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1987/88

Consumer and
Corporate Affairs
Canada

Year-end
March 31, 1988





Consumer and
Corporate Affairs Canada

Consommation
et Corporations Canada

Hon. Harvie Andre
Minister

L'hon. Harvie Andre
Ministre

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Canada

Erratum

Annual Report
Consumer and Corporate Affairs Canada
Year-end March 31, 1988

Please use this table to replace
the "Subject Matter of Invention"
table on page 21.

Subject Matter of Invention*	% of Total Patents Issued 1987	Number of Patents Issued 1987
Human Necessities		
Agriculture	1.9	282
Foodstuffs and Tobacco	1.9	282
Personal and Domestic Articles	2.6	386
Health and Amusement	5.8	861
Performing Operations		
Separating and Mixing	3.7	550
Shaping	7.5	1 114
Printing	1.5	223
Transporting	8.6	1 277
Chemistry and Metallurgy		
Chemistry	20.0	2 970
Metallurgy	3.3	490
Textiles and Paper		
Textiles and Flexible Materials not otherwise provided for	1.1	163
Paper	0.7	104
Fixed Constructions		
Building	3.3	490
Mining	2.3	342
Mechanical Engineering, Lighting, Heating, Weapons, Blasting		
Engines and Pumps	2.2	327
Engineering in general	3.8	565
Lighting and Heating	2.9	430
Weapons, Blasting	0.4	59
Physics		
Instruments	13.1	1 945
Nucleonics	0.4	60
Electricity		
Electricity	13.0	1 930
Total	100.0	14 850

*Based on calendar year

Erratum

Rapport annuel
Consommation et Corporations Canada
Exercice clos le 31 mars 1988

Veuillez remplacer le tableau
intitulé "Objets de l'invention",
de la page 22, par le tableau
suivant.

Objet de l'invention*	% du nombre total de brevets délivrés 1987	Nombre de brevets délivrés 1987
Nécessités humaines		
Agriculture	1,9	282
Denrées alimentaires et tabac	1,9	282
Articles d'usage personnel et domestiques	2,6	386
Santé et divertissements	5,8	861
Opérations industrielles		
Séparation et mélange	3,7	550
Façonnage	7,5	1 114
Impression	1,5	223
Transport	8,6	1 277
Chimie et métallurgie		
Chimie	20,0	2 970
Métallurgie	3,3	490
Textiles et papier		
Produits textiles et matériaux souples non précisés ailleurs	1,1	163
Papier	0,7	104
Constructions fixes		
Bâtiments	3,3	490
Exploitation minière	2,3	342
Construction mécanique, éclairage, chauffage, armes, explosifs		
Moteurs et pompes	2,2	327
Génie en général	3,8	565
Éclairage et chauffage	2,9	430
Armes, explosifs	0,4	59
Physique		
Instruments	13,1	1 945
Physique nucléaire	0,4	60
Électricité		
Électricité	13,0	1 930
Total	100,0	14 850

*Année civile

Minister
of Consumer
and Corporate Affairs



Ministre
de la Consommation
et des Corporations

Annual Report
Department of Consumer and Corporate Affairs
For the fiscal year ended March 31, 1988
Submitted under the provisions of the
Department of Consumer and Corporate Affairs Act

To Her Excellency the Right Honourable Jeanne Sauvé
P.C., C.C., C.M.M., C.D.,
Governor-General and Commander-in-Chief of Canada

May it Please Your Excellency:

The undersigned has the honour to present to Your
Excellency the Annual Report of the Department of Consumer
and Corporate Affairs for the fiscal year ended March 31,
1988.

A handwritten signature in dark ink, appearing to read "Harvie Andre".

Harvie Andre
Minister of Consumer and
Corporate Affairs

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Overview of the 1987-88 Fiscal Year

In October 1987 Consumer and Corporate Affairs Canada celebrated its 20th year of operation. Appropriately, it was during this year that the Department decided to take a good hard look at itself, and after reassessment and review, the Minister and the Department's senior managers agreed on a redefined set of priorities to help guide CCAC through its next decade and beyond.

In essence, what was developed was a revised mission for the Department. This found expression in a Mission Statement, designed to reflect both the Department's evolving legislative mandate and the Government's priorities.

Our Mission Statement: The principal role of Consumer and Corporate Affairs is to promote the fair and efficient operation of the marketplace in Canada by:

- establishing and administering rules and guidelines for business conduct,
- making sure information is accurate so that consumers can make informed choices,
- maintaining and encouraging competition among businesses,
- establishing, administering and enforcing standards for trade in commodities and services,
- providing protection from product-related hazards,
- encouraging the disclosure and diffusion of technological information.

The year was also a busy one for the Department in the legislative arena. Two major Bills received Royal Assent. The first, Bill C-70, An Act to Amend the Hazardous Products Act, created the Workplace Hazardous Materials Information System, or WHMIS, a program aimed at identifying and monitoring hazardous materials for the protection of Canadian workers. The other was Bill C-22, An Act to Amend the Patent Act, which paved the way for long-needed changes to Canada's patent system.

At the same time, a number of other legislative proposals were prepared during the year, some of which were introduced into the House of Commons. These included Bill C-60, An Act to Amend the Copyright Act (jointly sponsored by the Ministers of Communications and Consumer and Corporate Affairs), and Bill C-82, which proposes a registration system for paid lobbyists in Canada.

The Department continued to place strong emphasis on the process of consultation. In December 1987, for instance, the Minister chaired the first Consumer Policy Forum, bringing together a number of opinion leaders from business, the academic community and voluntary organizations to examine the future direction of consumer policy in Canada. And in February at a meeting of federal, provincial and territorial ministers of consumer affairs, the Minister tabled for consideration a draft set of principles for the marketplace. The Director of Investigation and Research established a Consultative Forum in order to obtain the assistance of the business community, the legal profession, academics and consumer groups in the development of a public education and compliance program relating to the administration of the Competition Act. The year also saw a restructuring of the Bureau of Competition Policy so that the provisions of the new Competition Act could be implemented more effectively.

The department provided extensive technical support in the negotiation of the Canada-U.S. Free Trade Agreement. In January it released an assessment of the impact of the agreement on Canadian consumers.

And finally, as part of its 20th anniversary, the Department took the opportunity to launch *New Rapport*, an internal employee publication designed to improve and strengthen communications at headquarters and in the five regions.

1967

1987

March 31, 1988

Consumer and Corporate Affairs Canada
Place du Portage 1
50 Victoria Street
Hull, Quebec

Mailing Address
Ottawa, Ontario
K1A 0C9

Minister of Consumer and Corporate Affairs Canada Parliamentary Secretary	The Honourable Harvie Andre Lise Bourgault
Deputy Minister Departmental Secretary	Ian D. Clark Suzanne Ouellet
Bureau of Competition Policy Director of Investigation and Research	Calvin S. Goldman
Bureau of Consumer Affairs Assistant Deputy Minister	Wendy F. Porteous
Bureau of Corporate Affairs Assistant Deputy Minister	Roger Gagnon
Bureau of Policy Coordination Assistant Deputy Minister	Mel Cappe
Office of the Assistant Deputy Registrar General of Canada Assistant Deputy Registrar General	Jean-Pierre Kingsley
Finance and Administration Directorate Director General	Harry McIlroy
Personnel Directorate Director General	Ann Midgley
Legal Branch A/Senior General Counsel	Michael Dambrot

Bureau of Competition Policy

Budget: \$17 277 000

Expenditures: \$17 086 000

Revenue: \$1 265 000

Person-Years: 253

Director of Investigation and Research (the Director):

Calvin S. Goldman (997-3301)

Howard Wetston, Senior Deputy Director of
Investigation and Research (994-1860)

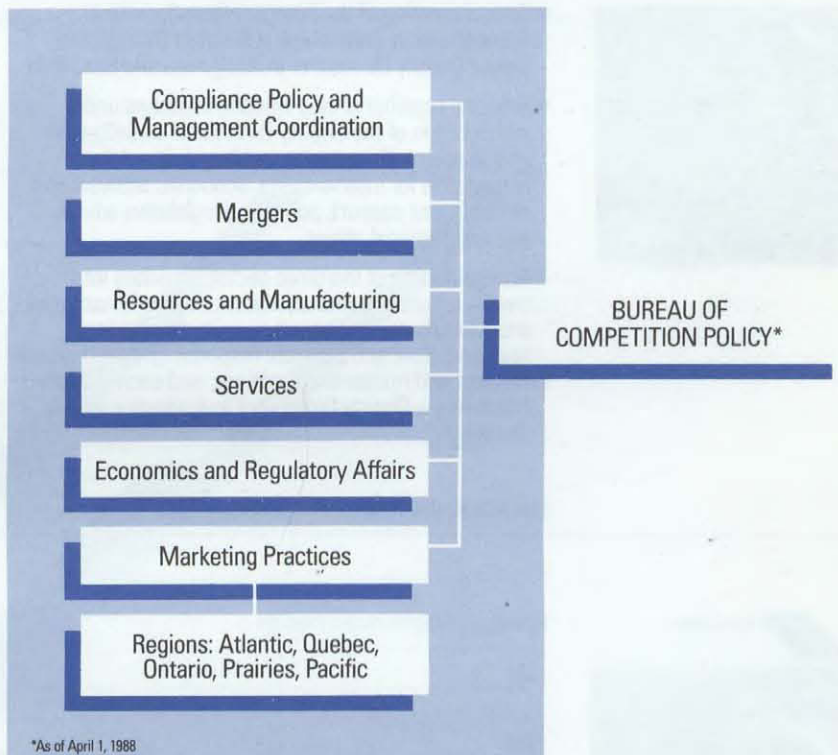
The Bureau enforces rules that govern, and promotes policies that improve the efficiency and fairness of, a competitive and dynamic Canadian marketplace. Its chief instrument in carrying out these functions is the Competition Act.

The Director of Investigation and Research conducts examinations and inquiries into possible contraventions of the Competition Act. These could range from combinations in restraint of trade such as price fixing, to misleading advertising. The Director may refer the results of inquiries into prohibited practices to the Attorney General of Canada, who determines if charges should be laid.

In addition, certain transactions and trade practices are reviewable under the Act. Mergers, abuses of dominant position, delivered pricing and refusal to deal are among the reviewable matters in respect of which the Director may apply to the Competition Tribunal for a remedial order.

The Director is also authorized to make representations before federal and provincial boards, commissions or other tribunals. His aim in this instance is to make sure the boards, commissions or tribunals are aware of the effects that matters being heard before them might have on competition.

The reform of Canada's competition legislation was substantially completed on June 19, 1986, when the Competition Act and the Competition Tribunal Act were proclaimed in force. The final stage in the legislative reform process took place on July 15, 1987, when the prenotification provisions contained in Part VIII of the Competition Act came into force. These provisions require prenotification to the Director of all merger proposals that exceed certain size thresholds.



To meet the increased demands placed upon the Bureau by the new legislation, a proposal for a new organization and management structure was developed and approved by Treasury Board during the year. The reorganization takes effect April 1, 1988. It results in the following:

- An increase in the number of Deputy Directors of Investigation and Research with direct lines of responsibility for the operation of specific branches.
- The establishment of a new position of Senior Deputy Director of Investigation and Research who, among other things, will ordinarily be the person to assume the responsibilities of the Director of Investigation and Research in the latter's absence.



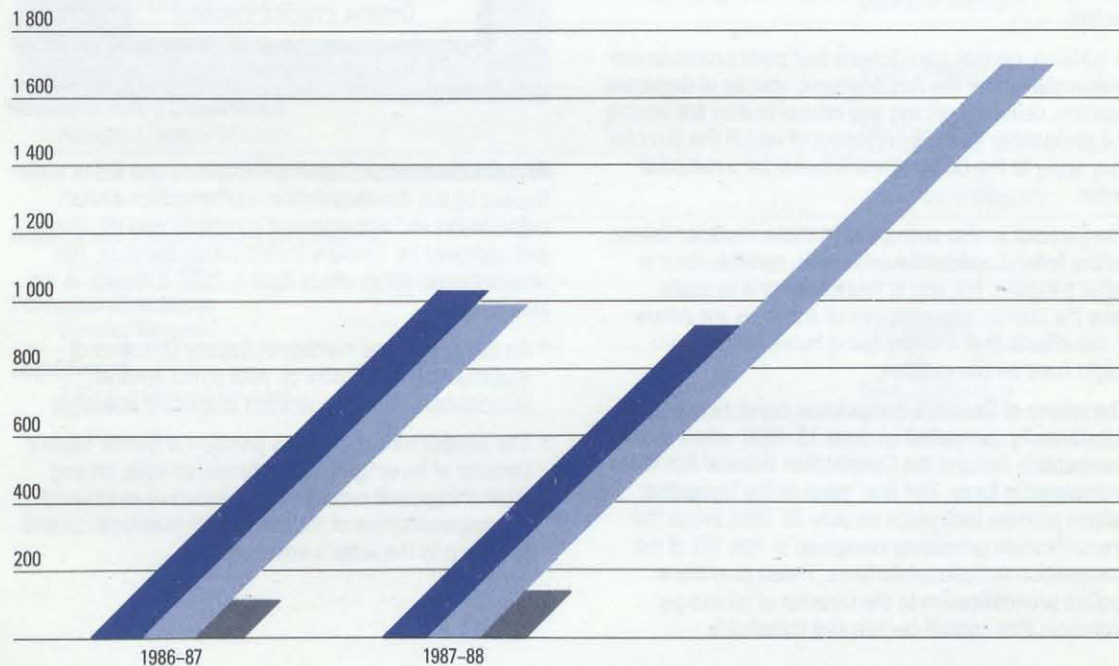


- Formal creation of the Mergers Branch, with a Prenotification Unit, which will report through the Senior Deputy Director of Investigation and Research.
- Bringing together of two existing branches under the direction of the Deputy Director of Investigation and Research (Economics and Regulatory Affairs) responsible for interventions, economic analysis and enforcement support, policy and legislative advice, and international affairs.
- Reorganization of the three sector Branches into two — a Services Branch and a combined Resources and Manufacturing Branch — with the divisions assigned clear and separate responsibility for criminal matters and reviewable practices, and each Branch headed by a Deputy Director of Investigation and Research.
- Creation of a new Compliance and Coordination Branch responsible for developing and co-ordinating, among other things, new compliance strategy initiatives, information programs, and briefing co-ordination. The Management Systems and Services Branch will have additional responsibilities for informatics and operational review. These two Branches report through the Director General (Compliance Policy and Management Coordination).
- Continuation of the Marketing Practices Branch with its network of field offices. This Branch reports to the Deputy Director of Investigation and Research (Marketing Practices).

