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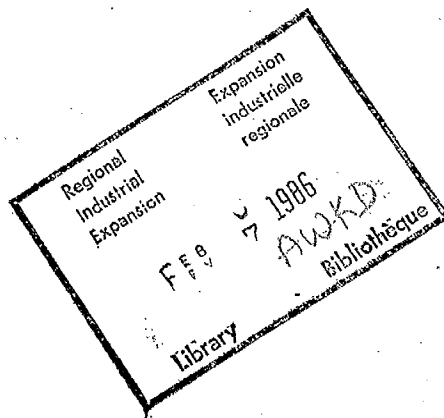
Canadian Industrial  
Renewal Board

Office canadien pour un  
renouveau industriel

# Final Annual Report

1984-85

Canada 



CANADIAN INDUSTRIAL RENEWAL BOARD

FOURTH AND FINAL ANNUAL REPORT

November 1, 1984 - October 31, 1985

Montreal, January 27, 1986

CANADIAN INDUSTRIAL RENEWAL BOARD

FOURTH AND FINAL ANNUAL REPORT

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I - INTRODUCTION

1. This is the last annual report to be published by the Canadian Industrial Renewal Board (CIRB). Indeed, as originally planned, the Board will be wound up at the end of March 1986.
2. The CIRB, established in 1981 by the Government of Canada for a five-year term, has a three-fold mandate: (1) to help revitalize the textile, clothing, footwear and tanning industries (through the Sector Firms Program); (2) to assist in the strengthening and diversification of the economic base of regions heavily dependent on these industries (through the Business and Industrial Development Program); and (3) to help textile, clothing, footwear and tanning workers adjust to changes (through the Labour Adjustment Program). CIRB is administered by a Board of Directors made up for the most part of representatives of the private sector (see Annex A for the composition of the Board).
3. This report has four sections. The first summarizes recent trends in the textile, clothing, footwear and tanning (TCF) industries, and in the seven Special Areas designated under the Business and Industrial Development Program<sup>(1)</sup>. The second section focusses on program activities since CIRB's inception and during the twelve-month period ending in October 1985. The third section assesses the situation after CIRB, with a review of the programming available to assist the sector firms, the workers and the regions, as well as the follow-up of the recipient firms. The fourth and final section provides conclusions by assessing CIRB's experience with the program.

II- RECENT DEVELOPMENTS IN THE TARGET SECTORS AND SPECIAL AREAS

a) Target Sectors

Markets

4. During the first two quarters of 1985 combined Canadian demand for TCF products declined to \$7.4 billion, representing a decline in real value of 2.2% over the same period of 1984. By market segment, the decrease was 3.6% for textile and 5.4% for footwear. Clothing, however, was the only TCF market to register an increase (0.2%). The real decline registered between the first six months of 1985 and the comparable period of 1981 stood at 5.6%.

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(1) CIRB's Special Areas are Cornwall and Hawkesbury in Ontario, and Drummondville, Trois-Rivières/Shawinigan, Sherbrooke/Magog, Valleyfield and Victoriaville/Plessisville in Quebec.

### Imports

5. In sharp contrast with the previous two years, overall TCF imports decreased by 0.7% in real dollar terms between the first six months of 1984 and 1985. The only TCF market to show an increase in imports during this period was clothing, which advanced by 3.4%. Indeed, imports of TCF products grew by 9.8% in real terms between 1983 and 1984, and by 18% between 1982 and 1983. A comparison of the first six months of 1985 with the first six months of 1981 shows that imports of TCF products still grew by 11.5% in real terms; most noteworthy is the strong increase in clothing imports (48.4%) during this period. This is contrasted by textile imports, which were the only TCF product group to register a real decrease (4.1%). For the first six months of 1985 TCF imports stood at \$2.2 billion, holding a 29.7% share of the Canadian TCF market.

### Canadian Shipments

6. In the first six months of 1985 combined shipments of the TCF industries totalled \$5.7 billion, representing a decrease of 2.4% in real value terms over the same period in 1984 and a decrease of 9.5% over 1981. All the TCF industries posted real losses during this period, with textile the highest at 3.7% and clothing the lowest at 0.5%. Some \$427 million, or 7.5%, of these shipments were exported during the first six months of 1985.

### Employment

7. As might be expected, the modest decline in shipments between the first six months of 1984 and 1985 translated into a stabilization of employment in the TCF industries during that period (-0.2%). This stabilization was a net result comprised of opposite developments in the four industries: employment decreased by 5.9% for footwear and by 4.7% for knitting; however, the textile and clothing industries increased their employment by 1.9% and 1.1% respectively. In the first six months of 1985 as compared with the first six months of 1981, employment in the TCF industries fell by about 49,000 to a level of approximately 185,000, representing a decrease of 21%; this decline was evident in all the target sectors.

### Investment

8. Capital expenditures in new facilities and equipment in the TCF industries should grow to reach \$286.2 million in 1985. This represents a real increase of 2.5% from 1984. Textile, knitting and clothing will contribute to this investment effort with planned real increases of respectively 2.6%, 1.4% and 9.8% in their capital expenditures. The leather sector, on the other hand, plans to reduce its real capital expenditures by 6.7%.

b) Special Areas(1)

9. The years 1984 and 1985 saw an improvement in the economic situation of the Special Areas as their total employment increased for the first time since CIRB's inception. The recovery of TCF industries in the Special Areas observed in 1983 and 1984 did not continue in 1985 as employment in those sectors declined for the first time since 1982. Since the level of their TCF employment decreased, while their overall manufacturing employment remained about the same, the level of dependency of CIRB Special Areas on the TCF industries, when measured by the proportion of their manufacturing employees working in those sectors, diminished slightly, from 29% in 1983 to 28% in 1985.
10. The level of manufacturing employment other than TCF (55,700) continued to increase in 1984 and in 1985 but at a slower rate than in 1983. The 1.8% increase observed during this period is however well below the 6.8% growth in the level of manufacturing other than TCF registered in Canada as a whole. TCF employment in the Special Areas fell by 3% since 1983 and now stands at 21,700. This decrease is however less than the 7.6% reduction in the level of TCF employment observed in Canada between 1983 and 1985.
11. By comparison, in the period 1981 to 1985 the level of manufacturing employment other than TCF decreased in the Special Areas (-4%) but at a slower rate than in Canada as a whole (-6%). The reduction of TCF employment observed between 1981 and 1985 in all of the Special Areas (-22%) was much greater than the decline of TCF employment in the whole of Canada (-15%). Since the level of their TCF employment decreased at a faster pace than the level of their overall manufacturing employment, the level of dependency of the Special Areas on the TCF industries diminished from close to 33% in 1981 to 28% in 1985.
12. Total employment in all designated communities rose by 1.2%, from 273,050 in 1983 to 276,250 in 1985. This increase contrasts with the consecutive declines registered in 1981, 1982 and 1983. The strongest growth was observed in the Victoriaville/ Plessisville and Drummondville areas which increased their employment by 3.7% and 3.6% respectively. The situation was however less favorable in Trois-Rivières/Shawinigan where total employment fell by 5% between 1983 and 1985. Since 1981, total employment in the Special Areas fell by 5% while Canadian employment grew by over 3%. The situation however differs from area to area with employment growing or diminishing only slightly in Valleyfield (+3½%), Cornwall (-3%) and Drummondville (-2%) while sharper declines were registered in Sherbrooke/Magog (-4%), Hawkesbury (-5%) and Shawinigan (-10%).

