. RELATIVITY

3.1 The program is designed to eliminate overlap through the merging of EDP and DIPP and through co-ordination of PILP, IRAP, CPDL, SDF, etc.; multi-departmental direction at the Deputy Ministerial level.

4. IMPACTS

4.1 Last Assessment and Results:

Program not yet operational.

4.2 Major Potential Programming Problems:

- Canada/U.S. Trade relations;
- Federal/Provincial relations;
- impacts on the regions;
- co-ordination with DREE needed;
- need for further funding from Economic Policy Envelope Reserve.

4.3 Perception:

Extremely high visibility with current clients of DIPP and EDP.

5. STATUS

5.1 The program was announced November 12, 1981 in the Budget Speech.

6. AUTHORITY

6.1 The program has not yet received Cabinet approval.

6.2 Instruments:

Grants, loans, repayable contributions, stock options, equity participation, etc. with heavy emphasis on repayability and negotiation of the necessary level of government support.

6.3 Principles:

- Priorization and negotiation.
- An effort is made to rank projects based on economic returns and to ration capital among them.
- the critical issue will be funding only to the level required to secure project benefits.

7. RESOURCES

7.1 Proposed new funding for the Industrial Opportunities Fund for next three years is \$25 million in 82/83, \$60 million in 83/84, and \$80 million in 84/85. Funding for those three years inclusive of EDP and DIPP Reference Levels would be \$226, \$227, and \$225 million. The identified shortfalls from the New Project Requirements projected for this period are \$68 million in 82/83, \$69 million in 83/84 and \$10 million in 84/85.

- 7.2 Regional and sector disbursements will follow regional and sectoral strategic priorities.
- 7.3 It is expected that 90% of funds committed will be spent.
- 7.4 IOP will assume existing liabilities for EDP; loan guarantees will also be a major element of IOP funding.

8. ORGANIZATION AND DELIVERY

- 8.1 The program directed by an IOP board consisting of Economic Development Deputy Ministers.

Projects are ranked by an IOP Program Advisory Board of Economic Development Envelope ADMs.

Smaller projects are delivered in the regions by regional IOP boards. (Regional and Central EDP Boards to be superseded.)

- 8.2 External, multidepartmental involvement is very high.

III OVERVIEW OF EXISTING PROGRAMS

NON-FERROUS PRIMARY METALS MODERNIZATION/RESTRUCTURING (IT&C-4)
(Proposed Initiative)

1. PURPOSE/CLIENTELE

1.1 Possible objectives include:

attracting new greenfield non-ferrous smelting and refining investment where there are net economic benefits to be gained;

effecting a modernization of existing non-ferrous smelters to address the acid rain issue and to increase productivity;

developing new markets for sulphur-based products;

acting as a spur to new entrants to the industry;

maximizing industrial benefits to Canada from new non-ferrous smelter and refinery construction in Canada and elsewhere in the world.

1.2 Relationship to departmental objectives (DRIE):

Related to IT&C Act's provision re: industrial development (further processing).

Strategic interests: industry rationalization, expansion.

1.3 Attainment criteria:

reduced SO₂ emissions from modern, reconstructed, environmentally efficient smelters;

increased investment;

increased exports of sulphuric acid and sulphur-based products.

1.4 Clientele:

existing industries located primarily in central Canada (Manitoba, Ontario, Quebec).

New entrants include:

companies which are engaged strictly in mining in Canada;

new foreign investors, which would provide both capital and markets for prospective new greenfield smelters in Canada.

2. HISTORY

2.1 Proposal still under consideration.

3. RELATIVITY

3.1 Regional development programs (RDIA: GDA's) are available to assist this sector at present.

"Major projects" aspects of the proposed IOP could also be pertinent to this sector.

4. IMPACT

4.1 Not applicable, proposal still under review

4.2 Not applicable.

4.3 Would be well received by industry and would respond positively to many of the issues and concerns raised in several industry submissions to government on the issue of metals and minerals processing.

5. STATUS

5.1 Proposal still in preliminary stages of development.

6. AUTHORITY

6.1 No legislation required to implement program.

6.2 Federal assistance could take several forms including: grants; tax credits; development bond financing; loan guarantees, etc.

Provincial contributions are likely to be negotiated on a case-by-case basis. Forms of provincial assistance include: tax rebates; more lucrative processing allowances; investment tax credits; etc.

6.3 Principle: incrementality.

7. RESOURCES

7.1 Funding levels not determined as yet.

Co-funding with provinces being considered.

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION AND DELIVERY

8.1 Information not available.

8.2 N/A.

III OVERVIEW OF EXISTING PROGRAMS

FOREST INDUSTRY DEVELOPMENT IN CANADA (IT&C-N)
(Proposed Initiative)

1. PURPOSE/CLIENTELE

1.1 Objectives are:

increased markets;

innovation;

increased value added.

1.2 Related to departmental objectives of industrial and regional development, international competitiveness and productivity.

Strategic interests: export enhancement; productivity improvement.

1.3 Evaluation criteria are:

industrial R&D spending;

productivity ratios;

output ratios (rates, exports, employment);

investment.

1.4 Proposals touch industry in all areas of Canada,

although the bulk of expenditures are in British Columbia and Quebec.

2 HISTORY

2.1 Proposed initiatives.

2.2 Initiative proposed in response to Cabinet RD (436-81RD - September 24, 1981).

3 RELATIVITY

3.1 Initiatives complement and reinforce DOE's forest sector strategy approved by Cabinet in September 1981.

Co-ordination of contributions to QLMA required with contributions to Council of British Columbia Forest Industries which have been made since 1971.

Contributions to PPRIC do not duplicate other Federal or Provincial programs.

The major projects fund proposed under this initiative might be incorporated under IOP.

4. IMPACT

4.1 Proposed initiative; no assessments.

4.2 Not applicable.

4.3 Not known at this time.

5. STATUS

5.1 IT&C Policy Committee discussed January 7, 1982.

Interdepartmental discussions underway.

Revised draft due to be recirculated in February.

6. AUTHORITY

6.1 Legislation not applicable.

6.2 Contributions to associations proposed.

Establishment of major projects fund proposed.

6.3 Principle: Increased value added.

7. RESOURCES

7.1 Estimated requirements as follows:

	<u>82/83</u>	<u>83/84</u>	<u>84/85</u>	<u>85/86</u>
			(\$ million)	
1. Contributions to QLMA	0.3	0.5	0.7	0.8
2. Contributions to PPRIC	-	7.5	7.5	-
3. Innovation fund	7.5	16.6	19.8	24.0
4. 5 PY Requirements	0.2	0.3	0.3	0.4
	<hr/>	<hr/>	<hr/>	<hr/>
NEW FUNDS REQUIRED	\$8.0	\$24.9	\$28.3	\$25.2

8. ORGANIZATION & DELIVERY

- 8.1 Contributions to the QLMA and PPRIC are managed and administered by the Resource Industries Branch. Delivery of major projects fund is still under consideration.
- 8.2 Contributions to QLMA will require close working relationships with other partners (Quebec industry and possibly Quebec government) as well as coordination with British Columbia activities which again is a tripartite effort (DRIE, B.C. government, B.C. industry). Close interface needed with PPRIC. Other program elements have limited external involvements.

III OVERVIEW OF EXISTING PROGRAMS

FIRST INSTALLATION SUPPORT PROGRAM (FIS)
(PROPOSED)

(IT&C-N)

1. PURPOSE/CLIENTELE

1.1 Objective:

To provide financial assistance on a selective basis to assist in overcoming the reluctance of Canadian machinery users to purchase the first production unit of a new Canadian designed and developed product. Assistance would be in the form of a guarantee to the buyer against loss due to failure of the Canadian product or a subsidy to the manufacturer to lower the price to offset user risk in trying out an 'unproven' machine.

1.2 Directly related to Department's mandate to promote industrial development and the competitiveness of Canadian industry.

Strategic interests: import replacement.

1.3 Criteria could include an assessment of the number of new machinery orders obtained as a result of the assistance as well as guidelines to assess the progress being achieved by small Canadian machine manufacturers in achieving increased reputation and status in the minds of machinery users.

1.4 Clientele:

Major manufacturers and/or buyers in Canada and/or small and medium sized industrial manufacturers.

2. HISTORY

2.1 N/A - Proposed program only.

2.1 N/A

3. RELATIVITY

3.1 Proposed measure would complement existing support programs to enhance the capability of small and medium sized manufacturers especially the Major Projects Supply Effort (OIRE).

Equivalent support is not provided under any existing support programs.

4. IMPACT

4.1 N/A

4.2 N/A

4.3 N/A

5. STATUS

5.1 Program is a proposal only and no commitments exist regarding implementation.

Estimated five-year costs are \$40 million with estimated direct financial benefits in terms of new sales of \$400 million over the same five-year period - does not include long-term benefits from industry restructuring.

6. AUTHORITY

6.1 No legislative basis - proposed program only.

6.2 Instruments: Could employ guarantees, contributions, or insurance premiums.

6.3 Principles: Program would be administered on a selective basis, i.e. flexible selection criteria could apply - incrementality, etc.

7. RESOURCES

7.1 N/A - Proposed program only - no funds have been allocated or committed.

7.2 N/A

7.3 N/A

7.4 N/A

8. ORGANIZATION AND DELIVERY

8.1 To be developed - would ideally be administered as part of an omnibus departmental incentive program, i.e. IOP.

8.2 No direct external involvement - could be included as part of structured or ad hoc interdepartmental consultative process established to manage funded programs.

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III OVERVIEW OF EXISTING PROGRAMS

REGIONAL DEVELOPMENT INCENTIVES ACT (RDIA)

1. PURPOSE/CLIENTELE

1.1 Objective:

To stimulate investment in the slow-growth areas of Canada and thereby to improve opportunities for productive employment. Objectives have not been significantly modified, but the program is now used more widely in conjunction with other departmental programs to carry out broader objectives.

1.2 The RDIA ties in directly with the department's mandate and broad objectives of encouraging slow-growth regions to realize their potential.

1.3 To measure attainment of the direct objective of job creation, an identification of jobs created for each individual project is required. With regard to achievement of the broader objectives such as overall impact on economic development and social adjustment, the analysis of economic and social indicators is required.

1.4 The RDIA is targeted to attract entrepreneurs from the private sector, both in Canada and abroad, willing to invest in manufacturing and processing operations in designated regions.

2. HISTORY

2.1 The RDIA was established in 1969, soon after the formation of DREE. It replaced the Area Development Incentives Act, which expired at that time.

2.2 It was established in recognition of the continuing need to stimulate investment in manufacturing and processing in the slow-growth areas of the country.

3. RELATIVITY

3.1 RDIA complements other federal and provincial governments which provide loan capital and loan guarantees (e.g., FBDB, EDP, IEL) to provide a comprehensive financing package for industrial development. Some overlapping with other industrial assistance programs in certain sectors exists but not in the basic objective of regional development. Within DREE, there is a minor overlap with several sub-agreements which provide assistance to the private sector (e.g. ASEP programs, Alberta Nutritive sub-agreement).

4. IMPACT

4.1 An assessment was done by the Economic Council of Canada in 1979, and consisted of a number of studies involving program statistics and other published socio-economic statistics. Major conclusions of the study were

that a) incrementality of projects lies between 25% and 72% and incrementality of jobs between 39% and 68%, b) job creation in RDIA-assisted projects does not lead to increased unemployment in other parts of the designated region or in Canada, and c) benefit to cost ration of the program is between 3 to 1 and 19 to 1.

- 4.2 No major weaknesses were cited. There was an identification of a need for greater federal-provincial co-ordination in the area of investment assistance programming.
- 4.3 The RDIA is an extremely high-profile program. Although public comment is sometimes critical and applicants may object to rejection of their applications, among the client population, provincial governments and other publics, the program is generally held in high regard.

5. STATUS

- 5.1 The Act expires December 31, 1984. Designated regions as presently constituted all expire December 31, 1982 and in the absence of action to extend this date, no new commitments could be made beyond the end of the year. The department is committed to the development of a follow-on program, but if such development is not completed in the near future, an extension of the designated regions for the present program will be required.

6. AUTHORITY

- 6.1 RDIA.
- 6.2 Instruments are incentive grants, (outright, partially repayable and fully repayable) and loan guarantees.
- 6.3 In determining whether assistance will be provided, and at what level, viability is considered as well as whether the project would proceed without assistance. For smaller cases, levels are based on a standard formula; for large cases, the amount of incentive is determined in relation to projected return on investment in relation to risk, cost/location differential and financial shortfall. Recently, some prioritization of applications has been undertaken to focus the program with respect to regional priorities.

7. RESOURCES

- 7.1 The resources allocated to the RDIA program for FY 1980-81 were: 170 PYs, \$12.5 million in O&M; and \$103.4 million in contribution.
- 7.2 Distribution was (in \$ millions): Atlantic 28.1; Quebec 49.6; Ontario 5.2; West 20.5; Total 103.4.

Sectors receiving most support were wood and food processing.

- 7.3 In the earlier years of the program, disbursements fell short of allocated funds. However, in the last two fiscal years, demand for funds has approximated amounts made available in departmental estimates.
- 7.4 The magnitude of the government's contingent liability, that is outstanding commitments on accepted RDIA offers as at December 31, 1981, is \$290 million.

8. ORGANIZATION AND DELIVERY

- 8.1 RDIA is centrally directed through the department's Management Board on advice of regional management and inputs from functional units in headquarters. Decision-making authority is significantly delegated to regional management; only projects over \$2,000,000 capital costs or over 100 jobs are referred to headquarters for ministerial decision. Program delivery is highly decentralized; all evaluation and audit work is carried out in the regions. Co-ordination is provided by support groups at headquarters and regional headquarters, and through regular meetings of the program directors.
- 8.2 There is extensive liaison with other agencies in the administration of the program. Provincial governments are consulted on provincial priorities, designation of regions, and on individual projects. Other federal government departments are consulted as appropriate - especially IT&C, but also CEIC, Environment, EM&R, etc. Larger cases are reviewed by an interdepartmental advisory board which includes IT&C, FIRA, CEIC, Environment and Finance.

III OVERVIEW OF EXISTING PROGRAMS

INDUSTRIAL INCENTIVES PROGRAM (IIP)

MONTREAL SPECIAL AREA (MSA)

1. PURPOSE/CLIENTELE

- 1.1 Originally to stimulate investment and productive employment in selected industries in metropolitan Montreal and the immediate environs. The objectives were modified in 1980 to make the program more geographically available (satellite towns and areas extending to the Outaouais region) with a broader range of eligible manufacturing industries.
- 1.2 The IIP for MSA relates directly to the departmental mandate and broad objectives of encouraging slow-growth regions to realize their potential.
- 1.3 To measure the attainment of the direct objective of job-creation, jobs created or preserved in each project supported must be identified.
- 1.4 The program is targeted to attract entrepreneurs from the private sector, both in Canada and abroad, willing to invest in one of the following industries:
 - a) in metropolitan Montreal: processed foods, plastic products, primary metal, metal fabricating machinery, transportation equipment, electrical products, chemicals, scientific and professional equipment, industrial research and development.
 - b) in satellite towns and the Outaouais region: most manufacturing and processing industries, industrial research and development.

2. HISTORY

- 2.1 The IIP for MSA was introduced in 1977 during a period of exceptional inadequacy of opportunities for productive employment of people of that area.
- 2.2 The IIP for MSA was established to introduce special measures to facilitate industrial growth in industries with growth potential and thus effect economic growth in the Montreal area which is the heart of Quebec economy.

3. RELATIVITY

- 3.1 This program complements other federal and provincial programs which provide loan capital and loan guarantees, (e.g. FBDB, EDP, QIDC), to provide a comprehensive financing package for industrial development. Some overlapping with other industrial assistance programs exists in certain sectors, but not in the basic objective of industrial development in the Montreal area. Within DREE, there is no overlap with other programs.

4. IMPACT

- 4.1 The program was assessed in 1979 when primary metal processing and plastic became eligible industries and industrial research projects became eligible for incentives. The objectives were seen to be realized.
- 4.2 The amount of expenditure was higher than estimated.
- 4.3 The IIP is akin to the incentives program administered under the Regional Development Incentives Act (RDIA), is discretionary, has similar high profile and attracts considerable comment. Although public comment is occasionally critical, especially from rejected applicants, the program is held in high regard by the client population.

5. STATUS

- 5.1 The program will expire on March 31, 1984. There is an average 18 month time lag between the decision date and the start of commercial production. Therefore, unless the program is extended during 1982, new commitments will cease in early 1983. There is no general commitment to continue the program beyond March 31, 1984.

6. AUTHORITY

- 6.1 The legislative basis of the program is the Department of Regional Economic Expansion Act and is governed by the Special Areas Order P.C. 1980-458.
- 6.2 Instruments are incentives grants (outright, partially repayable and fully repayable).
- 6.3 Principles: need, viability, incrementality, socio-economic impact.

7. RESOURCE

- 7.1 The resources allocated to the MSA program in FY 1980-81 were: 30 PY's; \$30 million in O&M; \$14.3 million in contributions.
- 7.2 Since July 1977 to December 31, 1981, \$47.6 million has been disbursed in the Montreal special area.
- 7.3 The funds provided in the main estimates, 1980-81, and the actual disbursements were close. However, large commitments in 1979-80 and 1980-81 will result in excess demand for funds in 1981-82 and probably 1982-83.
- 7.4 The magnitude of the government's commitment in the IIP in MSA as of December 31, 1981 is approximately \$150 million.

8. ORGANIZATION AND DELIVERY

- 8.1 The IIP for MSA is centrally directed through the department's Management Board on advice of senior management in the Quebec Region and of functional units in headquarters. Decision-making authority is delegated to a high degree to the Quebec regional management with only the large projects (over \$2 million investment or over 100 jobs) and sensitive projects being referred to headquarters for ministerial decision. Projects are formally approved by individual Orders-in-Council. Program delivery is effected by the Montreal office with virtually all evaluation and audit work being carried out by DREE's Montreal staff.
- 8.2 There is liaison with other departments (IT&C, CEIC, Environment, FIRA, etc.) and with the provincial government regarding priorities, designation of zones and on individual cases. Large cases are reviewed by the Regional Development Incentives Board, an interdepartmental advisory board with representatives from IT&C, FIRA, CEIC, Environment and Finance.

III OVERVIEW OF EXISTING PROGRAMS

MAGDALEN ISLANDS SPECIAL AREA

1. PURPOSE/CLIENTELE

1.1 Objective:

To alleviate unemployment and diversify the island's economic base.

1.2 These objectives tie in directly with the department's mandate and broad objectives which are to encourage slow growth regions to realize their potential.

1.3 Criteria used to evaluate the attainment of objectives are the number of jobs created and the degree of diversification of the economy.

1.4 Clientèle

The clients of this program are entrepreneurs from the private sector. Since the program is targeted toward small to medium operations, the clientele will be largely local.

2. HISTORY

2.1 The program was established in 1981 to overcome the chronic unemployment in this group of islands which is largely attributable to their remoteness and lack of raw materials.

2.2 This program was established to recognize and deal with the special needs of the area which could not be accommodated by existing programs.

3. RELATIVITY

3.1 This will be a lead program in a federal inter-departmental development initiative for the area. Other federal involvement will include supplementary measures such as improved transportation links and harbour infrastructure. Also, it will complement the effect of other projects under the Canada-Quebec Subsidiary Agreement. This special area program can be used in conjunction with other federal and provincial government programs which provide loan capital and guarantees, to provide comprehensive financing packages.

4. IMPACT

4.1 This program is just now starting up, and thus no evaluation has yet been carried out.

4.2 N.A.

4.3 N.A.

5. STATUS

5.1 The Magdalen Islands are designated for purposes of this program until March 31, 1985. There is no present commitment to continue the program beyond that date.

6. AUTHORITY

6.1 The program was established by Order-in-Council, under the authority of the Department of Regional Economic Expansion Act.

6.2 The instruments used are grants to the private sector for industrial development, and financing of feasibility and marketing studies for industrial projects.

6.3 The principles applied in determining whether assistance will be provided are viability, need for assistance (incrementality) and the contribution the project will make to economic development and social adjustment in the Magdalen Islands.

7. RESOURCES

7.1 This program is closely integrated administratively with the RDIA, and is administered through the Rimouski office of DREE. As required, existing resources in that office will handle requirements and accordingly, no specific person years and O & M costs can be identified. The program was not in place in 1980-81 and thus there were no grants and contributions for that period.

7.2 No disbursements had been made under this program as at December 31, 1981.

7.3 The relationship between demand for funds and actual disbursements cannot be evaluated.

7.4 The government's contingent liability as at December 31, 1981, under this program, is \$330,000.

8. ORGANIZATION AND DELIVERY

8.1 The Magdalen Islands Special Area Program is directed centrally through the department's management Board, acting on advice of Quebec region management, with inputs from functional units at headquarters. Decision-making authority has been delegated to Quebec region for all but the largest cases (over \$2 million capital cost or over 100 jobs) with final approval required by Order-in-Council. Delivery, including virtually all evaluation and audit is carried out in this region.

8.2 The administration of this program involves extensive liaison with other federal departments to ensure the appropriate co-ordination of the overall development program. The major departments involved are Fisheries, Industry, Trade and Commerce, Agriculture and Transport.

III OVERVIEW OF EXISTING PROGRAMS

SPECIAL ARDA PROGRAM

1. PURPOSE/CLIENTELE

1.1 Objective:

Special ARDA is a response to the economic needs of Native people. It is designed to support Native economic development initiatives by targeting specifically on the development of business enterprises.

1.2 Special ARDA relates directly to the economic and social objectives of DREE.

1.3 Measurement criteria of the programs are the indices of disparity that exist between Native people and the general population.

1.4 Clientele

The clientele for special ARDA is the Native people of the regions covered by the individual programs.

2. HISTORY

2.1 Special ARDA Agreements will expire in Manitoba, Saskatchewan, British Columbia, Yukon and Northwest Territories on March 31, 1982. There is strong pressure to continue the programs in these jurisdictions and increasing interest in establishing a similar program in Alberta, Ontario and perhaps later eastern Canada.

2.2 The program has been successfully operated as a major DREE initiative in Manitoba, Saskatchewan and British Columbia since 1971 and in Yukon and Northwest Territories since 1977. Interest in a Special ARDA-type program has been formally expressed by Alberta and Ontario.

3. RELATIVITY

3.1 Special ARDA complements economic development assistance programs offered to the general population by provincial and federal departments but takes into consideration the specific factors affecting the requirements of the Native people. The delivery of Special ARDA is such that possible overlap or duplication of other programs is avoided.

4. IMPACT

4.1 There was a formal evaluation done in 1975 and another in 1981. The latter is presently with the Deputy Minister.

Both evaluations were positive and recommended continuation of the program(s).

- 4.2 No major problems were uncovered in the evaluations. However, the Native people recommended an increase in the number of DREE people engaged in the implementation of the program and to provide more technical follow-up support.
- 4.3 The program has generally enjoyed good provincial consideration and has been strongly supported by Native people.

5. STATUS

- 5.1 Shortly expiring. However, the former Minister of DREE secured agreements in principle from his counterparts in Alberta and Ontario to enter into a special ARDA type program and had informally indicated his support for continuation of the program with each of his counterparts in other jurisdictions in Western Canada.

6. AUTHORITY

- 6.1 The Agriculture and Rural Development Act.
- 6.2 The instruments used are grants for business projects plus infrastructure and Management Training.
- 6.3 Essentially, similar to RDIA requirements.

7. RESOURCES

Present

DREE human resources 15-20 person/years for the Western Region.

Proposed

For a five year continuation starting March 1982 for Manitoba, Saskatchewan, British Columbia, Yukon and Northwest Territories and for introduction of special ARDA-Type program in Alberta a total of 57 person-year allotments and \$208.4 million.

- 7.2 For the year 1980/81 disbursements were:

	\$ millions
Manitoba	2.03
Saskatchewan	4.3
British Columbia	4.6
Yukon	-
Northwest Territories	2.2
	<hr/>
	\$ 13,436,000

- 7.3 Funds were available to meet demand.

7.4 Contingent liability for the Government is not significant.

8. ORGANIZATION AND DELIVERY

Special ARDA is delivered through a decentralized organization. A local management committee with federal and provincial government representatives and an equal number of Native people representatives evaluate applications and make recommendations to the DREE Director General in each province who approves each project on the Minister's behalf. Projects above \$250,000 require Treasury Board approval.

PROFILE
PRINCE EDWARD ISLAND COMPREHENSIVE DEVELOPMENT PLAN
(PEI Plan)

1. PURPOSE/CLIENTELE

- 1.1 The original Plan signed in 1969 for a 15 year period, terminating in 1984, was an overall comprehensive development plan covering all sectors of the Prince Edward Island economy. The intent was that the Federal Government, represented by DREE, and the Provincial Government would jointly plan and implement necessary measures to improve PEI.'s economy. It was decided that the Plan should be in three phases which would provide the opportunity to introduce program changes as needed.
- 1.2 The Plan relates closely to the economic and social objectives of all levels of governments.
- 1.3 Attainment is measured by variations in economic indicators.
- 1.4 The clientèle for the PEI Plan is the total economy of PEI.

2. HISTORY

- 2.1 The Plan was signed in 1969. It was divided into three phases over 15 years each phase to be approximately five years. However, phase two was extended and phase three will be the three year period from April 1, 1981 to March 31, 1984. Phase three reflects the desire of the Federal Government to transfer sectoral programs to line departments and to deliver more programs in a unilateral federal way.
- 2.2 The Plan was developed because the economy of PEI was significantly lower than other Provinces and it was deemed that extraordinary measures were needed. It could be considered a forerunner to the system of GDAs signed with other provinces in 1973/74.

3. RELATIVITY

Because of its all embracing nature, originally, it closely touched a number of other federal programs.

However, phase three now underway, has narrowed DREE's scope. Present areas of responsibility are:

- (a) Community Development (cost shared) with the Province
- (b) Urban Development for Summerside and Charlottetown (cost-shared with the province)
- (c) Industrial Development which includes (1) RDIA (2) direct federal delivery of a Small Business Assistance Program.

All other sectoral programs have been turned over to federal line departments, including tourism to CGOT.

4. IMPACT

Many studies have been done which are reflected in the changes in various projects.

The Plan is being examined as a potential candidate for transfer to O.G.D.'s. The cash flow of the Plan has been very significant to the PEI. economy.

5. STATUS

Terminates March 31, 1984.

6. AUTHORITY

Appropriation Act N°5, 1973, Vote 11A, Cabinet Decision June 4, 1981 and pursuant to Section 6 of the Dree Act. PEI is now designated as a "Special Area".