Service to the Public

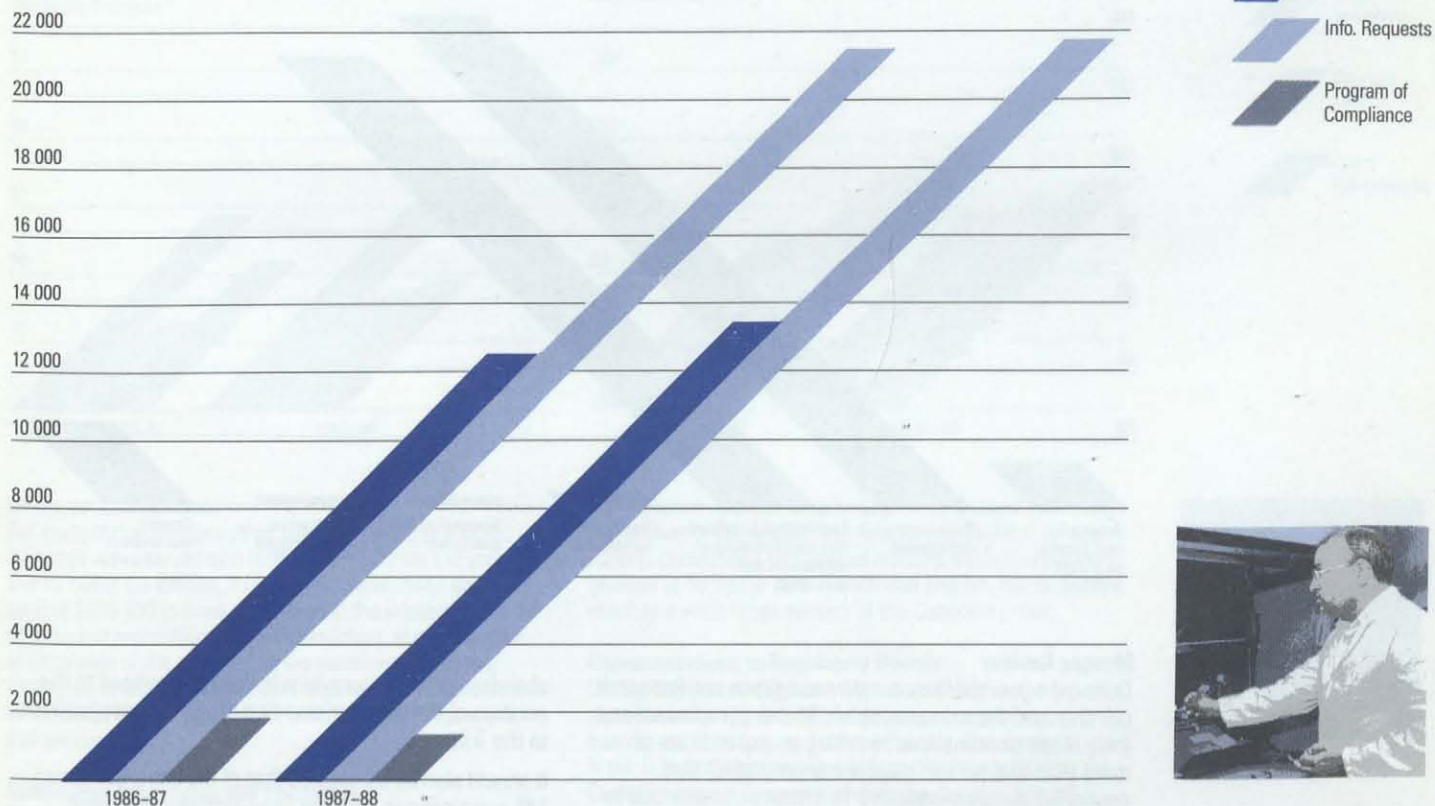
- Complaints
- Info. Requests
- Program of Compliance

Bureau, excluding Marketing Practices



Service to the Public

Marketing Practices



To better inform the public about the new legislation and to make its implementation easier, during 1987-88 the Director and senior officials of the Bureau spoke to more than 30 interested groups across Canada, explaining its provisions and how they would be enforced.

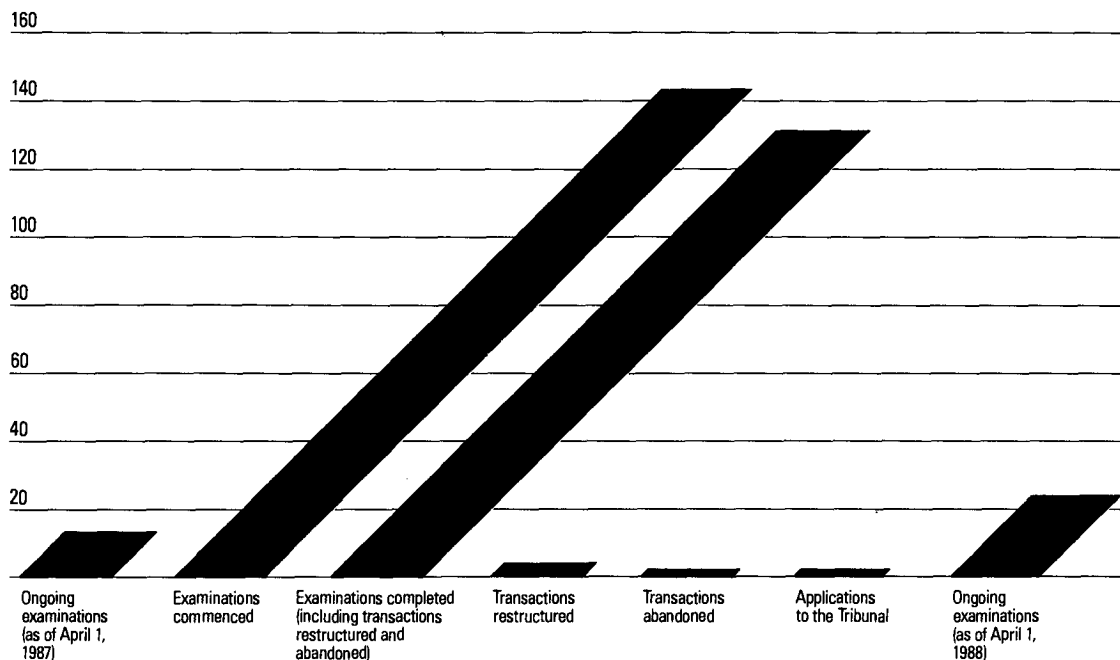
In view of the greater emphasis placed on non-criminal remedies in the new Competition Act, and the increased need to use resources more effectively, the Bureau has enhanced its existing programs for providing information to the public and encouraging voluntary compliance with the law. In addition, the Director has encouraged

greater use of the Program of Advisory Opinions, which for several years has enabled business people to submit their business plans to the Director for an opinion on whether their proposals would contravene competition law. The Director also began to make greater use of alternative compliance measures such as consent prohibition orders in appropriate criminal cases.

The accompanying tables and charts illustrate the level of various activities during the year and the extent of the Bureau's service to the public.



Merger Activity



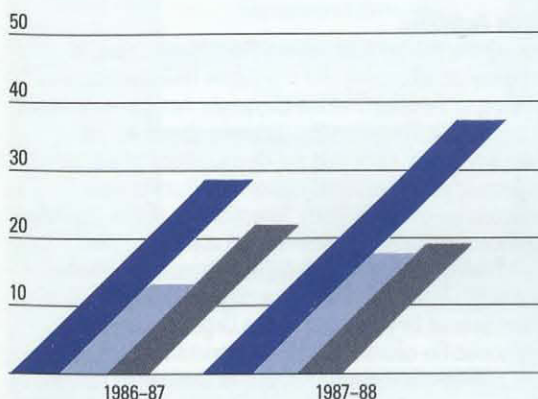
Merger Review

During the year the Director of Investigation and Research commenced the examination of 146 merger transactions (only those examinations requiring an expenditure of more than two person-days are enumerated) and continued his examination of 14 matters commenced in the previous year. Of these mergers examined during the year four were restructured (primarily through divestitures or undertakings to divest) in order to address Competition Act concerns, two were

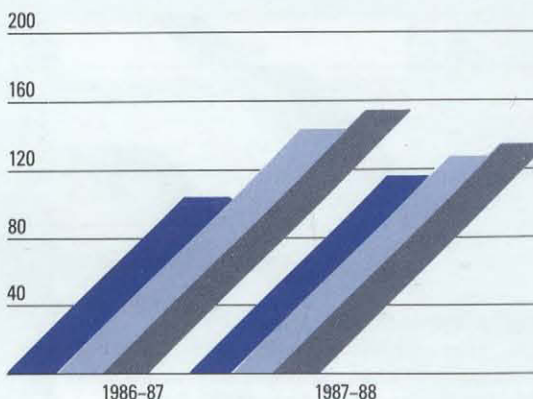
abandoned (for reasons in whole or part related to the position of the Director) and two resulted in applications to the Tribunal.

It should also be mentioned that of the aforementioned 146 examinations, 65 have involved prenotifications received since July 15, 1987, the date on which the notifiable transactions provisions came into force.

Prosecution Activity

Bureau, excluding
Marketing Practices

Marketing Practices



Offences: Competition

For competition matters other than marketing practices, 57 cases were considered by the courts during the year. Of the 19 cases concluded, 7 resulted in convictions and a total of \$686 100 in fines, 4 resulted in the imposition of orders of prohibition without conviction, and 8 resulted in acquittals of the accused. In the remaining 38 cases, total fines of \$880 000 were outstanding in 5 matters that were either under appeal or for which proceedings were still pending.

Misleading Advertising and Deceptive Marketing Practices

Klaus Decker, Deputy Director of Investigation and Research (Marketing Practices) (997-1231)

These practices form an important enforcement activity for the Bureau, with a high level of public awareness. In 1987-88 there were 245 cases relating to misleading advertising and deceptive marketing practices brought before the courts: 131 cases were concluded, of which 84 resulted in convictions and 47 in acquittals or other conclusions. Fines totalled \$661 500; of the 114 cases still before the courts, outstanding fines were \$172 850 in 10 cases.

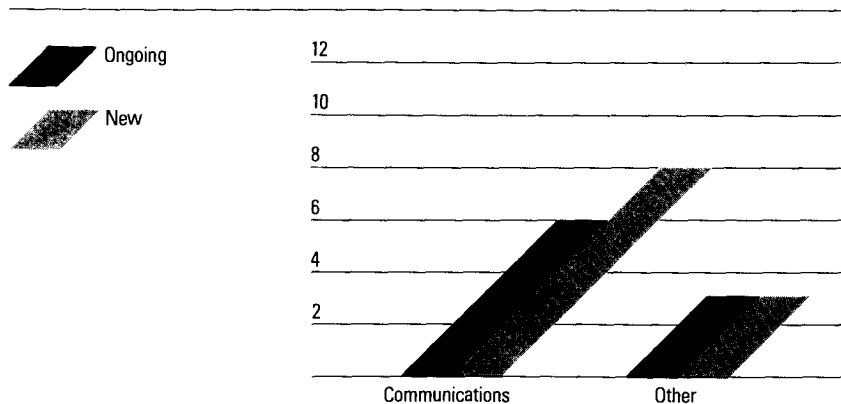
To enhance public awareness, the Bureau continued publication of the *Misleading Advertising Bulletin*, which reports convictions and related matters. With a circulation of close to 13 000 in both French and English, the *Bulletin* reaches a wide cross section of the Canadian public.

Representations to Regulatory Boards

During the year the Director appeared before or made representations to federal and provincial regulatory boards, commissions and other tribunals. One example is the Director's intervention before the inquiry held by the Canadian Import Tribunal to determine the question of injurious dumping of cars by Hyundai. The Director emphasized to members of the Tribunal the importance of maintaining and encouraging competition in Canada's automobile industry, including foreign competition. The statement of reasons given for the no injury finding shows that the Tribunal accepted many arguments put forward by the Director's counsel. The following table shows the major sectors to which such representations related.



Representations



Applications to the Competition Tribunal

Both of the applications the Director brought before the Competition Tribunal challenged acquisitions under the merger provisions of the Competition Act.

The application relating to the acquisition by Sanimal Industries Inc. (which owns Alex Couture Inc.) of the Quebec-based waste rendering firms Lomex Inc. and Paul & Eddy Inc. was filed June 18, 1987. The hearing of this application has been stayed pending the outcome of proceedings brought to challenge the constitutionality of the Competition Act.

