

JL
103
.I6
A431

**Department of
Industry
Trade and
Commerce**

Ottawa, 1969



depts?

**Department of
Industry, Trade and Commerce**

Minister of Industry, Trade and Commerce....The Honourable Jean-Luc Pepin

Executive Assistant to the Minister.....S. Mizgala

Special Assistant to the Minister.....T. Plumptre

Special Assistant to the Minister.....P. Renart

Departmental Assistant to the Minister.....P. Labbe

Deputy Minister.....J.H. Warren

Executive Assistant to the Deputy Minister.....A.A. Lomas

Senior Assistant Deputy Minister,
Industry and Trade Development.....A.G. Kniewasser

General Director, Office of Science and Technology..S. Wagner

General Director, Office of Design Adviser.....E.P. Weiss

General Director, Office of Promotional Services...L.J. Rodger

Assistant Deputy Minister, Operations.....R.G. Head

General Director, Aerospace, Marine and Rail Branch..J.C. Rutledge

General Director, Agriculture, Fisheries and Food
Products Branch.....A.H. Mathieu

General Director, Apparel and Textiles Branch.....A.M. Guerin

General Director, Chemicals Branch.....J.J. Tennier

General Director, Electrical and Electronics
Branch.....E.A. Booth

General Director, Machinery Branch.....J.J. McKennirey

General Director, Materials Branch.....R.D. Hindson

General Director, Mechanical Transport Branch.....E.A. McIntyre

General Director, Wood Products Branch.....K.O. Roos

Assistant Deputy Minister, External Services.....D.B. Mundy

General Director, Trade Commissioner Service.....H.M. Maddick

General Director, International Defence Programs
Branch.....D.H. Gilchrist

Assistant Deputy Minister, Trade and Industrial
Policy.....M. Schwarzmann

General Director, Office of General Relations.....M.G. Clark

General Director, Office of Area Relations.....T.M. Burns

General Director, Office of Industrial Policy
Adviser.....L.F. Drahotsky

General Director, Office of Economics and
Trade Analysis.....V.J. Macklin

General Director, Office of Tourism.....T.R.G. Fletcher

Assistant Deputy Minister, Administration.....A. Senecal

General Director, Personnel Branch.....E.J. Fitzpatrick

General Director, Financial Services Branch.....W.R. Teschke

Acting General Director, Program Analysis Branch...I. Craig

General Director, Professional and Administrative
Services Branch.....V.J. Walton

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

The Department of Industry, Trade and Commerce is responsible for the establishment, growth and efficiency of manufacturing, processing and tourist industries in Canada, together with the development of export trade and external trade policies.

It was established in 1969 as a result of the merger of the Departments of Industry and of Trade and Commerce.

Its organization emphasizes the essential relationship between industrial development and export promotion. The relationship becomes clear when two basic propositions are considered: first, to keep both domestic and foreign markets and to win new ones, Canada must competitively produce products that are in demand and, second to produce such products Canada needs both domestic and foreign markets to permit economies of scale and specialization.

There are five main functional groups within the Department: Trade and Industrial Policy, Office of Economics and Trade Analysis, Industry and Trade Development, Office of Tourism and Administration.

Trade and Industrial Policy

This group has responsibility within the department for export financing, external aid and participation in international organizations affecting trade; for negotiating and applying international trade and commodity agreements, and, generally, for the conduct of Canadian trade relations with other countries and the safeguarding and improvement of the terms of access for Canadian goods and services in export trade.

Additionally, it is concerned with all matters affecting industrial policy. Within this group there are three components: Office of Area Relations, Office of General Relations and Office of Industrial Policy Adviser.

Office of Area Relations has responsibility for policy studies and negotiations in the area of bilateral trade relations and for advice and assistance to Canadian exporters on foreign tariffs, customs and other regulations affecting trade abroad.

Office of General Relations is responsible for trade policy planning; relations with international organizations concerned with trade; providing advice on policy and procedures in external aid, export credits and other financing arrangements, and policy planning and negotiations of intergovernmental commodity agreements.

Office of Industrial Policy Adviser develops policy advice for the department and federal Government and initiates programs in areas affecting the growth, efficiency and competitiveness of Canadian industries in domestic and world markets...including industrial organization and financing, adjustment to changing conditions, manpower and labour relations and management practices.

Office of Economics and Trade Analysis

This component provides a continuing assessment of current and prospective economic changes abroad affecting Canadian trade; estimates of changes in the structure of industries and markets; analysis of capital investment in Canada and abroad, and economic research into industrial productivity and industry sector studies.