7. RESOURCES

Under phase three approval for program funding for the period April 1, 1981 to March 31, 1984 is \$16,300,000 on the following basis:

1981-82	\$ 2,907,000
1982-83	6,289,000
1983-84	7,104,000
	<u>16,300,000</u>

further broken down:

Vote 1	\$ 575,000 approx.
Vote 5	25,000
Vote 20	15,700,000
	<u>16,300,000</u>

Human resources approx. 30 person-years.

8. ORGANIZATION & DELIVERY

8.1 The Plan is administered under the general control of a Joint Advisory Board composed of relevant Federal Ministers (normally 4) the Premier of PEI and relevant Ministers. The Plan is managed by Joint Plan Managers who are the DREE Director-General of PEI and a nominated Provincial official.

8.2 There is continual consultation with other federal and provincial departments.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-NEWFOUNDLAND TOURISM SUBSIDIARY AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

1.1 To increase the net benefits from tourism to the provincial economy.

1.2 Relates to the objectives established in the GDA of February, 1974.

1.3

1.4 Clientele:

The tourist industry sector.

2. HISTORY

2.1 This agreement was signed on February 22, 1978 and amended on June 6, 1980 and will terminate on March 31, 1983.

3. RELATIVITY

3.1 This program is complementary to provincial tourism development efforts and is fully supported by CGOT. There is no overlap with any other federal program.

4. IMPACT

4.1 An evaluation has been completed which is positive and recommends that the program continues.

4.2

5. STATUS

5. The program terminates March 31, 1983 with a possible extension of one year with no extension in funding.

6. AUTHORITY

6.1 The authority is the Appropriations Act 5, 1973 - DREE Vote 11.

6.2

7. RESOURCES

7.1 1½ person-years required to implement the program.

7.2 \$8,600,000 disbursed to 31/3/82.

7.3 Flows as per planning.

7.4 Balance in MYOP \$3,300,000.

8. ORGANIZATION - DELIVERY

The program is implemented by the province with a federal/provincial management committee with DREE and CGOT on the federal side.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NEWFOUNDLAND INDUSTRIAL DEVELOPMENT SUBSIDIARY AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

1.1 To assist in Newfoundland's industrial development, primarily in the secondary and tertiary sectors of the economy "to offset community infrastructure costs associated with the development of industrial and commercial enterprises, and by creating an environment to encourage service industries to complement and strengthen linkages with the primary and secondary sectors.

1.2 Supports objectives of a Cornerbrook harbour development study carried out in 1976 by the Newfoundland Government, DREE and Transport Canada.

1.3 It is expected that during the term of the agreement that new industrially oriented projects and associated programs will be advanced for consideration.

1.4 Clientele:

The communities and peoples of the western regions of the Province.

2. HISTORY

The agreement was signed in 1979 and terminates March 31, 1984.

3. RELATIVITY

The program complements the provincial industrial development strategy. There is no overlap with other development programs.

4. IMPACT

Since the program is concerned with access roads and an industrial park the impact will be felt only in the long term.

5. STATUS

The program terminates March 31, 1984.

6. AUTHORITY

The Appropriations Act No. 5, 1973, DREE Vote 11A.

7. RESOURCES

The total federal commitment is \$24 million of which \$10.5 million has been spent as of December 31, 1981. Of the balance, approximately \$11 million is committed to an industrial park and access roads in Cornerbrook and an industrial access highway in Stephenville. One and one quarter DREE person-years are required to implement the agreement.

8. ORGANIZATION - DELIVERY

The program is administered by a federal/provincial management Committee. The DREE representative is the federal co-chairman. The program is implemented by the provincial government in concert with DREE Newfoundland.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NEWFOUNDLAND PULP AND PAPER MODERNIZATION SUBSIDIARY AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

1.1 The purpose is to assist, by means of financial incentives the modernization of pulp and paper mills, reduce pollution and improve energy utilization.

1.2 In keeping with regional economic development.

1.3

1.4 Clientele:

Selected pulp and paper mills.

2. HISTORY

The agreement was signed on June 1, 1979 and terminates March 31, 1985.

3. RELATIVITY

There is no overlap with any other program. This program will lead to substantial private sector investment.

4. IMPACT

Since the program has, as yet, not commenced it is impossible to determine its impact.

5. STATUS

Contracts are being prepared for signature of DREE Minister, two pulp and paper companies and the Province of Newfoundland.

6. AUTHORITY

The Appropriations Act No. 5, 1973, DREE Vote 11A.

7. RESOURCES

The federal commitment amounts to \$30 million. No expenditures have been made to date. One and one quarter DREE person-years are required to implement the agreement.

8. ORGANIZATION - DELIVERY

The program is administered by a federal/provincial management committee of which the DREE representative is the federal co-chairman. IT&C and DOE(EPS) are represented on the management committee.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NEWFOUNDLAND COASTAL LABRADOR COMMUNITY DEVELOPMENT
SUBSIDIARY AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

- 1.1 Pursuant to the overall development objectives set out in the GDA, this program was developed to follow the Labrador Interim Agreement which concerned the problems of Happy Valley.

This agreement shifts development efforts to the Coastal communities of Labrador.

- 1.2 In keeping with GDA objectives.

- 1.3 The installation of the various pieces of infrastructure.

- 1.4 Clientele:

The communities of the Labrador coast.

2. HISTORY

The agreement was signed in May, 1981 and will terminate March 31, 1987.

3. RELATIVITY

Various federal agencies are participating in an advisory capacity in the administration and implementation of the projects. The program has to be coordinated with the implementation of the special fisheries activities of the Federal Government (DREE-DFO). There is no overlap with other programs.

4. IMPACT

It is too early to measure the impact.

5. STATUS

The program terminates March 31, 1987.

6. AUTHORITY

The Appropriations Act 5, 1973, DREE Vote 11.

7. RESOURCES

The federal commitment is \$33.8 million of which \$2.3 million has been spent as of December 31, 1981. One and one quarter DREE person-years are required to implement the agreement.

8. ORGANIZATION - DELIVERY

The program is administered by a federal/provincial management committee.
The DREE representative is the federal co-chairman.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NEWFOUNDLAND
RURAL DEVELOPMENT SUBSIDIARY AGREEMENT

1. PURPOSE/CLIENTELE

1.1 To strengthen and revitalize the rural sector of the province by promoting the establishment of small resource-based enterprises employing small numbers of people.

1.2 This is directly linked to the GDA.

1.3 The growth in the number of regional development associations established in many parts of the province.

1.4 Clientele:

The clientele are the people located in the rural areas of Newfoundland.

2. HISTORY

2.1 The Agreement was signed July, 1978 and terminates March 31, 1983.

2.2 It was established because the rural area of the province is different from the larger, more urban areas and therefore needed a different program of development assistance.

3. RELATIVITY

3.1 It complements, but does not overlap other federal and provincial programs.

4. IMPACT

4.1 To date no evaluation study has been carried out. However, the number of regional associations to promote development grew from one in 1963 to 45 in 1980.

4.2 N.A.

4.3 N.A.

5. STATUS

5.1 The program terminates March 31, 1983.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973, DREE Vote 11A 1973/74

6.2 The instruments are:

a) grants; b) leadership and development training for rural people; c) regional planning activities, and; d) public information services.

6.3

7. RESOURCES

7.1 DREE 1½ person-years.

7.2 \$8.6 million expended
\$4.4 million balance

7.3

7.4	M.Y.O.P.	1982/83	\$2,372,000
		1983/84	668,000

8. ORGANIZATION - DELIVERY

8.1 The program is administered by a federal/provincial management committee. FBDB is represented on a sub-committee for rural incentives. The program is implemented by the provincial government in concert with DREE Newfoundland. The DREE representative is the federal co-chairman of the management committee.

III OVERVIEW OF EXISTING PROGRAMS

NEWFOUNDLAND - LABRADOR DEVELOPMENT CORPORATION
(CROWN CORP. OWNED 51% by PROVINCE AND 49% BY FEDERAL GOVERNMENT)

1. PURPOSE/CLIENTELE

- 1.1 To assist the financing of new and expanding small and medium-sized business that find it difficult to arrange financing in the rural areas. The Corporation can provide long-term loans and equity financing.
- 1.2 The Corporation's aim and objectives relate closely to DREE's and the Province's aims.
- 1.3 -
- 1.4 Clientele

Small and medium-sized business that experience difficulty in getting financing from normal commercial channels.

2. HISTORY

- 2.1 The Corporation was established in 1972 for a five year period. It was renewed in 1977 for a further five years. It supposedly terminates July 1982 but it is expected that the respective governments will approve a further extension. Even if not given, the Corporation could continue in business as it is not required to pay back the money loaned to it unless same is demanded. However the Federal Government would not have the authority to pay 50% of the Corporation's operating expenses.
- 2.2 The Corporation was established because there was a perceived need to provide small Newfoundland business firms with better financing agencies than were then available.

3. RELATIVITY

- 3.1 The Corporation does not appear to overlap other federal or provincial programs primarily due to the isolated nature of Newfoundland communities and the lack of normal financial institutions.

4. IMPACT

A formal evaluation has not been carried out. However, the perceived feeling among the Corporation's clients and the various governments officials involved is quite positive.

5. STATUS

The agreement expires July 1982 but it is expected that the Corporation will carry on. Discussions with the Province are being carried on.

6. AUTHORITY

6.1 DREE Section 83

The Corporation provides long-term loans and equity participation.

The principles applied are similar to normal lending requirements.

7. RESOURCES

7.1 Since inception the Corporation has borrowed \$23,500,000 from DREE on which the Corporation pays interest annually. Under the fiscal arrangements, DREE and the province share 50/50 the annual operating costs of the Corporation. At the end of 80/81, the federal share since inception was \$4.7 million. Our cost this year will be approximately \$500,000.

8. ORGANIZATION AND DELIVERY

8.1 The Corporation reports to the Government through a Board of Directors composed of a chairman who is the President of the Corporation, a representative from DREE and from the provincial government and private sector members.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA
STRAIT OF CANSO DEVELOPMENT SUBSIDIARY AGREEMENT

1. PURPOSE/CLIENTELE

1.1 To assist in the industrial development of the Strait of Canso.

1.2 Relates to the GDA guidelines.

1.3 Measuring the numbers of major industries attracted to the Strait of Canso.

1.4 Clientele:

The business sector and local communities of the Strait of Canso.

2. HISTORY

2.1 The agreement was signed in 1975 and terminates March 31, 1982. Numerous amendments were made. An extension of two years is being sought.

2.2 Other federal and provincial programs did not provide the assistance deemed needed.

3. RELATIVITY

3.1 This program is complementary to provincial and other federal government initiatives.

4. IMPACT

4.1 No evaluation has as yet been carried out on the program.

5. STATUS

5.1 The program terminates March 31, 1982; however a two-year extension is being sought.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973, DREE Vote 11, 1973.

7. RESOURCES

7.1 The federal commitment amounts to \$22.1 million. Planned expenditures for 1981/82 amount to \$900,000 leaving \$2.7 million to be spent in 1982/83 and 1983/84 (clean up year). One half a DREE person-year is required to implement the agreement.

8. ORGANIZATION - DELIVERY

- 8.1 The program is administered by a federal/provincial management committee. The DREE representative is the federal co-chairman. The program is delivered mainly through the Strait of Canso Industrial Development Authority (SCIDA).

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA
ASSISTANCE TO MICHELIN TIRES (CANADA) LTD. SUBSIDIARY AGREEMENT

1. PURPOSE/CLIENTELE

1.1 To provide for expansion and establishment of Michelin facilities at Bridgewater, Granton and Waterville.

1.2 -

1.3 -

1.4 Clientele:

Michelin Tire (Canada) Ltd. and employees.

2. HISTORY

2.1 The agreement was signed in 1980 and terminates December 31, 1987.

3. RELATIVITY

3.1 The program is specific to Michelin Tires (Canada) Ltd. There is no duplication or overlap with other federal or provincial programs.

4. IMPACT

4.1 It is too early to estimate the impact.

5. STATUS

5.1 The agreement terminates December 31, 1987.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973, DREE Vote 11A

7. RESOURCES

7.1 The federal commitment amounts to \$42 million. Planned commitments for 1982/83 amount to \$12 million; for 1983-84 to \$8.1 million and for 1985 to December 31, 1987 to \$22 million. One half of one person-year is required to implement the Agreement.

8. ORGANIZATION -- DELIVERY

8.1 The program is administered by a federal/provincial management committee with DREE being the federal co-chairman.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA
OCEAN INDUSTRY DEVELOPMENT SUBSIDIARY AGREEMENT

1. PURPOSE/CLIENTELE

1.1 The purpose of the program is to provide assistance to the industrial sector of Nova Scotia by taking advantage of offshore oil and gas discoveries.

1.2 -

1.3 -

1.4 Clientele:

Business/industry sector of Nova Scotia.

2. HISTORY

2.1 The agreement was signed in 1981 and terminates July 23, 1986.

3. RELATIVITY

3.1 The program is specifically designed to take advantage of other federal and provincial programs in addition to specific DREE initiatives.

4. IMPACT

4.1 It is too early to estimate the impact.

5. STATUS

5.1 The agreement terminates July 23, 1986.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973, DREE Vote 11A.

7. RESOURCES

7.1 The federal commitment amounts to \$23 million with forecast expenditures as follows:

1981-82	\$ 500,000
1982-83	2,100,000
1983-84	4,000,000
1984-85	4,000,000
1985-	12,500,000

Ten DREE person-years are required to implement this agreement.

8. ORGANIZATION - DELIVERY

- 8.1 Part of the program is being delivered unilaterally federally while the other part is being delivered by the province unilaterally. The federal programs include: capital assistance; marketing assistance; incubator mall, development office; applied research support; trade association; evaluation.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA
HALIFAX PANAMAX DRY DOCK SUBSIDIARY AGREEMENT

1. PURPOSE/CLIENTELE

1.1 To provide a dry dock and auxiliary equipment for Halifax.

1.2 -

1.3 -

1.4 Clientele:

The shipbuilding/repair industry.

2. HISTORY

2.1 The agreement was signed in 1980 and terminates March 31, 1985.

3. RELATIVITY

3.1 This program is specific to Panamax-Halifax.

4. IMPACT

4.1 It is too early to estimate the impact.

5. STATUS

5.1 The agreement terminates March 31, 1985.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973, DREE Vote 11A.

7. RESOURCES

7.1 The federal commitment amounts to \$43.9 million. Planned expenditures are as follows: 1982/83 \$10 million; 1983-84 \$3.3 million.

One and one-half DREE person-years are required to implement the agreement.

8. ORGANIZATION - DELIVERY

8.1 The program is administered by a federal/provincial management committee co-chaired by DREE.

III. OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA MODERNIZATION OF FACILITIES AT THE SYDNEY
STEEL CORPORATION SUBSIDIARY AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

- 1.1 To modernize manufacturing and environmental control facilities of SYSCO.
- 1.2 As per GDA objectives.
- 1.3 The completion of the modernization projects.
- 1.4 Sydney Steel Corporation and the economy of Cape Breton.

2. HISTORY

- 2.1 The agreement was signed in 1981 and terminates March 31, 1984 and was developed as a result of the non-viability of SYSCO.
- 2.2 The potential closing of the SYSCO facility would have very serious effects on the economy of Cape Breton.

3. RELATIVITY

This is a program specifically designed for SYSCO. There are no duplicating programs.

4. IMPACT

It is too early to estimate the impact.

5. STATUS

The program has been slower than anticipated in getting underway but should make up for lost time in the next two year fiscal period of the agreement.

6. AUTHORITY

The Appropriations Act 5, 1973 - DREE Vote 11.

7. RESOURCES

The federal commitment amounts to \$77 million. Planned commitments for 1981/82 are \$1.7 million; for 1982/83 \$40.6 million and for 1983/84 are \$30 million. One and one half DREE person-years are required to implement the program.

8. ORGANIZATION - DELIVERY

The program is administered by a federal/provincial management committee co-chaired by DREE. Implementation is done by the province.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA
PULP AND PAPER MODERNIZATION SUBSIDIARY AGREEMENT

1. PURPOSE

1.1 Mill modernization; pollution abatement and energy cost reductions.

1.2 -

1.3 -

1.4 Clientele:

The Nova Scotia pulp and paper industry.

2. HISTORY

2.1 The agreement was signed in 1981 and terminates March 31, 1984.

3. RELATIVITY

3.1 There is no duplication or overlap with other government programs.

4. IMPACT

4.1 It is too early to estimate the impact.

5. STATUS

5.1 The program terminates March 31, 1984.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973.

7. RESOURCES

7.1 The federal commitment amounts to \$17 million with forecast expenditures as follows:

1982-83	\$ 7 million;
1983-84	\$ 3.8 million;
1984-85	\$ 1.4 million;
1985-86	\$ 4.8 million.

One and one-half DREE person-years are used to implement the program.

8. ORGANIZATION - DELIVERY

8.1 The program is administered by a federal/provincial management committee co-chaired by DREE.

III OVERVIEW OF EXISTING PROGRAMS

CAPE BRETON DEVELOPMENT CORPORATION FEDERALLY FUNDED

1. PURPOSE/CLIENTELE

- 1.1 Promotes and assists the financing and development of industry on Cape Breton Island.
- 1.2 The Corporation is complementary to DREE's objectives in Nova Scotia.
- 1.3 Measurement criteria are various economic indicators of the Island's economy, particularly coal mining.
- 1.4 The business sector of the Island and the coal mining industry form the clientele.

2. HISTORY

- 2.1 DEVCO was established in 1967 by the Cape Breton Development Corporation. There is no termination date to the legislation. It was established to have 2 Divisions (a) Coal mining; (b) industrial development. Its mandate was (1) to rehabilitate the coal mines operated by its predecessor and (2) to finance the development of industry in Cape Breton and to broaden the industrial base.

2.2

3. RELATIVITY

DEVCO complements other government programs in the coal mining division but tends to overlap RDIA in some respects in the industrial division.

4. IMPACT

An in-depth evaluation was done about three years ago by D.P.A. Results not available at this time. It is also reviewed in the just released report "Public Corp and Public Policy" by Ray George -- details not known.

5. STATUS

Existing federally funded Corporation with no termination date legislated reports to Parliament through the DREE Minister.

6. AUTHORITY

6.1 The Cape Breton Development Corporation Act, 1967.

6.2 Can make grants and loans.

The Capital for this is provided by the Federal Government:

a) up to \$25 million, at a time, for capital works;

b) up to \$10 million, at a time, for working capital;

c) up to \$20 million, at a time, for industrial development purposes.

7. RESOURCES

7.1 See above.

Human -- Employs 4,700 in coal operations;
 Employs 270 in H.O. operations.

8. ORGANIZATION & DELIVERY

The programs are administered by the Corporation which is controlled by a Board of Directors. The DREE Department does not participate in management.

IV OVERVIEW OF EXISTING PROGRAMS

PHYSICAL DISTRIBUTION ADVISORY SERVICE AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

1.1 To give assistance and expertise to industry in the 4 Atlantic Provinces on problems relating to the physical distribution of their inventory requirements.

1.2 As per GDA objectives.

1.3 Annual examination of the agency's results and demand for its services.

1.4 Clientele:

Principally small businesses that lack the resources to develop their own physical distribution expertise.

2. HISTORY

2.1 It was established because the lack of distribution expertise was identified as a problem in the Atlantic Region.

3. RELATIVITY

This program does not overlap or duplicate any other Government program.

4. IMPACT

Evaluation in 1981 recommended that the program be continued.

5. STATUS

Terminates March 31, 1983.

6. AUTHORITY

The Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

The federal commitment over the 5 years is \$500,000 - total funding level \$750,000 - Balance remaining at December 31, 1981, \$400,000 - approximately one-third of a federal person-year is expended in the management of the program.

8. ORGANIZATION-DELIVERY

The program is administered by a federal-provincial steering committee with a DREE representative as co-chairman. The Province does not implement the program. It is delivered by the director of the service (private sector) under the general direction of the federal-provincial steering committee.

FUNDED PROGRAM
(Program Profile)

CANADA - ATLANTIC PROVINCES MANAGEMENT TRAINING PLAN

1. PURPOSE/CLIENTELE

1.1 Objective

To assist industrial development by raising the skill-levels of managers.

1.2 The purpose relates to the broad objectives of the department.

1.3 The measurement criteria could be industry's continued interest in wishing to pay the costs of participating.

1.4 Clientele

The clientele for the program are the middle managers of Atlantic industry, particularly the smaller firms.

2. HISTORY

2.1 The agreement between DREE and the four Atlantic Provinces was signed July 1978 for a period of five years.

2.2 It was established to fill a perceived need for training to increase the productivity of business firms.

3. RELATIVITY

3.1 The program complements FBDB and CEIC training programs which are directed to the financial requirements of owner-managers and the trade skills of workers respectively. It does not overlap any programs.

4. IMPACT

4.1 The program was evaluated about one year ago and the evaluation was positive and recommended continuation of the program at a higher level of funding.

4.2 The evaluation did not show up any serious programming problems.

4.3 The clients are apparently satisfied as they continue to be willing to pay to send their middle managers to the course.

5. STATUS

5.1 The program expires in July 1983 but it will run out of funds by mid 1982.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NEW BRUNSWICK NORTHEAST SUBSIDIARY AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

1.1 The main elements of the agreement are:

Industrial Development;
urban-industrial infrastructure;
resource development;
human resource development;
special housing;
management and implementation.

1.2 As per GDA objectives.

1.3 Measurement criteria are employment creation, earned income and economic activity.

1.4 Clientele:

The business sector and communities of northeast New Brunswick.

2. HISTORY

Signed in 1977. Terminates March 31, 1984.

3. RELATIVITY

No impact or overlap with other government programs.

4. IMPACT

No evaluation done.

5. STATUS

Terminates March 31, 1984.

6. AUTHORITY

The Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

Federal funding	\$ 67,175,000
Spent to 31/3/82	39,540,000
Balance, partly committed	27,635,000

DREE person-years to deliver 4

8. ORGANIZATION-DELIVERY

Federal/provincial management committees co-chaired by DREE. Implementation by the province.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NEW BRUNSWICK PULP AND PAPER SUBSIDIARY AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

- 1.1 To modernize New Brunswick's pulp and paper industry.
- 1.2 As per GDA objectives.
- 1.3 Measurement criteria are the physical attainment and installation of the needed improvements to the named pulp and paper mills.
- 1.4 Clientele:
Pulp and paper mills in New Brunswick.

2. HISTORY

Agreement signed in 1980. Terminates March 31, 1984.

3. RELATIVITY

N/A

4. IMPACT

N/A

5. STATUS

Terminates March 31, 1984.

6. AUTHORITY

The Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

Federal Funding	\$ 33,800,000
Spent to March 31/82	18,900,000
Balance remaining, partly committed	14,900,000

8. ORGANIZATION-DELIVERY

Joint federal/provincial management committee co-chaired by DREE.
Implementation by the province.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NEW BRUNSWICK DEVELOPING REGIONS SUBSIDIARY AGREEMENT

1. PURPOSE/CLIENTELE

1.1 Resource and industrial development, and municipal development for the following regions of the Province: Northwest, Miramichi, Grand Lake and Charlotte

1.2

1.3

1.4 Clientele

The municipalities and industrial sector of the above noted regions.

2. HISTORY

Agreement signed in 1979. Terminates March 31, 1983.

3. RELATIVITY

No impact nor overlap.

4. IMPACT

No evaluations.

5. STATUS

Terminates on March 31/83.

6. AUTHORITY

The Appropriations Act No. 5. 1973. DREE Vote 11A 1973.

7. RESOURCES

Federal funding	\$ 20,402,000
Spent to 31/3/82	6,465,000
Balance, partly committed	13,937,000

DREE person-years to deliver 0.8

8. ORGANIZATION -- DELIVERY

Joint federal/provincial management committee co-chaired by DREE.

IV OVERVIEW OF EXISTING PROGRAMS

CANADA/NEW BRUNSWICK CONSOLIDATED - BATHURST - MODERNIZATION
SUBSIDIARY AGREEMENT (IMMINENT SIGNING)

(Current)

1. PURPOSE/CLIENTELE

1.1 The establishment of a Thermo-mechanical pulp operation; the modernization of the corrugated medium facility and pollution abatement measures.

1.2 As per GDA objectives.

1.3

1.4 Clientele:

Consolidated - Bathurst Ltd., a pulp and paper company.

2. HISTORY

The agreement is about to be signed. Termination date March 31, 1989.

3. RELATIVITY

Similar in some respects to other pulp and paper agreements.

4. IMPACT

N.A.

5. STATUS

Imminent signing. Termination date March 31, 1989.

6. AUTHORITY

The Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

Total funding	\$ 24,500,000
Federal share	19,600,000

DREE person-year delivery	0.4
---------------------------	-----

8. ORGANIZATION-DELIVERY

Joint federal/provincial management committee co-chaired by DREE.

III SOMMAIRE DES PROGRAMMES EXISTANTS

ENTENTE AUXILIAIRE SUR L'IMPLANTATION D'UNE USINE
DE PAPIER JOURNAL A AMOS (QUÉBEC)

(ENTENTE AUXILIAIRE)

OBJECTIFS/CLIENTELE

1.1 L'entente a pour objectif d'aider financièrement la compagnie Donohue-Normick Inc. à réaliser son projet d'implantation d'une usine de papier journal à Amos. L'entente a également pour objet de permettre aux corporations municipales d'Amos et d'Amos-Est de mettre en place les infrastructures domiciliaires nécessaires pour accueillir les nouveaux travailleurs.

1.2

1.3

1.4 Clientèle:

L'industrie du papier journal à Amos et les populations d'Amos et d'Amos-Est.

2. HISTORIQUE

Cette entente a été signée le 24 juillet 1980 et se terminera le 31 mars 1983.

3. INCIDENCE

En plus des infrastructures domiciliaires financées par l'entente actuelle à Amos-Est, une contribution de \$3 millions, dont 60% soit \$1.8 million provenant du MEER, sera versée à la ville d'Amos dans le cadre de l'entente sur les infrastructures industrielles (volet III) pour la mise en place des infrastructures requises par la papeterie, soit une route d'accès, une station de pompage, une conduite d'amenée d'eau brute et une conduite de refoulement des eaux dans la rivière Harricana.

4. EVALUATION

Cette entente n'a fait l'objet d'aucune évaluation.

5. SITUATION ACTUELLE

Les travaux progressent normalement et la mise en exploitation commerciale de l'usine est toujours prévue pour le printemps 1982.

6. AUTORITE

Loi No. 5 de 1973 portant affectation de crédits. Crédit 11A.