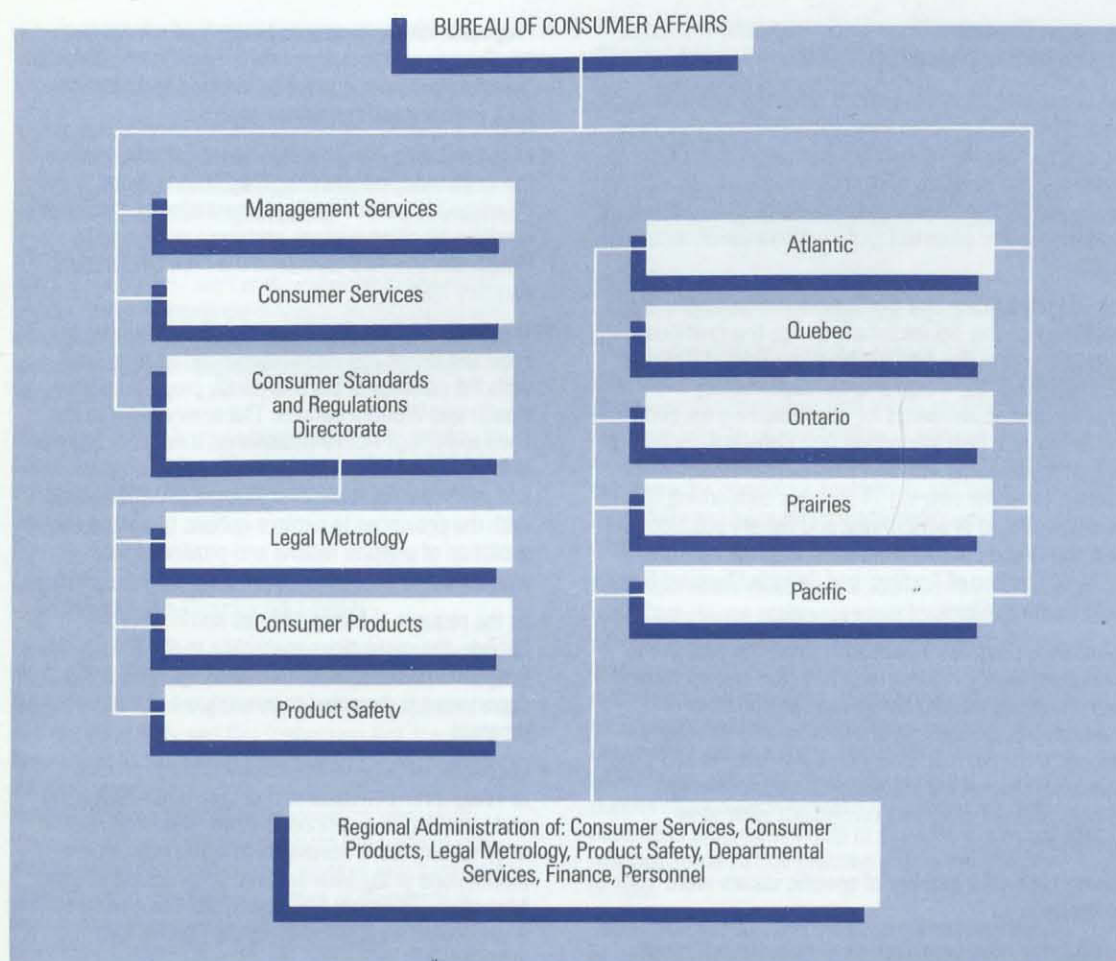
On March 3, 1988, the Director filed an application with the Tribunal regarding the merger of the Reservec (Air Canada) and Pegasus (Canadian Airlines International) computer reservation systems. At the close of the fiscal year, no date had been set for the hearing of this matter.

Other Activities

During the year, officers in the Bureau participated in policy development and legislative revision activities relating to the reform of the Copyright Act, the enactment of legislation to replace the Shipping Conferences Exemption Act, 1979, and the development of legislation to protect plant breeders' rights. The Bureau also provided input to the Trade Negotiations Office regarding various competition policy-related matters in the Canada-U.S. bilateral trade negotiations. The Director and members of the Bureau also participated in international forums such as the Organization for Economic Co-operation and Development Committee on Competition Law and Policy and the United Nations Conference on Trade and Development Intergovernmental Group of Experts on Restrictive Business Practices.

More detailed information on the Bureau's activities may be found in the Annual Report published by the Director of Investigation and Research.

Bureau of Consumer Affairs



Budget: \$55 942 000

Expenditures: \$55 096 000

Revenue: \$7 338 000

Person-Years: 991

Assistant Deputy Minister:
Wendy F. Porteous (997-2862)

The Bureau promotes a safe, orderly and fair marketplace for both traders and consumers. In consultation with other government departments and agencies, the private and voluntary sectors, it establishes and enforces regulations and administers a number of voluntary programs to protect the interests of consumers in the Canadian marketplace. At the same time, the activities of the Bureau make sure products are identified through both accurate information and fair competition and ensure that goods are measured for sale accurately and fairly.

The Bureau also ensures that inherently dangerous products are identified, and that those that can cause injury or death are, under certain circumstances, removed from the marketplace. Through inspection, trader education, and enforcement, the Bureau oversees marketplace practices and takes corrective action where the interests of both business people and consumers could be jeopardized.

Consumer Standards and Regulations Directorate Andy Molino, Director General (953-4186)

The Consumer Standards and Regulations Directorate was created in 1986. Its Director General is accountable for the overall direction of three branches within the Bureau of Consumer Affairs: Consumer Products, Legal Metrology and Product Safety. The Director General is also accountable for managerial direction to regional programs in the five regions.





Consumer Products

Ralph McKay, Director (997-1548)

The Consumer Products Branch identifies, controls and prevents product misrepresentation in the marketplace, and makes sure that accurate information is available to help consumers in their choice of products. It is therefore concerned with the packaging, labelling, quality, quantity, composition and advertising of a wide range of consumer goods.

The Branch administers the Consumer Packaging and Labelling Act, the Textile Labelling Act, the Precious Metals Marking Act, and the National Trade Mark and True Labelling Act. It also shares responsibility with other federal departments for administering the Food and Drugs Act, Fish Inspection Act, Canada Agricultural Products Standards Act, and with all provinces except Quebec, for administering 21 statutes concerning the grading and sale of agricultural and fishery products. As well, the Branch administers such voluntary programs as Care Labelling of Textiles, and Canada Standard Size (CSS) Garment Sizing.

Substantial progress was made during the year in the area of regulatory review, with both the start of several new initiatives and the completion of a number of amendments to regulations under various acts administered by the Branch. There was also extensive interdepartmental consultation to ensure effective co-ordination of programs carried out with other Government departments.

During 1987-88 a number of specific issues were addressed:

- Following extensive liaison with consumer groups, industry and international governments and associations, a regulatory proposal was developed for labelling irradiated foods. This proposal formed the basis for the labelling aspects of the Government's response to the report of the Standing Committee of Consumer and Corporate Affairs on food irradiation.
- A memorandum of understanding was finalized and an operational protocol implemented concerning the enforcement by Agriculture Canada on behalf of Consumer and Corporate Affairs of the regulations under the Food and Drugs Act, and the Consumer Packaging and Labelling Act in registered agricultural plants.
- Proposals for modifications to the food advertising preclearance program applicable to radio and television commercials were developed in close consultation with industry and consumer groups.
- In concert with Health and Welfare Canada, amendments to the Food and Drug Regulations were developed to permit the implementation of a voluntary nutrition labelling system, and were published by Health and Welfare Canada in the Canada Gazette in January 1988.
- The federal food compositional standards under the Food and Drugs Act were revalidated in June 1987 with the passage of Bill S-6, jointly prepared with Health and Welfare Canada. The amendment to the Food and Drugs Act re-establishes a national system of federal food standards applicable to interprovincial and international trade. Discussions have been held with the provinces to explore options to ensure the evolution of uniform federal and provincial food standards.
- At the request of Energy, Mines and Resources Canada, the regulations pertaining to the Energuide Program will continue until March 31, 1990, when that department is expected to announce a replacement program.
- In concert with Legal Metrology Branch, revisions to Weights and Measures and Consumer Packaging and Labelling Regulations on product quantity assurance testing were developed to agree with recommendations of the International Organization of Legal Metrology. This new Average System of measurement is scheduled for publication in the Canada Gazette in 1988.

Other regulatory reform initiatives:

- finalization of an amendment to the Textile Labelling and Advertising Regulations to increase fees from \$50 to \$100 for registration of dealer identification numbers;
- amendments to the Textile Labelling and Advertising Regulations to provide flexibility to industry for the labelling of specific fabrics and clarify technical requirements for fibre identity;
- amendments to the National Trade Mark Garment Sizing Regulations to further promote and facilitate the use of the Canada Standard Sizing Program;

- consultation with interested groups concerning a regulatory proposal respecting the declaration of country of origin on wine labels;
- prepublication of an amendment to the Food and Drug Regulations to improve and clarify the durability dating requirements for prepackaged foods in the Canada Gazette in August 1987.

During 1987-88 approximately 30 000 inspections were carried out by field staff at the manufacturing, retail, import and wholesale trade levels, 24 000 labels and advertisements were reviewed, and 88 000 complaints and enquiries from industry and consumers were handled.

Roughly 120 000 business establishments trading in consumer products with an annual value of \$50 billion are affected by the legislation administered by the Branch.

Legal Metrology

Richard Knapp, Director (952-0652)

The Legal Metrology Branch regulates the measurement aspects of commercial trade as defined in various federal acts, including the Weights and Measures Act and the Electricity and Gas Inspection Act. It establishes specifications for and approves weighing and measuring devices, electricity meters and natural gas meters used in trade. It also undertakes to minimize inaccurate measurement and ensure equity in the trade of commodities and services; defines units of measure; and calibrates and maintains a system of standards of measurement for mass, volume, length, time and electricity. During 1987-88, 121 electricity and gas devices and 349 weighing and measuring devices were approved for use in trade, and more than 2 800 inspection standards were calibrated and certified at the Headquarters laboratory.

Electricity and Gas: Using statistical sampling, field staff verified 2.5 million meters at utilities and manufacturers. Some 138 000 meters were found to be out of tolerance, and corrective action was taken. More than 15 000 on-site inspections of commercial and industrial metering installations were conducted, revealing \$20 million worth of measurement inequity. Approximately 26 000 complaints and enquiries were handled, with about 8 000 dispute investigations and meter tests carried out to resolve differences between buyer and seller.

Weights and Measures: Field staff conducted some 252 000 device inspections to verify accuracy and compliance with legislation. Of these, approximately 43 000 were found to be out of tolerance and corrective action was taken. More than 42 000 standards used in inspection work were calibrated and certified. Inspectors also visited some 3 500 establishments to inspect packages of various commodities for quantity verification.

Product Safety

André Lachance, Director (997-1670)

The Product Safety Branch develops and enforces regulations concerning the safety of consumer products and promotes consumer and trader understanding of issues related to product safety. It administers and enforces the Hazardous Products Act, promotes voluntary programs for consumer protection, and tests potentially hazardous products for characteristics such as flammability and chemical composition.

Field staff made more than 7 000 inspections during the year. Compliance programs were focussed on glazed ceramics, toys and hazardous household chemicals. Information programs to promote consumer awareness and reduce the incidence of accidents continued to be an important activity. Much of this information was conveyed through information booths, mall displays, safety films and pamphlets. The Binkly and Doinkel puppet show, which explains the significance of hazardous product symbols to primary school children, reached some 28 000 children during the summer of 1987.

Legislation to establish the Workplace Hazardous Materials Information System (WHMIS) was passed in June 1987 with an implementation date of October 31, 1988. This major project involving the co-operation of federal government departments, provincial and territorial governments, industry and organized labour will reduce the incidence of illnesses and injuries resulting from the use of hazardous materials in the workplace. A Hazardous Materials Information Review Commission is being established to review and validate information regarded as confidential by business.

A voluntary agreement was reached with the soft drink industry to increase public awareness of the hazards of family-size glass bottles through labelling and an advertising campaign. More stringent standards for reused bottles are also being developed.



Regulations requiring tents to carry a warning label regarding their flammability were promulgated in January 1988.

The program for self-regulation by the furniture industry to make new upholstered furniture more resistant to ignition by cigarettes progressed well. The program includes a voluntary label to warn the public about the flammability of upholstered furniture. By March 1988 more than 70 manufacturers who produce more than 80 percent of upholstered furniture in Canada, almost all component suppliers, and six major retailers subscribed to the program.

The new regulations governing the flammability of children's sleepwear were implemented on September 30, 1987, and a market survey was immediately undertaken to ensure product compliance. The information campaign designed to increase public awareness of the flammability hazards of these and other products continued in 1987/88.

Consumer Services

Maureen Wadsworth, Director (997-1203)

Consumer Services promotes and protects the interests of Canadian consumers. Working with business, voluntary and public sectors, it identifies and addresses issues that affect consumers across the country.

During the year Branch staff prepared a comprehensive warning bulletin on the continuing problem of bogus travel packages. It organized a meeting involving the Minister and business and consumer leaders to discuss the consumer protection framework in Canada. It

monitored the effectiveness of motor vehicle arbitration as a remedy to resolve consumer problems associated with motor vehicle warranties and repairs covered by insurance. It met with major financial institutions and sought changes in current banking practices linked to bank account service charges and fees and electronic banking. It undertook specific activity to involve private sector organizations in encouraging consumers to protect themselves from telemarketing and credit card fraud.