Industry and Trade Development

This group has responsibility for overall management and co-ordination of departmental operations in Canada and abroad as regards industrial and trade development; developing operational programs; consulting with other federal departments and provincial trade officials, and liaising with the Canadian business community and trade associations. Components in this grouping are: Operations, External Services, Office of Science and Technology, Office of Design Adviser and Office of Promotional Support Services.

The Operations component embraces the nine operating line branches and the program office of the department. Activities include the study of problems and opportunities in industry and product sectors; the direction of advisory services to manufacturers and exporters, and the formulation and implementation of assistance programs. The nine operational branches, organized along industry lines are:

Aerospace and Marine
Agriculture, Fisheries and Food Products
Apparel and Textiles
Chemicals
Electrical and Electronics
Machinery
Materials
Mechanical Transport
Wood Products

The branches perform five distinct but highly interdependent functions: study and analysis, program formulation, assistance program administration, trade development and service work.

External Services directs the implementation abroad of the Department's trade and industrial development programs; the collection of information on foreign economic, commercial, financial and technological conditions, and the provision of assistance and guidance in this regard to Canadian manufacturers and exporters and to Canadian government departments. As well, it directs the defence exports program and recommends policy changes in defence production sharing agreements with other governments. Its sub components are Trade Commissioner Service and International Defence Programs Branch.

Trade Commissioner Service promotes Canada's export trade and protects her commercial interests abroad. It acts as an export market consultant; secures market and credit information; brings foreign buyers in contact with Canadian sellers; recommends suitable agents, and supplies up-to-date information on export opportunities, terms of payment, tariffs, and import and exchange controls. It also maintains direct contact with individual companies.

International Defence Programs Branch explores opportunities for participation in foreign defence programs and identifies potential foreign government partners for specific Canadian industrial development programs and initiates negotiations necessary for the establishment of international agreements.

Office of Science and Technology identifies future technological trends and possibilities and formulates policies and programs to stimulate technical innovation in Canadian industry, develops such programs to the point where they may become part of the operating activities of the Department, and reviews the scientific aspects of departmental programs.

Office of the Design Adviser formulates and develops programs based on its own study and analysis and on recommendations of the National Design Council to promote design improvements in Canadian products; advises the federal government on promotion of good design and design awareness, and serves as a secretariat for the National Design Council.

Office of Promotional Services directs activities which support or supplement industrial and trade development programs of the operating branches. This includes providing specialist services in the areas of public relations and promotion; organizing, storing and disseminating company, industrial and commercial intelligence; and arranging for service to firms on all matters within the department's responsibility through regional offices in eight major Canadian centres. It also includes the planning, scheduling, developing and managing of trade fairs abroad and incoming and outgoing trade missions...methods of bringing buyers and sellers together.

Office of Tourism is responsible for directing the promotion of travel by foreign nationals to Canada and for studies and analysis of the Canadian travel industry. As well, it has responsibility for managing these sectors of the department concerned with planning and implementing policies and programs related to the promotion of travel to Canada, the co-ordination of Canada's total tourism effort abroad the promotion of travel by Canadians in Canada and the growth and development of the Canadian tourist industry.

INDUSTRIAL DEVELOPMENT PROGRAMS

Following are the industrial development programs managed by the department:

PROGRAM FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY
(PAIT)

The basic aim of this program is to help industry up-grade its technology and expand its innovation activity by under-writing specific development projects which involve a significant advance in technology and which, if successful, offer good prospects for commercial exploitation in civil markets. Support is normally provided for up to 50% of the cost of the development project. Assistance under the program is available to individual Canadian companies for development projects to be carried out and exploited in Canada.

More Detailed information on the program may be obtained in writing:

PAIT,
Department of Industry, Trade & Commerce,
Ottawa 4, Ontario,
Canada.

GENERAL ADJUSTMENT ASSISTANCE PROGRAM
(GAAP)

This program is designed to assist manufacturers in Canada to restructure their operations to either take advantage of an export opportunity arising out of the Kennedy Round Tariff Agreement or to improve their competitive position if they have been seriously injured or are threatened with serious injury as a result of Kennedy Round reductions in Canadian tariffs.

To be eligible, a firm must be a manufacturer in Canada, be affected by the Kennedy Round Tariff Agreement and be unable to obtain adequate financing on reasonable terms and conditions without Government insurance.

Assistance is made available in three forms. First, Government insurance against the risk of loss on loans approved by the General Adjustment Assistance Board and made by private lenders for the purpose of financing viable restructuring proposals. Secondly, direct government loans to those injured or threatened with injury and who cannot obtain the financing with Government insurance. Third, grants to eligible manufacturers to provide up to 50% of the cost of consulting services needed to develop an effective restructuring proposal.

Inquiries may be directed to the General Adjustment Assistance Board, Department of Industry, Trade & Commerce, Ottawa 4, Ontario.