7. RESSOURCES

VOLET	ENGAGEMENT DU MEER	DEPENSES AU 31-03-80	DEPENSES 1980-81	DEPENSES PREVUES 1981-82	SOLDE AU 31-03-82
Usine de papier journal Donohue Normick Inc.	\$24,600	--	\$ 6,071	\$16,029	\$ 2,500
Infrastructures domiciliaires:					
- Amos	\$ 607	--	--	\$ 450	\$ 157
- Amos-Est	\$ 293	--	--	--	\$ 293
TOTAL	\$25,500	--	\$ 6,071	\$16,479	\$ 2,950

La gestion de cette entente requiert 0.1 année-personne à l'exception des services administratifs et financiers.

8. MISE EN OEUVRE

La supervision de l'entente est assurée par le comité de développement de l'entente-cadre Canada-Québec, lequel est composé d'un nombre égal de représentants du MEER et de l'OPDQ. La gestion courante des projets de l'entente est assurée par un comité directeur composé de trois représentants du Canada (deux du MEER et un d'Environnement Canada) et de trois représentants du Québec (un de l'OPDQ, un du ministère de l'Industrie du Commerce et du Tourisme et un du ministère des Affaires municipales).

III SOMMAIRE DES PROGRAMMES EXISTANTS

ENTENTE AUXILIAIRE SUR LES INFRASTRUCTURES INDUSTRIELLES (QUÉBEC)

(ENTENTE AUXILIAIRE)

1. OBJECTIFS/CLIENTELE

- 1.1 Promouvoir un développement industriel plus équilibré partout dans la province en fournissant les installations et les services communautaires requis pour favoriser et faciliter l'implantation d'entreprises dans les diverses régions de la province.

Sous-Objectifs

- i) Parcs industriels: vise à aménager et à agrandir des parcs industriels dans un certain nombre de centres urbains de la province; 30 projets sont inscrits à ce volet.
- ii) Interventions ponctuelles: vise à réaliser des travaux d'aménagement d'infrastructures essentielles dans des municipalités qui sont financièrement incapables de satisfaire aux exigences industrielles d'entreprises particulières.

1.2

1.3

1.4 Clientèle

La présente entente s'adresse à toutes les municipalités du Québec désireuses d'installer ou de rendre adéquates les infrastructures nécessaires à la réalisation de projets industriels d'implantation, d'agrandissement, de modernisation ou de relocalisation.

2. HISTORIQUE

Cette entente a été signée le 26 mars 1975. Elle fut amendée le 24 janvier 1978 et se terminera le 31 mars 1984.

3. INCIDENCE

La mise en place d'infrastructures industrielles dans les municipalités doit se faire en accord avec plusieurs autres programmes relevant de la juridiction provinciale. Les actions de l'entente doivent être conformes aux exigences du ministère de l'Environnement du Québec, du ministère des Affaires municipales, de la Commission municipale, de la loi du zonage agricole et de la loi sur les fonds industriels (MICT). De plus, la majorité des projets industriels à la source des interventions de l'entente dans le cadre du volet III bénéficient de subventions du MEER (LSDR et zone spéciale). Les décisions au niveau de l'entente et des autres programmes du MEER doivent être complémentaires.

4. EVALUATION

Cette entente a fait l'objet d'une évaluation qui fut confiée à une firme indépendante. C'est suite à cette évaluation des interventions de l'entente qu'il fut déterminé que les actions futures seraient concentrées sur le volet III (interventions ponctuelles) par opposition au volet I (aménagement d'espaces prévisionnels).

5. SITUATION ACTUELLE

La moitié des projets inscrits au volet "Parcs industriels" sont terminés. Seuls les projets qui ont déjà été prévus seront réalisés.

6. AUTORITE

Loi No. 5 de 1973 portant affectation de crédits - Crédit 11A.

7. RESSOURCES

VOLET	ENGAGEMENT DU MEER	DEPENSES AU 31-03-80	DEPENSES 1980-81	DEPENSES PREVUES 1981-82	SOLDE AU 31-03-82
Parcs indus- triels	\$45,918	\$24,316	\$ 3,972	\$ 3,234	\$14,396
Interventions ponctuelles	\$23,244	\$ 2,816	\$ 1,415	\$ 2,543	\$16,470
TOTAL	\$69,162	\$27,132	\$ 5,387	\$ 5,777	\$30,866

Le nombre d'année-personnes requises pour gérer cette entente est évalué à 0.9 en excluant les services administratifs et financiers.

8. MISE EN OEUVRE

La supervision de l'entente est assurée par le comité de développement de l'entente-cadre Canada/Québec, lequel est composé d'un nombre égal de représentants du MEER et de l'OPDQ. La gestion courante des projets de l'entente est assurée par un comité directeur composé de deux représentants du MEER pour la partie fédérale et d'un représentant de l'OPDQ et d'un du ministère de l'Industrie, du Commerce et du Tourisme (MICT) pour la partie provinciale. Un des deux représentants du MEER ainsi que le représentant de l'OPDQ agissent comme co-présidents du comité directeur. Le MICT agit comme maître d'oeuvre des volets I et III de cette entente.

III SOMMAIRE DES PROGRAMMES EXISTANTS

ENTENTE AUXILIAIRE SUR LA SOCIETE INTER-PORT DE QUÉBEC

(ENTENTE AUXILIAIRE)

1. OBJECTIFS/CLIENTELE

- 1.1 a) Diversifier et renforcer la structure économique de la zone métropolitaine de Québec. L'entente interviendra pour susciter et appuyer les efforts du secteur privé en vue d'amener de nouveaux investissements ayant un impact sur l'économie régionale.
- b) Favoriser la création d'emplois permanents. Le développement de nouvelles activités portuaires et industrielles contribuera à consolider les emplois actuels et à offrir de nouvelles opportunités aux travailleurs de la région.

1.2

1.3

1.4 Clientèle:

Les diverses industries du Québec.

2. HISTORIQUE

Cette entente a été signée le 3 juillet 1981 et se terminera le 31 mars 1984.

3. INCIDENCE

L'action de la Société se veut complémentaire aux activités du Port de Québec et du MEER dans le cadre du programme sur la LSDR.

4. EVALUATION

L'entente ayant été conclue en juillet 1981, il est encore trop tôt pour procéder à une évaluation de son impact.

5. SITUATION ACTUELLE

La présente entente a été récemment et prendra fin le 31 mars 1984.

6. AUTORITE

Loi No. 5 de 1973 portant affectation de crédits - Crédit 11A.

7. RESSOURCES

ENGAGEMENT DU MEER	DEPENSES PREVUES 1981-82	SOLDE PREVUE AU 31-03-82
\$5,550	\$2,100	\$3,450

La gestion de cette entente requiert 0.8 année-personne excluant les services administratifs et financiers.

8. MISE EN OEUVRE

Un comité de développement composé d'un nombre égal de représentants du MEER et de l'OPDQ est responsable de l'administration générale de l'entente. Un comité directeur formé de représentants du MEER, du Conseil des Ports nationaux, de l'OPDQ et du MICTQ assume la gestion courante de l'entente. Enfin, un représentant du MEER siège au Conseil d'administration.

III SOMMAIRE DES PROGRAMMES EXISTANTS

ENTENTE AUXILIAIRE SUR LE DEVELOPPEMENT TOURISTIQUE

(ENTENTE AUXILIAIRE)

1. OBJECTIFS/CLIENTELE

- 1.1 Augmenter la fréquentation touristique et consolider les bénéfices économiques qui en découlent.

Exploiter davantage le potentiel touristique de l'héritage culturel et historique du Québec.

Développer un équipement touristique adapté aux conditions québécoises, notamment la fréquentation des activités des sports d'hiver.

Favoriser la mise en place d'une infrastructure adaptée aux avantages comparatifs que possèdent les diverses régions sur le plan touristique.

1.2

1.3

1.4 Clientèle:

Les programmes de cette entente sont mis en oeuvre par trois organismes provinciaux qui demeurent propriétaires des équipements mis en place.

2. HISTORIQUE

Cette entente a été signée le 6 avril 1978 et se terminera le 31 mars 1983.

3. INCIDENCE

Dans le cadre de l'amendement à l'entente, Tourisme II, afin de participer au financement du Palais des congrès de Montréal pour un montant de \$24 millions, \$15 millions proviendront du MIC en vertu de son programme national.

De plus, concernant le projet d'amendement, Tourisme III, afin d'inclure à l'entente le projet de Québec 1534-1984, la participation de l'entente deviendra complémentaire à la programmation régulière du ministère Pêches et Océans.

4. EVALUATION

En mai 1979, le MEER a mandaté une firme d'experts-conseil "Pluram" afin d'évaluer le contenu de la programmation de l'entente en tenant compte des objectifs fondamentaux de ce secteur de l'activité économique. Cette étude fait ressortir que dans la perspective d'une négociation de cette

4. EVALUATION (suite)

entente, il y aurait lieu d'amplifier l'approche spatiale des projets qui y seront retenus. Dans cette optique, il faudrait davantage revenir au concept de la zone de destination par opposition à des projets ponctuels.

5. SITUATION ACTUELLE

L'entente sera amendée et prolongée pour y inclure la contribution fédérale de \$24 millions (MIC \$15 millions et MEER \$9 millions) à la construction du palais des congrès de Montréal.

6. AUTORITE

Loi No. 5 de 1973 portant affectation de crédits - Crédit 11A.

7. RESSOURCES

VOLET	ENGAGEMENT DU MEER	DEPENSES 31-03-81	DEPENSES 1981-82	DEPENSES PREVUES 1982-83	SOLDE
Promotion, parcs touristiques, projets ponc- tuels et réserve	\$28,708	\$10,081	\$ 3,711	\$14,916	--
Musées et relais touristiques	\$ 8,927	\$ 2,312	\$ 3,046	\$ 3,569	--
Bases de plein air et camps de vacances	\$ 7,965	\$ 4,498	\$ 1,053	\$ 2,414	
TOTAL	\$45,600	\$16,891	\$ 7,810	\$20,899	Ø

La gestion de cette entente requiert 2.2 années-personnes excluant les services administratifs et techniques.

8. MISE EN OEUVRE

Un comité de développement, composé d'un nombre égal de représentants du MEER et de l'OPDQ, est responsable de l'administration générale de l'entente. Sous la direction de ce comité, un comité directeur formé de représentants du MEER, de l'OPDQ, du MLCP et du MAC, assume la gestion courante de l'entente.

III SOMMAIRE DES PROGRAMMES EXISTANTS

ENTENTE AUXILIAIRE SUR LA MODERNISATION DE L'INDUSTRIE DES PÂTES ET PAPIERS

(ENTENTE AUXILIAIRE)

1. OBJECTIFS/CLIENTELE

1.1 Redresser la position concurrentielle des entreprises de pâtes et papiers du Québec sur le marché international en:

Les incitant à investir dans des équipements de modernisation.

Rationalisant les activités de transformation et en diversifiant la production.

Installant des équipements pour la protection de l'environnement et la conservation de l'énergie.

1.2

1.3

1.4 Clientèle:

L'industrie des pâtes et papiers du Québec.

2. HISTORIQUE

Cette entente a été signée le 15 mai 1979. Elle fut amendée le 20 novembre 1980 et se terminera le 31 mars 1984.

3. INCIDENCE

Cette entente complète l'intervention de l'État dans un secteur industriel important qui n'est pas éligible sous la L.S.D.R.

4. EVALUATION

En octobre 1982, on procèdera à la révision de l'échéancier des projets et les résultats de cette révision pourraient donner lieu à la réalisation des fonds prévus pour les différents projets (300), à la fin de l'année 1982-83.

5. SITUATION ACTUELLE

Des offres ont déjà été émises pour environ 90% de l'engagement total.

6. AUTORITE

Loi No. 5 de 1973 portant affectation de crédits - Crédit 11A.

7. RESSOURCES

VOLET	ENGAGEMENT DU MEER	DEPENSES AU 31-03-80	DEPENSES 1980-81	DEPENSES PREVUES 1981-82	SOLDE AU 31-03-82
Subventions à plus de 40 entreprises	\$135,000	--	\$ 6,469	\$20,000	\$108,531
TOTAL	\$135,000	--	\$ 6,469	\$20,000	\$108,531

La gestion de cette entente requiert 3 année-personne à l'exception des services administratifs et financiers.

8. MISE EN OEUVRE

La mise en oeuvre de l'entente est sous la responsabilité d'un Comité directeur composé de représentants de 3 ministères fédéraux (MEER, ITC et ENV) et 3 ministères provinciaux. Le directeur-général, Subventions et promotion industrielle du MEER-Québec, partage la présidence du Comité avec le représentant de l'O.P.D.Q. Les déboursés du MEER sont versés directement aux compagnies.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO NORTHERN ONTARIO RURAL DEVELOPMENT AGREEMENT

(CURRENT)
(GDA SUB)

1. PURPOSE/CLIENTELE

1.1 The purpose of this agreement is to provide for the expansion and diversification of economic activities in the rural areas of northern Ontario.

1.2

1.3

1.4 Clientele:

The clientele for this initiative are primarily the residents of rural areas, but also include the residents of major urban centres where the output of projects benefit rural areas.

2. HISTORY

This agreement was signed on March 2, 1981 and will terminate on March 31, 1984.

3. RELATIVITY

The programs effected under this agreement are complementary to the provincial strategy for the development of northern Ontario. Other federal departments and agencies supporting the Agreement are: CGOT, Canadian Forestry Service and the Geological Survey of Canada. There is no overlap with other federal programs.

4. IMPACT

Since the delivery of the agreement has only been in effect for six months it is too early to assess the impact of its programs.

5. STATUS

The programs under this agreement are scheduled to terminate March 31, 1984, however, the agreement is likely to be extended for one year with some extra funding.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973. DREE Vote 11A.

7. RESOURCES

The federal commitment amounts to \$10,000,000; of this amount \$9,500,000 remains uncommitted. Two and one-half DREE person/years are required to implement the agreement.

8. ORGANIZATION & DELIVERY

The program under this agreement is administered by a federal-provincial management committee comprised of three DREE representatives and three provincial representatives. Representatives from DIAND, EM&R, CGOT and Agriculture Canada participate in the sub-committee support system. The programs are delivered by provincial government ministries and agencies.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO NORTHEASTERN ONTARIO SUBSIDIARY AGREEMENT

(CURRENT)
(GDA SUB)

1. PURPOSE/CLIENTELE

1.1 The purpose of this agreement is to help alleviate identified constraints to the economic and social development of key population centres in Northeastern Ontario.

1.2

1.3

1.4 Clientele:

The clientele for programs provided under this agreement are the municipalities of Sudbury, Timmins, Parry Sound and North Bay.

2. HISTORY

This agreement was signed on March 15, 1976 and is scheduled to terminate on March 31, 1982.

3. RELATIVITY

The programs provided under this agreement complement the provincial strategy for assistance to municipal infrastructure projects in selected northeastern Ontario communities. There is no overlap with any other federal program.

4. IMPACT

An evaluation of the agreement is underway which is positive in its assessment and recommends that the agreement be continued to its completion date.

5. STATUS

The agreement is scheduled to terminate on March 31, 1982, however, it is highly likely that the agreement will be extended to December 31, 1982 with no additional funding involvement.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

The federal commitment amounts to \$14,127,750; of this amount \$831,875 remains uncommitted. One and one-half DREE person/years are required to implement the Agreement.

8. ORGANIZATION & DELIVERY

The program under this Agreement are administered by a federal/provincial management committee. The Federal co-chairman of the Committee is a DREE representative. The programs are implemented by the provincial government.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO COMMUNITY AND RURAL RESOURCE DEVELOPMENT
SUBSIDIARY AGREEMENT

(CURRENT)
(GDA SUB)

1. PURPOSE/CLIENTELE

1.1 The purpose of this agreement is to strengthen the community structure of rural areas.

1.2

1.3

1.4 Clientele:

The clientele for this agreement are the residents of slow growth communities and rural areas of Ontario.

2. HISTORY

This agreement was signed on December 7, 1977 and will terminate on March 31, 1983.

3. RELATIVITY

The programs implemented under this agreement are complementary to the provincial strategy for the community development of rural and urban areas in northern and eastern Ontario. There is no overlap with any other federal programs.

4. IMPACT

An evaluation is underway which is positive and recommends that the agreement be amended to accommodate the development of infrastructure for an industrial park at Pembroke.

5. STATUS

The agreement terminates on March 31, 1983, however, it is highly likely that the Agreement will receive extra funding and be extended to March 31, 1984 to accommodate a proposed City of Pembroke infrastructure project now in the Minister's office for movement to Treasury Board.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

The federal commitment amounts to \$4,530,443; of this amount \$197,782 remains uncommitted. One and one-half DREE person/years are required to implement the agreement.

8. ORGANIZATION & DELIVERY

The agreement is administered by a federal-provincial management committee; the federal co-chairman is a DREE representative. The programs provided under the agreement are implemented by the provincial government.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO EASTERN ONTARIO SUBSIDIARY AGREEMENT

(CURRENT)
(GDA SUB)

1. PURPOSE/CLIENTELE

1.1 The purpose of this agreement is to help improve the economic well-being of the residents of eastern Ontario through programs aimed at upgrading resource sectors and through a program of business incentives.

1.2

1.3

1.4 Clientele:

The clientele for programs provided under this agreement are businessmen engaged in farming, tourism, forestry and manufacturing and related supporting industries.

2. HISTORY

This agreement was signed on December 20, 1979 and will terminate on March 31, 1984.

3. RELATIVITY

The agreement is complementary to the provincial strategy for the development of the province's Eastern Ontario Planning Region. The Agreement is supported federally by the CGOT, FBDB, the Canadian Forestry Services, Agriculture Canada and the Geological Services of Canada. There is no overlap with any other federal program.

4. IMPACT

An evaluation is underway which is positive and recommends that the program continue.

5. STATUS

The agreement will terminate on March 13, 1984 as scheduled. It is unlikely that the agreement will be extended; however, spin-off initiatives may be developed under a new agreement.

6. AUTHORITY

The authority for this agreement is the Appropriations Act 5, 1973 - Vote 11.

7. RESOURCES

The federal commitment amounts to \$25,175,000; of this \$12,164,382 remains uncommitted. Two DREE person/years are required to implement the agreement. MYOP projects cash flows for 82/83, 83/84, 84/85 of \$7,310, \$6,400, \$1,800.

8. ORGANIZATION & DELIVERY

The agreement is administered by a federal/provincial management committee; the federal co-chairman is a DREE representative. Representatives from Agriculture Canada, FBDB, EM&R, CFS and CGOT participate in the sub-committee support system. Programming is implemented by the provincial government.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO PULP AND PAPER INDUSTRY FACILITIES IMPROVEMENT

(CURRENT)
(GDA SUB)

1. PURPOSE/CLIENTELE

1.1 The purpose of this agreement is to provide a program of incentives to assist the pulp and paper industry in Ontario to meet the costs of conforming to pollution abatement standards and plant modernization.

1.2

1.3

1.4 Clientele:

The clientele for the program of incentives provided under this agreement are pulp and paper mills operating in the Province of Ontario.

2. HISTORY

This agreement was signed on May 15, 1979 and will terminate on March 31, 1984.

3. RELATIVITY

The program of incentives offered under this agreement is complementary to the provincial strategy for the enhancement of the pulp and paper industry. There is no overlap with any other federal program.

4. IMPACT

An evaluation of the agreement is underway which is positive and recommends that the agreement be continued to its completion.

5. STATUS

The agreement will terminate on March 31, 1984 as scheduled. It is unlikely that the agreement will be extended or that it will receive additional funding.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE - Vote 11A.

7. RESOURCES

The federal commitment amounts to \$60,000,000; of this amount \$568,000 remains uncommitted.

8. ORGANIZATION & DELIVERY

The agreement is administered by a federal-provincial management committee; the federal co-chairman is a DREE representative. The programs under the agreement are delivered by the provincial government.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO SINGLE INDUSTRY RESOURCE COMMUNITIES SUBSIDIARY AGREEMENT

(CURRENT)

(GDA SUB)

1. PURPOSE/CLIENTELE

1.1 The purpose of this agreement is to help diversify and stabilize the economics of single-industry resource communities in Northern Ontario.

1.2

1.3

1.4 Clientele:

The clientele for this agreement are the residents of single-industry communities in Northern Ontario.

2. HISTORY

This agreement was signed on October 18, 1976 and will terminate on March 31, 1983.

3. RELATIVITY

The programs provided under this agreement are complementary to the provincial strategy for the development and stabilization of single-industry communities located in Northern Ontario.

4. IMPACT

An evaluation is underway which is positive at this point.

5. STATUS

The agreement is scheduled to terminate on March 31, 1983. No extension of this termination date or additional funding is anticipated.

6. AUTHORITY

The authority is the appropriations Act.5.73 DREE Vote 11A.

7. RESOURCES

The federal allocation amounts to \$8,966,200 which is totally committed.

8. ORGANIZATION AND DELIVERY

The agreement is administered by a federal/provincial management committee. Two DREE personnel are represented on the committee; one is the federal co-chairman, the other is the federal coordinator. Programs provided under this agreement are implemented by the province.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/MANITOBA SUBSIDIARY AGREEMENT ON INDUSTRIAL DEVELOPMENT

1. PURPOSE/CLIENTELE

1.1 Purpose:

The purpose of the agreement is to accelerate industrial development through the establishment and development of manufacturing, small business; and to offset costs associated with plant location.

1.2

1.3

1.4 Clientele:

The clientele for this initiative are the industrial sector and potential entrepreneurs as well as the small business community.

2. HISTORY

This agreement was signed on April 21, 1978 and will terminate on March 31, 1983.

3. RELATIVITY

The program is vital to the revitalization of the industrial and small business community of Manitoba and is complementary to other federal and provincial initiatives for overall economic growth in Manitoba. This Agreement was co-signed by the Minister of Industry, Trade and Commerce.

4. IMPACT

The program is on schedule and a report is available on the progress of activities.

5. STATUS

The program terminates March 31, 1983; work must be performed and services rendered on or before September 30, 1984 and claims must be made by March 31, 1985.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

The federal contribution amounts to \$26.4 million, of which the DREE share is \$25.4 million. On December 31, 1981 approximately \$16.1 million remains uncommitted. One and one-half DREE person-years are required to implement the program. The Department of Industry, Trade and Commerce is to contribute \$1 million.

8. ORGANIZATION - DELIVERY

The program is administered by a federal-provincial management committee of four regular members and two ex officio members. The regular members shall be the Director General of DREE, Manitoba, who shall be the federal co-chairman, a representative of the Department of Industry, Trade and Commerce, the Deputy Minister of the Manitoba Department of Industry and Commerce, who shall act as provincial co-chairman and one other representative from the province. The two ex-officio members shall be one from the Federal Business Development Bank and one representative from the Manitoba Department of Finance.

The program is delivered by the Province of Manitoba.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/MANITOBA SUBSIDIARY AGREEMENT ON TOURISM DEVELOPMENT

1. PURPOSE/CLIENTELE

1.1 Purpose:

The purpose of the agreement is to encourage the development of the tourism industry in the province, particularly in the destination areas.

1.2

1.3

1.4 Clientele:

Industry associations in Manitoba.

2. HISTORY

This Agreement was signed on December 15, 1978 and will terminate on March 31, 1984.

3. RELATIVITY

The program outlined in the agreement is complementary to federal and provincial plans for economic development. The Agreement was countersigned by the Minister of Industry, Trade and Commerce and supported through the Canadian Government Office of Tourism.

4. IMPACT

The program is in accordance with the objective and strategy outlined in the GDA and forms part of Manitoba's economic development strategy.

5. STATUS

The agreement terminates March 31, 1984; the approved works or services must be performed or rendered on or before September 30, 1985, and claims must be received by Canada prior to March 31, 1986.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

The federal contribution amounts to \$12 million, and of this, approximately \$11.5 million remains uncommitted. One-half DREE person-year is required to implement the agreement.

8. ORGANIZATION - DELIVERY

The program is implemented under a joint federal-provincial management committee comprised of four regular members and two ex-officio members. The regular members shall be a representative of DREE, Manitoba, who shall act as federal co-chairman, a representative of the Department of Industry, Trade and Commerce, a representative from Manitoba Department of Tourism and Cultural Affairs who shall act as provincial co-chairman and one other representative from the province; the ex-officio members shall be one from the Federal Business Development Bank and one from the Manitoba Department of Finance.

The program is delivered by the provincial government.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-MANITOBA AGRICULTURAL SERVICE CENTRES AGREEMENT

(Current)

1. PURPOSE/CLIENTELE

1.1 To provide assistance for the construction and financing of water supply systems and waste disposal facilities for certain centres in the Province of Manitoba.

1.2

1.3

1.4 Clientele:

Sixteen centres were identified in the agreement.

2. HISTORY

The agreement was signed August 1, 1972 providing \$10 million over a period of five years, for sixteen centres; the agreement was amended providing a total of \$20 million and extending the termination date to March 31, 1982. (To be extended).

3. RELATIVITY

The program has been well received by the centres. It is significant that a largest percentage of RDIA grants to manufacturing in the province to centres outside the city of Winnipeg have gone to firms in the centres receiving the grants.

4. IMPACT

Works and financing have been provided to fifteen centres, with commitments of \$19.98 million.

5. STATUS

On December 31, 1981, \$19.3 million had been expended. One project remains to be completed, the delay in the completion at Neepawa was caused by a shortage of specially skilled welders. The work is scheduled for early

1982/83 and a proposal to extend the termination date to March 31, 1983 is being prepared by PFRA.

6. AUTHORITY

The Appropriations Act 5, 1973 and the Prairie Farm Rehabilitation Act.

7. RESOURCES

The federal contribution amounts to \$20 million; of which \$10 million is by grants and \$10 million by loans. PFRA delivers this program and substantial numbers of technical person-years are utilized.

8. ORGANIZATION AND DELIVERY

PFRA has delivered the program. PFRA has been responsible for the design and construction of the works and administration of the funding.

A joint federal-provincial management committee supervised the conduct of the program.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-MANITOBA INTERM SUBSIDIARY AGREEMENT ON WATER DEVELOPMENT
FOR REGIONAL ECONOMIC EXPANSION AND DROUGHT PROOFING

(PFRA)

1. PURPOSE/CLIENTELE

1.1 To provide assistance to undertake engineering and economic studies of water supplies, construct projects for water storage and develop a long-term water management strategy which will generate economic activity and reduce the impact of drought.

1.2

1.3

1.4 Clientele:

The program is directed toward communities in Manitoba, and general water supply throughout Manitoba.

2. HISTORY

Approval to enter into this arrangement was received in 1979, it was not however signed until May 30, 1980, it will terminate March 31, 1984, work may continue until March 1985 and claims may be paid to March 31, 1986.