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(1) Employment figures are not available for the CIRB Special Areas; the figures quoted here refer instead to the Canada Employment Centre (CEC) areas which comprise CIRB Special Areas. Total employment figures for 1982 and 1983 were revised in 1984.

III - REVIEW OF PROGRAM RESULTS DURING THE YEAR

a) Sector Firms Program

13. The Sector Firms Program is aimed at textile, clothing and footwear firms in Canada and is intended to help them restructure and modernize to improve their international competitiveness. One of the main features of this program is that assistance is only provided to applicants on the basis of proven performance, satisfactory financial resources, and strong restructuring plans. Contributions are provided towards business planning (comprehensive analysis of the strengths and weaknesses of firms, feasibility studies, development of restructuring plans), innovation projects, common services, mergers and acquisitions, as well as modernization projects.
14. The TCF industries' response to the program has continued to be strong. During the year 1984-1985, 195 applications were received bringing the total to 1,113. Funding for this program was increased by \$16 million, to bring the total contribution budget to \$239.5 million. To allow due processing of all applications before March 31, 1986, no new applications were accepted after September 30, 1985.
15. Highlights for the year may be summarized as follows (see also Tables 1, 2 and 3 in Annex B):
  - during CIRB's 1984-1985 operational year, the restructuring plans of 100 companies were approved, involving investments of \$134.1 million and CIRB assistance of \$39.4 million. This brings the total, as at October 31, 1985, to 303 applicants implementing restructuring plans costing \$916.1 million; total CIRB assistance for all aspects of its TCF program stood at \$223.1 million. By the time CIRB's program ends on March 31, 1986, it is anticipated that this total will have risen to close to 400 applicants, carrying out investment plans costing over \$1 billion. At that point, it is estimated that these applicants will account for about 55% of overall TCF industry sales. The bulk of investments (92%) are being made in capital costs while consulting expenditures account for 5%, innovation for 2% and common services for 1%;
  - of the \$223.1 million committed so far 52% is for projects to be implemented in Quebec, 40% for projects in Ontario and 8% for projects in other provinces. This is roughly consistent with the geographic distribution of TCF industry sales and employment across the country;
  - the textile sector will receive 54% of the funds committed, the clothing sector 36%, footwear 9% and the tanning sector 1%; and
  - during 1984-1985 payments made by CIRB in respect of approved contributions totalled \$38 million, bringing the cumulative total as at October 31, 1985, to \$80 million. Levels of payments will remain high in the next few years since the majority of capital projects will be implemented over the period 1986-88.

b) Business and Industrial Development Program

16. CIRB carries out the second part of its overall mandate by means of the Business and Industrial Development Program (BIDP), which is aimed at strengthening and diversifying the economic base of regions which are heavily dependent on the textile, clothing and footwear industries. Specifically, the program channels assistance, mostly by way of contributions, to companies either located in the regions designated as Special Areas, or wishing to set up there, for new establishments or for the realization of modernization, expansion, innovation and productivity improvement studies or projects that contribute to the achievement of the program objective. The BIDP was implemented in seven Special Areas in April 1982, for an initial period of two years. In April 1984, the designations were extended for another two years.
17. The BIDP contribution budget was increased from \$80.2 million to \$110.2 million, in view of the substantial interest of investors and the scale of their investments. The deadline of December 31, 1985 was set for the acceptance of new applications from companies eligible under the BIDP.
18. Delivery of this program continued to be based on a two-pronged strategy: an active campaign aimed at encouraging local firms to examine their operations in detail and draw up projects, and a promotion campaign aimed at attracting companies in the growth sectors identified in the economic development plans prepared for each Special Area and financed by the CIRB in 1982.
19. Highlights for the year and cumulative include (see also Tables 4, 5, 8 and 9 in Annex B):
  - in 1984-85, there were 278 applications for assistance, as compared to 291 in 1983-84, submitted under the Business and Industrial Development Program, bringing the total since program inception in April 1982 to 1,116 applications received from 780 firms;
  - between November 1, 1984 and October 31, 1985, CIRB approved 133 applications, involving contributions of \$39.9 million for projects with a total cost of \$155.4 million. This brought the total number of approvals to 414 and total commitments to \$97.1 million since 1982;
  - of the \$97.1 million contributions approved up to now:
    - 93.0% went towards the realization of capital projects, 3.3% for innovation projects and 3.7% for consultants' studies; and
    - 79.2% went to projects located in the five Special Areas in Quebec and 20.8% to projects in the two Ontario Special Areas;
  - including BIDP assistance of \$97.1 million, recipient firms will invest a total of \$358.4 million: \$347.9 million for capital expenditures, \$5.5 million for innovation projects and \$5.0 million for consultants' studies;

- CIRB contributions approved since the inception of the BID program are expected to create 4,834 direct new jobs and safeguard an additional 546 non-TCF related jobs in the Special Areas, for a total of 5,380 jobs. This breaks down as follows: 879 jobs in Cornwall, 228 in Hawkesbury, 196 in Valleyfield, 672 in Drummondville, 685 in Trois-Rivières/Shawinigan, 2,016 in Sherbrooke/Magog, and 704 in Victoriaville/Plessisville.

c) Labour Adjustment Program

20. The objective of the labour adjustment program (LAP) administered by the Canada Employment and Immigration Commission (CEIC) is to assist textile, clothing, footwear and tanning workers in adjusting to changing conditions in these industrial sectors. With a five-year cost originally estimated at \$48.3 million, the LAP measures consist of regular CEIC programs and special CEIC adjustment measures. The special adjustment measures consist of enhanced training allowances and mobility assistance, wage subsidies and, in communities most severely affected, special job creation assistance. The CEIC also administers, on behalf of Labour Canada, the Labour Adjustment Benefits Program (LABP), which provides financial support for older TCF workers from the time their unemployment insurance benefits run out until they reach the age of 65.
21. TCF workers have made good use of the various measures provided under this program. Highlights can be summarized as follows (see also Table 6 in Annex B):
- some 17,700 TCF workers received assistance through CEIC programs during the fiscal year 1984-85, at a cost of almost \$15.7 million with Quebec accounting for 54.2%, Ontario for 27.8%, Manitoba for 6.5%, and the rest of Canada for 11.5%;
  - the cumulative cost of the CEIC adjustment measures from April 1981 to March 1985 now exceeds \$51.3 million, some \$3 million more than the original estimate for the full five years;
  - as regards vacancies and placements, 21,600 individuals were hired by TCF firms across Canada after being referred by local Canada Employment Centres (CECs), and 27,608 vacancies were reported to CECs by TCF employers, almost the same level of activities as in fiscal year 1983-84. In the CIRB's Special Areas, however, the increase in TCF placements and vacancies again outstripped the performance for all industrial sectors, increasing by 4.1% and 16.8% respectively. Quebec accounted for 64% of all TCF placements, Ontario for 26% and Manitoba for 4%;



- although in all sectors across Canada the number of workers on the Work Sharing Program declined by almost 40% in the calendar year 1984, the number of TCF workers using work sharing was slightly higher than last year's level. Benefits were paid to some 5,500 participants with 42% of the expenditures occurring in Quebec, 28% in Ontario, 9% in Manitoba and 21% in the rest of Canada;
- under the Labour Adjustment Benefits Program which CEIC administers for Labour Canada, just over \$35.5 million in benefits were paid to former TCF workers in 1984-85, compared to some \$21 million in 1983-84. Payments to TCF workers in Quebec accounted for 90.4% and in Ontario for 9.1%. The total number of active claims on March 31, 1985 was 4,061, an increase of close to 54% over the previous year.