INDUSTRIAL RESEARCH AND DEVELOPMENT

INCENTIVES ACT (IRDIA)

The Industrial Research and Development Incentives Act is to assist Canadian industry, to undertake new scientific research and development programs, expand existing ones, and provide well-equipped facilities for such work. The incentives are available to all taxable Canadian corporations.

Grants will equal 25 per cent of capital expenditures made by an applicant for scientific research and development carried out in Canada in the year, and 25 per cent of the increase in eligible current expenditures made by the applicant in Canada over the average of such expenditures in a base period consisting of the five immediately preceding years. Grants made under the Act are exempt from federal income tax and do not reduce the capital cost of assets for the purpose of claiming capital cost allowance under the Income Tax Act.

Complete information, including application forms, required to make an application for a grant under the Act may be obtained by writing to the IRDIA Program Office, Department of Industry, Trade and Commerce, Ottawa 4, Ontario, Canada.

AUTOMOTIVE ADJUSTMENT ASSISTANCE PROGRAM (AAA)

The Automotive Adjustment Assistance Program for the automotive parts industry was introduced by the Federal Government on June 28, 1965.

This program developed from the Canada-United States Automotive Agreement which provides for limited tariff-free trade in automobiles and automobile parts between the two countries. The Automotive Adjustment Assistance Program is designed to give assistance to firms desirous of taking advantage of the new opportunities provided by the Agreement, but which are unable to do so for lack of sufficient capital for expansion.

The Automotive Adjustment Assistance Program is administered by the Adjustment Assistance Board. The Board is authorized to make loans at a rate of interest which is the sum of the rate of interest charged to Crown Corporations for a similar term and two percentage points to enable eligible manufacturers of automotive parts, tooling manufacturers and suppliers of materials to expand or modernize existing facilities or to acquire new plant and equipment, and for working capital. Loans for lands and buildings may be repayable over a maximum 20 year period, while those for machinery and equipment are made for a period not to exceed 10 years.

TARIFF REMISSIONS

Firms engaged in the manufacture of automotive parts may apply for tariff remissions on imported machinery and equipment automotive parts, accessories and tooling when such machinery and equipment are not available from Canadian manufacturers in time to meet production schedules. They may also apply for remission of sales tax levied against such duty.

In order to obtain remissions of duties and sales tax, a firm must make an application to the Adjustment Assistance Board, which will examine each application to determine whether the machinery or equipment could have been obtained from Canadian producers within reasonable time.

Applications will be considered for machinery and equipment imported on or after August 1, 1965. Machinery and equipment imported before that date are eligible for consideration if they were for use initially in the production of 1967 model year requirements.

Inquiries regarding the Adjustment Assistance and Tariff Remission Programs should be made to the Secretary, Adjustment Assistance Board, Department of Industry, Trade and Commerce, Ottawa, Canada.

BUILDING EQUIPMENT, ACCESSORIES AND MATERIALS PROGRAM (BEAM)

The Building Equipment, Accessories and Materials Program has been established to help increase productivity and efficiency in the manufacture and use of building equipment, accessories and materials. The Department of Industry, Trade and Commerce in co-operation with industry advisory committee seek the following objectives:

- * Establishment of a construction information system to obtain, catalogue, keep up to date and transmit useful information about building products to manufacturers and users.
- * Adoption of modular co-ordination.
- * Industrialization of the building process by encouraging greater factory fabrication and pre-assembly of building materials and components.
- * Wider application of the National Building Code, more adequate standards and improved methods of assessing new products and systems.
- * Design improvements through awards programs, research, development and innovation.

For further information on the BEAM program write:
General Director, Materials Branch, Department of
Industry, Trade and Commerce, Ottawa 4, Ontario.

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM (DIP)

This program is designed to develop and sustain the technological capability of Canadian defence industry for the purpose of defence export sales or civil export sales arising from that capability. Costs of selected projects are shared by the Department and the Canadian firm concerned and, in some instances, by the governments of other NATO countries. Details are available from: Department of Industry, Trade and Commerce.

MACHINERY PROGRAM (MACH)

A key element in the Department's overall program of assisting industrial development is the Machinery Program. It entails a two-fold approach to encouraging the expansion and efficiency of Canadian manufacturing by (1) providing a reasonable measure of tariff protection to machinery manufacturers and (2) enabling users of machinery to obtain remission of duty on imported capital equipment which is not available from Canadian production. The program deals with all machinery and equipment imported under tariff item 42700-1, which covers the bulk of our machinery imports, approximately \$700 millions per annum. Annual remissions of duty under the program amounts to approximately \$45 millions.