3. RELATIVITY

The program is a part of the long-term needs to nationalize and develop water supplies. Enrichment of funding is proposed in the Immediate Water Supply Initiatives prepared by PFRA.

4. IMPACT

Studies to assess the effects of drought have started under the leadership of agricultural economists at the University of Manitoba, studies to examine water supplies in the Assiniboine South Hespeler area for Manitoba. Construction of water supply projects at Morden, Grandview and Edwards Creek have been approved, and ground water studies are well underway.

5. STATUS

The program is to terminate March 13, 1984. The program was late in starting, studies started in 1981 and construction is scheduled for 1982.

6. AUTHORITY

The authority is the Regional Economic Expansion Act, The Prairie Farm Rehabilitation Act and the Canada Water Act.

7. RESOURCES

The federal contribution amounts to \$5.3 million; \$902,000 had been expended by December 31, 1981. A substantial number of PFRA person-years are being utilized to administer and deliver the program.

8. ORGANIZATION AND DELIVERY

The program is under a joint management committee of provincial and federal officials. Environment Canada has a representative on the committee.

III OVERVIEW OF EXISTING PROGRAMS

PRAIRIE FARM REHABILITATION ADMINISTRATION

(PFRA)

1. PURPOSE/CLIENTELE

1.1 Conducts on-going projects to develop and promote improved water-supply, tree culture, farming methods and land utilization in the low precipitation areas of Manitoba, Saskatchewan and Alberta.

1.2 This relates closely to DREE's mandate as PFRA's activities are closely linked to economic development.

1.3

1.4 Clientele

The communities and rural people of specific parts of the Prairie provinces.

2. HISTORY

The administration, with headquarters in Regina, began in 1935 - it was incorporated into DREE when the department was established in 1969. Originally it was with Agriculture but its growing relevance to economic development moved it to DREE.

3. RELATIVITY

Relates closely to the provincial and federal departments of agriculture as well as to the economic development programs of DREE.

4. IMPACT

Four evaluations were completed in the recent few years. All were positive. To meet changing requirements, PFRA had a large reorganization two years ago. There is one more evaluation presently underway and two more having outlines prepared.

5. STATUS

On going - no termination date.

6. AUTHORITY

The Prairie Farm Rehabilitation Act, 1935 and subsequent amendments.

7. RESOURCES

1980/81 Expenditures

	<u>MAN.</u>	<u>SASK.</u>	<u>ALBERTA</u>	<u>TOTAL</u>
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
Vote 10				
Grants and contributions	17.7	24.8	4.9	47.4
Vote 5				
Capital projects	1.9	4.4	0.8	7.1
Vote 1				
Operating expenses	<u>2.5</u>	<u>21.0</u>	<u>1.4</u>	<u>24.9</u>
	22.1	50.2	7.1	79.4

8. ORGANIZATION AND DELIVERY

Operates as a unit from headquarters in Regina, reporting to the ADM WEST (DREE). Delivers its programs unilaterally.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-SASKATCHEWAN SUBSIDIARY AGREEMENT ON
SASKATCHEWAN NORTHLANDS

(CURRENT)

1. PURPOSE/CLIENTELE

1.1 Purpose:

The purpose of the agreement is to encourage the long term economic development of northern Saskatchewan with emphasis on the need to provide northern residents with options, access to, and the opportunity to participate in the development opportunities.

1.2

1.3

1.4 Clientele:

The clientele are the residents of remote and rural communities in northern Saskatchewan.

2. HISTORY

The current agreement was signed August 28, 1978 following an interim subsidiary agreement on the Saskatchewan Northlands. Federal ministers of Transport, CEIC, DIAND and DREE are signatories to the agreement. The agreement will terminate March 31, 1983.

3. RELATIVITY

The programs outlined in the agreement are complementary to the priorities and initiatives of the other federal contributors to the agreement and operates in close cooperation with DREE's Special ARDA program.

4. IMPACT

The program is in accordance with the objectives and strategy outlined in the GDA and forms a priority part of Saskatchewan's economic development strategy.

5. STATUS

The program terminates March 31, 1983 and claims may be paid up to September 30, 1984.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE.

7. RESOURCES

The federal contribution amounts to \$87 million, of which the DREE share is \$58.3 million, Transport share is \$12.5 million, CEIC share is \$9.0 million and DIAND share is \$7.2 million. On December 31, 1981, \$27.9 million had been expended by DREE. One and one-half DREE person-years are required.

8. ORGANIZATION & DELIVERY

The program is implemented under federal-provincial management group consisting of eight members. The Group consists of the director general of DREE Saskatchewan, who shall act as co-chairman; three other federal members representing the departments of Transport, CEIC and DIAND; the deputy minister of the Department of Northern Saskatchewan who shall be a co-chairman, and three other provincial representatives appointed by the principal provincial minister. The program is delivered by the provincial government.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-SASKATCHEWAN SUBSIDIARY AGREEMENT ON IRON, STEEL
AND OTHER RELATED METAL INDUSTRIES

(GDA SUB)

PURPOSE/CLIENTELE

1.1 Purpose:

To expand and diversify iron and steel production in Saskatchewan, to enhance the viability of the existing iron and steel industry and to provide a substantial increase in the number and range of employment opportunities.

1.2

1.3

1.4 Clientele:

Those persons and companies who may respond to federal and provincial incentives and strategies to expand and/or diversify iron and steel production in Saskatchewan.

2. HISTORY

The agreement was signed July 4, 1974 and terminates March 31, 1982. Claims on approved projects may be made until March 31, 1986 and it is expected that claims on the last project will be made in 1985/86. The basic initiative to provide funding to Inter-Provincial Pipe is coordinated with grants under the Regional Development Incentives Act.

3. RELATIVITY

That part of the program providing grants to industrial expansion has been closely linked and coordinated with the RDIP. IT&C, EMR and Finance have been involved.

4. IMPACT

The program has been directed to the industrial development sector of the Saskatchewan economy.

5. STATUS

One study remains to be completed.

6. AUTHORITY

The Appropriations Act 5, 1973.

7. RESOURCES

8. ORGANIZATION & DELIVERY

The overall management and coordination of this agreement has been through the Steel Development Group comprising The Director General, DREE Saskatchewan, who is the federal co-chairman; The Deputy Minister of the Department of Industry, Trade and Commerce who is the provincial co-chairman; three federal members from IT&C, EMR, and Finance; three provincial members from Finance, Department of Mineral Resources and the Executive Council, and the Assistant Deputy Minister for the Western Region of DREE who is a member ex-officio.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-SASKATCHEWAN INTERM SUBSIDIARY AGREEMENT ON
WATER DEVELOPMENT FOR ECONOMIC EXPANSION AND DROUGHT PROOFING

(PFRA)

1. PURPOSE/CLIENTELE

1.1 Purpose:

To assist studies assessing economic development opportunities and constraints on development due to lack of water, and to develop long-term economic and water resource development strategies. To construct a number of medium-sized water storage and delivery schemes and to undertake flood damage reduction measures.

1.2

1.3

1.4 Clientele:

Communities in rural Saskatchewan.

2. HISTORY

This agreement was signed on May 17, 1979 with both DREE and Environment Canada as federal signatories. The agreement will terminate March 31, 1982.

3. RELATIVITY

This water supply and investigation program is coordinated with Environment Canada's program for flood damage reduction. The response to the program exceeds the resources available and the enrichment of the agreement is one of the items proposed and discussed under the Immediate Water Supply Initiatives prepared by PFRA.

4. IMPACT

Studies to assess the social and economic effects of drought and water supply shortages have begun. Groundwater studies of the Judith River formation, the Hatfield Aquifer and the Estevan Valley Aquifer are underway. Water supply construction is complete at Birch Hills and Kipling and is progressing at Melfort and Weyburn. Investigations and field studies are underway in several communities. Field surveys for specific structural measures to reduce flood damages have been undertaken.

5. STATUS

The program is to terminate March 31, 1982, work may continue to March 31, 1983 and claims may be made to March 31, 1984. A proposal has been prepared requesting authority to extend the termination date and increase the funding.

6. AUTHORITY

Authorities are the Appropriations Act 5, 1973, the Prairie Farm Rehabilitation Act and the Canada Water Act.

7. RESOURCES

The federal contribution amounts to \$7.9 million of which DREE's share is \$7.4 million and Environment Canada's share is \$0.5 million. A substantial number of DREE person-years are being utilized to deliver and administer the program. \$1.7 million has been expended to December 31, 1981. There remains a balance of \$5,825,000 plus \$400,000 in Vote 1.

8. ORGANIZATION & DELIVERY

This program is administered by PFRA. Both Environment Canada and DREE were signatories to the Agreement and PFRA and Environment are on the management committee.

III OVERVIEW OF EXISTING PROGRAMS

SUBSIDIARY AGREEMENT ON THE QU'APPELLE VALLEY

SASKATCHEWAN

1. PURPOSE/CLIENTELE

1.1 Purpose

To improve the management of the land and water resources of the Qu'Appelle Valley to meet existing and future uses and ensure the long-term productivity of the Valley's recreation and tourism resource base, including the natural environment, historic resources, cultural heritage and hospitality industry. No change in objectives since 1975.

1.2 Supports objectives of encouraging slow growth regions to realize their potential and of alleviating disparities.

1.3 Clientele

Residents of the Valley, the City of Regina, the City of Moose Jaw, and the institutions and business communities of those areas.

2. HISTORY

2.1 Established by agreement signed on October 6, 1975, in response to provincial request on behalf of residents.

2.2 The need for development and disparity alleviation agreed to by federal and provincial governments under GDA provincial strategy.

3. RELATIVITY

3.1 No overlap.

4. IMPACT

4.1 No formal assessment.

4.2 No major programming problems.

4.3 The program is progressing on schedule.

5. STATUS

5.1 As written

6. AUTHORITY

The Appropriations Act. 5, 1973 - DREE Vote 11A

6.1

6.2 Contributions to the province.

6.3 Viability of projects.

7. RESOURCES

7.1 As written.

7.2 Demand has not exceeded funds available.

7.3 Contingent liability of \$4.7 million remains.

8. ORGANIZATION AND DELIVERY

8.1 Federal/Provincial Management Board establishes priorities and makes decision; delivery is through the Qu'Appelle Valley Implementation Directorate (a body of local people).

8.2 EC, IT&C, INAD serve on the Management Board as do three provincial members.

III OVERVIEW OF EXISTING PROGRAMS

CANADA-SASKATCHEWAN SUBSIDIARY AGREEMENT FOR PLANNING

1. PURPOSE/CLIENTELE

1.1 To provide funds to undertake studies for the identification and analysis of economic and socio-economic development opportunities in Saskatchewan, and to undertake such planning as required to develop strategies, programs and subsidiary agreements pursuant to those opportunities.

1.2

1.3

1.4 Clientele

The Provincial Government.

2. HISTORY

This agreement was signed May 17, 1979 and will terminate March 31, 1984.

3. RELATIVITY

It provides opportunity for formal planning and analysis of proposals prior to technical arrangements to support a particular initiative.

4. IMPACT

The program is providing funding for a variety of initiative proposals.

5. STATUS

The funds are used to fund studies identified by the federal-provincial management committee.

6. AUTHORITY

The Appropriations Act. 5, 1973.

7. RESOURCES

The federal contribution amounts to \$750,000 and \$149,999 had been spent December 31, 1981. One DREE person-year is allocated.

8. ORGANIZATION AND DELIVERY

There is a management committee consisting of a senior official appointed by each of the ministers.

III OVERVIEW OF EXISTING PROGRAMS

THE CANADA-SASKATCHEWAN AGRICULTURAL SERVICE CENTRES AGREEMENT
GDA SUB.
(PFRA)

1. PURPOSE/CLIENTELE

1.1 To provide assistance for the construction and financing of water supply and/or waste disposal facilities for certain centres in the Province of Saskatchewan.

1.2

1.3

1.4 Clientele:

Twenty-six centres were identified in the agreement.

2. HISTORY

The agreement was signed July 31, 1972 providing \$10 million over a period of five years for twenty-six selected centres. The agreement was later amended increasing the funding to \$28 million and the date for termination subsequently set for March 31, 1983.

3. RELATIVITY

The increased capacity of the facilities in these centres complements the strategy of the province to stabilize rural centres and develop industrial capacity in the province.

4. IMPACT

Program funds have been used in each of the centres.

5. STATUS

On December 31, 1981, \$25.6 million had been expended and \$27.9 million has been committed.

The program will terminate March 31, 1983.

6. AUTHORITY

The Appropriations Act. 5, 1973 and the Prairie Farm Rehabilitation Act.

7. RESOURCES

The federal contribution amounts to \$28 million of which \$14 million is by grants and \$14 million by loans. PFRA delivers this program and substantial numbers of technical person-years are utilized.

8. ORGANIZATION AND DELIVERY

PFRA has delivered the program. PFRA has been responsible for the design and construction of the works and administration of the funding.

A joint federal-provincial management committee supervises the conduct of the program.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/ALBERTA SUBSIDIARY AGREEMENT ON NUTRITIVE PROCESSING ASSISTANCE

1. PURPOSE/CLIENTELE

1.1 Purpose:

To further process in Alberta those nutritive products which may or have a competitive trade position, and to stimulate the development of the processing facilities in small rural communities.

1.2

1.3

1.4 Clientele:

The clientele for this agreement are those processors, entrepreneurs and rural communities who have a capability to establish, modernize or expand viable nutritive processing facilities.

2. HISTORY

There are two agreements to report: the first agreement was signed March 11, 1975 and terminated June 30, 1981 and is recorded here because of financial claims requirements; the second agreement was signed August 18, 1981 and will terminate March 31, 1984.

3. RELATIVITY

The program is a fundamental part of the program in Alberta to diversify the economic activity and strengthen the economic base of the rural community.

4. IMPACT

The first agreement progress reports are available and both federal and provincial Ministers were encouraged with the success and did, in August 1981, enter into a further arrangement.

5. STATUS

Under the first agreement, the program commitments closed on June 30, 1981, but payments will continue to 1985/86.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE Vote 11A.

7. RESOURCES

For the first agreement, the federal contribution was \$8.5 million; on December 31, 1981 \$4.2 million has been paid and the balance of \$4.3 million is forecast to be paid out by the year 1985/86.

For the second agreement the federal contribution is \$14 million; no payments have been made but the cash flow is projected through the years to be completed in year 1988/89.

8. ORGANIZATION - DELIVERY

The program is administered by a federal-provincial joint committee comprised of the Director General of DREE, Alberta, and the Executive Director, Rural Development, Alberta Agriculture. They shall be co-chairmen and may establish advisory and coordinating committees.

The program is delivered jointly by DREE and the province.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/BRITISH COLUMBIA SUBSIDIARY AGREEMENT ON INDUSTRY DEVELOPMENT

1. PURPOSE/CLIENTELE

1.1 Purpose:

The purpose of the agreement is to encourage greater sectorial and spatial diversification of economic activity in the province of British Columbia.

1.2

1.3

1.4 Clientele:

The clientele for this initiative are industrial entrepreneurs in the province of British Columbia for the development of enterprises in the provinces except for the "Lower Mainland" and "Southern Vancouver Island".

2. HISTORY

2.1 This agreement was signed on July 8, 1977 and will terminate on March 31, 1982.

2.2 It was designed to overcome the disadvantages of locating manufacturing activities away from the highly developed centers.

3. RELATIVITY

The program is complementary to both federal and provincial development efforts and coordinated with programming under the Regional Development Incentives Act programs and the British Columbia Development Corporation programs. The Minister of Industry, Trade and Commerce co-signed the agreement.

4. IMPACT

The program has been notably successful with the assistance to small enterprises, and the response has been significant for the Community Industrial Development initiatives.

5. STATUS

The program terminates March 31, 1982 with a possible extension of one year with no extension of funding, with the implication for the receipt of claims until September 30, 1984.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE Vote 11, and Regional Development Incentives Act (1969).

7. RESOURCES

The federal contribution for the cost-shared programs amounts to \$35 million. On December 31, 1981 approximately \$21.7 million had been expended. Approximately two DREE person-years are required to administer the program. MYOP projects cash flows of \$7.8 million for 1982/83 and \$2.7 million for 1983/84.

8. ORGANIZATION - DELIVERY

The program is administered by a federal-provincial industrial development committee consisting of four regular members and two ex-officio members. The regular members are a representative of the Department of Regional Economic Expansion who is the federal co-chairman, a representative from the Department of Industry, Trade and Commerce, and two members from the Ministry of Economic Development, one of whom is a representative from the Federal Business Development Bank and a member from the British Columbia Development Corporation.

The program is delivered by the province of British Columbia.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/BRITISH COLUMBIA SUBSIDIARY AGREEMENT ON TRAVEL INDUSTRY DEVELOPMENT

(Current)

1. PURPOSE/CLIENTELE

1.1 Purpose:

The purpose of the agreement is to encourage orderly growth and development of the travel industry in British Columbia.

1.2

1.3

1.4. Clientele:

The clientele of this initiative is the tourist industry in British Columbia and indirectly the users of travel industry services.

2. HISTORY

This agreement was signed on October 17, 1978 and will terminate on October 17, 1983.

3. RELATIVITY

The program is complementary to federal and provincial plans for economic development and resource use. The agreement was counter-signed by the Minister of Industry, Trade and Commerce and supported through the Canadian Government Office of Tourism.

4. IMPACT

The works program is progressing according to schedule and an evaluation will be conducted of the activities.

5. STATUS

The program terminates October 17, 1983; the approved works must be completed by September 30, 1984 and claims must be paid within six months of the completion of the works.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 - DREE Vote 11 - 1968/69.

7. RESOURCES

The federal contribution amounts to \$25 million and of this, approximately \$9 million remains uncommitted. One and one-half DREE person-years are required to implement the agreement.

8. ORGANIZATION - DELIVERY

The program is implemented under a management committee consisting of two federal members, one appointed by each of the two federal Ministers, and two provincial members appointed from the Ministry of Economic Development.

The program is delivered by the provincial government.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/YUKON INTERIM SUBSIDIARY AGREEMENT ON TOURISM DEVELOPMENT

(Current)

1. PURPOSE/CLIENTELE

1.1 Purpose:

The purpose of the Agreement is to increase the emphasis on strengthening the tourism industry.

1.2

1.3

1.4 Clientele:

The clientele is the tourism industry of the Yukon.

2. HISTORY

This agreement was signed on February 14, 1980 and will terminate on March 31, 1982.

3. RELATIVITY

This program is complementary to the Yukon tourism development efforts and federally it is being coordinated with programs of Canada Employment and Immigration, the Special Agricultural and Rural Development Program, Parks Canada and the Canadian Government Office of Tourism. This agreement was co-signed by the Ministers of Indian Affairs and Northern Development and Industry, Trade and Commerce.

4. IMPACT

An evaluation is being discussed; it is positive and recommends that the program be continued and that the present agreement be extended.

5. STATUS

The Agreement terminates March 31, 1982 with a possible extension of one year with no extension in funding. Under the existing Agreement the completion date for projects is March 31, 1982 and claims must be received within 12 months of the completion date of the project.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973.

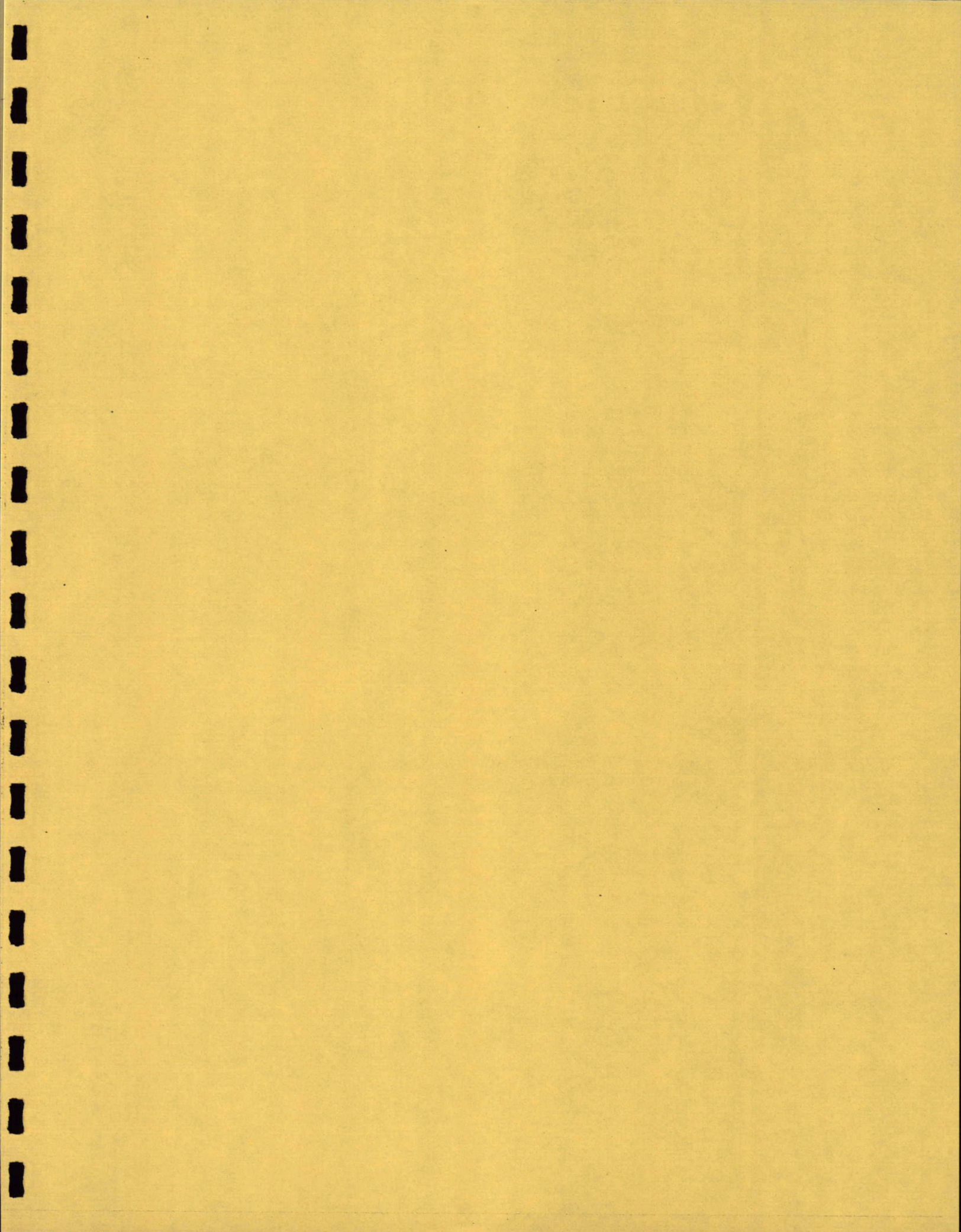
7. RESOURCES

The federal contribution amounts to \$5.1 million, of which the DREE share is \$3.6 million; of this, approximately \$2.6 million remains uncommitted on December 31, 1981. One DREE person-year is required to implement the Agreement.

8. ORGANIZATION - DELIVERY

The program is administered by a federal-territorial management committee by at least one representative from each of the federal Departments of Indian Affairs and Northern Development, Regional Economic Expansion, Industry, Trade and Commerce, and Employment and Immigration, and an equal number of representatives from the territory. The management committee is co-chaired by the representative from Regional Economic Expansion and one representative from the territory.

The program is delivered by the territory.



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III OVERVIEW OF EXISTING PROGRAMS

PROJECT ASSESSMENT AND EVALUATION PROGRAM

DREE National
non-financial type

1. PURPOSE/CLIENTELE

- 1.1 To conduct major investment commercial project feasibility and economic efficiency analysis.
- 1.2 To develop superior alternatives to proposed major investment projects.
- 1.3 To provide inter-regional and inter-departmental coordination of major investment projects.

1.4 Clientele

The clientele is essentially the business sector.

2. HISTORY

- 2.1 The Project Assessment and Evaluation Branch was formed in 1975 by the merger of the Operations Review and Evaluation Groups. These entities had been set up following decentralization of DREE in 1973.

3. RELATIVITY

- 3.1 DREE had two major purposes: to assist in the provision of essential social infrastructure and to aid in the creation of private capital goods in depressed regions. PA&E's role is directly related to the essence of this mandate. First to determine the commercial feasibility of projects and the degree of government assistance required and second, to determine the net economic benefits generated and therefore the maximum amount of public assistance warranted.

4. IMPACT

N/A

5. STATUS

- 5.1 On-going.

6. AUTHORITY

- 6.1 The DREE Act.

7. RESOURCES

7.1 Approved 36 man-years
 \$2.5 million

Proposed 50 man-years
 \$3.5 million

8. ORGANIZATION AND DELIVERY

8.1 This program is delivered nationally from central headquarters.

III OVERVIEW OF EXISTING PROGRAMS

BUREAU OF BUSINESS AND ECONOMIC DEVELOPMENT

Current

1. PURPOSE/CLIENTELE

1.1 Purpose:

To actively identify and develop major industrial opportunities in regions suffering lagging economic growth.

1.2 Pursues a proactive approach to opportunity identification and development, complementing the responsive role of other major programs.

1.3

1.4 Clientele

Large Firms primarily in the industrial sector (Mitel, Wang, Canadian Tire, Jarvis Clark)

2. HISTORY

2.1 - established in late 1980

- have completed several sector studies, import/export analyses and has successfully concluded a major development initiative with Mitel Corporation.

3. RELATIVITY:

N/A

4. IMPACT:

N/A

5. STATUS:

Independent (of specific delivery programs) headquarters unit actively pursuing development opportunities in all DREE regions.