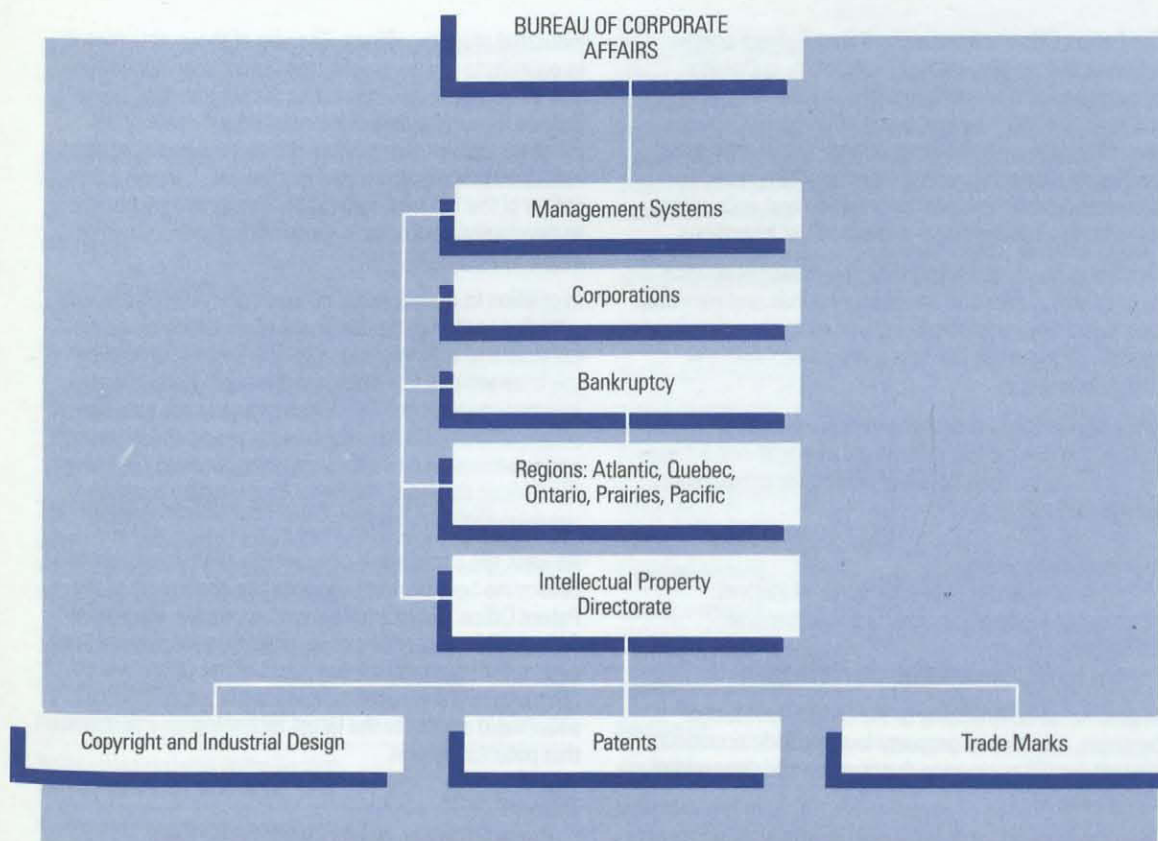
The Branch continued to administer the Tax Rebate Discounting Act. In 1987 about 880 000 Canadians sold the right to their income tax refunds to tax discounting firms with a total value of \$605 million. Detailed information was distributed to discounting firms and their associations through a new procedures manual and information letters.

Staff continued to promote the consumer interest in government programs within other federal government departments, and participated in federal/provincial working groups on extended warranties and charitable solicitations. Branch staff collaborated with other bureaus of the Department on consumer policy initiatives and the impact of free trade on consumers.

The Branch administered a grants and contributions program to help non-profit consumer and voluntary organizations address issues arising in the marketplace and affecting consumers across the country. During the year, 11 organizations received financial assistance to carry out 24 projects to address consumer issues. A list of these organizations is available on request.



Bureau of Corporate Affairs



Budget:	\$58 036 000
Expenditures:	\$57 617 000
Revenue:	\$52 823 000
Person-Years:	574

Assistant Deputy Minister:
Roger Gagnon (997-3342)

The Bureau of Corporate Affairs provides a regulatory framework for the business community in Canada. This framework is intended to help ensure the orderly conduct of business across the country, to encourage economic development, and to promote creativity, innovation and the exploitation of technology.

Forming this regulatory framework are several key pieces of legislation administered by the Bureau. These include the Bankruptcy Act, Canada Corporations Act, Canada Business Corporations Act, and acts governing patents, copyright, trade marks and industrial designs.

The Canada Business Corporations Act, for example, governs all federal business corporations, except for financial intermediaries, and provides a format for good corporate administration as well as protecting the investor.

The Bureau itself consists of the Bankruptcy Branch, the Corporations Branch, and the Intellectual Property Directorate, which comprises the Patent Office, the Trade Marks Office and the Copyright and Industrial Design Office.

The Patent Office increasingly makes a direct contribution to the development of technology in Canada by raising public awareness of the wealth of scientific and technical information, much of it originating from abroad, contained in its files. Indeed, a primary role of the Patent Office in granting patents is to acquire and disseminate technological information and encourage the creation, adoption and exploitation of inventions.

The Trade Marks Office provides an essential service by helping the consumer to identify goods and services, thus preventing confusion in the marketplace. Approximately 13 000 trade marks are registered with the Office each year.

Other services of value to the literary, artistic or musical creator are carried out under the Copyright Act, whose revision continued to be a key priority for consultation during 1987-88.

Intellectual Property

J.H. André Gariépy, Commissioner of Patents,
Registrar of Trade Marks and Director General
(997-4418)

Mart Leesti, Executive Director (997-1057)

In addition to contributing to the orderly conduct of business, intellectual property laws provide economic incentives that encourage the creation and dissemination of new ideas.

One of the important activities of the Intellectual Property Directorate is the Patent Information Exploitation (PIE) Program. The Program is designed to inform and assist Canadians interested in patented technologies developed both in Canada and abroad.

During the year the Directorate finalized the nation-wide network of intermediary organizations providing clients with convenient access to PIE Program Services. Agreements were signed with 50 intermediaries, including provincial research organizations, innovation centres, centres of technological excellence, and various federal and provincial agencies. Two patent advisors located in the offices of the Centre de recherche industrielle du Québec and the Centre d'innovation industrielle de Montréal provide assistance to those seeking information in the Quebec region. Plans are underway to provide similar assistance in the Pacific region and in the Toronto area.

The Directorate continued to co-operate internationally in industrial property matters, both multilaterally with international bodies such as the World Intellectual Property Organization, and bilaterally with other

industrial property offices. The aim of these activities is to contribute to and benefit from international initiatives in areas of particular interest to the Directorate. These include the use of patent information for commercial purposes, patent automation, the enhancement of global industrial property laws and regulations, Canadian ratification of the Patent Cooperation Treaty, and assistance to developing countries in modernizing their industrial property systems.

In relation to development co-operation, assistance was provided to the Malaysian Trade Mark Office on administrative and automation matters. A project, funded by the International Development Research Centre, was initiated to assist the Caribbean region in the diffusion of patent information for industrial purposes. Patent search and examination assistance on an application filed with the African Regional Industrial Property Organization continued to be furnished.

As well, the Directorate completed a planning study to determine how best to automate the operations of the Patent Office. Subject to required approvals, the Patent Office will be embarking on an eight-year implementation phase, during which the functions of the Office will be progressively and systematically automated. This will allow rapid access to the latest technological information that patents contain.

Patents

Pierre Trépanier, Acting Director (997-1044)

The Patent Office has the responsibility of granting patents in Canada. As a result, it has the mandate to both acquire and encourage the exploitation of the information contained in Patents. Patent applications are examined to ensure that they comply with the requirements of the Patent Act and the Patent Rules. Examination includes a search, a decision regarding the presence of novelty, utility and inventive ingenuity, and verification of compliance with all other aspects of Canadian patent law. Patentees are granted the exclusive rights of making, using or selling their inventions in Canada for 17 years.

The Patent Office publishes the weekly *Patent Office Record*, providing details of Canadian patents granted. It also maintains a search room and library for public use containing technical information that reflects the leading edge of technology, and provides an advisory service to clients.

Requests for technologically related patent information from patent searchers, including agents and the general public, were processed throughout the year, as were



technology search requests from provincial research organizations, innovation centres, and federal departments and agencies.

Requests for Patent Information

	1986-87	1987-88
Assistance in defining patent search field	5 825	5 563
Technology searches for organizations	1 252	1 647
Requests for reference material	25 919*	122 153**

* Includes reference requests for Canadian patents only

** Includes all reference requests from the library (e.g. foreign patents, Canadian patents, requests for materials from archives)

The Patent Office Search File of 1 202 450 Canadian patents is subdivided into 339 classes of technology, which contain 37 031 subclasses containing an average of 32 patent documents in each.

Transactions of the Patent Office	1986-87	1987-88
Caveats registered	249	204
Applications for patent	28 030	30 216
Applications restored under Section 75 after failure to pay final fee	59	162
Applications reinstated under Section 32 after abandonment for failure to reply to an official action	159	68
Examiner's Reports	10 387	30 368
Applications allowed	16 316	16 048
Applications forfeited	1 090	1 145
Patents issued (for 17 years)	17 530	14 649
Patents reissued	20	20
Patents issued under Public Servants Inventions Act	42	53
Assignments recorded	27 732	27 332
Duly registered patent agents	1 464	1 429
Canadian resident agents	299	302
Canadian firms	70	71
Non-resident	1 095	1 056

Compulsory Licences

The Commissioner of Patents is empowered under Section 41(3) and 41(4) of the Patent Act to grant compulsory licences for patents for food or medicine, and under Sections 67 to 72 to order patentees to grant licences to prospective licensees when patent rights have been abused.

The activities for the past two years under these sections of the Act are summarized in the following table.

Section 41(3) (Food)	1986-87	1987-88
Applications received	0	0
Licences granted	0	0
Applications pending	10	10

Section 41(4) (Medicine)

Applications received	16	24
Licences granted	60	8
Licences refused	9	7
Applications withdrawn	26	1
Applications pending	123	71

Section 67

Applications received	2	1
Licences granted	0	0
Licences refused	1	0
Applications withdrawn	1	1
Applications pending	7	7

Compensation for Government Use of Inventions

Under Sections 19 and 20 the Commissioner of Patents rules on compensation levels due to inventors for government use of inventions. Licensing and compensation decisions by the Commissioner during the past two years are summarized below.

Compensation	1986-87	1987-88
Applications received	0	1
Applications withdrawn	1	0
Applications decided	0	0
Applications pending	2	1



Patent Appeal Board

The Patent Appeal Board reviews final rejections of applications for the grant of patents and for the registration of industrial designs. The Board may hold formal hearings as part of the review procedure. The following table summarizes the rejections reviewed for the past two years.

Patents	1986-87	1987-88
Rejections referred to the Board	13	22
Rejections affirmed	7	7
Rejections modified	2	3
Rejections reversed	11	5
Disposal without formal decision	9	14
Hearings held	7	16
Appeals before the Board	52	45
Decisions published in the <i>Patent Office Record</i>		
full	1	0
part	4	3
Industrial Designs		
Rejections affirmed	3	5
Rejections reversed	1	1
Hearings held	3	1

Conflicts

Under Section 45 of the Patent Act the Commissioner must determine which applicant should be granted a patent when more than one party files for a patent for the same invention. The Appeal Board is responsible for processing these actions. The following table summarizes this activity.

Section 45	1986-87	1987-88
Conflicts referred to the Board	8	16
Conflicts disposed	11	14
Conflicts before the Board	7	9

Copyright and Industrial Design

Linda Steingarten, Director (997-1657)

The Copyright and Industrial Design Office administers the Copyright Act, the Industrial Design Act, the Timber Marking Act and their regulations.

Copyright exists immediately upon the creation of every original literary, artistic, dramatic or musical work and extends normally for the life of the creator or author, and 50 years thereafter.

The outward appearance of an article of manufacture may be registered as an industrial design. Registration of a new design under the Industrial Design Act gives the registered owner sole rights to use the design in Canada for a period of five years, renewable for one further period of five years.

The Timber Marking Act provides for the registration of marks to identify the ownership of timber floated down inland waterways in Ontario, New Brunswick and Quebec.

The following table summarizes the transactions of the Copyright and Industrial Design Office during the last two fiscal years.

Transactions of the Copyright and Industrial Design Office	1986-87	1987-88
Copyright		
Applications received	8 983	9 413
Copyrights registered	8 825	9 175
Assignments recorded	402	403
Industrial Designs		
Applications received	2 683	2 533
Designs registered	2 440	2 117
Registrations renewed	710	1 081
Assignments recorded	509	634
Timber Marks		
Applications received	0	1
Assignments recorded	0	0
Marks registered	0	0
Copies of copyrights, industrial designs and timber marks	2 606	3 333

Trade Marks

Barbara Bova, Acting Director (997-2423)

The Trade Marks Office determines which trade marks are entitled to exclusive use by owners, and maintains the Trade Marks Register and associated records of trade marks to encourage the disclosure of trade marks information and ensure public awareness.

A newly registered trade mark remains on the register for an initial period of 15 years, and may be renewed for additional 15-year periods indefinitely. If a trade mark is licensed, the owner should have the licensee recorded as a registered user against the trade mark registration in order to protect the validity of the mark. This is accomplished by filing an application with the Trade Marks Office.

Trade mark applications are advertised in the weekly *Trade Marks Journal* to enable persons to oppose any marks that they feel may interfere with their existing rights. The Office maintains a search room for the public to refer to the registers and indexes of registered marks and users.