An important supplementary benefit of the Machinery Program is that it provides detailed information on the kinds of machinery required by Canadian industry which are not available from Canadian production. This information is compiled by Machinery Branch for annual publication in the report "Machinery Program Analysis".

Applications for remission of duty under the program are assessed by the Machinery Branch and referred to the Machinery and Equipment Advisory Board which is responsible for advising the Minister as to their eligibility for remission. Applications and supplementary information are available at all Customs Ports, and from the Secretary, Machinery and Equipment Advisory Board, 112 Kent Street, Ottawa.

PHARMACEUTICAL INDUSTRY DEVELOPMENT ASSISTANCE (PIDA)

The Pharmaceutical Industry Development Assistance program, introduced in April 1968, is designed to help individual firms improve their competitive position in both domestic and export markets. Under PIDA, direct loans at commercial interest rates are available to companies, or groups of companies, which wish to develop their capabilities to manufacture and market prescription drugs at more competitive prices.

The program is administered by an Advisory Committee which reviews applications from companies. Each application should contain a comprehensive plan indicating how the company intends to reorganize, expand or develop its operations. The firms must have, or be able to acquire, the necessary technical and managerial skills in the areas of manufacturing, technology, marketing, research and development and general and financial management. They must also be in a position to show that they cannot obtain financing from other sources to achieve these objectives. The loans may be made for periods not to exceed twenty years for land and buildings, or ten years for any other purpose. Financing is also available to cover the cost of feasibility studies on a joint cost sharing basis.

Inquiries should be directed to

PIDA,
Chemicals Branch,
Department of Industry, Trade and Commerce,
Ottawa.

SHIP CONSTRUCTION SUBSIDY REGULATIONS (SCSR)

On January 1, 1966, a new schedule of subsidy payments on ship construction was inaugurated at a level of 25% for a period of three years.

Starting June 1, 1969, this rate will be reduced by 1/2% every three months until a subsidy level of 17% is reached for vessels completed on and after March 1, 1973.

The current rate of subsidy on steel fishing trawlers is 35%. On the introduction of the new subsidy rate, the Canadian content requirement in the administration of the subsidy has been withdrawn to enable the industry to take full advantage of the free entry provided under Canadian Tariff for various items used in ship construction. The accelerated depreciation of 33-1/3% straight line for ships built in Canada has been continued.

Section 20 of the Income Tax Act provides fiscal advantages to persons who build vessels in Canada; this provision remains in effect until the end of 1973.

REGIONAL OFFICES IN CANADA

St. John's, Newfoundland, Room 601,
Sir Humphrey Gilbert Building,
Duckworth Street

Regional Manager: B.E. Baker

Halifax, Nova Scotia, Sir John Thomson
Building, 1256 Barrington Street

Regional Manager: D.J. Packman

Montreal 128, Quebec, Floor 17,
Commerce House, 1080 Beaver Hall Hill

Regional Manager: J.G. Touchette

Toronto 1, Ontario, Suite 3001, P.O. Box 114,
Toronto-Dominion Centre

Regional Manager: R. Campbell Smith

Winnipeg 1, Manitoba, Room 521,
269 Main Street

Regional Manager: G.A. Gillespie

Regina, Saskatchewan, Suite 651,
Saskatchewan Wheat Pool Building,
2625 Victoria Avenue

Regional Manager: G.A. Cooper

Edmonton 15, Alberta, 802 Chancery Hall,
3 Sir Winston Churchill Square

Regional Manager: W. Mackenzie Hall

Vancouver 1, British Columbia,
2003 Board of Trade Tower,
1177 West Hastings Street

Regional Manager: J.F. Murray

Publications Available From Department

A few of the publications available are:

- | | |
|---|--|
| Doing Business in Canada | - a series of 10 publications covering a wide range of subjects of interest to the Canadian businessman |
| Financing Canadian Industry | - a list of sources of government loans |
| Federal Services for Business | - a compilation of services available from federal government departments and agencies |
| Industry, Trade and Commerce
At Your Service | - a resume of services provided to the business community by this department |
| Airports for Export From Canada | - a comprehensive catalogue of Canadian expertise |
| Canada in the World of Electronics | - a ready reference to nearly 200 Canadian electronics companies experienced in serving world markets |
| How to Win World Markets | - a manual of exporting techniques available by mail from the Queen's Printer Ottawa and at Canadian Government bookstores in Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver... in a paperback edition at \$2.50 and with hard cover at \$4.50 |

AND

pamphlets, booklets, brochures and reports on Canadian industrial development programs, Canadian commodities, surveys, symposia, technical missions and conference proceedings. Requests for copies should be sent to: Production Planning; Publicity Branch; Department of Industry, Trade and Commerce; Ottawa; Canada.