6. AUTHORITY:

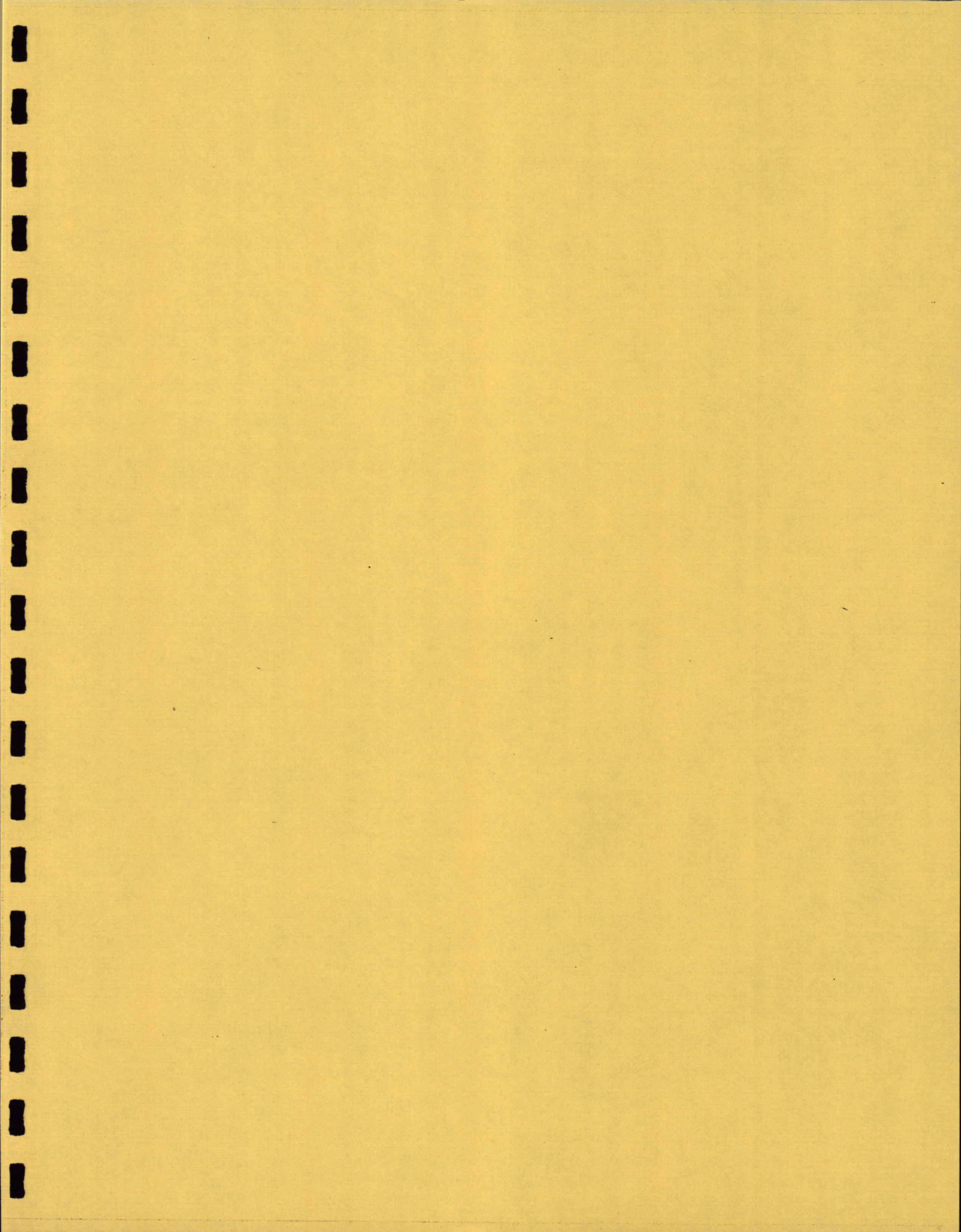
N/A

7. RESOURCES:

1982/82 budget	\$687,000
1982/82 man-years	12
Present complement (man-years)	7

8. ORGANIZATION & DELIVERY:

- Report directly to ADM - Planning and Coordination;
- Extensive liaison with other headquarters branches, regional offices and OGDs;
- Utilizes the RDIP as prime delivery mechanism.



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III OVERVIEW OF EXISTING PROGRAMS

RURAL DEVELOPMENT

(PROPOSED)

1. PURPOSE/CLIENTELE

1.1 To continue and build upon initiatives currently being addressed under the Canada/Newfoundland Rural Development Subsidiary Agreement, in the stimulation of local and community economic development.

1.2

1.3

1.4 Clientele:

Primarily rural development associations.

2. HISTORY

2.1 To continue the development efforts of the above agreement which expires in March, 1983.

3. RELATIVITY

3.1 The proposed activity is not being considered by other federal departments, although it is a significant opportunity for a positive local presence across the province. The negative side of terminating the agreement in 1983 without alternative support or a transitional arrangement will be severe across the province.

4. IMPACT

4.1 N/A

5. STATUS

5.1 The Appropriations Act 5, 1973, DREE Vote 11A or succeeding legislation.

6. AUTHORITY

6.1 An entry is being carried in MYOP (DREE) for this initiative, with a prospective federal commitment of \$20 million. Two DRIE person-years will be required to implement the initiative.

7. RESOURCES

7.1 Work is underway in the development of this proposed initiative.

8. ORGANIZATION - DELIVERY

8.1 The program will include cooperative (as opposed to cost-shared) activities. These could include direct funding by DRIE to rural development associations to stimulate local and community economic development. Under this arrangement DRIE and the province would each deliver separate but complementary programs.

III OVERVIEW OF EXISTING PROGRAMS

OCEAN INDUSTRIES

1. PURPOSE/CLIENTELE

1.1 To develop and expand the local business sector capable of serving the offshore oil industry and to improve the capabilities of selected local communities in responding and managing onshore developments arising from offshore oil exploitation.

1.2

1.3

1.4 Clientele:

The business sector and local communities with the potential to benefit from offshore oil and gas exploitation.

2. HISTORY

2.1 Significant quantities of oil and gas have been discovered off Newfoundland; however without this or a similar program to develop local business expertise it is probable that much of the accruing benefits will be lost to the province.

3. RELATIVITY

3.1 There are no federal program or projects in place to take specific advantage of offshore oil and gas exploitation.

4. IMPACT

4.1 N/A

5. STATUS

5.1 Work is proceeding to develop this initiative.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973, or new legislation.

7. RESOURCES

7.1 The proposed activity is being carried in MYOP with a tentative allocation of \$20 million with expenditures starting in 1982/83. Three DRIE person-years will be required to implement this initiative.

8. ORGANIZATION - DELIVERY

8.1 The program can be directly delivered by the federal government.

III OVERVIEW OF EXISTING PROGRAMS

BAIE VERTE ASBESTOS MINE REACTIVATION

1. PURPOSE/CLIENTELE

1.1 To reopen the asbestos mine in Baie Verte.

1.2

1.3

1.4 Clientele:

The community of Baie Verte.

2. HISTORY

2.1 Advocate Mines Limited closed its asbestos mining and milling operations in Baie Verte, December 31, 1981. Six hundred employees have been laid off.

3. RELATIVITY

3.1 There is no other program in place to alleviate the situation.

4. IMPACT

4.1 Considerable impact on the community of Baie Verte.

5. STATUS

5.1 An interdepartmental task force is evaluating several alternative private sector proposals, with the expectation of a submission to Cabinet within three months.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973, or new legislation.

7. RESOURCES

It is anticipated that a federal contribution of \$18 million plus loan guarantees will be required. Two and one half DRIE person-years will be required to implement this initiative.

8. ORGANIZATION - DELIVERY

8.1 This program will be delivered unilaterally by the federal government.

III OVERVIEW OF EXISTING PROGRAMS

ST. JOHN'S URBAN REGION

1. PURPOSE/CLIENTELE

- 1.1 To assist in the provision of necessary infrastructure to take advantage of offshore oil and gas exploitation.
- 1.2 As per GDA.
- 1.3 Attainment would be measured by the installation of the necessary infrastructure.
- 1.4 Clientele:
Urban community authorities.

2. HISTORY

- 2.1 N/A

3. RELATIVITY

- 3.1 This initiative is complementary to our proposed Ocean Industries Program.

4. IMPACT

- 4.1 N/A

5. STATUS

- 5.1 Work is continuing to develop this initiative.

6. AUTHORITY

- 6.1 The Appropriations Act 5, 1973, or new legislation.

7. RESOURCES

This initiative is being carried in MYOP with a prospective federal commitment of \$50 million. One quarter of one DRIE person-year will be required to manage/implement this program.

8. ORGANIZATION - DELIVERY

- 8.1 A three-way arrangement is envisaged between the federal government (DRIE), urban community authorities and the provincial government.

III OVERVIEW OF EXISTING PROGRAMS

INDUSTRIAL DEVELOPMENT SUPPORT

1. PURPOSE/CLIENTELE

1.1 To support the expansion and modernization of the business sector in Newfoundland.

1.2 -

1.3 -

1.4 Clientele:

The business sector.

2. HISTORY

2.1 N/A

3. RELATIVITY

3.1 The provincial government wants to participate in an industrial development program similar to this initiative. This proposed program will be complementary to provincial and other federal government initiatives.

4. IMPACT

4.1 N/A

5. STATUS

5.1 Work is continuing to develop this program.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973, or new legislation.

7. RESOURCES

This initiative is being carried in MYOP with a tentative allocation of \$22 million. Three DRIE person-years will be required to implement this program.

8. ORGANIZATION - DELIVERY

8.1 Much of the program can be delivered directly by the federal government with cost sharing with the province for selected projects such as industrial parks.

III OVERVIEW OF EXISTING PROGRAMS

DOME SHIPYARD

1. PURPOSE/CLIENTELE

1.1 To provide assistance for a Dome proposal to locate a shipyard in Nova Scotia.

1.2 -

1.3 -

1.4 Clientele:

Dome Petroleum and Nova Scotia shipyard industry.

2. HISTORY

2.1 N/A

3. RELATIVITY

3.1 The proposal is specific to Dome and has taken other government programs into consideration.

4. IMPACT

4.1 Could employ 2500 workers.

5. STATUS

5.1 A memorandum to Cabinet has been prepared.

6. AUTHORITY

6.1 The Appropriations Act 5, 1973 or succeeding legislation.

7. RESOURCES

7.1 No financial commitments have been made although four and one-half DREE person-years are currently being utilized in developing the program.

8. ORGANIZATION - DELIVERY

8.1 Probably direct federal delivery.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA
STRATEGIC PLANNING SUBSIDIARY AGREEMENT

1. PURPOSE

1.1 To develop a program for strategic planning in Nova Scotia.

1.2 -

1.3 -

1.4 Clientele

The Province of Nova Scotia.

2. HISTORY

N/A.

3. RELATIVITY

N/A.

4. IMPACT

N/A.

5. STATUS

5.1 All documentation has been prepared and awaits approval by the Director General (Nova Scotia).

6. AUTHORITY

6.1 The Appropriations Act 5, 1973 or succeeding legislation.

7. RESOURCES

7.1 Federal commitment of \$3.5 million over five years. Six DRIE person-years will be used to implement.

8. ORGANIZATION - DELIVERY

8.1 Federal/Provincial Management Committee Structure.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA
OFFSHORE BENEFITS OF OIL AND GAS ACTIVITIES

1. PURPOSE/CLIENTELE

1.1 To maximize the benefits to Nova Scotia of the offshore oil and gas industry.

1.2 -

1.3 -

1.4 Clientele

Onshore industry related to oil and gas exploitation.

2. HISTORY

N/A.

3. RELATIVITY

N/A

4. IMPACT

N/A.

5. STATUS

Work is ongoing.

6. AUTHORITY

Appropriate DRIE legislation.

7. RESOURCES

7.1 MYOP includes \$130 million for a multi-year program.

7.2 Two person-years in the planning stage and five in the implementation phase.

8. ORGANIZATION - DELIVERY

Federal/Provincial arrangement.

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NOVA SCOTIA
MEDIUM-HIGH TECHNOLOGY INITIATIVE

1. PURPOSE/CLIENTELE

1.1 To increase employment in medium-high technology industries;
to maximize spin-off opportunities for medium-high technology
industries.

1.2 -

1.3 -

1.4 Clientele:

Medium-high technology industries.

2. HISTORY

N/A

3. RELATIVITY

N/A

4. IMPACT

N/A

5. STATUS

5.1 Planning is ongoing.

6. AUTHORITY

6.1 Appropriate DRIE legislation.

7. RESOURCES

7.1 \$20 million in federal funds has been included in MYOP for a five-
year period. Two person-years will be utilized in the planning
stage and up to five DRIE person-years during implementation.

8. ORGANIZATION - DELIVERY

8.1 Direct federal delivery

III OVERVIEW OF EXISTING PROGRAMS

CANADA/NEW BRUNSWICK ST. JOHN DRY DOCK EXPANSION SUBSIDIARY AGREEMENT
(PROPOSED)

1. PURPOSE/CLIENTELE

1.1 Assistance to the shipyard for second phase expansion for additional ship repair capacity. This relates to a possible second phase for the construction of Arctic class carriers to service oil and gas development in the North.

1.2 Related to Department Mandate

Contributes to industrial development and the objectives of the GDA.

1.3 Criteria

If off-shore oil and gas developments so warrant, the shipyard will expand to enable the construction of required carriers.

1.4 Clientele

The ship building and repair industry.

2. HISTORY

2.1 Proposal only.

3. RELATIVITY

3.1 This proposed subsidiary agreement is related to assistance by IT&C under the (SIAP) Shipbuilding Industry Assistance Program.

4. IMPACT

N/A.

5. STATUS

Proposed.

6. AUTHORITY

The Appropriations Act No. 5. 1973 or succeeding legislation.

7. RESOURCES

DREE share proposed \$ 26,000,000

DREE person-years delivery 0.4

8. ORGANIZATION - DELIVERY

Proposed joint-management committee with the Province of New Brunswick - or direct federal delivery.

III OVERVIEW OF EXISTING PROGRAMS

INDUSTRIAL DEVELOPMENTS INITIATIVE

1. PURPOSE/CLIENTELE

1.1 Measures in direct support of industrial activity in the Province of New Brunswick.

1.2

1.3

1.4 Clientele

The industrial sector of the Province of New Brunswick.

2. HISTORY

Work is underway on this proposed program and it is recommended that necessary documentation be prepared for ministers.

3. RELATIVITY

N/A

4. IMPACT

N/A.

5. STATUS

Proposed.

6. AUTHORITY

The Appropriations Act. No. 5, 1973 or succeeding legislation.

7. RESOURCES

DREE share proposed \$ 19,000,000

DREE person-years delivery 2.0

8. ORGANIZATION - DELIVERY

Direct delivery by federal government.

III OVERVIEW OF EXISTING PROGRAMS

SOUTHEAST NEW BRUNSWICK DEVELOPMENT INITIATIVE

1. PURPOSE/CLIENTELE

1.1 The establishment of a development office in southeast New Brunswick to implement federal development programs including Agriculture, Fisheries, Tourism and Industrial Development in Southeast New Brunswick.

1.2

1.3

1.4 Clientele

The agriculture, fisheries, tourism and industrial sectors.

2. HISTORY

The above initiative has been approved by Cabinet, but has not yet been approved by Treasury Board. The submission is in the system.

3. RELATIVITY

N/A

4. IMPACT

N/A.

5. STATUS

Approved by Cabinet. Awaiting Treasury Board approval.

6. AUTHORITY

The Appropriations Act No. 5. 1973. DREE Vote 11A.

7. RESOURCES

DREE share proposed \$ 10,000,000

DREE person-years total 6.

It is presumed that this initiative will now be separated in such a fashion that Agriculture and Fisheries will deliver portions of the program and DRIE will deliver the industrial and tourism components.

8. ORGANIZATION - DELIVERY

Direct federal delivery.

III OVERVIEW OF EXISTING PROGRAMS

HIGH TECHNOLOGY DEVELOPMENT

1. PURPOSE/CLIENTELE

1.1 Assist the private sector in New Brunswick in the development and implementation of high technology industrial projects, electronics, aerospace, mining equipment, forest and agriculture equipment.

1.2

1.3

1.4 Clientele

2. HISTORY

Initiative in development.

3. RELATIVITY

N/A

4. IMPACT

N/A

5. STATUS

In development.

6. AUTHORITY

The Appropriations Act No. 5. 1973.

7. RESOURCES

Federal funding

\$ 27,000,000
beginning 83-84

DREE person-years total

3.0

8. ORGANIZATION - DELIVERY

Direct federal delivery.

III OVERVIEW OF EXISTING PROGRAMS

PROPOSED - COMMUNITY AND AREA DEVELOPMENT

(NEW BRUNSWICK)

1. PURPOSE/CLIENTELE

1.1 To assist and strengthen locally controlled development institutions in areas of high disparity.

1.2

1.3

1.4 Clientele

Specified communities in New Brunswick.

2. HISTORY

2.1 Work is proceeding on the development of the initiative.

3. RELATIVITY

N/A

4. IMPACT

N/A

5. STATUS

N/A

6. AUTHORITY

The Appropriations Act No. 5, 1973. DREE Vote 11A or succeeding legislation.

7. RESOURCES

Federal funding proposed \$ 10,000,000

DREE person-years total 3.0

8. ORGANIZATION - DELIVERY

DREE would implement development work directly and would serve as the liaison in developing programs to be implemented by other departments.

III OVERVIEW OF EXISTING PROGRAMS

NEW BRUNSWICK - OCEAN INDUSTRIES

PROPOSED
DIRECT DELIVERY

1. PURPOSE/CLIENTELE

1.1 To support industrial development related to shipbuilding, marine hardware and ocean exploraton technology.

1.2

1.3

1.4 Clientele:

The industrial sector in NB. Particularly those involved directly in the above sectors.

2. HISTORY

The initiative is under development.

3. RELATIVITY

N/A

4. IMPACT

N/A

5. STATUS

In development.

6. AUTHORITY

The Appropriations Act No. 5, 1973 or new legislation.

7. RESOURCES

Federal funding	\$ 12,000,000 beginning 83-84
-----------------	----------------------------------

DREE person-years total	2.0
-------------------------	-----

8. ORGANIZATION - DELIVERY

Direct federal delivery.

III OVERVIEW OF EXISTING PROGRAMS

SPECIAL ARDA FOR ONTARIO

(PROPOSED)
(GDA TYPE)

1. PURPOSE/CLIENTELE

1.1 To assist Ontario's Native people by creating permanent Native employment opportunities, by improving incomes from primary producing activities, and by encouraging new commercial ventures.

1.2

1.3

1.4 Clientele:

The Native people of Ontario.

2. HISTORY

Final negotiations with the Province of Ontario will commence shortly. Required documents are expected to be forwarded to our deputy by the end of February 1982.

3. RELATIVITY

4. IMPACT

N/A

5. STATUS

Under negotiation.

6. AUTHORITY

The Appropriations Act 5, 1973 - DREE - Vote 11A, succeeding legislation.

7. RESOURCES

Estimated Cash Flow (federal funds) - \$000's

1981-82	\$ 500
1982-83	2,000
1983-84	4,500
1984-85	6,000
1985-86	6,000
1986-87	6,000
	<u>\$25,000</u>

DREE Person/years

15

8. ORGANIZATION & DELIVERY

It is proposed that this program would be delivered directly by DREE thru an increase in staff of approximately 15 persons.

(NOT IN MYOP)

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO VENTURE INVESTMENT SUBSIDIARY AGREEMENT

(PROPOSED)
(GDA TYPE)

1. PURPOSE/CLIENTELE

1.1 To stimulate high caliber private sector investment and to assist in industrial renewal within selected communities and/or venture zones.

1.2

1.3

1.4 Clientele:

Communities requiring industrial renewal assistance to help realize potential economic development opportunities and upside investment opportunities in the private sector.

2. HISTORY

Negotiations with the Province are completed; documentation package is at the Deputy Minister's office. Proposed signing date is mid-1982 with termination March 31, 1987.

3. RELATIVITY

This proposed agreement has the support of the province. There is some potential for overlap with other federal programs.

4. IMPACT

Preliminary evaluation is positive and recommends that this proposed agreement be implemented.

5. STATUS

The documentation for this proposed agreement is at the Deputy Minister's office.

6. AUTHORITY

The Appropriations Act 5, 1973, or succeeding legislation.

7. RESOURCES

The federal commitment to this proposed agreement would be \$100,000,000 over a five-year period. Proposed cash flow is as follows:

<u>(FEDERAL FUNDS)</u>	<u>(\$000's)</u>
1982/83	5,000
1983/84	10,000
1984/85	30,000
1985/86	35,000
1986/87	20,000
	<u>100,000</u>

8. ORGANIZATION & DELIVERY

The agreement would be administered by a federal/provincial management committee. A DREE person would be the federal co-chairman. It is proposed that DREE would deliver all programming except the industrial infrastructure program which the province would deliver unilaterally.

The estimated DREE personnel resource for delivery of the Agreement is eight person/years. These person/years would have to be approved by Treasury Board.

(NOT IN MYOP)

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO SAULT ST. MARIE INFRASTRUCTURE SUBSIDIARY AGREEMENT

(PROPOSED)

(GDA TYPE)

1. PURPOSE/CLIENTELE

1.1 The purpose of this proposed agreement is to provide required infrastructure to service a new industrial park.

1.2

1.3

1.4 Clientele:

The industrial community in the City of Sault Ste. Marie and surrounding area.

2. HISTORY

Negotiations with the Province have been completed; documentation is being prepared for movement to the Deputy Minister's office by February 1, 1982. Proposed signing 1982, termination March 31, 1987.

3. RELATIVITY

This proposed agreement is complementary to the provincial strategy for the assistance of municipal infrastructure in selected communities. There is no overlap with any other federal program.

4. IMPACT

No comment at this stage.

5. STATUS

Documentation is now underway for movement to Deputy Minister's office by early February, 1982.

6. AUTHORITY

The Appropriations Act 5, 1973 or succeeding legislation.

7. RESOURCES

The federal commitment to this proposed agreement will be \$21,000,000.

Proposed cash flow is as follows:

<u>(FEDERAL FUNDS)</u>	<u>(\$000's)</u>
1982/83	450
1983/84	4,750
1984/85	7,870
1985/86	6,470
1986/87	<u>1,460</u>
TOTAL	<u>21,000</u>

Estimated DREE personnel resources is 1½ person/years.

8. ORGANIZATION & DELIVERY

This proposed Agreement will be administered by a federal/provincial management committee. The federal co-chairman will be a DREE representative. A representative of DPW will participate in a technical support committee. The programs under this agreement would be delivered by the City of Sault Ste. Marie under the direction of the provincial government.

(NOT IN MYOP)

III OVERVIEW OF EXISTING PROGRAMS

CANADA-ONTARIO RURAL CENTRAL ONTARIO SUBSIDIARY AGREEMENT

(PROPOSED)

(GDA TYPE)

1. PURPOSE/CLIENTELE

1.1 To stimulate economic development in a peripheral zone adjacent to the province's northern and eastern planning regions.

1.2

1.3

1.4 Clientele:

The residents of rural areas in the counties of: Northumberland, Haliburton, Peterborough, Victoria, Muskoka, Grey Bruce and the northern part of Simcoe.

2. HISTORY

The proposed agreement has been approved in principle at the last federal-provincial GDA review meeting. Preliminary negotiations have begun with provincial officials. It is proposed that the agreement be signed mid-1982 for a five-year period terminating March 31, 1987.

3. RELATIVITY

This proposed agreement complements the province's strategy for economic development of its planning regions. The agreement would be complementary to the Eastern Ontario and Northern Rural Ontario Regional Agreements. There is no overlap with any other federal program.

4. IMPACT

Preliminary evaluation of this proposed agreement is positive and recommends that agreement be implemented.

5. STATUS

Negotiation stage with the province.

6. AUTHORITY

Appropriate DRIE legislation.

7. RESOURCES

The estimated federal commitment is \$37,500,000 (includes tourism component - \$17,500,000 and minerals component \$5,000,000). The proposed cash flow is as follows:

<u>(FEDERAL FUNDS)</u>	<u>(\$000's)</u>
1982/83	4,750
1983/84	8,490
1984/85	9,470
1985/86	9,875
1986/87	<u>4,915</u>
	<u>\$37,500</u>

DREE personnel resource is estimated at 2 person/years.

8. ORGANIZATION & DELIVERY

The agreement would be administered by a federal-provincial management committee. The federal co-chairman would be a DREE representative. It is anticipated that the provincial government would deliver the agreement.

NOT IN MYOP

III OVERVIEW OF EXISTING PROGRAMS

CITY OF PEMBROKE MUNICIPAL INFRASTRUCTURE, AMENDMENT #5 TO THE CANADA ONTARIO
COMMUNITY AND RURAL RESOURCE DEVELOPMENT SUBSIDIARY AGREEMENT

(Proposed)
(GDA Type)

1. PURPOSE/CLIENTELE

1.1 The purpose of this amendment is to provide required infrastructure to service a new industrial park.

1.2

1.3

1.4 Clientele:

The clientele for this project will be the industrial community in the City of Pembroke and surrounding area.

2. HISTORY

Documentation for this proposed amendment is now with the Deputy Minister awaiting the Minister's signing for movement to Treasury Board.

3. RELATIVITY

The programming under this amendment complement the provincial strategy for the assistance of municipal infrastructure projects in selected communities. There is no overlap with any other federal program.

4. IMPACT

No comment at this stage.

5. STATUS

Amendment documentation is with the Deputy Minister.

6. AUTHORITY

Appropriate DRIE legislation.

7. RESOURCES

The federal commitment to this project will be \$8,000,000 in total.
Proposed cash flow is as follows:

<u>(FEDERAL FUNDS)</u>	<u>(\$000' s)</u>
1981/82	—
1982/83	1,300
1983/84	3,500
1984/85	<u>3,200</u>
	<u>8,000</u>

Estimated DREE personnel resource is 1½ person years.

8. ORGANIZATION AND DELIVERY

The program will be administered by the federal-provincial Management Committee responsible for the Canada-Ontario Community and Rural Resource Development Subsidiary Agreement. The program (projects) will be delivered by the provincial government and the City of Pembroke.

NOT IN MYOP

III OVERVIEW OF EXISTING PROGRAMS

TOURISM AND MINERALS (ONTARIO)
(Amendments to EDSA and Norda)

(Proposed)
(GDA Type)

1. PURPOSE/CLIENTELE

1.1 To assist the tourism industry in Eastern and Northern Ontario to adjust to changing market demands and to capitalize on emerging opportunities.

1.2 To identify and encourage new mineral development opportunities.

1.3

1.4 Clientele:

The tourism and mining sectors and the communities of Eastern and Northern Ontario.

2. HISTORY

Negotiations and documentation are scheduled to be completed before March 31/82.

3. RELATIVITY

The mineral portion should be considered for delivery by EMR. Also, tourism might be examined in the context of CGOT.

4. IMPACT

No evaluation done.

5. STATUS

Still under investigation.

6. AUTHORITY

Appropriate DRIE legislation.

7. RESOURCES

<u>Estimated Cash Flow</u>	<u>(\$000's)</u> <u>Tourism</u>	<u>(\$000's)</u> <u>Minerals</u>
1981/82	--	--
1982/83	1,250	2,000
1983/84	3,210	2,000
1984/85	2,830	3,000
1985/86	3,125	3,000
	2,085	--
	<u>\$12,500</u>	<u>\$10,000</u>

8. ORGANIZATION AND DELIVERY

Joint federal/provincial management committee - provincial government implementation .

III OVERVIEW OF EXISTING PROGRAMS

NORTH EAST COMMUNITY DEVELOPMENT (MANITOBA)

1. PURPOSE/CLIENTELE

1.1 Objective:

The purpose of this program (not yet operational) is to develop access and economic options for Native people in the isolated north east region of Manitoba.