The Trade Marks Opposition Board is comprised of the Chairman and three members, each of whom has delegated authority from the Registrar of Trade Marks to conduct hearings and render decisions in one or more of the following adversarial proceedings arising under the Trade Marks Act: (1) oppositions to trade mark applications (Section 37); (2) Section 44 proceedings; and (3) registered user cancellation proceedings (Section 49(10)).

The following table summarizes the Office's transactions over the past two years.

Transactions of the Trade Marks Office	1986-87	1987-88
Trade mark applications filed	21 022	23 260
Trade mark applications advertised	18 898	17 811
Trade mark registrations	12 872	13 854
Registered user applications filed	7 716	9 649
Number of trade marks governed by registered user applications (registered and pending)	22 040	27 498
Registered users registered	32 006	27 118
Registered user registrations cancelled	10 834	8 161
Transfer applications filed	14 685	15 648
Transfers registered	13 713	16 901
Trade mark registrations renewed	4 497	5 318
Trade mark registrations expunged	4 692	5 026
Amendments entered on the register	5 140	6 888
Copies prepared	161 658	151 586

Duly registered trade mark agents	1 640	1 600
Oppositions filed	1 197	1 160

Statistical Supplement

Patents, trade marks, copyright and industrial designs are important economic instruments to be harmonized with other essential elements of Canada's long-range economic policies and objectives. Studies of the costs, trends and users of intellectual property are therefore undertaken regularly by the Directorate. During the last two years the following statistical information was compiled.

Patents Granted	1986-87	1987-88
To individuals	1 885	1 739
To companies	15 621	12 861
To individuals and companies jointly	44	49
To inventors or their legal representatives	1 742	1 633
To assignees	15 677	12 905
To assignees and inventors jointly	131	111
One inventor claimed	8 400	7 254
Two or more inventors claimed	9 150	7 395
In French	478	404

Residence of Inventors for Patents Granted*

Canada	1986	1987
Alberta	118	105
British Columbia	115	103
Manitoba	32	38
New Brunswick	8	6
Newfoundland	2	5
Nova Scotia	10	6
Ontario	657	554
Prince Edward Island	1	0
Quebec	230	215
Saskatchewan	30	35
Yukon and Northwest Territories	0	0
Total	1 203	1 067





Foreign Countries	1986	1987
Argentina	2	1
Australia	150	141
Austria	97	94
Belgium	125	110
Brazil	8	6
Bulgaria	8	7
Chile	1	1
Czechoslovakia	13	10
Denmark	75	10
Ecuador	1	1
Finland	132	117
France	836	706
Germany, Democratic Republic of	1	0
Germany, Federal Republic of	1 279	1 212
Greece	3	2
Hong Kong	11	9
Hungary	52	25
Iceland	2	4
India	6	2
Ireland	10	8
Israel	24	23
Italy	289	240
Jamaica	0	1
Japan	1 975	1 604
Korea, Republic of	9	5
Liechtenstein, Principality of	4	1
Luxembourg	26	21
Mexico	4	4
Netherlands	395	346
New Zealand	28	25
Norway	49	43
Poland	7	6
Portugal	1	2
Singapore	2	3
South Africa, Republic of	43	39
Soviet Union	25	29
Spain	21	27
Sweden	297	271
Switzerland	378	324
Taiwan	27	11
United Kingdom	864	737
United States of America	9 051	7 482
Venezuela	4	6
Yugoslavia	2	2
Total, Foreign	16 337	13 718
Grand total (including Canada)	17 540	14 785

*Based on calendar year

Residence of Inventors for Applications Filed	1986-87	1987*
Canada		
Alberta	212	245
British Columbia	282	297
Manitoba	57	66
New Brunswick	12	26
Newfoundland	3	8
Nova Scotia	20	19
Ontario	1 166	1 221
Prince Edward Island	2	2
Quebec	487	570
Saskatchewan	75	71
Yukon and Northwest Territories	2	2
Total	2 318	2 527
Foreign Countries		
Argentina	4	3
Australia	397	431
Austria	178	171
Bahamas	2	5
Belgium	237	247
Brazil	18	11
Brunei	0	1
Bulgaria	7	8
Chile	3	4
China, People's Republic of	14	14
Colombia	2	3
Czechoslovakia	15	14
Denmark	116	117
Finland	212	228
France	1 486	1 554
Germany, Democratic Republic of	6	3
Germany, Federal Republic of	2 289	2 400
Greece	4	4
Hong Kong	19	10
Hungary	86	71
Iceland	3	5
India	13	14
Indonesia	3	1
Iran	2	1
Ireland	23	34
Israel	101	113
Italy	517	549
Japan	3 119	3 174
Korea, Republic of	21	29

Liechtenstein, Principality of	13	13
Luxembourg	23	24
Malaysia	3	2
Mexico	8	11
Monaco	3	0
Morocco	1	0
Netherlands	505	556
New Zealand	37	55
Nigeria	1	1
Norway	94	95
Pakistan	0	1
Papua New Guinea	1	0
Philippines	5	6
Poland	1	10
Portugal	3	5
Romania	1	1
Singapore	5	10
South Africa, Republic of	73	97
Soviet Union	79	89
Spain	32	48
Sweden	421	398
Switzerland	605	626
Taiwan	63	94
Thailand	1	0
Trinidad and Tobago	1	1
Turkey	1	1
United Kingdom	1 551	1 658
United States of America	13 105	13 426
Uruguay	1	1
Venezuela	10	12
Yugoslavia	8	10
Zaire	1	1
Zimbabwe	0	1
Indeterminate	68	70
Total, Foreign	25 621	26 542
Grand total (including Canada)	27 939	29 069

*Based on calendar year

Subject Matter of Invention*	% of Total Patents Issued 1987	Number of Patents Issued 1987
Human Necessities		
Agriculture	1.9	282
Foodstuffs and Tobacco	1.9	282
Personal and Domestic Articles	2.6	386
Health and Amusement	5.8	861

Performing Operations		
Separating and Mixing	3.7	55
Shaping	7.5	111
Printing	1.5	22
Transporting	8.6	127
Chemistry and Metallurgy		
Chemistry	20.0	297
Metallurgy	3.3	49
Textiles and Paper		
Textiles and Flexible Materials not otherwise provided for	1.1	163
Paper	0.7	115
Fixed Constructions		
Building	3.3	49
Mining	2.3	34
Mechanical Engineering, Lighting, Heating, Weapons, Blasting		
Engines and Pumps	2.2	327
Engineering in general	3.8	565
Lighting and Heating	2.9	430
Weapons, Blasting	0.4	5
Physics		
Instruments	13.1	194
Nucleonics	0.4	6
Electricity		
Electricity	13.0	60
Total	100.0	4 420

*Based on calendar year

	1986-87 (\$ Actual)	1987-88 (\$ Estimated)
Receipts and Expenditures		
Patents		
Revenue	22 894 403	22 413 419
Expenditures	11 210 353	13 085 666
Trade Marks		
Revenue	11 715 485	12 026 560
Expenditures	3 567 983	4 826 128
Copyright, Industrial Designs and Timber Marks		
Revenue	927 245	993 203
Expenditures	610 726	631 602

Twenty-five Leading Patentees (in descending numerical order)*

N.V. Philips' Gloeilampenfabrieken	239
International Business Machines Corporation	174



General Electric Company	153
CIBA-GEIGY AG	130
E.I. Du Pont de Nemours and Company	128
Westinghouse Electric Corporation	125
Bayer Aktiengesellschaft	124
American Telephone & Telegram Company	122
Sony Corporation	103
Mobil Oil Corporation	100
Union Carbide Corporation	97
Hoechst Aktiengesellschaft	96
RCA Corporation	94
Allied Corporation	92
Nec Sylvania Corporation	86
Shell Canada Limited	85
Dow Chemical Company (The)	77
Hitachi Ltd. (Hitachi Seisakusho)	77
Northern Telecom Limited	77
BASF Aktiengesellschaft	74
General Motors Corporation	74
Proctor & Gamble Company (The)	69
Minnesota Mining and Manufacturing Company	68
Imperial Chemical Industries Limited	61
Exxon Research and Engineering Company	60

*Based on calendar year

**Leading Patentees with Canadian Inventors
(in descending numerical order)***

1987

Northern Telecom Limited	59
National Defence	26
Canadian Patents & Development Limited	14
Alcan International Limited	13
National Research Council of Canada	12
Imperial Oil Limited	8
Energy, Mines & Resources	7
NCR Canada Limited/Limitée	7
Institut de Recherche de l'Hydro-Québec	6
Polysar Limited	6
Atomic Energy of Canada Incorporated	5
Brunswick Mining and Smelting Corporation Limited	5
Canadian General Electric Company Limited	5
Deere & Company	5
Inco Limited	5
Sherritt Gordon Mines Limited	5
Xerox Corporation	5
Canadian Fram Limited	4
Du Pont Canada Incorporated	4
MacMillan Bloedel Limited	4
Pratt & Whitney Aircraft of Canada Limited	4
Centre de recherche industrielle du Québec	3
Delphax Systems	3
Diagnospine Research Incorporated	3
Electrover Limited	3
Magna International Incorporated	3
Merck Frosst Canada Incorporated	3
Microtel Limited	3
Noranda Incorporated	3

Queen's University at Kingston	3
Royal Institution for the Advancement of Learning (The) (McGill University)	3
Suncor Incorporated	3
Urban Transportation Development Corporation Limited	3

*Based on calendar year

**Leading Patentees with a Canadian Address and
Foreign Inventors (in descending numerical order)***

1987

Shell Canada Limited	85
Ford Motor Company of Canada Limited	33
Northern Telecom Limited	18
Hoffman-LaRoche Limited	12
Schlumberger Canada Limited	10
Smith Kline & French Canada Limited	9
Alcan International Limited	7
Hunter-Douglas Canada Limited	6
Dowell Schlumberger Canada Incorporated	4
SCAPA Canada Limitee	4
Trane Company of Canada Limited	4
Merrell Dow Pharmaceuticals (Canada) Incorporated	3
Diamond Shamrock Canada Limited	2
Imperial Oil Limited	2
Iona Appliances Incorporated	2

*Based on calendar year

Corporations

Frederick Sparling, Director (997-1058)

The Corporations Branch administers several federal acts, including the Canada Corporations Act, Canada Business Corporations Act, Boards of Trade Act (Chamber of Commerce), Canada Cooperative Associations Act, Trade Unions Act and the Pension Fund Societies Act. It also issues documents under the Railway Act.

Except for financial intermediaries, all federal business corporations are incorporated under the Canada Business Corporations Act, which came into effect on December 15, 1975.

Part II of the Canada Corporations Act applies to the establishment and functioning of all federal charitable and membership associations.

The Branch has access to a computerized data base containing approximately three million corporate names and trade marks within the federal and provincial jurisdictions. It maintains a comprehensive data base of information on federal corporations, 162 622 of which were active as of the end of the fiscal year. During 1987-88, the Branch incorporated 12 187 corporations pursuant to the Canada Business Corporations Act.

The Branch investigated 53 complaints involving federal companies and reviewed statutory filings to ensure compliance with the legislation and accompanying regulations. It also responded to 80 805 enquiries and provided 28 768 copies of documents. A total of 22 600 certified copies and certificates of compliance were prepared; 445 applications for exemption from certain statutory requirements were also reviewed.

Documents Issued	1986-87	1987-88
Canada Corporations Act		
Letters Patent granted Part II	477	543
Supplementary Letters Patent granted	145	152
Certificates of Acceptance for Surrender of Charter	19	36
Canada Business Corporations Act		
Certificates of Incorporation	11 652	12 187
Certificates of Discontinuance (Export)	207	253
Certificates of Amalgamation	413	508
Certificates of Amendment	7 130	7 427
Certificates of Dissolution	1 774	1 986
Certificates of Import Continuance	265	352
Boards of Trade Act		
Boards of Trade registered	12	12
Canada Cooperative Associations Act		
Certificates of Incorporation	3	3
Canadian and British Insurance Companies Act*		
Letters Patent granted	12	3
Loan Companies Act*		
Letters Patent granted	1	3

*Responsibility for these Acts was transferred to the Department of Finance on July 2, 1987.

Documents Processed	1986-87	1987-88
Canada Corporations Act		
Canada Business Corporations Act		
Annual Summaries and Returns submitted**	110 247	107 247
Prospectuses	484	394
Insider Reports	10 726	11 066

Proxy Information Circulars	621	671
Takeover Bids	47	119
Financial Statements submitted	5 293	7 247
Complaints	67	53
Exemption Orders	467	445

**Includes annual returns submitted under the Boards of Trade Act

Bankruptcy

Yves Pigeon, Superintendent (997-1059)

The Bankruptcy Branch is the administrative designation for the Office of the Superintendent of Bankruptcy who, at year end, was responsible for the operation of the head office and 15 additional offices across Canada, with a total staff of 141.

The Superintendent of Bankruptcy plays an important role in promoting confidence in the integrity of Canada's credit system through the regulation of the insolvency process, licensing of trustees-in-bankruptcy, investigation of the conduct of bankrupts for possible offences under the Bankruptcy Act and/or the Criminal Code, and distribution of information on insolvency matters.

Regulation of the insolvency process was carried out under the Compliance, Creditor Services and Debtor Services programs.

Through its Compliance Program, the Branch closely monitored the propriety of the bankruptcy process and saw that corrective action was taken when necessary.

A high standard of professional conduct on the part of trustees-in-bankruptcy and other insolvency-related professionals was promoted through the Creditor Services Program, designed to maximize dividends to creditors. In 1987-88, trustees paid out \$73 567 000 in dividends to unsecured creditors.