#### IV - POST-CIRB ADMINISTRATIVE ARRANGEMENTS

22. As originally planned, the Canadian Industrial Renewal Board will be wound up on March 31, 1986. A number of administrative arrangements are being taken to reintegrate assistance to CIRB's target industries and communities with the regular programming of the Department of Regional Industrial Expansion (DRIE).
23. Companies in the textile, apparel, footwear and tanning industries will be considered for assistance under the Industrial and Regional Development Program (IRDP) of DRIE. Additionally, to ensure that implementation of the restructuring plans approved by CIRB during its lifetime be properly monitored, a follow-up group comprised of present CIRB employees will be created within DRIE. This group will report to the Director General of the Textile, Clothing and Footwear Branch.
24. The seven communities designated as Special Areas under CIRB's Business and Industrial Development Program will also be eligible under DRIE's IRDP. No special follow-up group is required to monitor progress in the realization of projects approved under the BID program, since these projects were more narrowly focussed and involved shorter implementation schedules than the restructuring plans approved under the Sector Firms Program.
25. With respect to the Labour Adjustment Program, the May 1985 Budget announced the government's decision to consolidate CEIC's various special assistance programs as part of the new, comprehensive Canadian Jobs Strategy. In addition, in July 1985, the Minister of Labour announced an extension of the Labour Adjustment Benefits Program for TCF workers to allow the government time to develop new adjustment policies.

V - CONCLUDING REMARKS

Program Impact

26. The bulk of investments under both the SFP and BID programs will occur during the years 1986 through 1988. However, while the final results have not yet been achieved, it is still possible to comment on the size and direction which these investments are taking.

Sector Firms Program

27. The program has reached a substantial proportion of the industries that it sought to assist in their modernization and restructuring efforts. Companies that submitted an application for assistance from the inception of the program in November 1981 until the deadline date for the acceptance of requests from new applicants on September 30, 1985, have combined sales which account for 75% of total TCF industry sales. By sector, the percentage becomes 90% for textile, 65% for clothing, 95% for tanning and 80% for footwear; variations in these percentages reflect in part the relative degree of industrial concentration particular to each sector. Those applicant companies that have succeeded, or are expected to succeed before the end of the program, in obtaining assistance to implement a modernization and restructuring plan will also account, in terms of sales, for a significant share of the TCF industries, namely an estimated 55%. Again by sector, program penetration will be 65% of textile, 40% of clothing, 60% of tanning and 50% of footwear.
28. Plant scale in the tanning and primary textile industries is generally very large. The restructuring plans of these companies call chiefly for investments in the latest generation of equipment and machinery (generally computer assisted). As a result their production should become more efficient and to a certain extent more flexible. With the exception of the cotton spinning sector, no major increases in the capacity of tanning and large textile firms is anticipated, though some modest expansions will occur as a by-product of modernization. Expenditures by these firms on their management, marketing, and financial components have been quite limited in comparison to investments in machinery and equipment. This reflects the capital intensive nature of these industries and the structured management already in place. Nonetheless, the program has had an impact in terms of broadening these companies' planning horizons and assisting them to undertake a selective diversification away from traditional markets.

29. The footwear, clothing and a limited number of textile industries (e.g. home furnishings, hosiery, knitting) are characterized by smaller, owner-operated companies. Here, while expenditures in plant and equipment still account for the bulk of planned investments, major investments are also planned regarding management structures, and computerized management information and financial control systems. It is clear that for firms assisted in these industries the program is having a major impact on management capabilities. Indeed for many companies this is their first involvement in detailed planning. No major increases in capacity are anticipated in the footwear industry. However, in the clothing and hosiery sectors, a majority of assisted companies are planning such expansions. While recognizing the need for a balanced distribution of companies of different sizes in these sectors, there is also a requirement to expand the core of larger enterprises to improve the potential for effective marketing and export expansion. Also, the purchase of such labour-saving devices as computerized cutting, pattern grading and computerized knitting is only practical once a company has attained a certain size. It is recognized that the growth of strong companies in these industries may occur at the expense of other, less efficient, firms and in the process reduce the problem of industry fragmentation.

Business and Industrial Development Program

30. Participation in this program has also been substantial. It is estimated that the employment provided by the local firms which applied for assistance under the program since its inception in April 1982 accounts for more than 60% of total non-TCF manufacturing employment found in CIRB's seven Special Areas. The successful applicants among those participating firms are expected to account for close to 30% of the non-TCF local manufacturing employment base of these seven designated communities by the time the program expires. In addition, a large number of outside investors have also submitted applications for assistance to establish operations in CIRB's Special Areas. It is believed that this high level of participation in the program will have provided the necessary initial impetus for the economic consolidation and revitalization of these communities, with the result that they will be less vulnerable than previously to restructuring in the TCF industries.
31. Naturally, results vary from area to area, a situation that may be attributed to factors such as the size of areas and locational choices of external businesses since the program was introduced. In terms of the number of jobs created per 1,000 inhabitants, results were fairly similar in three of the seven Special Areas (see Table 7 in Annex B), but Cornwall and Sherbrooke/Magog appear to have been relatively more successful and Trois-Rivières/Shawinigan and Valleyfield relatively less. A substantial proportion of the jobs created by new establishments in the Special Areas so far will go to Sherbrooke/Magog (the chosen location for companies such as TIE Telecommunications Canada Ltd. - 452 jobs, Travenol Canada Inc. - 110 jobs and C-MAC Industries Inc. - 223 jobs) and to Cornwall (Kohler Co. - 183 jobs, Chromolit Inc. - 174 jobs, as well as a number of smaller new establishments).

32. Against this record of job creation is the number of TCF job losses registered in the Special Areas during the period 1981 to 1985 which, at 6,265, exceeds the number of new jobs thus far expected to be created in those regions with the assistance of the program (4,834). Results are however unequal from area to area and there is still ground to be made up in Cornwall, Valleyfield, Victoriaville/Plessisville and Trois-Rivières/Shawinigan (see Table 8 in Annex B). The experience acquired with the program suggests that the revitalization of regional communities is a long-term agenda, even when generous financial incentives are made available, and that there can be significant delays between the time TCF jobs are lost and the time that new jobs are created to replace them.

The CIRB model

33. While it is still too early to formally evaluate the effectiveness of CIRB programs, it would appear, based on the experience to date, that an integrated approach -- such as CIRB's -- to industrial renewal, with a decision-making Board of Directors composed of businessmen not directly involved in the sectors concerned, of labour and consumer representatives, and of public servants, constitutes an effective mechanism for providing industrial adjustment assistance to specific sectors, communities and groups of workers. Such a board, by the very nature of its composition, enables open and impartial discussion of the most relevant aspects of applications submitted for decision.
34. The model works well when the mandate is fairly precise and the timeframe limited. CIRB's success in reaching its clients depended to a large extent on this concentrated mandate. It is also essential that program delivery be linked to a national sectoral mandate and that assistance be delivered through a single body. Finally, the combination of sectoral and community-based programs provides a powerful instrument of adjustment by enabling communities highly dependent on sectors undergoing significant restructuring to be compensated for employment losses suffered in those sectors.
35. It must be noted, however, that the direction and pace of any process of industrial revitalization are strongly influenced by external factors such as the regime of trade protection measures in place and by the general situation of the economy.
36. Given the experimental nature of its mandate, CIRB has commissioned an independent evaluation which should make it possible to draw firmer conclusions about the impact of its programs.