1.2

1.3

1.4 Clientele:

The clientele are the 12,000 Native people in the north east region.

2. HISTORY

It is expected that a range of planning and consultative actions would be undertaken in 1982-83 under the Community Economic Development Sector of the Manitoba Northern Agreement, leading to a Special Area Program for the North East Manitoba.

3. RELATIVITY

The Special ARDA and the Northern Development Agreement are related programs complementary to this initiative. Local leaders, along with DIAND would be key participants.

4. IMPACT

The planned hydro transmission service lines, options for road access, employment options and resource development proposals are emerging. Strong political interest in the North suggest early consideration be given to providing opportunities for Northern residents to prepare themselves to take advantage of new economic thrusts.

5. STATUS

Approval for the program was received in May 1980. Consultation will commence in 1982-83.

6. AUTHORITY

Appropriate DRIE legislation.

7. RESOURCES

The federal contribution to this initiative is \$12 million which was approved by MSED in May 1980 as part of the Manitoba Northern Development proposal. It is proposed that four new DREE person-years will be required to implement this program, with a sub-office in the Island Lake area, working with the office at Thompson.

8. ORGANIZATION - DELIVERY

It is contemplated that a flexible and responsive administrative capacity will be developed through the office at Thompson to undertake this program. There may be a requirement for a significant number of person-years to implement the "Canada Career Development" part of the program.

III OVERVIEW OF EXISTING PROGRAMS

THE PAS AREA FORESTRY DEVELOPMENT (MANITOBA)

1. PURPOSE/CLIENTELE

1.1 Objective:

To assist adjustments to the Manfor pulp and paper plant at The Pas, to improve its long-term viability and to undertake supportive local development and forest management actions.

1.2

1.3

1.4 Clientele:

Manfor is a crown corporation producing kraft paper and dimension lumber employing some 11,000 people in The Pas and woodlands, a predominantly Native community.

2. HISTORY

This program has been discussed by federal and provincial Ministers, a basic proposal having been made by the former provincial government. There has been a shift in attitudes with the present government but the project is a high priority of the new government and it will look to early federal support.

3. RELATIVITY

It is related primarily to Manitoba's economic development strategy.

4. IMPACT

N/A

5. STATUS

Implementation had been proposed for 1982-83 but further planning and negotiations will delay implementation to 1983-84.

6. AUTHORITY

The Appropriations Act 5, 1973, or new legislation.

7. RESOURCES

It is estimated the DREE share would be \$46 million, 50% of the total \$92 million federal-provincial commitment.

8. ORGANIZATION - DELIVERY

The federal government would be seen as a major contributor in this initiative.

III OVERVIEW OF EXISTING PROGRAMS

RURAL ECONOMIC DIVERSIFICATION (MANITOBA)

1. PURPOSE/CLIENTELE

1.1 Objective:

To increase and diversify production and processing of agricultural crops, facilitate local participation in processing and manufacturing and related services in rural areas, and remove constraints to economic growth in key rural centres.

1.2

1.3

1.4 Clientele:

The communities of Brandon, Portage la Prairie, Morden-Winkler and Dauphin.

2. HISTORY

This program is a development from the Canada-Manitoba Subsidiary Agreement on Value Added Crop Production.

3. RELATIVITY

Complementary programs and services will be a requirement to implement this program from the RDIP, PFRA and Agriculture Canada.

4. IMPACT

N/A

5. STATUS

A proposal.

6. AUTHORITY

The Appropriations Act 5, 1973.

7. RESOURCES

It is estimated that the program will cost \$70 million commencing cash flow in 1985-86. It will require 12 officers and four support staff.

8. ORGANIZATION - DELIVERY

The primary delivery responsibility will rest with DREE as the major contributor but will require cooperation of other federal agencies and the advice and consultation of advisory or consultative committees.

III OVERVIEW OF EXISTING PROGRAMS

COMMERCIAL AND INDUSTRIAL ECONOMIC OPPORTUNITY
PROGRAM FOR SOUTHERN RESERVES

(PROPOSED)

PURPOSE/CLIENTELE

1.1 Purpose:

To assist people on Indian Reserves to take advantage of existing and emerging economic development opportunities both on and off reserves in the southern part of the province (south of the North Saskatchewan River).

1.2

1.3

1.4 Clientele:

The population of Southern Indian Reserves.

2. HISTORY

There is a large and growing Native population who are young, aggressive and have aspirations to enter into a wide range of small business endeavours. This is a large resource which can make a contribution to the economy if current constraints are removed. It is proposed to initiate projects which will centre on human resource development, focus on increasing access to gainful employment and assist entrepreneurial development and economic development incentives.

3. RELATIVITY

This program will relate with programs of DIAND, and CEIC.

4. IMPACT

Increased income and economic development on reserves in southern Saskatchewan.

5. STATUS

Discussions have been started with the province and Native people.

6. AUTHORITY

The Appropriations Act 5, 1973 or new legislation.

7. RESOURCES

The federal contribution will amount to \$20 million over five years with cash flow starting in 1983-84. Three DREE person-years will be required.

8. ORGANIZATION & DELIVERY

It is proposed that a federal-provincial subsidiary agreement will be required with the federal programs delivered by DREE and closely co-ordinated with other federal programs and programs of the province.

III OVERVIEW OF EXISTING PROGRAMS

URBAN DISPARITY REDUCTION PROGRAM (Saskatchewan)

1. PURPOSE/CLIENTELE

1.1 To provide economic and social adjustment opportunities to disadvantaged people and assist entrepreneurial energies, particularly among people of Native ancestry.

1.2

1.3

1.4 Clientele

Disparity populations in the cities of Saskatoon, Regina and Prince Albert.

2. HISTORY

Action plans have been developed to assist the large Native populations in urban centres to become gainfully employed; consultations have taken place between federal, provincial and municipal officials on proposed initiatives.

3. RELATIVITY

A co-ordinated federal effort will be a priority to ensure benefits from programs under DIAND, CEIC and DREE are effectively used.

4. IMPACT

N/A

5. STATUS

The Minister representing the Province of Saskatchewan has had discussions with the DREE Minister on the general concepts of a proposal. DREE staff are now preparing a proposal.

6. AUTHORITY

The Appropriations Act 5, 1973.

7. RESOURCES

It is estimated that the federal contribution would amount to \$40 million over a period of five years with cash flow starting in 1982-83. Three additional DREE person-years would be required in addition to the two who are now working on the program.

8. ORGANIZATION AND DELIVERY

Either a federal-provincial arrangement or a tri-party agreement involving the municipality has been proposed to effectively administer and deliver the program.

III OVERVIEW OF EXISTING PROGRAMS

NORTHERN ECONOMIC DEVELOPMENT (Saskatchewan)

1. PURPOSE/CLIENTELE

1.1 To provide assistance for economic stabilization, job creation and community investment in the area north of the North Saskatchewan River.

1.2

1.3

1.4 Clientele

Native and non-Native people.

2. HISTORY

The Canada-Saskatchewan Subsidiary Agreement on Saskatchewan Northlands and the S/ARDA program experience indicates the necessity of increasing activity to stabilize and develop economic activity in northern Saskatchewan.

3. RELATIVITY

This initiative will require the support of DIAND and CEIC and may require co-ordinated funding by those departments.

4. IMPACT

N/A

5. STATUS

It is proposed that a submission will be ready in early 1982-83 requesting authority to negotiate an agreement with the province.

6. AUTHORITY

The Appropriations Act 5, 1973.

7. RESOURCES

The estimated federal DREE contribution will amount to \$45.0 million with cash flow commencing in 1983-84. It is proposed to use two existing person-years and request two additional DREE person-years.

8. ORGANIZATION AND DELIVERY

It is proposed to enter into an agreement with the Province of Saskatchewan in order to co-ordinate the direct delivery of federal and provincial programs and to jointly respond to other problems and opportunities.

III OVERVIEW OF EXISTING PROGRAMS

ALBERTA NORTH - A SUBSIDIARY AGREEMENT

1. PURPOSE/CLIENTELE

To provide options and opportunities for people of northern Alberta to participate in the development of the region.

The residents of northern Alberta and the communities within which they reside.

2. HISTORY

There has been a federal-provincial Agreement on Alberta North, a five-year arrangement which will terminate March 31, 1982. The evaluation of the program is positive with a recommendation for a continuation of the program. The federal government would like to see more flexibility and more visibility in future initiatives.

3. RELATIVITY

This program is to be co-ordinated with DIAND and CEIC.

4. IMPACT

The program is directed toward the residents of northern Alberta and will also require additional resources through a S/ARDA program or a similar native economic development initiative.

5. STATUS

A position paper is being prepared.

6. AUTHORITY

The Appropriations Act 5, 1975 or new legislation.

7. RESOURCES

It is proposed that the federal contribution will amount to \$15 million over a period of five years with cash flow starting in 1983-84. It is proposed that three additional DREE person-years will be required to administer the program.

III OVERVIEW OF EXISTING PROGRAMS

NATIVE ECONOMIC DEVELOPMENT (Alberta)

(PROPOSED)

PURPOSE/CLIENTELE

1.1 To increase opportunities for employment and incomes of Native people in the province.

1.2

1.3

1.4 Clientele

Native people in Alberta.

2. HISTORY

There are no DREE programs for Native Economic Development in Alberta. Negotiations for a S/ARDA Agreement are continuing - this proposal is an alternative program.

3. RELATIVITY

The program will be complementary to the proposed Canada-Alberta Subsidiary Agreement on Alberta North and co-ordinated with DIAND and CEIC.

4. IMPACT

To the economic well-being of Native people.

5. STATUS

Discussions are on-going with the province.

6. AUTHORITY

Appropriate DRIE legislation.

7. RESOURCES

It is proposed that the federal contribution will amount to \$35 million over a five-year period with cash flow starting in 1982-83. Eight DREE person-years will be required to administer the program.

8. ORGANIZATION/DELIVERY

It is proposed to have a subsidiary agreement with the province with administrative and delivery similar to the S/ARDA agreements with other provinces.

III OVERVIEW OF EXISTING PROGRAMS

TOURISM DEVELOPMENT (Alberta)

1. PURPOSE

1.1 To encourage the development of the tourism and recreation potential and encourage diversification.

1.2

1.3

1.4 Clientele

The tourism industry.

2. HISTORY

The proposal has been discussed by the GDA Ministers and correspondence has been exchanged between the Ministers on the merits of a program.

3. RELATIVITY

Close co-ordination with programs of CGOT, Parks Canada and Alberta Tourism and Small Business.

4. IMPACT

To economic development in rural areas and single industry communities.

5. STATUS

A proposal is being prepared which includes studies to identify potentials, incentives to encourage development, and training programs to increase capabilities to take advantage of the development activities.

6. AUTHORITY

The Appropriations Act 5, 1973 or new legislation.

7. RESOURCES

The federal share will be in the amount of \$12 million over a period of five years with cash flow starting in 1983-84. It is anticipated that one DREE person-year will be required.

8. ORGANIZATION/DELIVERY

A federal-provincial arrangement is envisaged, with significant federal delivery.

III OVERVIEW OF EXISTING PROGRAMS
NATURAL RESOURCE DEVELOPMENT IN BRITISH COLUMBIA

1. PURPOSE/CLIENTELE

1.1 To initiate and provide support for development associated with the use of natural resources.

1.2

1.3

1.4 Clientele

The people and communities in specified regions of slow growth such as the Kootenays and central coast.

2. HISTORY

The rural development programs of previous agreements have identified a range of needs to help communities adjust and develop.

3. RELATIVITY

Various provincial and federal programs.

4. IMPACT

N/A

5. STATUS

A proposal is being developed.

6. AUTHORITY

The Appropriations Act 5, 1973 or succeeding legislation.

7. RESOURCES

The federal contribution will be \$30 million over five years with cash flow starting in 1983/84. Eight DREE person-years will be required.

8. ORGANIZATION-DELIVERY

It is proposed that a federal-provincial cost shared joint arrangement will be required.

III OVERVIEW OF EXISTING PROGRAMS

COMMUNITY ECONOMIC DEVELOPMENT (British Columbia)

1. PURPOSE/CLIENTELE

1.1 To enhance capability of community and regional organizations to plan for development activity and to create the capacity of local areas to adjust to and benefit from major development projects.

1.2

1.3

1.4 Clientele

Communities that have lower levels of development.

2. HISTORY

The program proposal furthers the community industrial development program of the Industrial Development Subsidiary Agreement, being directed to those communities which are experiencing a level of development lower than the leading areas of the province.

3. RELATIVITY

Will relate to provincial programs.

4. IMPACT

N/A

5. STATUS

The proposal is being actively pursued.

6. AUTHORITY

The Appropriations Act 5, 1973 or succeeding legislation.

7. RESOURCES

The federal contribution will amount to \$30 million over a five-year period with cash flow starting in 1982-83. A high federal delivery would require fourteen DREE person-years.

8. ORGANIZATION-DELIVERY

It is proposed that there will be a federal-provincial arrangement with a high level of federal delivery.

III OVERVIEW OF EXISTING PROGRAMS

MARINE RESOURCE DEVELOPMENT PLANNING (British Columbia)

1. PURPOSE/CLIENTELE

1.1 The purpose is to develop a comprehensive long-term planning strategy for development and co-ordination of the marine resource industries on the Pacific coast.

1.2

1.3

1.4 Clientele

The marine industry.

2. HISTORY

There is a need to develop an inventory of existing, proposed and/or completed initiatives in support of the marine resource industries on the Pacific coast. Discussion has been continuous for a number of years among marine industry representatives, university research and federal and provincial government institutions and agencies.

3. RELATIVITY

N/A

4. IMPACT

It could provide the planning framework and direction for the long-term development of the Pacific Coast Marine Industry.

5. STATUS

Discussions are continuing and an arrangement is being drafted.

6. AUTOHRITY

The Appropriations Act 5, 1973 or succeeding legislation.

7. RESOURCES

The cost of this planning initiative will amount to \$5 million over three years, with cash flow starting in 1982-83 with two DREE person-years.

8. ORGANIZATION-DELIVERY

The program will be implemented by a steering committee of senior federal and provincial officials.

III OVERVIEW OF EXISTING PROGRAMS

MARINE RESOURCE INDUSTRIES DEVELOPMENT (British Columbia)

1. PURPOSE/CLIENTELE

1.1 To provide a wide variety of financial and technical support to the various sectors of the marine industries.

1.2

1.3

1.4 Clientele

Private firms, individuals, community organizations and local governments involved or associated with mariculture, marine research, technology, marine recreation, tourism, marine industries, universities and Native coastal communities.

2. HISTORY

There has been a need for a co-ordinated long-term influence to further develop the marine industries of the Pacific coast, discussions have been continuing between the various interested parties and this proposal along with the proposal for a Marine Resources Development Planning initiative has developed from those interests.

3. RELATIVITY

The program will integrate programs of Fisheries & Oceans, DREE, DIAND and Fisheries research.

4. IMPACT

N/A

5. STATUS

The proposal is being developed.

6. AUTHORITY

The Appropriations Act 5, 1973, or succeeding legislation.

7. RESOURCES

It is estimated the federal contribution will amount to \$50 million over five years with cash flow starting in 1984-85. Fourteen DREE person-years will be required.

8. ORGANIZATION-DELIVERY

The proposal includes a federal-provincial arrangement.

III OVERVIEW OF EXISTING PROGRAMS

NATIVE PARTICIPATION IN NORTHERN RESOURCE DEVELOPMENT
(British Columbia)

1. PURPOSE/CLIENTELE

1.1 To facilitate the involvement of Native people in the employment and development opportunities in northern British Columbia arising from the northern resource development mega projects, such as Northeast Coal, Alaska Highway Gas Pipeline, Alcan Kemano Completion, hydro, petrochemical and transportation projects.

1.2

1.3

1.4 Clientele

Native people in northern B.C.

2. HISTORY

The mega projects are coming on-line; discussions and studies have been proceeding on how Native people can be assisted to take advantage of the potential opportunities.

3. RELATIVITY

4. IMPACT

N/A

5. STATUS

Discussions are continuing with the Native groups, DIAND, CEIC, DREE and the province.

6. AUTHORITY

The Appropriations Act 5, 1973 or succeeding legislation.

7. RESOURCES

The federal share will amount to \$20 million over five years with cash flow commencing in 1983-84. Four DREE person-years will be required.

8. ORGANIZATION-DELIVERY

The program will be implemented by three federal departments, DIAND, CEIC and DREE in cooperation with Native Bands, Native institutions and corporations.

III OVERVIEW OF EXISTING PROGRAMS

INDIAN FOREST RESOURCE MANAGEMENT (British Columbia)
(PROPOSED)

1. PURPOSE

1.1 The purposes are to facilitate the economic potential of forest resources on Indian lands, promote the development of managerial skills and assist the proposed Native Forest Management Corporation in assuming management responsibility for the program.

1.2

1.3

1.4 Clientele

The target clientele will be the status and non-status Indian people in British Columbia.

2. HISTORY

The proposal has been under discussion for sometime, involving the Province Forest Services, DREE, The Canadian Forest Service and DIAND.

3. RELATIVITY

The program will be co-ordinated with programs of the Canadian Forest Services, Provincial Forest Services and DIAND.

4. IMPACT

Rehabilitation and the development of the forest resource on Indian lands and provincial forest reserves.

5. STATUS

Discussions are continuing and a submission is forthcoming.

6. AUTHORITY

Appropriate DRIE legislation.

7. RESOURCES

The federal contribution will amount to \$25 million with cash flow starting in 1982-83, for a period of five years and consideration for a further five years arrangement subject to an in-depth evaluation of the first five years of the program. Four DREE person-years will be required.

8. ORGANIZATION-DELIVERY

A federal-provincial arrangement with joint management with federal-provincial and Native participation is proposed. Canada would finance unilaterally.

III OVERVIEW OF EXISTING PROGRAMS

COMPREHENSIVE SPATIAL PROGRAMS (British Columbia)

1. PURPOSE/CLIENTELE

1.1 To diversify, through a comprehensive spatially focused program, the economic base of designated regions; to revitalize the economic strength, and enhance creation of greater productive employment opportunities.

1.2

1.3

1.4 Clientele

The communities and residents of particular designated regions.

2. HISTORY

There are known development needs in particular regions where they are experiencing acute economic development problems. There is a desire to assist those areas and regions.

3. RELATIVITY

The proposal is complementary to the programs being developed to stimulate economic development in British Columbia.

4. IMPACT

N/A

5. STATUS

Discussions between federal and provincial officials are taking place and a proposal is being developed.

6. AUTHORITY

The Appropriations Act 5 or succeeding legislation.

7. RESOURCES

The federal contribution is expected to amount to \$15 million over five years with cash flow starting in 1983/84. Five DREE person-years will be required.

8. ORGANIZATION AND DELIVERY

It is proposed that the program will be administered by an inter-governmental management committee; there may, however, be a significant federal delivery.

III OVERVIEW OF EXISTING PROGRAMS

COMPREHENSIVE AGREEMENT ON AREA AND COMMUNITY ECONOMIC DEVELOPMENT
OF THE NORTHWEST TERRITORIES

1. PURPOSE/CLIENTELE

1.1 Purpose:

To provide real options and opportunities for people of the Northwest Territories to participate in development and to influence the course of development toward a balance of major resource-based economic development and traditional pursuits and cultures.

1.2

1.3

1.4 Clientele:

The people of the Northwest Territories and the small business community.

2. HISTORY

2.1 DREE has been involved with DIAND and the Northwest Territories on community economic development initiative for three years and that experience is a guiding force toward this proposal.

3. RELATIVITY

This proposal will be complimentary to other federal initiatives such as RDIA and S/ARDS.

4. IMPACT

To affect the economic well-being of the people in the Northwest Territories.

5. STATUS

The proposal is being developed by the territorial government and it has been discussed with DREE and DIAND officials.

6. AUTHORITY

The authority is the Appropriations Act 5, 1973 or new legislation.

7. RESOURCES

The federal contribution is for \$9.5 million over three years with cash flow starting in 1982/83. One person-year will be required.

8. ORGANIZATION - DELIVERY

It is proposed that the administration of this program will be through a federal-territorial subsidiary agreement, under a joint management committee.

III OVERVIEW OF EXISTING PROGRAMS

COMMUNITY SUPPORT AGREEMENT (Northwest Territories)

1. PURPOSE/CLIENTELE

1.1 Purpose:

To provide assistance to communities to develop the community infra-structure needed to benefit from energy and mineral developments.

1.2

1.3

1.4 Clientele

The communities of the territories, particularly those adjacent to large resource and energy projects.

2. HISTORY

The development of resources, such as minerals and energy, is placing a demand upon communities for services and the communities are not able, by themselves, to provide the necessary amenities.

3. RELATIVITY

The proposal is a companion initiative to the Comprehensive Agreement on Area and Community Economic Development proposal.

4. IMPACT

N/A

5. STATUS

The proposal is being prepared by the Northwest Territories government and is being discussed with federal officials.

6. AUTHORITY

The Appropriations Act 5.1973 or succeeding legislation.

7. RESOURCES

The federal contribution will amount to \$25 million over a period of three years with cash flow starting in 1983/84. Four additional DREE staff person-years will be required.

8. ORGANIZATION AND DELIVERY

It is proposed that there will be a federal territorial arrangement involving DIAND, DREE and the Northwest Territories government.

III OVERVIEW OF EXISTING PROGRAMS
BUSINESS DEVELOPMENT ASSISTANCE (YUKON)

1. PURPOSE/CLIENTELE

1.1 Purpose:

To provide incentives to establish, expand or modernize small business enterprises.

1.2

1.3

1.4 Clientele:

The small business community and potential entrepreneurs.

2. HISTORY

This proposal is a companion and supplementary to the Comprehensive Agreement on Resource and Economic Development.

3. RELATIVITY

This proposal is directly related to initiatives under the proposed Comprehensive Agreement on Resource and Economic Development as well as the federal RDIA and S/ARDS programs.

4. IMPACT

N/A

5. STATUS

The territorial government is preparing a proposal and it is being discussed with federal officials.

6. AUTHORITY

The Appropriations Act 5, 1973, or succeeding legislation.

7. RESOURCES

The federal contribution will amount to \$3 million over a period of five years with cash flow starting in 1982/83. Two DREE person-years are required.

8. ORGANIZATION AND DELIVERY

It is proposed that a comprehensive agreement between Canada and the territory will be required with clearly defined action outlined for DREE, CEIC and DIAND.

III OVERVIEW OF EXISTING PROGRAMS

COMPREHENSIVE AGREEMENT ON RESOURCES AND ECONOMIC DEVELOPMENT (YUKON)

1. PURPOSE/CLIENTELE

1.1 Purpose:

To provide options and opportunities for the people of the Yukon to take advantage of major resource and energy development projects.

1.2

1.3

1.4 Clientele:

The business community in the Yukon with special attention given to the Native population.

2. HISTORY

The Yukon Territorial Government has been planning and preparing a framework within which development opportunities can be identified and development activities can be enhanced.

3. RELATIVITY

This initiative will be complimentary to programs of DIAND, CEIC, DREE and the Territorial government.

4. IMPACT

N/A

5. STATUS

The Yukon Territorial Government is attempting to articulate a planning framework and identify sound development opportunities. Discussions are taking place between the federal and territorial officials.

6. AUTHORITY

The Appropriations Act 5, 1973, or succeeding legislation.

7. RESOURCES

The federal DREE contribution will amount to \$14 million over a five-year period with cash flow starting in 1983/84. Two DREE person-years will be required.

8. ORGANIZATION AND DELIVERY

It is proposed that a comprehensive agreement between Canada and the Territory will be required with clearly defined action outlined for DREE, CEIC and DIAND.

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III OVERVIEW OF EXISTING PROGRAMS

INDIAN ECONOMIC DEVELOPMENT FUND

1. PURPOSE/CLIENTELE

1.1 This program helps Indians to establish and develop profitable businesses that will provide work for Indians living on or off the reserves.

1.2

1.3

1.4 Clientele

Indian farmers, guides and fishermen, and Indians and established companies willing to locate manufacturing or processing facilities on Indian reserves.

2. HISTORY

3. RELATIVITY

Indians wanting to cultivate land or raise cattle can get funds and training, and assistance is available for the consolidation of farming operations as well as for the establishment of new farms.

4. IMPACT

N/A

5. STATUS

6. AUTHORITY

7. RESOURCES

7.1 The program provides loans, loan guarantees, contributions or grants, and advice on management matters. It also provides incentives to new or expanded business enterprises which will provide economic benefits to Indian people. Contributions will be made mainly to businesses willing to locate manufacturing or processing facilities on reserves.

III OVERVIEW OF EXISTING PROGRAMS

ESKIMO LOAN FUND AND ASSOCIATED FINANCIAL ASSISTANCE PROGRAMS

1. PURPOSE/CLIENTELE

1.1 To provide guarantees, loans and contributions for commercial enterprises operated in Inuit or Inuit controlled organizations.

1.2

1.3

1.4 Clientele

Eskimos, Eskimo co-operatives, companies, etc.

2. HISTORY

3. RELATIVITY

Relates to the social and economic objectives of DIAND.

4. IMPACT

N/A

5. STATUS

6. AUTHORITY

7. RESOURCES

8. ORGANIZATION-DELIVERY

Loans or bank loan guarantees may be made for any of the following purposes:

- Establishment of commercial businesses. Such businesses may be sole proprietorships, registered or unregistered partnerships, corporations, cooperatives or cooperative federations, credit unions or caisses populaires.
- The provision of additional working capital to existing businesses.
- The construction, purchase, reconditioning or repair of commercially owned buildings whose primary use is for business purposes.
- The construction, purchase, repair or reconditioning of vessels (including canoes and small boats) whose primary use will be commercial, and ancillary facilities including docks, boat cradles and boat houses.
- The purchase or repair or reconditioning of engines, machinery, tools, equipment, materials and stock-in-trade to be used in any gainful occupation.
- The purchase of furniture, furnishings and fixtures intended for use in a commercial building.

Contributions may be made to help such basic needs as provision of infrastructure, economic planning, feasibility study, appraisals, legal fees, provision of support services and start-up costs. Applicants are expected to make an equitable contribution.

III OVERVIEW OF EXISTING PROGRAMS

SMALL BUSINESS LOAN FUND (NORTHWEST TERRITORIES)

1. PURPOSE/CLIENTELE

1.1 The Government of the Northwest Territories administers the Small Business Loan Fund (NWT) to provide term loans and guarantees to business enterprises in the Northwest Territories where the required credit or other financial assistance is not available from other sources on reasonable terms and conditions.