During the year, 35 new trustee licences were granted. The Bankruptcy Branch supervised 612 individual trustees and 109 corporate trustees. The Branch's National Auditing Group conducted 22 cyclical audits of trustees and two special audits. Another 15 audits were still in progress at year-end.

The availability of bankruptcy services is now dealt with through the Bankruptcy Assistance Program, which ensures easier access to relief under the Bankruptcy Act for individuals unable to pay trustees' fees no matter where they are in Canada.



The Branch conducted comprehensive training programs for business people and those from credit-granting organizations, and held information seminars for interested groups and the general public. Seventeen special sessions where the Directives of the Superintendent were discussed were held across Canada; these regrouped some 440 trustees and practitioners. A complete report on the comments gathered at these sessions was published in a special issue of the Insolvency Bulletin (February 1988).

The Branch continued monitoring provincial administration of Part X of the Bankruptcy Act, which authorizes

the issuance of Consolidation Orders to enable individuals to pay their debts over a three-year period without creditor harassment and wage garnishment. Part X of the Act is in force in British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Prince Edward Island. During the year, 1 368 Consolidation Orders were made by the courts of these provinces, with a total of \$5.9 million being distributed to registered creditors.

The accompanying chart shows the relative levels of consumer and business bankruptcies during fiscal year 1987-88.



Bankruptcies and Proposals

	Number	Assets \$	Liabilities \$	Deficiency \$
Newfoundland	285	4 432 837	12 253 038	7 820 201
Nova Scotia	1 167	13 772 385	42 047 085	28 274 700
Prince Edward Island	44	1 374 671	8 901 775	7 527 104
New Brunswick	307	4 172 116	19 053 454	14 881 338
Quebec	11 162	263 371 713	791 571 502	527 858 789
Ontario	9 701	133 614 480	544 034 735	410 420 255
Manitoba	1 316	22 474 827	56 441 834	33 967 007
Saskatchewan	1 087	37 122 604	97 472 922	60 350 318
Alberta	3 732	203 291 431	498 134 750	294 843 319
British Columbia	4 228	206 708 780	697 305 446	490 596 666
Northwest Territories	14	524 736	3 813 860	3 289 124
Yukon	11	59 425	475 319	415 894
Canada	33 054	891 261 005	2 771 505 720	1 880 244 715

Business Bankruptcies

	Number	Assets \$	Liabilities \$	Deficiency \$
Newfoundland	56	2 399 204	6 680 933	4 281 729
Nova Scotia	184	7 446 941	23 108 169	15 661 228
Prince Edward Island	10	421 061	4 505 855	4 084 794
New Brunswick	63	2 086 593	7 239 589	5 152 991
Quebec	2 824	156 200 100	453 963 797	297 763 697
Ontario	1 684	89 700 059	332 720 220	243 020 161
Manitoba	283	14 354 846	35 094 831	20 739 985
Saskatchewan	399	22 280 296	68 205 991	45 925 695
Alberta	981	157 341 141	405 744 484	248 403 343

British Columbia	1 257	67 349 798	310 082 107	242 732 309
Northwest Territories	8	477 836	3 707 498	3 229 662
Yukon	5	39 875	277 953	238 078
Canada	7 754	520 097 750	1 651 331 422	1 131 233 672

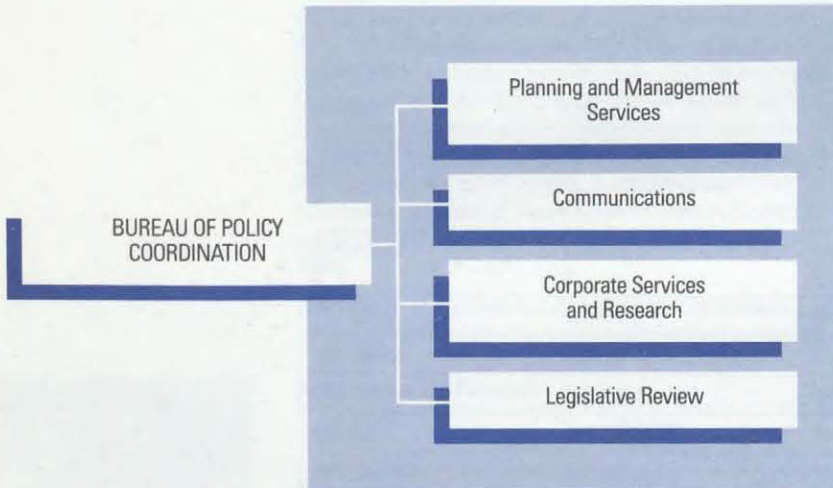
Consumer Bankruptcies

	Number	Assets \$	Liabilities \$	Deficiency \$
Newfoundland	224	875 118	3 044 313	2 169 195
Nova Scotia	966	5 425 080	23 108 169	15 661 228
Prince Edward Island	30	99 750	1 067 347	967 597
New Brunswick	209	1 404 246	9 112 345	7 708 099
Quebec	8 187	30 980 241	158 428 509	127 448 268
Ontario	7 746	37 241 727	185 369 189	148 127 462
Manitoba	1 007	7 050 429	19 665 147	12 614 718
Saskatchewan	686	14 789 308	29 074 410	14 285 102
Alberta	2 730	43 759 231	79 443 221	35 683 990
British Columbia	2 915	28 113 664	111 495 986	83 382 322
Northwest Territories	6	46 900	106 362	59 462
Yukon	6	19 550	197 366	177 816
Canada	24 712	169 805 244	613 459 528	443 654 284

Proposals

	Number	Assets \$	Liabilities \$	Deficiency \$
Newfoundland	5	1 158 515	2 527 792	1 369 277
Nova Scotia	17	900 364	2 483 583	1 583 219
Prince Edward Island	4	853 860	3 328 573	2 474 713
New Brunswick	35	681 277	2 701 525	2 020 248
Quebec	151	76 532 372	179 179 196	102 646 824
Ontario	271	6 672 694	25 945 326	19 272 632
Manitoba	26	1 069 552	1 681 856	612 304
Saskatchewan	2	53 000	192 521	139 521
Alberta	21	2 191 059	12 947 045	107 755 986
British Columbia	56	111 245 318	275 727 353	164 482 035
Northwest Territories	0	0	0	0
Yukon	0	0	0	0
Canada	588	201 358 011	506 714 770	305 356 759

Bureau of Policy Coordination



Budget: \$8 561 000

Expenditures: \$8 351 000

Revenue: 0

Person-Years: 106

Assistant Deputy Minister: Mel Cappe (994-0358)

The Bureau's activities include legislative review and reform; research and policy analysis; strategic and corporate planning; interdepartmental, federal-provincial and international relations; program evaluation; and communications.

In 1987-88 the Bureau continued its work on policies to support legislative initiatives and reforms in patent law (C-22), copyright (C-60), bankruptcy, and lobbyist registration (C-82). It also continued to be involved in trade-related consumer and intellectual property issues. A new quarterly information circular on credit card interest rates was published, as was a study on the Canada-U.S. Free Trade Agreement and its benefits to Canadian consumers.

Communications

Barbara Uteck, Director (997-2858)

During 1987-88 the Communications Branch provided communications advice and support to promote departmental policy initiatives and programs.

In the policy area, major projects included communications work on the passage of the revised Patent Act, the introduction of legislation on copyright and lobbyist registration, an assessment paper on the Canada-U.S. Free Trade Agreement and its effect on Canadian consumers and the new quarterly publication of credit card interest rates.

In the program area, the departmental newspaper *New Rapport* was launched. The Branch developed an

interdepartmental communications plan for implementing the Workplace Hazardous Materials Information System (WHMIS). Communications to assist consumers in making wiser choices in the marketplace were on-going, with emphasis on child safety and travel frauds.

The Branch also supported departmental efforts to encourage business to comply with provisions of the Competition Act and the intellectual property statutes, and to promote compliance with advertising and fair market practices.

Legislative Review

David B. Watters, Director (997-2195)

The Branch continued to support policy development and the revision of departmental legislation. Activities in these areas were related to the Patent Act, the Copyright Act, the Industrial Design Act, the Bankruptcy Act, the Trade Marks Act, the Canada Business Corporations Act, and the proposed lobbyist registration bill. The Branch also provided support for the implementation of the amendments to the Patent Act, including the start-up and operations of the Patented Medicine Prices Review Board.

Internationally, the Branch also participated in meetings and conferences of UNESCO and the World Intellectual Property Organization to discuss intellectual property protection of new technologies and to develop draft treaties. Support was also provided to bilateral and multilateral (GATT) trade negotiations, in line with the department's intellectual property responsibilities.

Corporate Services and Research

Ellen M. Carson, Director (997-1067)

The Branch conducts research into current and emerging issues to be used in corporate planning, policy development, and to implement new initiatives.

Research in 1987-88 focussed on trade-related consumer and intellectual property issues relevant to Canada/U.S. and GATT trade negotiations.

As well, a tabular report comparing charges for commonly used credit cards was developed and will continue to be published periodically.

The Branch played a lead role in monitoring the policy proposals developed in other departments and in refining the departmental corporate planning system, and producing the second corporate plan.

Program evaluations were completed in Consumer Products, Bankruptcy, Legal Metrology, and the Communications Branch.

The Branch co-ordinated input from the Bureau for the department's Annual Regulatory Plan and provided liaison services between the department and the Regulatory Affairs Branch on regulatory procedures and guidelines.



Office of the Assistant Deputy Registrar General of Canada

Budget: \$1 811 000
Expenditures: \$1 751 000
Revenue: \$16 000
Person-Years: 27

Assistant Deputy Registrar General: Jean-Pierre Kingsley (995-0721)

The Assistant Deputy Registrar General (ADRG) has two main responsibilities: those related to the Conflict of Interest and Post-Employment Code for Public Office Holders, and those that fall under the Registrar General of Canada.

On behalf of the Prime Minister, the Assistant Deputy Registrar General is charged with the administration of the Conflict of Interest and Post-Employment Code for Public Office Holders as it applies to Ministers of the Crown, Ministers' exempt staff, Governor-in-Council and ministerial appointees, Parliamentary Secretaries, and public servants requiring divestment.

The Assistant Deputy Registrar General assists these individuals in complying with the Code and in resolving arrangement problems, and provides advice to Ministers and deputy heads in discharging their own responsibilities in this area. He also determines that trusts meet the requirements of the Code, and recommends the reimbursement of certain costs of establishing, maintaining and dismantling trusts.

As well, the ADRG provides assistance to Crown corporations, boards, commissions and tribunals regarding the establishment or improvements of their own internal policies in this area, and places the documentation in the Public Registry, as required. During the year the ADRG assisted some 50 Crown corporations in developing appropriate compliance measures. The Office also responded to requests for information from other federal agencies.

In February 1988 the Prime Minister tabled in the House of Commons Bill C-114, the Members of the Senate and House of Commons Conflict of Interest Act, which would require all Members of the House of Commons and Senators to comply with a new regime administered by an independent commission comprised of three commissioners. In addition, Bill C-82, the Lobbyists Registration Act, was tabled by the Honourable Harvie Andre on June 30, 1987. During second reading of the Bill, the Minister announced his intention to delegate administration of the proposed Public Registry of Lobbyists to the ADRG.

The ADRG also maintains a resource centre of print, film, videotape and other material related to the Code and other ethical matters of concern to public office holders and to government. Services and briefings are provided to both individuals and public service groups seeking information and assistance in the study of public service ethics.

On behalf of the Registrar General of Canada, the ADRG also oversees the fulfillment of responsibilities under the Formal Documents Regulations pursuant to the Public Officers Act and the Seals Act and other statutes, particularly the issuance and registration of commissions, proclamations and other formal documents under the Great Seal of Canada and the Seal of the Registrar General. The Registration Division provides those services required of the Registrar General of Canada to the Office of the Governor General, to federal government departments, corporations and agencies, other levels of government and the general public. The numbers and categories of commissions and documents issued and registered during 1987-88 are shown in the following tables.