BOARD OF DIRECTORS (AS OF DECEMBER 31, 1985)

Mr. Paul Desmarais (Chairman)  
Chairman and Chief Executive Officer  
of Power Corporation  
Montreal, Quebec

Mr. Paul Soubry (Vice-Chairman)  
President  
of Versatile Farm Equipment Co.  
Winnipeg, Manitoba

Mr. Claude Castonguay  
President and Chief Executive Officer  
of the Laurentian Group Corporation  
Quebec City, Quebec

Mr. Paul-Émilien Dalpé  
Past President of the Centrale des  
syndicats démocratiques  
St. Jérôme, Quebec

Mr. Walter Dubowec  
Partner-in-Charge of the Winnipeg Office  
of Touche Ross & Co.  
Winnipeg, Manitoba

Mr. Sam Fox  
Co-Director of the Amalgamated  
Clothing and Textile Workers Union  
Toronto, Ontario

Mrs. Janice Kerr  
Past National President of  
the Consumers' Association of Canada  
Truro, Nova Scotia

Mr. Arthur Kroeger  
Deputy Minister of Regional Industrial Expansion  
Ottawa, Ontario

Mr. Guy A. Lavigne  
President of the Federal Business  
Development Bank  
Montreal, Quebec

Mr. Gaëtan Lussier  
Deputy Minister/Chairman of Employment  
and Immigration Canada  
Ottawa, Ontario

Mr. Donald Scott McGiverin  
Governor and Chairman of the  
Hudson's Bay Co.  
Toronto, Ontario

Mr. Robert Richardson  
Deputy Minister of International Trade  
Department of External Affairs  
Ottawa, Ontario

Mr. Frederick W. Russell  
President of General Industries Ltd.  
St. John's, Newfoundland

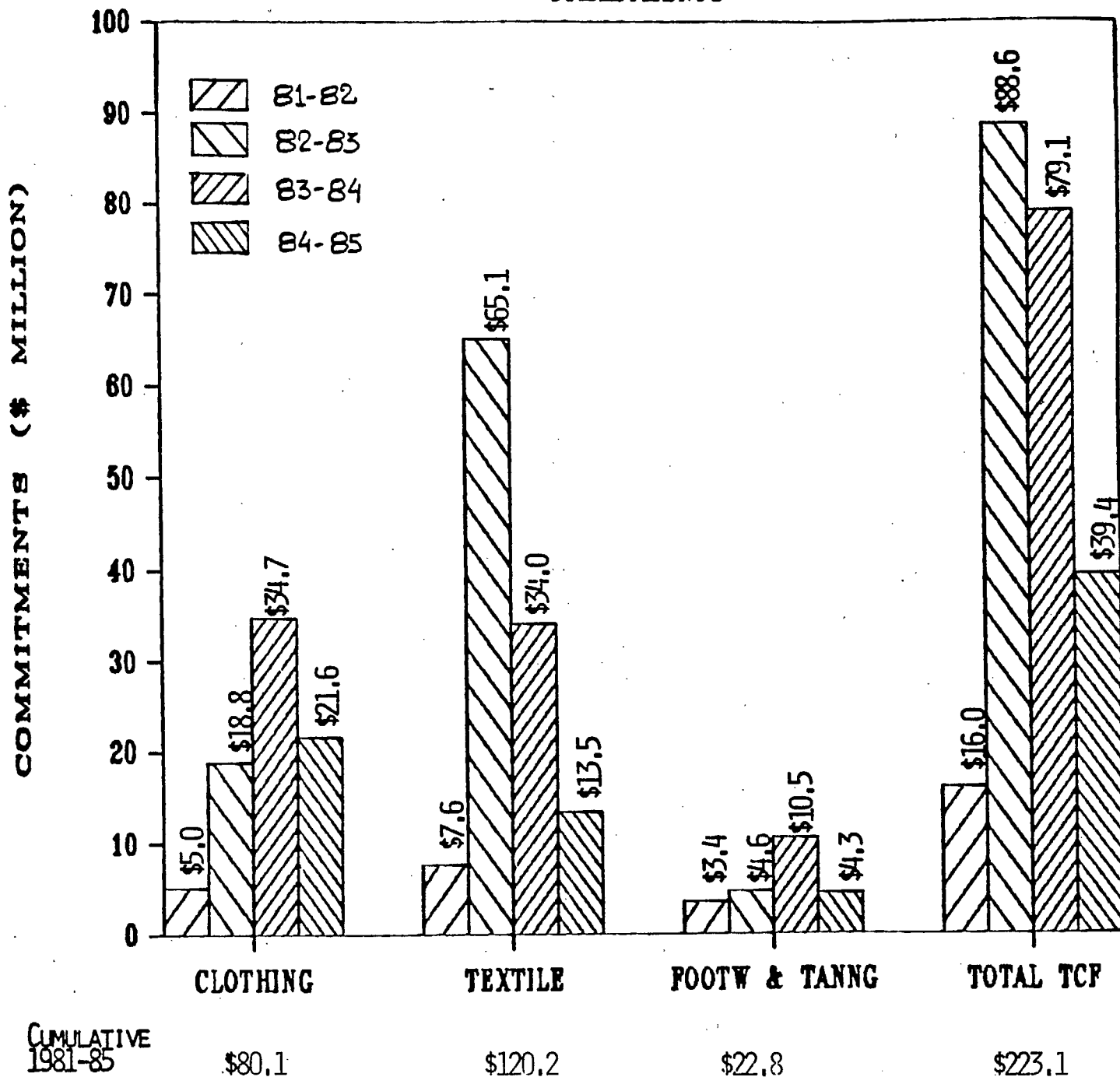
Mr. Marcel R. Savard  
President of Samson Bélair  
Montreal, Quebec

PROGRAM RESULTS  
(Tables 1 to 9)