1.2

1.3

1.4 Clientele:

2. HISTORY

3. RELATIVITY

Relates to benefits available to status Indians through DIAND but not available to other Northwest Territories small businesses, mainly Métis.

4. IMPACT

N/A

5. STATUS

6. AUTHORITY

7. RESOURCES

Term loans ranging from \$2,500 to a maximum of \$100,000 are repayable, in some cases, up to 15 years. Interest rates are "tied" to Federal Business Development Bank rates. This program supplements the Indian Economic Development Fund and Eskimo Loan Fund and is intended primarily for the use of Métis. Loans can be used to acquire land, buildings and equipment as well as inventory.

8. ORGANIZATION - DELIVERY

Delivered through the Government of the Northwest Territories.

III OVERVIEW OF EXISTING PROGRAMS

SMALL BUSINESS LOAN FUND (YUKON TERRITORY)

(OGD PROGRAM)

1. PURPOSE/CLIENTELE

1.1 The Yukon Small Business Loan Fund provides loans for business enterprises in the Yukon Territory where the required credit or other financial assistance is not available from other sources on reasonable terms and conditions.

1.2

1.3

1.4 Clientele:

2. HISTORY

3. RELATIVITY

Relates to benefits available to status Indians through DIAND but not available to other Yukon small businesses, mainly Métis.

4. IMPACT

N/A

5. STATUS

6. AUTHORITY

7. RESOURCES

Term loans of up to \$50,000 are provided at interest rates tied to Federal Business Development Bank loan rates. Loans must be repaid within 10 years. Borrowers must have been turned down by other lending institutions before applying to SBLF. Loans can be used for financing the purchase, installation, renovation, improvement or modernization of equipment or premises used in the course of carrying on a small business enterprise. Inventory is not eligible.

8. ORGANIZATION - DELIVERY

Delivered through the Yukon Territorial Government.

III OVERVIEW OF EXISTING PROGRAMS

PURCHASE AND USE OF SOLAR HEATING PROGRAM (PUSH)

1. PURPOSE/CLIENTELE

1.1 Objective:

To assist in the development of the Canadian solar industry.

1.2 How it Relates:

It is part of the \$380 million renewable energy development program announced by the Minister of Energy, Mines and Resources in 1978.

Strategic interest is import replacement, expansion of manufacturing.

1.3 Criteria:

Attainment of the objective is measured by the number of projects undertaken and the growth of the Canadian solar industry.

1.4 Clientele:

Any Canadian federal government department or agency or federally chartered Crown corporation that owns or has a major interest in a building or other facility is eligible for PUSH funds. The procurement program is targeted to using Canadian solar heating equipment; employing Canadian solar heating system installation contractors; and engineering companies and mechanical contractors.

2. HISTORY

2.1 Established in 1978.

2.2 To increase the scale of solar manufacturing in Canada by guaranteeing a market for solar products.

3. RELATIVITY

The program complements other programs for the development of renewable energy such as the Program of Assistance to Solar Energy Manufacturers (PASEM) and the Canada Oil Substitution Program (COSP).

4. IMPACT

4.1 Not assessed.

4.2 Not available.

4.3 Not available.

5. STATUS

Program has funding of \$125 million for the period 1978-1984.

To date, 450 projects have been approved, out of which 42 have already been completed and the remaining 408 are in the design phase or are under construction.

6. AUTHORITY

6.1 Approved by cabinet in 1978; funds are provided in the main estimates of 14 participant departments (construction vote).

6.2 Funds are available for the design, installation and purchase of an active solar system and for hiring Canadian professional engineering design consultants.

6.3 Program operates by ranking projects based on the effectiveness and efficiency of proposed solar systems.

7. RESOURCES

7.1 Resources are charged to Department of Public Works budget:

	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>
Budget (\$000)	700	8,200	20,000	30,000	34,800	31,000
Expenditures (\$000)	700	5,300				

7.2 N/A

7.3 N/A

8. ORGANIZATION AND DELIVERY

Program direction came from EM&R and IT&C. Program's management is done by the Solar Programs Office (SPO) of Public Works Canada. Delivery is done through PUSH coordinators appointed within the federal departments, agencies and Crown corporations that implement solar heating projects.

In the case of large departments with regional offices, regional PUSH coordinators report to a central PUSH coordinator who is responsible to the SPO.

III PROGRAM PROFILE

CANADIAN PATENTS AND DEVELOPMENT LIMITED (OTHER)

1. PURPOSE

- 1.1 The objective is to ensure that technology developed with Crown funds is commercially exploited in the best interests of Canada.
- 1.2 Relates directly to IT&C's mandate for fostering industrial development. CPDL also indirectly contributes to the development of export markets.
- 1.3 No measures are currently in use in terms of measuring CPDL's contribution to the department's mandate.
- 1.4 As a matter of policy, CPDL attempts to license Canadian companies. About 90% of its licenses are with small or medium sized Canadian-owned companies. The majority are engaged in the manufacture of technologically advanced products, have an established R&D capability and are located in Ontario or Quebec.

2. HISTORY

- 2.1 CPDL was established in 1947 when the need was recognized for a mechanism to promote the commercial exploitation of technology developed at government expense during the Second World War.
- 2.2 It was set up as a subsidiary Crown corporation of the National Research Council to obtain patent protection for Crown-owned technology and to license this technology to Canadian and foreign users. This mandate was later extended to include technology developed with public funds in universities and non industrial research institutes in Canada.

3. RELATIVITY

- 3.1 There are no other government organizations in Canada which offer these services. However, its activities do overlap to some extent with the activities of the Program for Industry/Laboratory Projects (PILP) of NRC. Both are involved with the transfer of technology to industry, but use different approaches to arrange this transfer.

4. IMPACT

- 4.1 A review of the corporation's activities was carried out in 1980. As a result, a strategic plan for CPDL has been developed. This plan, which calls for the combining of the operations of PILP and CPDL, will be submitted to Cabinet for approval in 1982.
- 4.2 The major problem identified is that CPDL has been under funded and has not been able to provide the level of service expected by its sources of technology, nor any development funding to improve the licensability of its technology.

4.3 CPDL's clientele is specialized and therefore CPDL has a relatively low profile in terms of industry in general. However, its clients are very satisfied with CPDL's services.

5. STATUS

5.1 CPDL's status will be changing dramatically if Cabinet approves the strategic plan (i.e. the combining of PILP and CPDL).

6. AUTHORITY

6.1 Established in 1947; legislative basis unknown.

6.2 It employs license agreements and contracts in the conduct of its business.

6.3 It is expected to be financially self sufficient.

7. RESOURCES

7.1 It receives an annual payment of \$350,000 from IT&C appropriations for certain non-revenue generating activities, such as payments to private evaluations to an Industrial Innovation Centre, the provision of advice on patenting and licensing matters to its sources of technology.

7.2 N/A.

7.3 N/A.

7.4 N/A.

8. ORGANIZATION AND DELIVERY

8.1 The corporation is directed and managed by a board of directors comprised of 12 representatives from government, industry and academic. It is administered by its president and senior management. The principal shareholder is the Crown as represented by the Minister of Industry, Trade and Commerce.

8.2 No information.

III OVERVIEW OF EXISTING PROGRAMS

UNSOLICITED PROPOSALS FOR RESEARCH AND DEVELOPMENT

(OTHER)

1. PURPOSE/CLIENTELE

- 1.1 Provides funding to encourage research and development in areas related to existing government programs.
- 1.2 Provides support to other governmental agencies in compliance with its mandate. It complies with government policy to contract-out to the private sector as many scientific and technological developments as possible.
- 1.3 Development of improved technology and information to facilitate and further the efforts of existing governmental programs
- 1.4 Any Canadian firm capable of performing the proposed activity.

2. HISTORY

- 2.1 Not available
- 2.2 Program implemented to provide bridge funding necessary to initiate projects and awaiting incorporation into sponsoring department.

3. RELATIVITY

- 3.1 No program overlap with other federal agencies since agencies with related activities sponsor and approve the proposed program.

4. IMPACT

- 4.1 No information available.
- 4.2 No information available.
- 4.3 No information available.

5. STATUS

Currently operational and administered through Department of Supply and Services.

6. AUTHORITY

- 6.1 No information available.
- 6.2 DSS contracts with private sector firms funding the approved R&D proposal.
- 6.3 Principles selected and applied by the sponsoring Department.

7. RESOURCES

- 7.1 The annual program fund is \$15 million.
- 7.2 No information available.
- 7.3 No information above.
- 7.4 No information available.

8. ORGANIZATION AND DELIVERY

- 8.1 Funding and administration provided by the Department of Supply and Services.
- 8.2 Interface with various departments who review and elect to sponsor the proposed program.

III OVERVIEW OF EXISTING PROGRAMS

PROGRAM FOR INDUSTRIAL/LABORATORY PROJECTS* (PILP)

(OTHER)

1. PURPOSE/CLIENTELE

1.1 Promotes the transfer to industry of government research results and the development of their commercial potential.

1.2 Related to Department's mandate to promote industrial development.
Strategic interests: productivity improvement.

1.3 Criteria:

Increased efficiency, production and costs savings.

1.4 Clientele

Canadian companies demonstrating the financial, managerial, technical, manufacturing and marketing capabilities needed to succeed can apply either alone or in a cooperative arrangement.

2. HISTORY

2.1 No information available.

2.2 Established to provide industrial aid to decrease the initial uncertainty in the transfer of research results representing significant industrial opportunities.

3. RELATIVITY

3.1 Complements the general research and development effort of both private and government sectors in the industrial area by funding implementation of research results.

4. IMPACT

4.1 Auditor General conducted audit. Audit results unavailable.

4.2 No information available.

4.3 No information available.

5. STATUS

5.1 The program is currently operational.

6. AUTHORITY

- 6.1 No information available.
- 6.2 Financial contribution agreements and technical assistance up to full underwriting of the company's project/product costs.
- 6.3 Applicable principles are developed by the participating department.

7. RESOURCES

- 7.1 The program budget for 1981/82 is \$16 million.
- 7.2 Information not available.
- 7.3 Information not available.
- 7.4 Information not available.

8. ORGANIZATION AND DELIVERY

- 8.1 Central management of the PILP program by National Research Council.
- 8.2 External involvements and PILP project managers located within the following participating departments; Agriculture, Environment, Communications, Fisheries and Oceans, Energy, Mines and Resources.

Industry and the appropriate agency formulate projects and pursue PILP funding via contribution agreements.

* Includes the subsumed program - Co-operative Projects with Industry (COPI)

III OVERVIEW OF EXISTING PROGRAMS

AGRICULTURAL ENGINEERING RESEARCH AND DEVELOPMENT

(OTHER)

1. PURPOSE/CLIENTELE

1.1 Objectives:

Provides funding to conduct research and development into engineering improvements in the agriculture industry.

1.2 Relation to Departmental Mandate/Objectives:

Promotes industry and furthers development in agriculture in Canada.

1.3 Criteria to measure attainment:

Improved mechanizations, buildings and energy utilization are criteria which could be used to measure attainment of increased efficiency, productivity and reduction in costs.

1.4 Clientele and location:

Clientele are farmers and persons in the agriculture industry in Canada.

2. HISTORY

2.1 Date established:

No information available.

2.1 The program was established to provide government assistance to the agriculture industry in the area of research and development of improved equipment.

3. RELATIVITY

3.1 There is potential for overlap or duplication in the area of energy utilization. IT&C provides funds under the IERD program for Energy R&D.

4. IMPACT

4.1 Last assessment and results:

No information available.

4.2 Major programming problems:

No information available.

4.3 Perception/Visibility:

No information available.

5. STATUS

5.1 The program is currently operational through Agriculture Canada.

6. AUTHORITY

6.1 Legislative basis:

No information available.

6.2 Research contracts are the instruments.

6.3 Principles:

No information available.

7. RESOURCES

7.1 The program currently provides approximately \$800,000 in contracts annually.

7.2 No information available.

7.3 No information available.

7.4 No information available.

8. ORGANIZATION AND DELIVERY

8.1 Program is delivered through Agriculture Canada's regional offices and managed by the western regional office.

8.2 External involvement with the Department of Supply and Service which, through their Science Procurement Branch, solicits proposals for AERD through advertisement of general program priorities. Unsolicited proposals also accepted.

III OVERVIEW OF EXISTING PROGRAMS

SMALL CRAFT HARBOUR PROGRAM
(FISHERIES AND OCEANS)

(OTHER)

1. PURPOSE/CLIENTELE

1.1 Objectives:

To develop, administer and maintain some 2,400 federally-owned small craft harbours and harbour facilities in support of the commercial fishery and sports.

1.2 Related to Fisheries and Oceans' mandate to support commercial fishing.

1.3 Criteria for measurement unknown.

1.4 Clientele:

Mostly the fishery industry on both coasts, but also local authorities throughout Canada.

2. HISTORY

2.1 Established in 1973, when, following an investigation launched in 1971 into the administration and development of small craft harbours, authority over 2,400 harbours was transferred to the Department of Environment from DPW and MOT Authority was further transferred to F. & O. in 1978.

2.2 It was established to attain the objective stated above.

3. RELATIVITY

3.1 It would appear to be related to MOT's and NHB's programs and activities. Also related to DREE programs.

4. IMPACT

4.1 An evaluation is in the process of being completed. Results unknown.

4.2 No knowledge of programming changes proposed.

4.3 Clients' perception unknown.

5. STATUS

5.1 Program appears to be open-ended.

TABLE 8

SMALL CRAFT HARBOUR PROGRAM

<u>FISHING</u>	<u>1977/78</u>	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>
B.C.	4,832,634	6,506,955	3,710,792	4,689,001	4,871,300
West	653,138	569,478	761,799	801,612	593,000
Ontario	2,879,143	2,860,676	1,977,519	2,200,460	1,933,000
P.Q.	4,171,965	4,741,606	2,639,851	3,460,217	4,691,700
Maritimes	199,200	2,499,670	386,260	553,798	-
N.B.	5,204,640	5,169,730	3,866,130	5,647,979	6,077,700
PEI	1,596,716	1,739,857	1,656,567	2,135,285	2,921,900
N.S.	4,483,382	5,291,771	3,989,162	5,461,269	6,500,100
Nfld.	5,912,882	9,779,181	7,117,325	7,644,905	7,736,800
H.Q.	<u>683,200</u>	<u>592,200</u>	<u>640,514</u>	<u>581,882</u>	<u>680,000</u>
Sub-Total	30,616,900	39,751,124	26,745,919	33,176,408	36,005,500
<u>RECREATION</u>	<u>1977/78</u>	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>
B.C.	216,934	378,757	78,163	151,741	325,000
West	169,237	241,720	109,626	224,648	229,000
Ontario	1,301,589	937,426	888,433	1,671,469	1,685,700
P.Q.	258,185	512,492	293,969	692,255	538,100
N.B.	21,807	135,006	235,598	46,890	-
PEI	-	-	-	-	-
N.S.	1,123	5,183	-	-	-
Nfld.	-	-	-	-	-
Sub-Total	1,968,875	2,210,584	1,605,789	2,787,003	2,777,800
Grand Total	<u>32,585,775</u>	<u>41,961,708</u>	<u>28,351,708</u>	<u>35,963,411</u>	<u>38,783,300</u>

5 January 1982.

6. AUTHORITY

- 6.1 The Fishing and Recreational Harbours Act proclaimed on October 5, 1978, along with the Fishing and Recreational Regulations.
- 6.2 Direct spending (O&M and Capital) on construction, repairs, maintenance, dredging, administration.
- 6.3 No knowledge of which principles apply.

7. RESOURCES

- 7.1 1981-82 - PY: Unknown.
O&M and Capital: \$38.8 million.
- 7.2 Regional distribution: see attachment.
- 7.3 Unknown
- 7.4 Unknown

8. ORGANIZATION AND DELIVERY

- 8.1 Harbour development programs are prepared initially in the regions (by F.&O. offices) where projects are prioritized and then integrated at headquarters and submitted to the Minister in the form of a national plan for approval.
- 8.2 Small Craft Harbours also participate in joint funding projects with E&I, work closely with DREE in certain projects, and are in constant touch with the local fishing industry.

III OVERVIEW OF EXISTING PROGRAMS

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM (IRAP)

(OTHER)

1 PURPOSE/CLIENTELE

- 1.1 To stimulate growth and development of industrial research capability in Canada.
- 1.2 Related to IT&C industrial development mandate.
- 1.3 Improved productivity;
Lower costs;
Higher exports;
Reduction of imports and consumption of energy;
Creating and maintaining employment.
- 1.4 Companies provincially or federally incorporated in Canada and engaged in activities based to a significant extent on technology derived from the physical and life sciences and engineering.

2 HISTORY

- 2.1 Cabinet decision, November 26, 1961
Order in Council PC 1965-691 of April 14, 1965
- 2.2 To avert the dangers of continued underfunding of research in industry and to stimulate industrial research.

3 RELATIVITY

- 3.1 Compliments the general R&D effort of government by providing funds to companies to employ trained researchers on promising research projects.

4 IMPACT

- 4.1 Program evaluation by the NRC and independent neutral observer - February 1981.

Each dollar invested led to \$30 gross domestic product and return of \$4 to the Federal government.

Development of new products and processes resulting in improved productivity, lower costs, higher exports, reduction in imports and energy consumption.

Deflationary effect on inflation.

- 4.2 None identified.
- 4.3 Valued by industry for its speed of delivery and minimal administrative burden, and because industry proposes projects and owns results.

Industrial view of program highly enthusiastic

5 STATUS

Program currently operational.

6 AUTHORITY

- 6.1 Order in Council PC 1965 - 691 of April 14, 1965. Funding provided under NRC Main Estimates.
- 6.2 Subsidy grants of up to 50% of research project costs.
- 6.3 Viability, incrementality.

7 RESOURCES

- 7.1 Currently 157 person years.
Total program \$25 million in 1980/81.
Funding by subsidy of up to 50% of research project costs.
- 7.2 Since program inception a total of \$160 million has been paid out in contributions to 396 companies for total projects count of 965.
Between 1962-79 Ontario research laboratories received 57% of total funding.
In the 1960's chemical industry received most funding.
In 1973/74 the leading funded industry was electrical/electronics.
In 1974/75 the leading funded industry was agriculture/food/beverage. Other funded industries include pulp and paper, primary metals, metal fabrication, machinery, instruments pharmaceuticals, non-metal minerals, transportation equipment, petroleum and coal products, rubber, textiles and wood.
- 7.3 Funding of 80% of applications submitted.
- 7.4 No information available.

8 ORGANIZATION & DELIVERY

- 8.1 Financial administration of contract agreements through NRC.
Project selection and approval by interdepartmental committee chaired by NRC.
Research proceeds under company management.
Technological audits through liaison officers in NRC and other departments.
- 8.2 Extensive external involvements with other departments via interdepartmental committee.

III OVERVIEW OF EXISTING PROGRAMS

FOREST INDUSTRY RENEWABLE ENERGY (FIRE) (OTHER)

1. PURPOSE/CLIENTELE

- 1.1 To stimulate the conversion of energy systems from fossil fuels to wood residues, municipal and agricultural waste, and peat.
- 1.2 Complements the national energy policy, departmental objectives and forest industry strategies.
- 1.3 Success criteria are displacement of renewable fuels, conversion efficiency, environmental effect and impact on regional employment.
- 1.4 Clientele are primarily pulp and paper, lumber and plywood firms located in British Columbia, Quebec and the Maritimes.

2. HISTORY

- 2.1 The program was initiated in July 1978.
- 2.2 The coverage and eligibility of the program was later expanded because of its high level of acceptance and potential for substitution of fossil fuels.

3. RELATIVITY

- 3.1 FIRE projects are based on proven technology for energy conversion whereas some related programs support novel R&D projects and DREE supports plant modernization within the pulp and paper industry.

4. IMPACT

- 4.1 An evaluation of the program is presently underway by the management consulting firm of Peat Marwick and Partners.
- 4.2 FIRE is a relatively new program and its application has only been moderate to date. There have been some complaints of low level of support, response delays and delays in claim payments.

5. STATUS

- 5.1 The program was initiated in 1978 and has since been expanded in scope and funding.
- 5.2 At present, the program is to terminate March 1, 1986.

6. AUTHORITY

- 6.1 The program derived its authority from Cabinet Decision # 284-78RD and the administrative authority resides with EMR. The funding authority for contributions is Vote 10.
- 6.2 Program support consists of contributions ranging from 10 to 20 percent of the capital cost for equipment installation.
- 6.3 Program eligibility criteria require a technology of proven predictable efficiency which conforms with environmental requirements. Priority is given to goods and services from Canadian sources. Applicant must be financially sound and well managed. The project must convert biomass to prepared fuels having enhanced heat value or produce a net energy surplus.

7. RESOURCES

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
Budget (\$million)	12.0	32.0	50.0	60.0

To date, a total of \$32.7 million has been committed.

8. ORGANIZATION AND DELIVERY

- 8.1 Project approval authority resides with the DM or a Sr. ADM of EMR. Project applications are submitted to and processed by the FIRE Program Secretariat.
- 8.2 Program officers obtain specialist advice from appropriate officers located within EMR such as in the Conservation and Renewable Energy Branch.

III OVERVIEW OF EXISTING PROGRAMS

SUMMER CANADA - EMPLOYMENT PROGRAM

1. PURPOSE/CLIENTELE

1.1 Objective

To create short term jobs during the summer months which will provide students with training and experience.

1.2 Mandate

IT&C Act.

The Minister of Industry, Trade and Commerce develops and carries out such projects as may be appropriate to provide students under the (i) Federal Projects Stream of this program, with challenging work experience for career and educational development and (ii) under the Public Service Employment Component of the program to employ the same students for up to three consecutive summers for developmental purposes in jobs requiring specialist training or experience.

1.3 Measures

(1) Number of trained students meeting.

1.4 Clientele

Mainly students in universities and/or community colleges.

2. HISTORY

2.1 The Summer Canada: Student Employment Program is a refinement of the Summer Job Corps Program developed in 1977 by the Canada Employment and Immigration Commission.

2.2 It is a new element of the Federal Government Direct Employment Strategy targeted primarily at students.

3. RELATIVITY

3.1 There is no duplication related to federal programs. Projects and/or jobs are separate from day to day functioning of the department, they must their complement on-going government priorities. Provincial governments have their own summer student programs.

4. IMPACT

4.1 The program is assessed annually by the Canada Employment and Immigration Commission, and by branches of IT&C participating in the program.

In 1981 Fashion Canada placed 66 students with 42 apparel manufacturers in Manitoba, Ontario and Quebec. Demand in most cases, exceeded the number of students available.

In 1980 The Canadian Government Office of Tourism sponsored 72 projects in seven provinces and the two territories creating 654 jobs or 9409 work-weeks of employment.

4.2 No major programming problems have been identified.

4.3 The program is known and well perceived by government departments. The number of students applying for positions is far in excess of the positions available.

5. STATUS

5.1 The program will continue during the 1982/83 fiscal year and the future depending on yearly Cabinet approval on the nature and funding levels of the summer student employment initiatives.

6. AUTHORITY

6.1 (a) Cabinet decision on program. Record of Decision number for FY 1982/83 - 525 - 81RD.
(b) Terms and conditions and dollar allocation - Federal Treasury Board.

6.2 Contributions for Federal Projects Stream.
Person years and a contribution toward salaries for Public Service Employment Component.

6.3 Priorization.

7. RESOURCES

7.1 Three person years and for FY 1981/82 \$1,226,000 contributions.

7.2 Person Years 3.0 person/years.

Contribution - Allocation by Region 1981/82.
Expenditures in all provinces except Alberta & PEI.

7.3 IT&C requests for approval for the 1981/82 program amounted to \$3,015,000 totalling 126 projects of which \$1,226,000 was approved for 56 projects. Demand for funds (all departments) exceeded supply by a ratio of approximately 2:1.

8. ORGANIZATION/DELIVERY

8.1 Contributions, up to a maximum of \$50,000 per project are made to project managers under a fully accountable contribution arrangement to carry out

project. Managers are fully trained and supervised by CGOT personnel and officers from Fashion Canada. Each project manager must submit a monthly report to IT&C.

The Director General, Tourism Development, CGOT (IT&C) approves these contributions (\$1,115,000) and the fashion advisor and co-ordinator - Fashion Office, approves contributions for Textiles and Consumer Products Branch (\$111,000). Projects are monitored by Program Co-ordinator and reports are reviewed by Sector Officers. As the major user of this program the CGOT administers this program for the department.

8.2 N/A.

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BRITISH COLUMBIA

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
1 British Columbia Development Corporation (BCDC)	To encourage and assist the establishment, expansion and continued operation of industry in the province.	All types of business enterprise including agriculture and tourism.	Loans and loan guarantees, equity participation, leasebacks.
2 British Columbia Development Corp. (BCDC)	To encourage the establishment of industry in B.C.	Secondary manufacturing, related service industries.	Land development - to provide serviced land on a lease or sale basis to industries who wish to relocate in the province.
Ministry of Regional Economic Development and Analysis			
3 - Trade Mission Program	To generate a sustained increase in export of goods and services.	Corporations or trade associations which can demonstrate ability to compete in export markets.	Transportation costs associated with mission.
4 - Incoming Buyers Program	To generate a sustained increase in export of goods and services.	Corporations or trade associations which can demonstrate ability to compete in export markets and bring a buyer from a foreign market to BC.	Return economy airfare for buyer (maximum \$1,000).
5 - Trade Show Assistance Program	To generate a sustained increase in export of goods and services.	Corporations or trade associations who can demonstrate ability to compete in export markets.	Cost sharing up to 50% (maximum \$1,000) of expenses associated with trade shows.
6 - Market Development Assistance Program	To aid companies or associations in investigating new markets or appointing local agents or distributors.	Companies or associations unable or unwilling to participate in government trade missions.	Return economy airfare for one person (maximum \$1,000).

BRITISH COLUMBIA (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
7 - Technical Assistance Program	To assist companies to expand their facilities, diversify their product lines or enter new businesses.	Companies with a demonstrated record of sound and capable management undertaking a formal study of a specified aspect of their operation.	Cost sharing up to 50% (maximum \$4,200) of consultants' fees on study.
8 British Columbia Product Development Management Program (PDMP)	To assist manufacturing companies with management of product development activities.	Taxable Canadian manufacturing corporations located in British Columbia.	Subsidy for preliminary assessment of the product development potential, plus additional assistance to carry out a product development project.
9 British Columbia Small Manufacturer Assistance Program (SMAP)	To create jobs by assisting with the establishment, expansion or modernization of small manufacturing and processing businesses.	Small manufacturing and processing businesses located in Lower Mainland and Capital Region of British Columbia.	Subsidy in the form of interest-free forgivable loans.
Ministry of Industry and Small Business Development			
10 - Management Assistance Program	To encourage small business firms to undertake projects which will improve their stability and economic viability or their potential for significant expansion.	Proposed and existing businesses as well as business associations and groups.	Financial support for outside consultants to 50% of cost to a maximum of \$5,000.