	Seal* Affixed	Issued	Registered
Commissions			
Formal Documents Regulations			
Ministers and Members of Queen's Privy Council	GS	12	12
Lieutenant-Governors of Provinces	GS	1	1
Ambassadors, High Commissioners	GS	76	76
Federally appointed Judges	GS	84	84
Senators	GS	1	1
Officers of Parliament	GS	1	1
Deputy Ministers (and rank of Deputy Minister)	GS	15	15
Regular members and officers of permanent federal commissions, boards and corporations	GS	142	142
Regular members of permanent international commissions	GS	9	9
Commissioners under the Inquiries Act	GS	4	4
Commissioner and Deputy Commissioner of N.W.T.	GS	1	1
Commissioner and Officers of the Royal Canadian Mounted Police	GS	46	46



Federally appointed Queen's Counsel	GS	31	31
Commissioners to administer oaths	GS	18	18
Deputies of the Governor General	PS	2	2
Consuls General, Consuls and Vice-Consuls	RG	277	277
Temporary or ad hoc members of permanent federal commissions, boards and corporations	RG	13	13
Other Governor-in-Council appointees granted commissions	RG	35	35
Canada Lands Survey Act			
Dominion Land Surveyors	—	—	12

Documents	Seal* Affixed	Issued	Regis- tered
Formal Documents Regulations			
Proclamations	GS	53	53
Land Grants	GS	1 125	1 125
Quit Claims	GS	46	46
Certificates evidencing the appointment of Senators	RG	1	—
Certified copies of documents	RG	3 051	—
Pardons under Criminal Records Act	RG	10 660	10 660
Boards of Trade Act			
Certificates of Formation and Memoranda of Agreement	—	—	31
Canada Corporations Act			
Letters Patent of Incorporation	**CCA	—	532
Letters Patent of Incorporation, Supplementary	**CCA	—	161

Directives and/or Certificates of Dissolution and Cancellation of Charter	**CCA	—	31
Consumer and Corporate Affairs Act, Section 8(1)			
Territorial Lands	—	—	308
Transport	—	—	140
Extradition Act			
Warrants	**Just.	—	21
Railway Act			
Miscellaneous: Sections 77 and 86	—	—	49
Bell Canada Act			
Document deposited pursuant to	—	—	1

Summary

Commissions issued and registered under Formal Documents Regulations	768
Documents issued and registered under Formal Documents Regulations	11 884
Documents issued under Formal Documents Regulations	3 052
Commissions registered pursuant to other legislation	12
Documents registered pursuant to other legislation	1 274
Uncertified copies of documents issued	1 807
Total commissions and documents issued and registered	18 797

* Abbreviations: GS, Great Seal; PS, Privy Seal; RG, Seal of the Registrar General; Just., Seal of the Minister of Justice; CCA, Seal of the Minister of Consumer and Corporate Affairs

**Seals affixed by the Department

Services

Finance and Administration Directorate

Budget:	\$12 185 000
Expenditures:	\$12 082 000
Revenue:	\$736 000
Person-Years:	181

Director General: Harry McIlroy (997-1075)

Other senior staff as of March 31, 1988:

John McCarthy, Director, Finance (997-1054)

Samy Talbert, Director, Information Systems (997-2914)

Lucien Dagenais, Director, Administrative Services (997-1050)

Corinne MacLaurin, Director, Library and Records Services (994-4879)

Subhash Dhinra, Acting Director, Internal Audit (953-4272)

The Finance and Administration Directorate is responsible for co-ordinating financial, administrative and informatics policy and services, including library services. It also co-ordinates corporate-level financial and operational planning and control, and internal audit.

Personnel Directorate

Budget:	\$3 191 000
Expenditures:	\$3 109 000
Revenue:	0
Person-Years:	62

Director General: Ann Midgley (997-1300)

Other senior staff as of March 31, 1988:

Guy Roberge, Director, Personnel Operations (953-3308)

Jocelyn St-Jacques, A/Director, Staff Relations and Compensation (997-2673)

Jean-Marc Labelle, Director, Official Languages and Training (953-3295)

Florence Johnston, A/Director, Policy, Monitoring and Co-ordination (953-3288)

Elizabeth Lamarche, Director, Counselling Service (997-4147)

The Personnel Directorate provides advice and support to managers to help them make the best use of the Department's human resources. As well, it offers a complete personnel service to all employees.

During the year, the Directorate provided assistance to managers faced with further downsizing and reorganizations, as well as the placement of employees affected by these changes. In addition, the Directorate provided the required training to managers who will now be the delegated staffing authority within the Department.

The Directorate also provided considerable advice and assistance to new organizations established by legislation, such as the Competition Tribunal, the Patented Medicine Prices Review Board and the Hazardous Materials Information Review Commission.

Departmental Secretariat*

Budget:	\$1 197 000
Expenditures:	\$1 166 000
Revenue:	0
Person-Years:	30

Departmental Secretary: Suzanne Ouellet (953-3327)

Other senior staff as of March 31, 1988:

Sylvie Dupont, Assistant Departmental Secretary (953-3329)

Ken Huband, Chief, Access to Information and Privacy (953-3336)

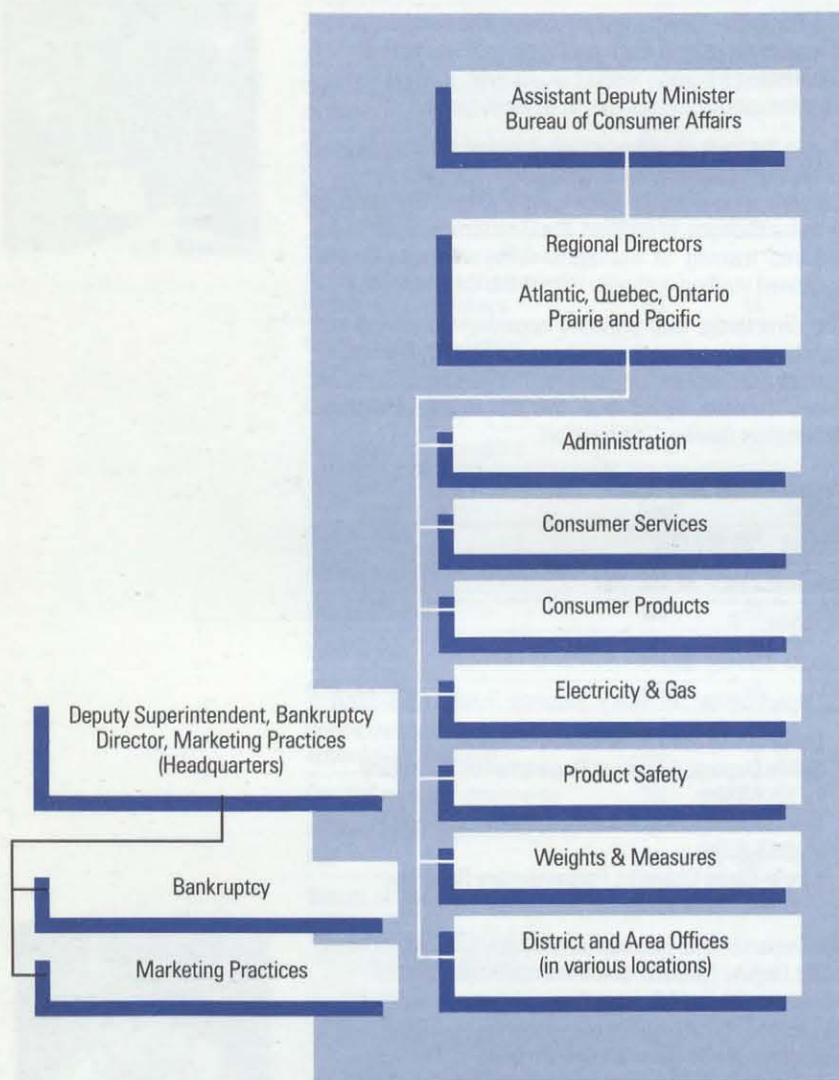
Marie-Claire Charette, Parliamentary Relations Officer (953-0923)

The Departmental Secretariat provides support services to the Deputy Minister and the Department in their relations with the Minister, Cabinet committees and Parliament. It has department-wide responsibility for the application of the Access to Information and Privacy Acts and that of the policy on Government Information Collection and Public Opinion Research. During 1987-88, the Secretariat processed 68 Access to Information and 7 Privacy requests.

*Includes figures for Legal Branch.



Departmental Regional Operations



Departmental services are provided through five regional offices and a number of district and area offices reporting to the Assistant Deputy Minister, Consumer Affairs. Area and resident inspectors provide inspection services outside major urban centres and in remote locations. Represented in each region are all of Consumer Affairs' sub-activities — Weights and Measures, Electricity and Gas, Product Safety, Consumer Products and Consumer Services — as well as the Marketing Practices Branch of the Bureau of Competition Policy and the Bankruptcy Branch of the Bureau of Corporate Affairs. Approximately half of the department's personnel is located in the regions.

The five Regional Directors as of March 31, 1988:

Zane Brown	Pacific	(604) 666-5050
W. (Bill) Empke	Prairies	(204) 983-3151
Robert Rusinek	Ontario	(416) 224-4020
Guy Brousseau (acting)	Quebec	(514) 283-5559
Robert Moir	Atlantic	(902) 426-6090

Regional Directors represent the Department in each of the five regions and provide the administrative services for all departmental personnel in the field.

Regional personnel receive functional guidance from Headquarters and are responsible for the implementation of departmental programs.

During the year, Consumer Affairs inspectors visited more than 29 000 establishments to identify and correct fraudulent or misleading practices in the labelling and packaging of food and other products, and to ensure dangerous products such as unsafe toys were removed or prevented from entering the marketplace. More than 251 600 weighing and measuring devices were inspected and some 2.5 million electricity and gas meters were verified to ensure they were measuring accurately.

Regional Bankruptcy officers handled 32 985 bankruptcies and proposals, and Marketing Practices investigators handled 131 cases related to misleading advertising and deceptive marketing practices brought before the courts.

Location of Field Offices

(April 1988)



Pacific

- 1 Vancouver
- 2 Victoria
- 3 Prince George
- 4 Penticton
- 5 Kelowna
- 6 Nanaimo
- 7 Cranbrook
- 8 Terrace

Prairie

- 1 Winnipeg
- 2 Regina
- 3 Saskatoon
- 4 Edmonton
- 5 Calgary
- 6 Brandon
- 7 Grande Prairie
- 8 Lethbridge
- 9 Wetaskiwin

Ontario

- 1 Toronto
- 2 Hamilton
- 3 Belleville
- 4 Ottawa
- 5 London
- 6 Sudbury
- 7 St. Catharines
- 8 Windsor
- 9 Thunder Bay
- 10 Kitchener
- 11 Peterborough
- 12 Brockville
- 13 North Bay
- 14 Chatham
- 15 Barrie
- 16 Orillia