TABLE 1

# SECTOR FIRMS PROGRAM

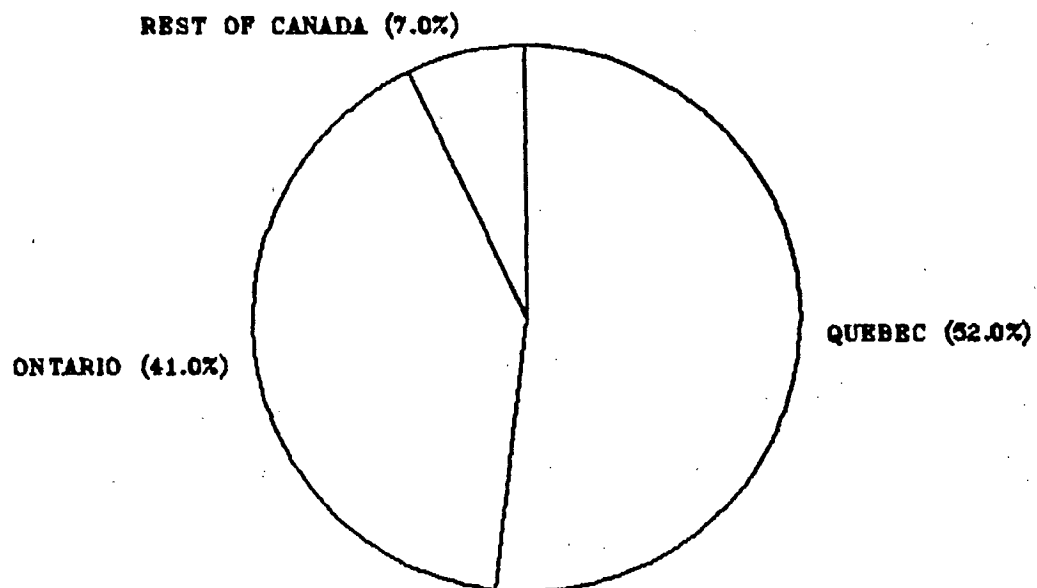
## COMMITMENTS





**SECTOR FIRMS PROGRAM  
GEOGRAPHIC DISTRIBUTION-COMMITMENTS**

1981-1985



# SECTOR FIRMS PROGRAM

## DISPOSITION OF APPLICATIONS

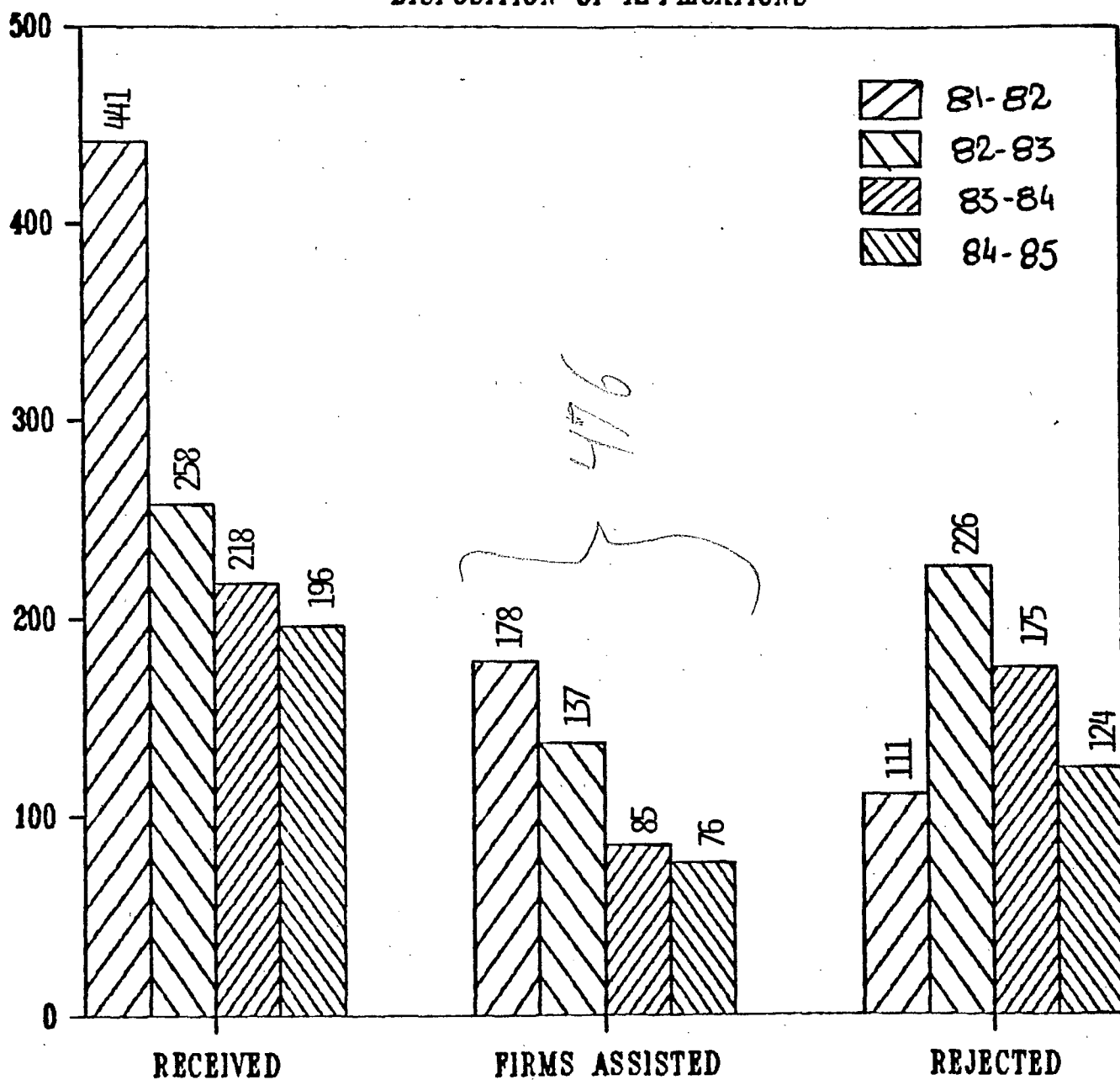


TABLE 4

# BUSINESS AND INDUSTRIAL DEVELOPMENT

## DISPOSITION OF APPLICATIONS

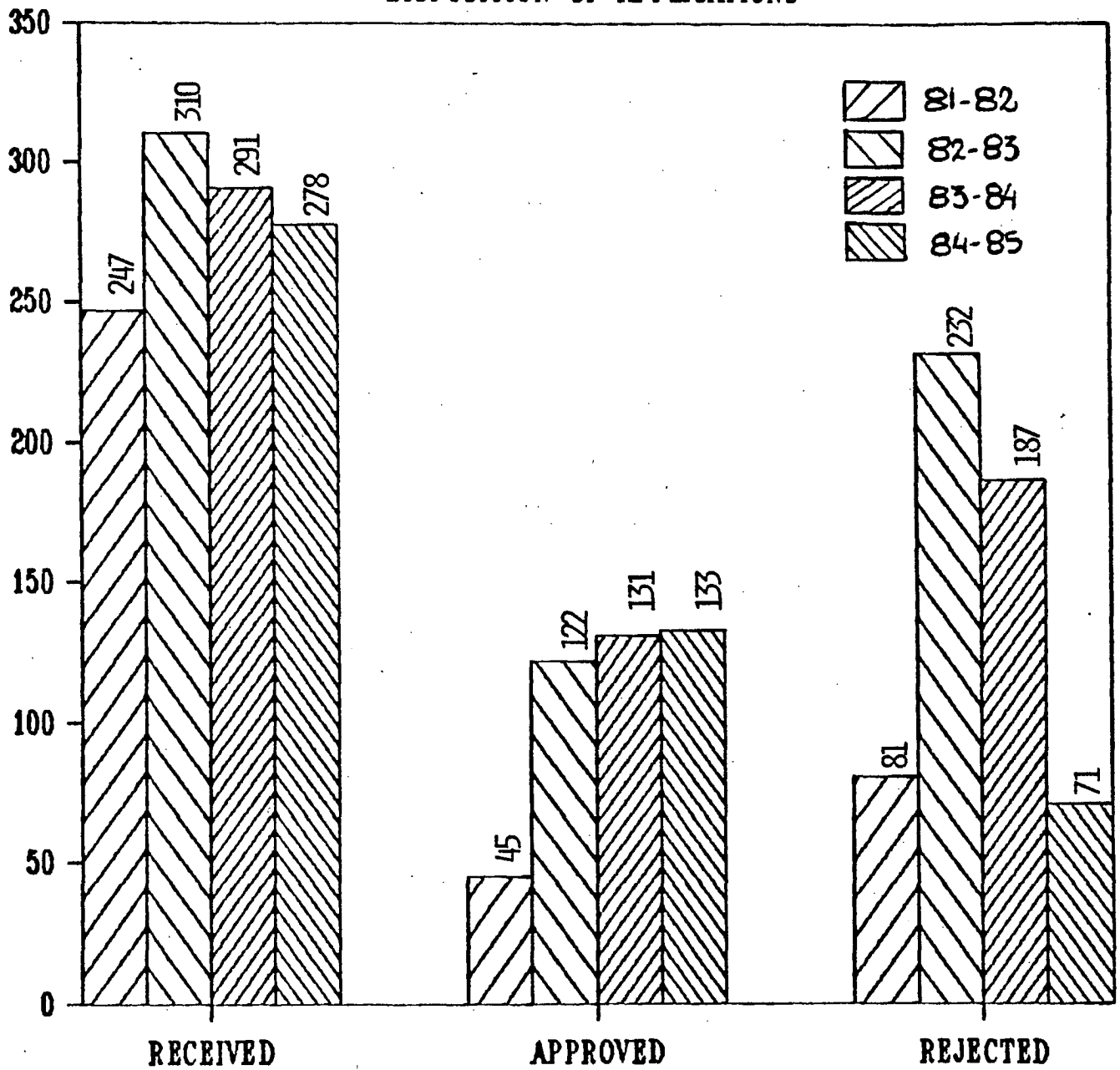


TABLE 5

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAM

Approved Contributions and Project Costs by Special Area  
(November 1, 1984 to October 31, 1985 and cumulative totals as at October 31, 1985)

Special Area	Number		Contributions \$(000)		Project Costs \$(000)		Jobs	
	1984-1985	Total 1982-1985	1984-1985	Total 1982-1985	1984-1985	Total 1982-1985	1984-1985	Total 1982-1985
Cornwall	9	30	12,479	16,106	41,348	53,115	561	879
Hawkesbury	3	15	1,746	4,055	8,393	15,730	81	228
Valleyfield	11	39	8,614	12,651	51,648	63,582	69	196
Drummondville	16	73	1,626	14,492	4,686	51,236	133	672
Trois-Rivières/ Shawinigan	40	83	5,077	12,410	17,618	44,059	362	685
Sherbrooke/ Magog	39	107	8,533	29,746	25,858	104,939	1,006	2,016
Victoriaville/ Plessisville	15	67	1,819	7,643	5,876	25,927	124	705
Total	133	414*	39,894	97,103*	155,427	358,588*	2,336	5,381*

\* Includes 23 offers, representing \$10,267,192 in contributions for projects costing a total of \$39,006,105 and creating 455 jobs, not yet accepted by applicant firms but still valid on October 31, 1985.

N.B.: The cumulative totals for 1982-85 do not exactly equal the sum of the figures for 1984-85 and those provided in the third annual report, owing to changes in projects authorized prior to October 31, 1984.