ALBERTA

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
11 Alberta Department of Business Development and Tourism Management Program	To improve the service, organization and profit structure of small business by offering private sector management counselling.	Small, independent Alberta operators.	Self-help assistance includes: analyzing, counselling and auditing results; improving management techniques; access to professionals.
12 Alberta Agricultural Development Corporation	To provide financial assistance to primary producers of agricultural products and agri-businesses.	Individuals, associations and companies engaged in the agricultural sector (farms, abattoirs, veterinarians, grain processing).	Loans and loan guarantees, interest rebates are available on certain types of loans.
13 Alberta Heritage Savings Trust Fund	To provide economic and social benefits to Albertans now and in the future.	Under the Alberta Investment Division of the Fund, manufacturing, transportation, public utilities, agricultural processing, forest products, heavy oil and coal industries are eligible.	Investment in new debt issues equal to a minimum of \$1 million and a maximum of two-thirds of debt offering.
14 Alberta Opportunity Fund	Promote development and general growth and diversification of economy of Alberta.	Any new or existing business organized for gain or profit which is judged to have reasonable prospect for viability and which is unable to obtain funds elsewhere on reasonable terms.	Loans, guarantees, business management counselling, and assistance in utilizing financial and other facilities available through government or private agencies. Funding through Alberta Heritage Savings Trust Fund.

SASKATCHEWAN

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
Saskatchewan Department of Industry and Commerce			
Trade and Industrial Services Branch			
15 - Aid to Trade Programs	To assist manufac- turing firms to sell products in the export mar- kets, i.e. outside Saskatchewan.	Manufacturing companies introducing a new product or exploring a new market.	Cost sharing (nor- mally 50%) to cover costs associated with market re- search, product pro- motion, trade mis- sions, trade fairs, incoming buyers and sample shipments.
Field Services Branch			
16 - Product Development Program	To assist in new product and pro- cess development.	Manufacturing or processing firms.	Cost sharing up to 50% of costs to a maximum of \$10,000 per project.
17 - Small Business Interest Abatement Program	To assist small business with financial costs related to esta- blishing opera- tions or expanding or modernizing existing facili- ties.	Businesses located in Saskatchewan, excluding farms and financial institutions, with annual revenues under \$500,000.	Rebate of interest for a three year maximum annual period; rebate \$500.
18 - Small Industry Development Program	To assist small businesses in establishment of new operations or modernization or expansion of existing facilities.	For existing business- es, the annual sales must be less than \$500,000; new ventures must be in the manu- facturing sector.	Interest free for- givable loans to a maximum of \$15,000.

SASKATCHEWAN (Cont'd.)

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<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
19 - Management Development Program	To help firms become more competitive by resolving organizational problems and improving management's skills.	Manufacturing and processing companies.	Cost sharing to cover 50% of management consultant fees for an approved project up to a maximum of \$3,000 and attendance at approved seminars or courses.
20 - Employment Opportunity Program	To encourage and assist persons having difficulty maintaining regular employment and earnings because of lack of marketable or life skills.	Any business enterprise creating new opportunities for these people.	Conditional grants or loan guarantees or a combination for projects including feasibility studies, capital costs, project management, special facilities, productivity support and extraordinary costs.
Community Services Branch			
21 - Main Street Development Program	To assist municipal councils and local businessmen in revitalization of business districts.	Communities of less than 6,000 persons.	Shared cost up to 50% and maximum of \$1,000.
22 Saskatchewan Economic Development Corporation	To provide financial assistance to industrial enterprise in Saskatchewan.	Most manufacturing and commercial organizations with the exception of mining, farming, real estate, financial institutions and charitable organizations.	Loans, loan guarantees, equity acquisitions and leasebacks.
23 - Assistance for Inventory and Manufacturing Expansion (AIME)	To permit expanded output by manufacturers.	Manufacturers with identifiable markets that have a Saskatchewan value-added component of at least 33% of production costs.	Loans and loan guarantees.

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
24 - Special Assistance	To assist businesses employing disadvantaged persons.	Individuals who are unable to maintain regular employment and adequate earnings through no cause of their own and who are located in Saskatchewan.	Grant of up to \$30,000 per job created.
25 - Industrial Accommodation Lease Option Program	To develop awareness of industry's needs; to maximize use of existing property; to acquire new property.	Manufacturers, specialized agriculture service industries, tourism and recreation retail and wholesale communication and transport professional services and contractors.	Provide sites and buildings for lease or purchase.
26 - Management Services	To assist SEDCO clients to succeed.	SEDCO clients.	Business counselling on engineering, accounting, marketing, product and management development.

MANITOBA

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
27 Manitoba Trading Corporation	To assist in the expansion and development of export markets.	Any Manitoba manufacturer or professional firm.	A) Selling on behalf of client firms either as an export agent or export merchant. B) Cost-sharing in promotional expenses overseas or outside the province.
28 Manitoba Development Corporation	To increase economic activity and productivity in Manitoba and encourage the export of goods.	Projects beneficial to the residents of Manitoba.	Loans, loan guarantees and equity investments; technical and management assistance is also available.
29 - Feasibility Studies Program	To encourage companies to hire consultants to conduct feasibility studies relative to establishment of new facilities or expansion/modernization of existing facilities.	Manitoba based companies or companies contemplating location in Manitoba.	Cost sharing up to 50% of consultants' fee.
30 - MBA Student Consulting Program	To assist small and medium-sized firms unable to afford private sector consultants.	Manitoba owned and situated companies employing less than 75 persons and with sales of less than \$3 million.	Minimal fees of \$200 are payable by participating firms.
31 - Promotional Assistance Program (PAP)	To encourage Manitoba companies to penetrate new markets, introduce new products and strengthen their competitive position.	Manitoba based operations engaged in sale of goods or services, with substantial Manitoba content, on export markets.	Financial assistance, in form of cost sharing, is provided for trade fairs, trade missions and general promotions.

MANITOBA (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
Department of Tourism and Cultural Affairs			
32 - Destination Manitoba/Rural Tourism Industry Incentives Program	To assist in establishment, modernization and/or expansion of accommodation facilities.	Tourist accommodation facilities situated outside of Winnipeg.	Contributions up to \$500,000 for any one project.

ONTARIO

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
33 Ontario Development Corporation (ODC)	To provide financial assistance and advisory services to stimulate industrial growth and economic activities in designated areas.	Secondary manufacturing industries, service industries in support of manufacturing and tourism.	Incentive loans, available to small businesses, firms introducing new products or technology and capital expansion projects; interest abatements and interest rate reductions are available.
34 Northern Ontario Development Corporation (NODC)			Term loans: Available to finance capital expansion, pollution control, energy savings, equipment purchases and exports. Tourist loans: Available to finance industrial/tourism projects.
35 Eastern Ontario Development Corporation (EODC)			Loan guarantees: Available to finance industrial/tourism projects.
36 Term Financing Programme			
(a) Industrial Mortgage Loans	To provide financing for the acquisition of buildings and/or equipment. In (b) and (d) financing for working capital purposes is permissible in certain cases.	Loans are granted on sound business practice provided that financing is not available from conventional sources at reasonable costs. (b) and (d) are available to Canadian-owned business only engaged in secondary manufacturing or in	Term loans at prevailing rates to certain maximums. (a) is not available in larger metropolitan areas except on a very selective basis. (Sponsor EODC, NODC, ODC.)
(b) Small Business Loans			
(c) Pollution Control Equipment Loans			
(d) Venture Capital Loans			

ONTARIO (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
		qualifying service industries. (d) is available to assist small Canadian-owned businesses to introduce new technology in the industrial field.	
37 Employment Development Fund	To encourage job creation and industrial development in Ontario.	Companies with viable projects involving significant job creation and investment commitments.	Grants calculated in relation to capital investment and job creation over a projected five year period.
Department of Industry and Tourism Small Business Development Branch			
38 - Program to Encourage Product and Process Innovation (PEPPI).	To encourage investors of small businesses to construct prototypes to prove feasibility of invention.	Canadian investors or businesses resident in Ontario and without manufacturing facilities.	Grants up to 100% of project costs to a maximum of \$8,000.
39 - Small Business Industrial Technology Program	To assist existing small secondary manufacturers to develop new products and/or processes.	Small secondary manufacturers presently located in Ontario.	Grants up to 50% of project costs to a maximum of \$10,000.
40 - Product Development Management Program	To assist small manufacturers to increase in-house industrial design management understand and capability.	Small secondary manufacturers presently located in Ontario.	Grants up to 50% of project costs to a maximum of \$10,000.
41 - Advisory Services Section	Provides consulting assistance in starting a	Small and medium-sized businesses located throughout Ontario.	A computer service to assist manufacturers with sales

ONTARIO (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
42 Small Business Development Corporations (SBDC)	business, marketing, financial management and traffic management.	Individuals and corporations resident in Ontario investing through a SBDC in eligible Ontario based manufacturing and processing companies i.e. less than 100 employees and 75% of salaries and wages are paid with respect to Ontario operations.	under \$5 million in financial planning. MBA and senior commerce students carry out business consulting services (costs businessman approximately \$20 per day).
43 Ontario Program for the Advancement of Industrial Technology (OPAIT).	To encourage the expansion and promote the efficiency of existing secondary manufacturing companies in Ontario by financially assisting them to develop new or improved products or processes.	Must lack financial assistance to carry out the project. The company is expected to have the capabilities, facilities and other resources not only to undertake the development work but, also manufacture and market the resulting product or use resulting process.	Individual shareholders in a SBDC receive a rebate equal to 30% of amount invested; corporate shareholders receive a 30% tax credit. The financial assistance is provided for approved products costing less than \$20,000. The government's share is 2/3 of the first \$2,000 of the project cost, 1/2 of the next \$15,000 of cost.

ONTARIO (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
44 Product design and management Program	To upgrade design and quality of new or existing products. To improve the, competitive position and establish a better understanding of design management principles and utilization of industrial design. Encourages small industries to use industrial designers by requiring hiring of same.	Product must have good commercial potential and must be an expansion of the product development program of the company. Open to existing small Canadian-owned manufacturing companies in Ontario.	Pays 75% of eligible costs to a maximum contribution of \$20,000. Will pay for prototype construction to 25% of total cost of project or a maximum of \$5,000. (Co-funded with Design Canada.)
45 University Small Business Assistance Program	To provide professional consulting advise to small businesses.	Small (under \$2 million sales) Canadian owned businesses located in Ontario.	Funding goes to universities. Businessmen hire graduate students at a nominal fee.

QUEBEC

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
46 APEX	To encourage the export of goods and services of Quebec based industries.	Management consultants, manufacturers and construction companies.	Reimbursement of expenses on approved projects.
47 Corporations for Development of Quebec Business Firms (SODEQ)	To provide an incentive to individuals to invest in small and medium sized Quebec manufacturing companies.	Individuals resident in Quebec investing through a SODEQ in Quebec based manufacturers and processors with net assets less than \$7.5 million and less than 200 employees.	Shareholders in SODEQ may deduct from personal taxable income their investment in SODEQ to a maximum of the lesser of 20% of personal net income or \$15,000.
48 Quebec Industrial Research Centre (CRIQ)	To contribute to economic development of Quebec by promoting innovation.	Quebec based companies.	Technical services on a cost-free or shared cost basis.
Quebec Industrial Development Corporation			
49 - Program A: Financial Assistance to Firms in the Field of Technology	To increased use of advanced technology in the manufacture of new products or products with low production volume in Quebec.	Secondary manufacturers and processors purchasing buildings, equipment and patents.	Loans, loan guarantees and equity investments; interest rebates.
50 - Program B: Financial Assistance to Manufacturing Firms for Mergers and Acquisitions	To assist manufacturing companies which cannot otherwise obtain financing.	Secondary manufacturers and processors to consolidating or merging operations.	Loans, loan guarantees and equity investments; interest rebates.
51 - Program C: Financing for Manufacturing Firms	To assist viable manufacturing companies which cannot otherwise obtain financing.	Secondary manufacturers and processors purchasing buildings and equipment or provide working capital.	Loans or loan guarantees.

Provincial Programs

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QUEBEC (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
52 - Program D: Financial Assistance for Exports	To stimulate the export of Quebec manufactured consumer or capital goods.	Industrial and commercial companies.	Short or medium term loans or loan guarantees; interest rebates.
53 - Program E: Financing for Small Manufacturing companies	To assist small manufacturing companies in their financing requirements.	Secondary manufacturers and processors with less than 20 employees and net assets less than \$750,000.	Loans up to maximum of \$100,000 with a 1% reduction in the interest rate.
54 - Program F: Financial Assistance for Traditional Industries	To financially assist certain traditional Quebec industry sectors.	Companies engaged in textile, millinery, clothing, shoe and furniture industries.	Loans up to \$1,000,000 with a 1% reduction in the interest rate.
55 Industrial Incentives Fund for Small and Medium Sized Firms	To assist small and medium sized manufacturers become more competitive.	Firms employing less than 200 persons, with net assets less than \$7.5 million and where at least 50% of gross revenues are derived from production operations.	One half of Quebec income taxes may be earmarked and used subsequently for eligible expenditures.
56 Tax Abatement to Encourage Regional Industrial Development	To assist companies outside of Metropolitan Montreal to modernize and expand operations.	Secondary manufacturers and processors outside of Metropolitan Montreal incurring capital expenditures in excess of \$50,000 in the period April 1977 to March 1980. (Extended)	Reduction from Quebec income taxes payable for up to 25% of allowable investments.
57 Program for the Expansion of Small/Medium-sized Innovative Firms	To accelerate the commencement and progress of industrial projects beneficial to the provincial economy.	Companies with 200 or less employees and assets less than \$7.5 million. Nature of acceptable industrial projects is variable.	Two-year interest-free loans (potentially forgivable) up to 50% of allowable expenditures (maximum \$500,000).

QUEBEC (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
58 Québec Ministère de L'Industrie, du Commerce et du Tourisme (Quebec Department of Industry, Commerce and Tourism)	To help innovative firms which are experiencing difficulty in obtaining risk capital.	50% held by Quebec residents and legally incorporated for at least one year in Quebec.	Related to the project and takes the form of a loan without interest for the first two years.
59 Program for the Modernization of the Textile, Knitting and Clothing Industry	To increase competitive advantage.	Firms operating in Quebec for at least one year.	75% of expenditures to a maximum of \$1,000,000, etc.
60 Central Industrial Park Corporation	To attract industry to central Quebec (Trois-Rivières, Becancour).	Any heavy industrial concerns and small businesses.	Government provides serviced land (deep sea port, roads, rail, municipal services, police) at 20 cents per foot and low real estate, school and business taxes.
61 Labour Training Assistance	To encourage creation of jobs and improvement of skills.	All employers.	Payment of trainees wages up to 85% and instructor's wages up to 100% during agreed period.

Provincial Programs

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NEW BRUNSWICK

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
Department of Commerce and Development			
62 -Urban Small Industry Program	To encourage establishment, modernization and expansion of small industry in the urban areas of St. John, Moncton and Fredericton.	Manufacturing and processing operations, and related maintenance and repair facilities, with annual sales under \$500,000.	Interest free forgivable loans up to \$30,000 for capital projects.
63 -Financial Assistance to Industry Program	To encourage establishment, modernization and expansion of industry.	Manufacturers and processors.	Loans, loan guarantees or acquisition of shares for capital projects and working capital requirements.
64 -Provincial Holdings Ltd.	To encourage the establishment of industry in the province.	Mainly manufacturing and processing operations of economic benefit to the province.	Loans and acquisition of shares.
65 -New Brunswick Research and Productivity Council	To provide a source of technical support services.	New Brunswick and Prince Edward Island based companies.	Technical services.
66 Trade Promotion Program	Assists manufacturers to increase trade across Canada.	Any New Brunswick manufacturer.	Grants for the preparation and display of trade fair exhibits including a per diem of 50% of travel and meal costs.
67 Market Planning and Implementation	Assists manufacturers in the planning of market strategies and brochures.	Any New Brunswick manufacturer.	Grants and advise through to the implementation of the project.

Provincial Programs

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NEW BRUNSWICK (Cont'd)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
68 Technical Services Division Program	Provides consultation on technical programs, quality assurance, industrial engineering and cost share studies.	Any New Brunswick manufacturer.	Consultation and financing depending on the product.
69 Management Services Program	Management consultation.	Any New Brunswick manufacturer.	Consultation and financing depending on the product.

NOVA SCOTIA

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
Department of Development			
70 - Product Development Management Program	To assist in upgrading design quality of existing products and developing new products.	Manufacturing firms.	Expansion grants. Grants up to \$250,000 in six designated regions. Interest rebates: up to \$250,000. Up to 75% of consulting fees associated with product development and marketing studies.
71 - Rural Industry Program	To assist industries locating or expanding in rural areas.	Individuals, cooperatives and corporations engaged in manufacturing, processing and selected service industries outside of Halifax/Dartmouth area.	Grants up to 50% of capital costs to a maximum of \$10,000.
72 - Opportunity Identification Program	To encourage establishment and expansion of production facilities.	Individuals and companies establishing or expanding manufacturing or processing facilities.	Grants towards consultants' fees covering market and plant location feasibility studies.
73 - Marketing Assistance Programme (MAP)	To assist in various aspects of marketing by providing grant assistance for worthwhile projects which are	Nova Scotia firms able to compete in foreign projects.	a) Trade Fairs & exhibits costs for space and display design, per diem allowance and 50% of return economy airfare.

NOVA SCOTIA (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
- MAP (continued)	not eligible under federal programmes.		<ul style="list-style-type: none"> b) Market education per diem allowance 50% of return economy airfare, 50% of tuition, registration and textbook costs. c) Market familiarization per diem allowance and 50% of return economy airfare. d) Incoming buyers.
Industrial Estates Limited			
74 - General Development Program	To assist new or expanding industries engaged in secondary manufacturing.	Secondary manufacturers.	Term loans of \$150,000 and up to finance 100% of cost of land and building and 60% of machinery.
75 - Industrial Incubation Program	To encourage new or expanding manufacturing and processing enterprises.	Manufacturers and processors introducing new products or new technology or expanding from a "cottage" status.	Rent subsidization in provincial industrial malls for up to five years.
76 - Small Business Financing Program	To encourage establishment and expansion of small businesses.	Small business, i.e. annual sales under \$1 million engaged in secondary manufacturing and processing, support industries and selected service industries.	Term loans up to \$150,000 for capital and working capital purposes.

NOVA SCOTIA (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
77 Industrial Loan Program	To finance fixed assets for manufacturing and processing businesses, fish plants, lobster plants, saw and other industries related to natural resources sector.	Any new or existing N.S. enterprise.	Loans up to a maximum of 75% of value of project.
78 Nova Scotia Resources Development Board	To ensure that the expansion of the resource-based industries is not hampered by the lack of term financing.	Resource-based enterprises in Nova Scotia.	Terms financing in the following areas: - industrial loans, - tourist loans, - farm and timber loans, - fisheries loans.
79 Nova Scotia Venture Corporations Act. 1980	To encourage investors to place equity or unsecured loans in small businesses.	Registered venture corporations.	Interest-free loan for up to 10 years.
80 Consulting Assistance Program	To provide assistance to small Nova Scotia businesses in any area of their operations including manufacturing, financial affairs, production and management organization.	Any Nova Scotia manufacturerer.	Finances the hiring of the appropriate consultant. (Funded 100% by the province.)

PRINCE EDWARD ISLAND

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
Department of Industry and Commerce			
81 - Service Sector Assistance Program	To encourage establishment, expansion and/or modernization of businesses.	Firms engaged in selected service sectors.	Forgivable loans for up to 25% of capital costs and \$3,000 for each new job created to a maximum of the lesser of \$30,000 or 50% of capital costs.
82 - Training Programs	To encourage business persons to attend courses and seminars that aid in development of businesses.	Owners and employees of Island businesses.	Contribution toward cost of attending on-Island courses and off-Island courses and seminars.
83 - Counselling Assistance Program	To provide management consulting services to small entrepreneurs.	Small business firms.	Departmental counselling assistance is available free-of-charge; private sector consultants may be used on a cost-shared basis.
84 - Student-in-Industry Program	To counsel small businesses on new techniques and practices of modern business.	Small businesses.	Investigations are conducted by senior business students from the University of Prince Edward Island free-of-charge.
85 Prince Edward Island Lending Authority	To encourage, stimulate and expand agriculture, fishing and tourism sectors.	Individuals, associations and firms engaged in agriculture, fisheries and tourism and related support services.	Operating loans repayable annually and capital loans with varying terms.

PRINCE EDWARD ISLAND (Cont'd.)

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
86 Market Development Centre	To stimulate sales of manufactured and processed products in local and international markets.	Manufacturing and processing companies in primary and secondary sectors.	Various marketing and research services are provided free-of-charge.
87 Industrial Enterprises Incorporated (I.E.I.)	To provide assistance to new and existing manufacturing and processing industries.	Any manufacturing and processing industries.	Loans of up to 75% capital costs. Guarantees on working capital under special circumstances. Rental of service or factory buildings owned by IEI.

NEWFOUNDLAND

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
88 Newfoundland and Labrador Development Corporation	To provide financial assistance for establishment, expansion and/or modernization of manufacturing processing industries.	Companies engaged in manufacturing, processing, industrial services, tourism or resource based industries.	Term loans and equity financing.
Department of Rural Development			
89 - Rural Development Program	To promote small business development in rural areas.	Small manufacturers or processors in rural areas establishing new facilities or modernizing/expanding existing facilities or involved in product research and development.	Industrial incentives: forgivable grants up to 50% of capital costs to a maximum of \$12,500. The grant limits may be extended under certain conditions.
			Research and development incentives: grants up to 75% of R&D costs to a maximum of \$7,500.
90 - Rural Development Authority Loan	To promote expansion of small resource based industries.	Small businesses in primary or secondary industrial sectors or service industries supporting these sectors.	Interest free loans up to \$20,000 to purchase land, buildings and machinery.
Department of Tourism			
91 - Tourism Development Program	To stimulate private sector development of tourist facilities.	Owners of tourist accommodation or tourist recreational facilities.	Capital construction grants: For accommodation facilities, grants up to 40-50% of costs. For recreational facilities, grants up to 25% of costs.
			Interest subsidization: abatement of first two years' interest.

NEWFOUNDLAND (Cont'd.)

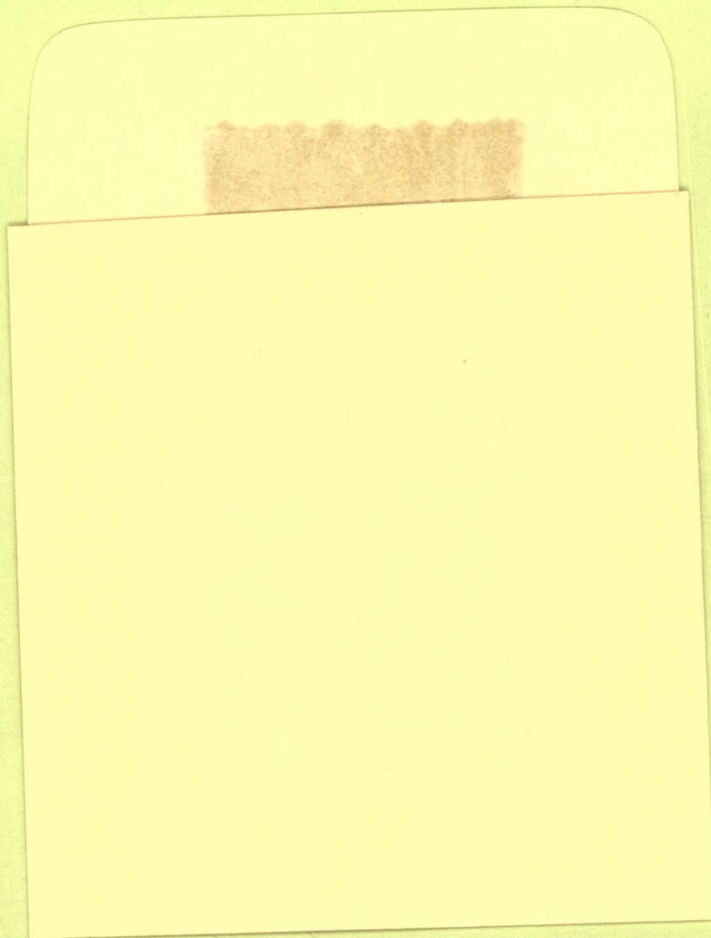
<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
Department of Industrial Development			
92 - Market and Product Development Program	To promote programs designed to increase export markets or provide for import substitution.	Companies engaged in manufacturing and processing of natural resources.	Grants up to 50% of marketing costs to a maximum of \$50,000.
Department of Fisheries			
93 - Market Research Development Program	To encourage expansion and/or modernization of fish processing operations.	Fish processing companies.	Secondary Processing Loan Fund: loans up to \$150,000 with two years interest abatement for purchase of equipment for secondary processing operations. Product machinery and processing technology: loans up to 75% of cost of equipment for fish processing of which 2/3 is repayable.
Departments of Finance, Fisheries and Industrial Development			
94 - Deficiency Guarantee Program	To encourage modernization of fish catching and processing facilities.	Fishing companies unable to arrange suitable financing from private sector.	Loan guarantees for a maximum period of five years at a fee of one percent.

YUKON

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
95 Yukon Department of Tourism and Economic Development	To improve economic conditions of Yukon people. To promote energy conservation in the Yukon.	Individuals and companies in the Yukon.	Loans and guarantees.

NORTHWEST TERRITORIES

<u>NAME OF PROGRAM</u>	<u>OBJECTIVE</u>	<u>ELIGIBILITY</u>	<u>NATURE OF ASSISTANCE</u>
96 Northwest Territories Department of Economic Development and Tourism.	To help finance any type of new business or expansion in the NWT.	Any existing or prospective business in NWT.	Loans and guarantees.
97 Eskimo Loan Fund	To contribute to the development of the Northwest Territories.	Eskimo entrepreneurs.	Term loans and grants.
98 Indian Economic Development Fund	To help Canadian Indians in developing, maintaining and expanding viable business opportunities.	Canadian Indians.	Loans up to \$500,000 grants.
99 Tourist Accommodation Grants to Remote Indigenous Communities	To develop and operate tourist accommodation.	Remote indigenous communities.	Five capital contributions of \$30,000 each. Management assistance and training contributions of \$10,000 per year for three years.



INDUSTRY CANADA/INDUSTRIE CANADA



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