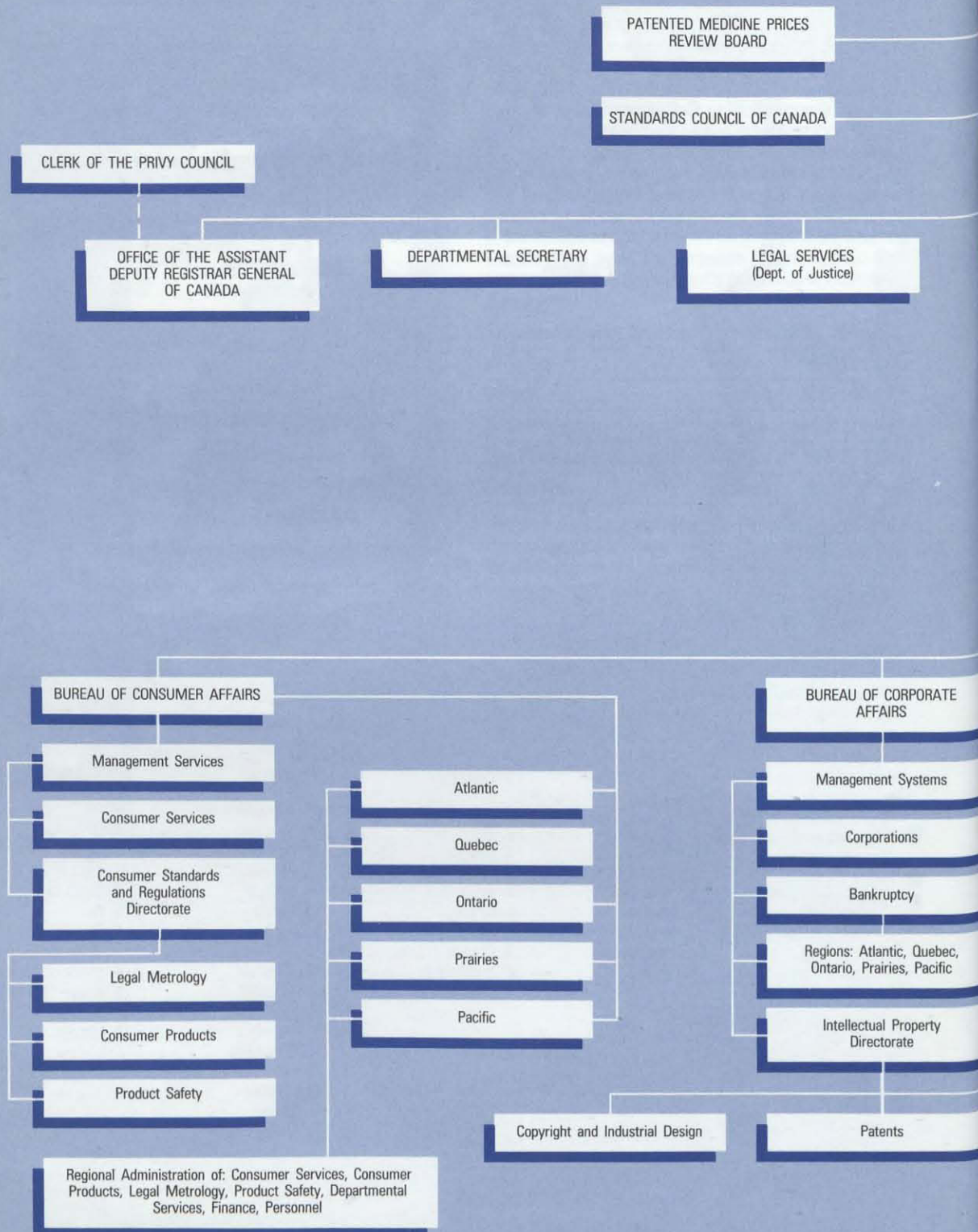
Quebec

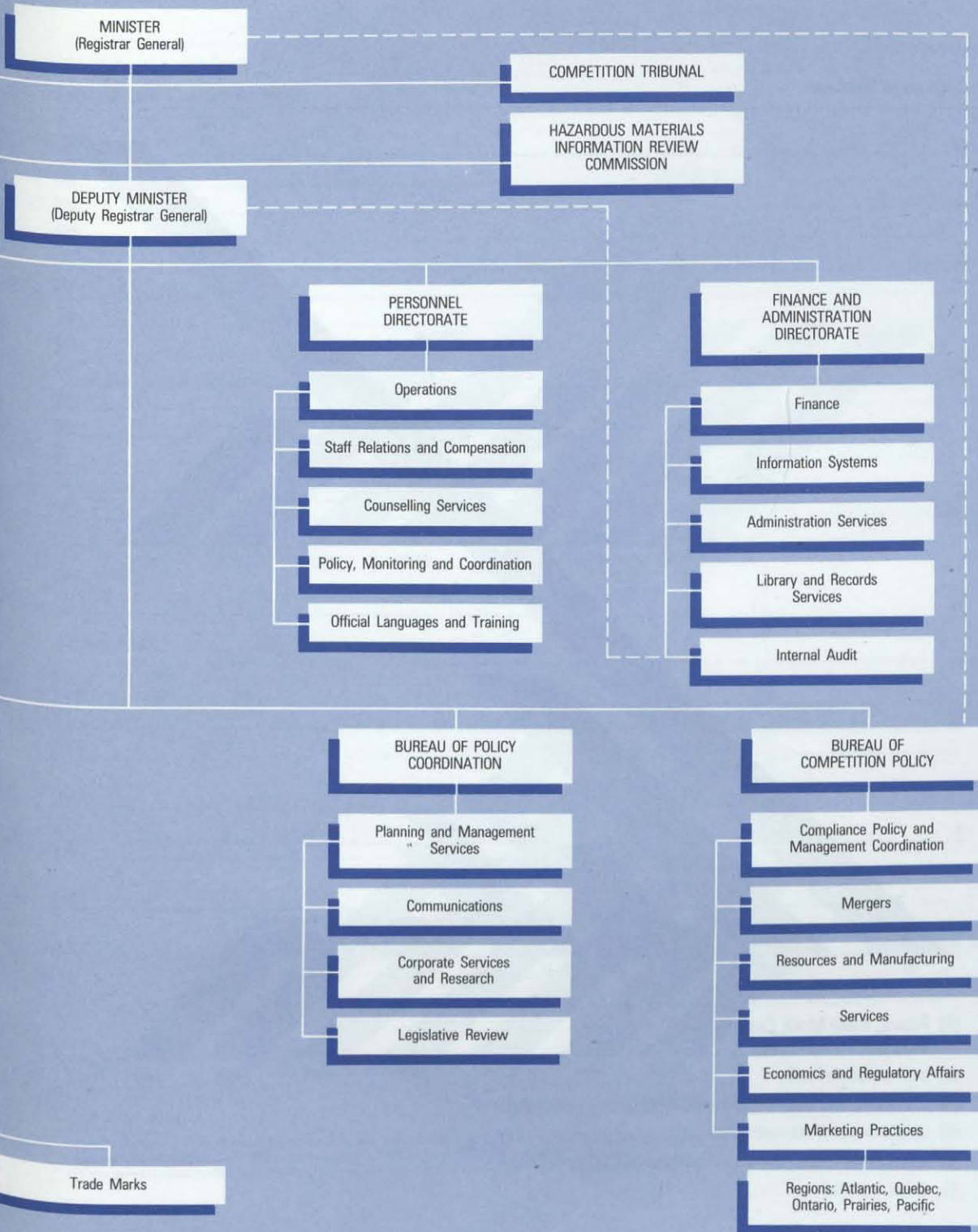
- 1 Montréal
- 2 Québec
- 3 Trois-Rivières
- 4 Sherbrooke
- 5 Hull
- 6 Rimouski
- 7 Chicoutimi
- 8 Thetford Mines
- 9 Rouyn-Noranda
- 10 Mirabel
- 11 Matane

Atlantic

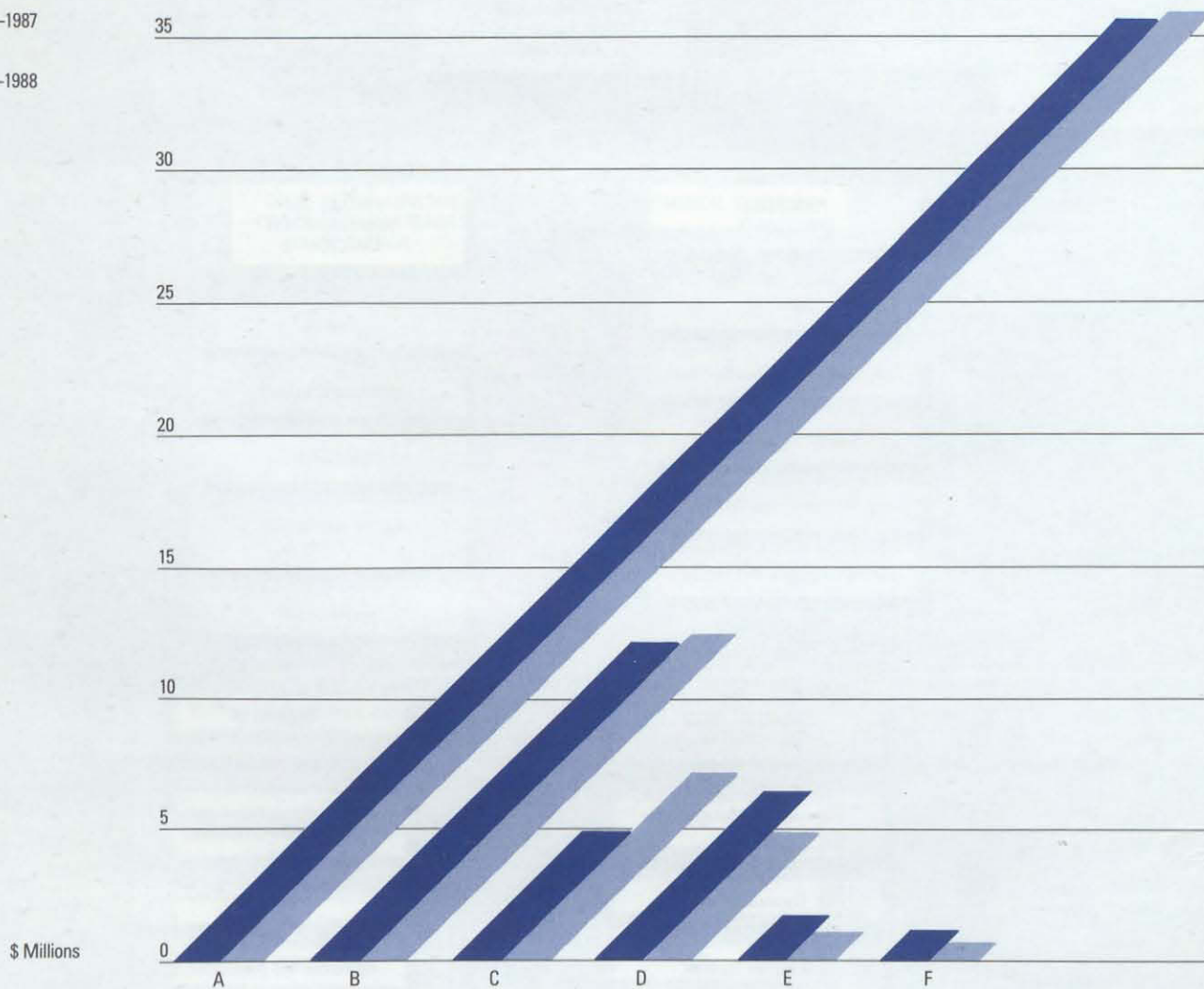
- 1 Dartmouth
- 2 Sydney
- 3 Fredericton
- 4 Saint-John
- 5 Moncton
- 6 Charlottetown
- 7 St. John's
- 8 Kentville
- 9 Truro
- 10 Bathurst
- 11 Corner Brook
- 12 Gander

Appendixes



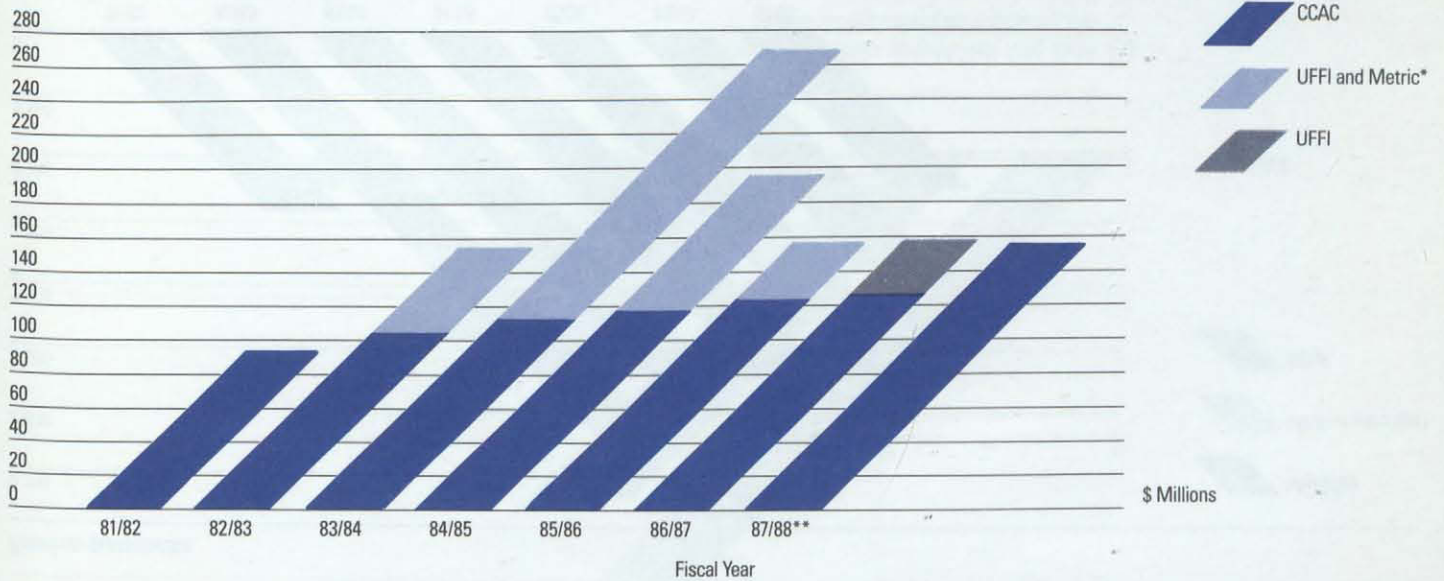


Sources of Revenue

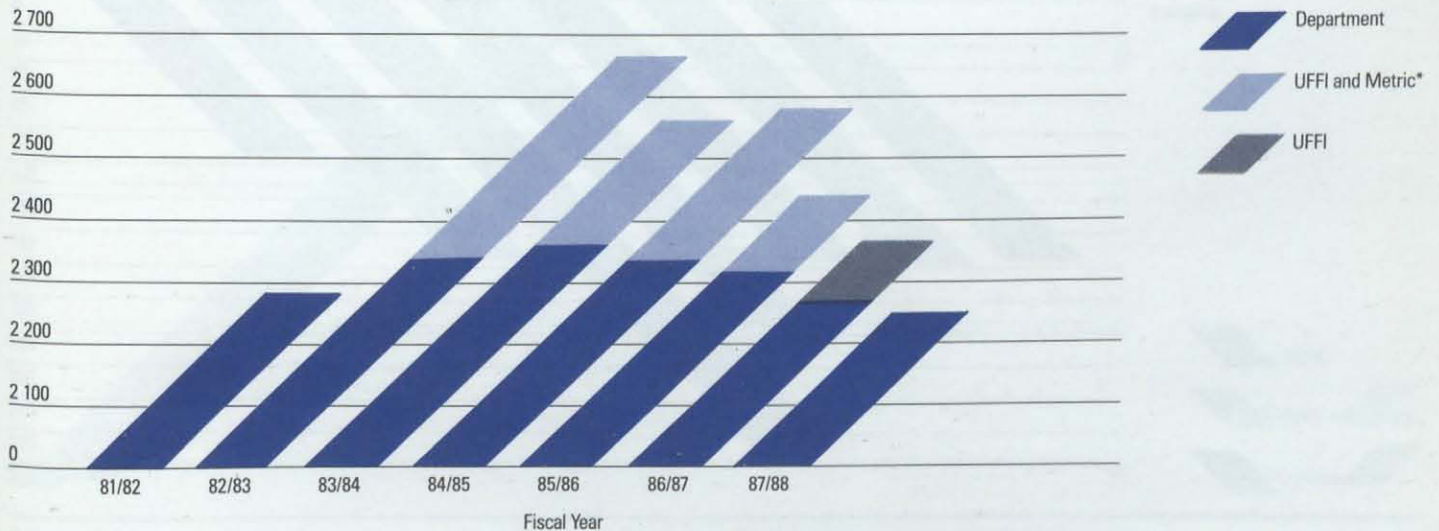


- (A) Patent, Trade Mark, Copyright and Industrial Design Fees
- (B) Incorporation Fees
- (C) Electricity and Gas, Weights and Measures Inspection Fees
- (D) Levies under Bankruptcy Act
- (E) Fines under Combines Investigation Act/Competition Act
- (F) Other Income

Expenditures (Current Dollars)



Person-Years



* Assistance Program for Urea Formaldehyde Foam Insulation Homeowners (UFFI) and former Metric Commission activities. (Note: the Metric Commission was disbanded on March 31, 1985, and the UFFI office on March 31, 1986.)

** Includes transfer payments (\$25 million) to the provinces for the purposes of research and development relating to medicine.

Canada

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Consumption et Corporations d