## LABOUR ADJUSTMENT PROGRAM

CEIC Employment Services and Programs TCF Industries					
	1981-1982	1982-1983	1983-1984	1984-1985	
	Total Expenditure/ Commitments	Total Expenditure/ Commitments	Total Expenditure/ Commitments	Total Expenditure/ Commitments	Total Expenditure/ Commitments
Quebec	4,099,495	7,082,537	6,604,624	8,483,340	26,269,996
Ontario	2,402,633	4,389,053	3,913,691	4,355,041	15,060,418
Rest of Canada	1,418,648	3,921,988	2,131,825	2,815,443	10,287,904
Canada	7,920,776	15,393,578	12,650,140	15,653,824	51,618,318

Labour Canada Labour Adjustment Benefits Program (LABP)					
	1981-1982	1982-1983	1983-1984	1984-1985	Total
	Payments	Payments	Payments	Payments	Payments
Quebec	4,446,458	7,811,858	19,026,758	32,098,676	63,383,750
Ontario	650,429	1,040,077	2,143,377	3,228,263	7,062,146
Rest of Canada	13,030	17,401	94,459	174,641	299,531
Canada	5,109,917	8,869,336	21,264,594	35,501,580	70,745,427

Source: CEIC Annual Report, 1982-83, 1983-84 and 1984-85

TABLE 7

## BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAM

Job Creation and Population  
in the Special Areas

Special Areas	Population 1981	Jobs Created and Safeguarded by the BIDP	Jobs Created and Safeguarded per 1,000 Inhabitants
Cornwall	51,319	879	17.1
Hawkesbury	17,237	228	13.2
Valleyfield	38,047	196	5.2
Drummondville	51,723	672	13.0
Trois-Rivières/Shawinigan	150,456	685	4.6
Sherbrooke/Magog	122,795	2,106	16.4
Victoriaville/Plessisville	49,101	704	14.3
TOTAL	480,678	5,380	11.2

Sources: CIRB, Statistics Canada.

## BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAM

TCF Employment Variation  
and BIDP Job Creation in the Special Areas\*

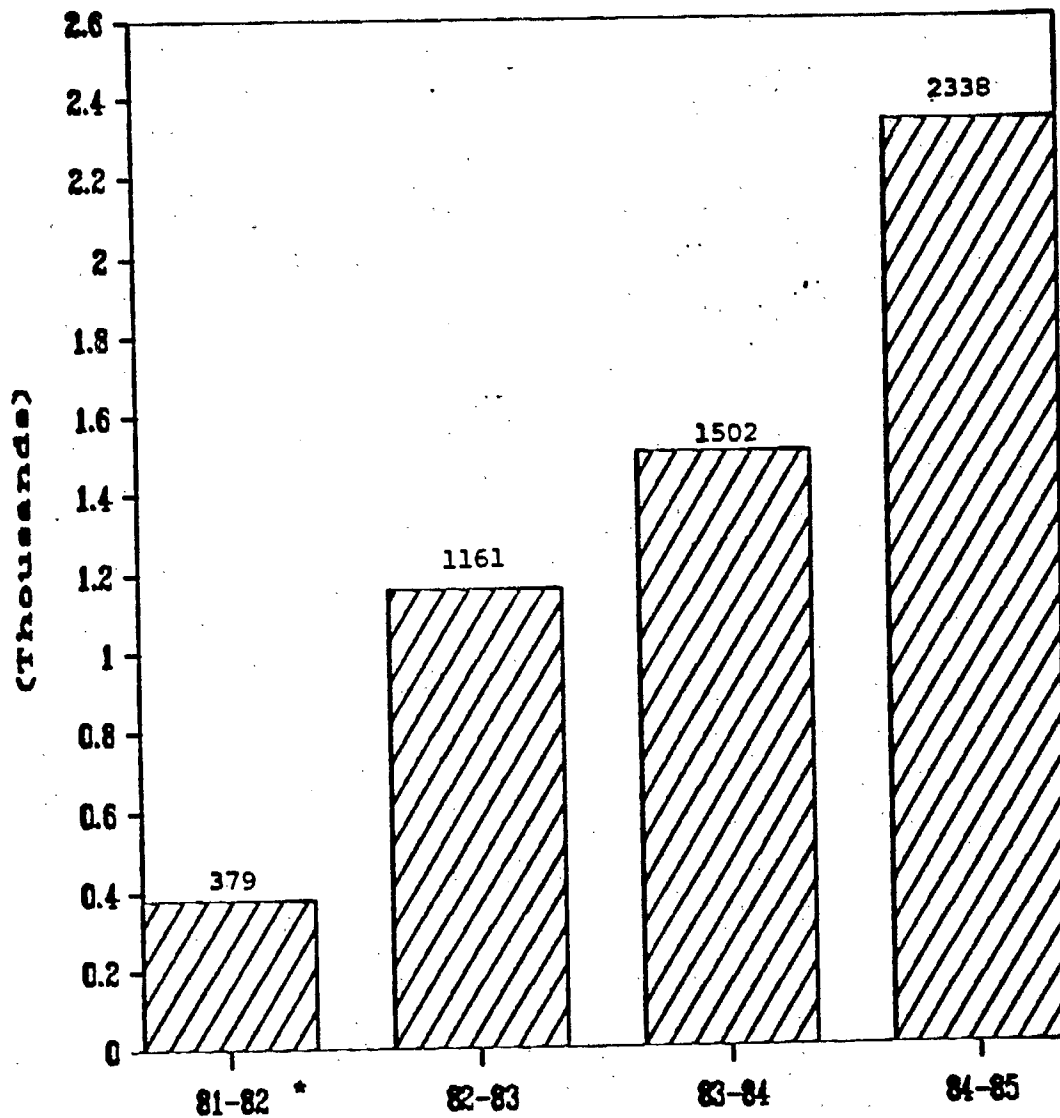
Special Areas	TCF Employment Losses 1981-85(1)	New Jobs Created by BID (2)	Gap
Cornwall	-965	839	-126
Hawkesbury	-140	228	+ 88
Valleyfield	-494	196	-298
Drummondville	-219	627	+408
Trois-Rivières/Shawinigan	-1,939	409	-1,530
Sherbrooke/Magog	-1,633	2,016	+383
Victoriaville/Plessisville	-873	519	-354
TOTAL	-6,263	4,834	-1,429

Sources: Canada Employment and Immigration Commission, CIRB.

- \*Notes: (1) Employment data is not available for Special Areas. The employment figures used refer to Canada Employment Centre (CEC) areas which comprise the BIDP Special Areas.
- (2) These figures refer only to new jobs created in Special Areas under the BIDP and exclude jobs associated with projects which safeguarded jobs that would otherwise have been lost.

## BUSINESS AND INDUSTRIAL DEVELOPMENT

NUMBER OF JOBS CREATED



\* April 1982 to October 1982.



SECTOR FIRMS PROGRAM

Firms Which Were Awarded A Contribution For Capital Expenditures  
Between November 1st, 1984 and October 31st, 1985

List of firms according to the province where their Head Office is situated	Sector	Contribution \$	Total Capital Cost of Project \$
<u>British Columbia</u>			
1. Jantzen Canada Inc.	C	358,218	1,432,870
2. The Fitz-Wright Group of Companies	C	211,601	846,405
		569,819	2,279,275
<u>Manitoba</u>			
1. Bonwitt Mfg. Ltd.	C	79,288	317,153
2. I.D. Fashion Ltd.	C	80,550	322,200
3. MWG Apparel Corporation	C	276,195	1,104,778
4. Pace Setter Swim & Gym Wear Inc.	C	343,750	1,655,000
5. Silpit Industries Co. Ltd.	F	1,523,188	7,684,750
6. Standard Knitting Ltd.*	C	269,735	1,078,940
7. Tan-Jay International*	C	1,224,000	5,076,000
		3,796,706	17,238,821
<u>New Brunswick</u>			
1. JML Shirt Ltd.	C	102,500	410,000
<u>Newfoundland</u>			
1. Terra Nova Shoes Ltd.	F	393,500	1,574,000
<u>Nova Scotia</u>			
1. Nova Scotia Textiles Ltd.*	C	227,963	911,850

\* Contribution approved before November 1, 1984 but not published in previous annual reports.

List of firms according to the province where their Head Office is situated	Sector	Contribution \$	Total Capital Cost of Project \$
<u>Ontario</u>			
1. Action Sport Knit (West York) Ltd. and All-Rite Cresting Ltd.	C	198,695	794,780
2. Baldwin Garments Ltd.*	C	170,750	683,000
3. Barrday (A Division of Wheelabrator Corp. of Canada Ltd.)	T	349,000	1,304,000
4. Bata Industries Ltd.*	F	2,161,250	8,645,000
5. Bauer Industries Ltd.	T	189,540	1,197,700
6. Bay Mills Limited	T	1,900,000	6,200,000
7. Bonnie Stuart Shoes Limited	F	147,000	588,000
8. Cambrai Clothing Co. Ltd., Tricot K.A. Knit and Metco Fashions Inc.*	C	499,535	1,998,140
9. Canada Cordage Inc.*	T	179,800	899,000
10. Canada Hair Cloth Co. Ltd.*	T	372,550	1,862,750
11. Cluett, Peabody Canada Inc. (Arrow Canada Division)	C	526,200	2,631,000
12. Cooper Canada Ltd.	C	857,621	3,839,430
13. Doubletex Inc.	T	1,133,200	5,666,000
14. Elco Kitchen Products Ltd.*	T	100,400	502,000
15. Empress Furs Ltd.	C	82,500	330,000
16. Florsheim Inc.	F	152,000	608,000
17. G.M. Associates	T	139,500	558,000
18. G.M. Furs Ltd.	C	104,528	418,110
19. Glendale Spinning Mills (1981)Ltd.	T	400,300	2,001,500
20. Gorman Knitting Mills Ltd.*	T	610,260	3,051,300
21. Grant Emblems Limited	T	538,750	2,155,000
22. Guelph Elastic Hosiery Co. Ltd.	C	108,500	434,000
23. H.A. Sheldon Inc.*	C	175,000	700,000
24. Harding Carpets Ltd.*	T	1,592,750	6,371,000
25. Harvey Woods Limited	C	832,300	3,329,200
26. Holiday Sportswear Mfg. Ltd.	C	83,050	332,200
27. Kettle Creek Canvas Co. Ltd.	C	106,750	427,000
28. Mercury Knitting Mills	T	407,411	1,629,644
29. Metro Sportswear Ltd.*	C	114,662	458,645
30. Mister Leonard Inc.*	C	917,608	3,670,431
31. Phil Carry Sportswear Ltd.*	C	188,825	755,300
32. Sew-Rite Manufacturing Co. Ltd., and L.E.G. Bedwear Limited	T	207,850	831,400

List of firms according to the province where their Head Office is situated	Sector	Contribution \$	Total Capital Cost of Project \$
33. Spintex Yarns Ltd.	T	803,020	4,015,100
34. Star Slipper Co. Ltd.	F	485,000	1,940,000
35. Tender Tootsies Ltd., Lullabies of London Ltd. and Watford Footwear Ltd.	F	1,314,500	5,258,000
36. Texturon Inc.	T	142,500	950,000
37. The Cambridge Towel Corporation*	T	3,115,000	623,000
38. The Ontario Glove Mfg. Co. Ltd.	C	90,500	362,000
39. Tiny Tots Knitting Mills Inc.*	C	743,500	3,974,000
40. Unitog Canada Ltd.	C	187,000	748,000
41. Vinaflex Canada Ltd.*	F	677,250	2,709,000
42. Warnaco of Canada Ltd.*	C	323,766	1,618,830
43. Waterloo Glove Mfg. Co. Ltd.*	C	57,750	231,000
44. William H. Kaufman Inc. (Kaufman Footwear Division)*	F	1,300,000	5,200,000
		24,787,871	92,500,460
<u>Quebec</u>			
1. Admiration Clothes	C	92,000	368,350
2. Algo Industries Ltd.*	C	314,500	928,000
3. Allure Sportswear Canada Ltd.	C	126,269	505,076
4. Bastien & Frères Inc.	F	227,500	910,000
5. Bertrand Croft Inc.	C	152,000	608,000
6. Burlington Canada Inc.	T	760,950	5,073,000
7. Calko (Canada) Inc.*	T	183,000	915,000
8. Canada Belt & Bag Co. Ltd.	C	215,875	863,500
9. Canadelle Inc.*	C	1,821,050	7,284,200
10. Carla Jane Inc.	C	103,250	413,000
11. Charan Industries Inc., Chantex Fashions Inc., and Dynasty One Children's Wear Inc.*	C	285,162	1,140,646
12. Chateau Lingerie Mfg. Inc.*	C	600,490	2,401,959
13. Confection Troy Ltée	C	96,250	385,000
14. Confection Vetibec Inc.*	C	28,000	112,000
15. Cookshiretex Inc.	T	755,400	3,777,000

List of firms according to the province where their Head Office is situated	Sector	Contribution \$	Total Capital Cost of Project \$
16. Doris Hosiery Mills Ltd.*	T	1,093,200	5,466,000
17. Edwards Fashions Ltd.*	C	124,160	496,640
18. Elegant Knitwear Ltd.*	C	83,750	335,000
19. Giltex Hosiery Inc.	T	1,231,720	6,158,600
20. Gordon Yarn Dyers Ltd.	T	256,250	1,025,000
21. Grace Knitting (1982) Ltd.	C	249,585	998,340
22. H.P. Gilbert & Fils Inc.	C	119,500	478,000
23. Hanson Mohawk Inc.	T	351,450	1,405,800
24. Harley Inc.	C	1,360,614	5,737,157
25. Hi-Lyn Inc.	C	113,750	455,000
26. Huntingdon Mills Ltd.	T	457,750	1,831,000
27. Industrie de l'Aiguille Ltée*	C	57,500	230,000
28. Irving Samuel Canada Inc.	C	265,750	1,063,000
29. J. Ostroff & Son Mfg. Co. Ltd.	C	75,300	301,200
30. Jeno Neuman & Fils Inc.	C	196,749	786,997
31. Katescorp Inc.	C	94,913	379,653
32. Kiddo Children's Wear Ltd.	C	129,400	647,000
33. L.P. Royer Inc.	F	288,500	1,154,000
34. La Chemise Perfection (1978) Inc.	C	130,250	521,000
35. Le Chateau of Canada Ltd.	C	1,023,000	4,092,000
36. Lee-Dye Inc.	T	307,800	2,052,000
37. Les Chemises I. Miller Shirts Inc.	C	200,313	801,250
38. Les Industries Niagara Lockport Québec Inc.	T	1,505,000	7,525,000
39. Les Souliers Lavallée Inc.*	F	285,000	1,140,000
40. Les Tricots Duval & Raymond Ltée*	T	202,700	1,013,500
41. Les Tricots Parktown (1983) Inc.	C	386,350	1,545,402
42. Lingerie C & G Inc.*	C	205,915	823,660
43. Lutfy Ltd & Nocturne Apparel Ltd.	C	489,200	1,956,800
44. Majdell Canada Inc.	C	771,000	3,084,000
45. Manufacture Beaulac Inc.*	C	128,250	513,000
46. Manufacture Universelle Inc.	C	98,172	392,688
47. Nancy G. Dress Corp.*	C	183,000	732,000
48. Paris Star Knitting Mills Inc. and Champion Knitting Mills Inc.*	C	332,000	1,328,000
49. Park Lane Neckwear Inc.	C	477,250	2,189,000
50. Penn Hafner Ltd. (Spinto)*	T	2,140,680	10,703,400
51. Quality Elastics Ltd.*	T	135,200	676,000
52. Queentex Enterprises Inc. & Miss Melodee Inc.	C	121,750	487,000

List of firms according to the province where their Head Office is situated	Sector	Contribution \$	Total Capital Cost of Project \$
53. Rayonese Textiles Inc.	T	348,500	1,680,000
54. Rosita Shoe Co. (Canada) Ltd. and Alexandra Footwear Ltée*	F	745,400	3,255,000
55. S. Cohen Inc. & S&F Clothing Canada Ltd.	C	112,373	561,869
56. Savetier Inc.	F	108,500	434,000
57. Shirtmate (Canada) Inc.	C	274,581	782,205
58. Stedfast Inc.	T	463,625	1,539,500
59. Stratford Mfg. Inc., Carleton Manufacturers (1974) Ltd., Down Connection Inc., Premiere Vision Inc. & 99068 Canada Inc.	C	219,375	877,500
60. Tamco Fashions Ltd.	C	203,225	812,900
61. Tex-Dye Industries (198) Inc.	T	148,750	595,000
62. Textiles Dionne Inc.	T	225,000	1,500,000
63. The Nalpac Company*	T	1,734,750	6,939,000
64. Tricot Richelieu Inc.*	T	371,400	1,857,000
65. Tri-Star Textiles Ltd.	T	143,500	574,000
66. Vêtements Cedar Ltée	C	118,625	474,500
		26,651,971	118,091,292

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
<u>Cornwall</u>					
1. Astro Printing Services (Cornwall) Ltd.*	Printing	Expansion	49	196	6
2. Chromolit Inc.	Stainless steel table flatware	New facility	3 570	11 900	174
3. Cornwall Machine & Welding Ltd.	Metal products	Expansion	98	328	8
4. Imprimerie Trans-Continentale Inc.	Commercial printing	New facility	1 425	4 750	46
5. Kohler Ltd.	Acrylic and plastic bathtubs and showers	New facility	4 146	11 720	183
6. Ridgewood Industries Ltd.	Furniture	Expansion	75	250	30
<u>Hawkesbury</u>					
1. Bitco Metals Industries Ltd.	Metal products	New facility	135	338	23
2. Innopac Inc. (Division of Montebello Metal Inc.)	Metal products	Expansion	360	1 800	25
3. KRC Rolls (Canada) Inc.	Rubber and polyurethane re-covering	New facility	1 251	6 255	33

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
<u>Valleyfield</u>					
1. Alby Chlorates Canada Inc. (Swedish Mat.)	Sodium chlorate	New facility	2 950	29 500	32
2. Auto Rebutts Valleyfield Inc.*	Metal recycling	Expansion	191	637	10
3. M. USA C. Promotions Inc.*	Decaffeinated coffee	New facility	2 132	6 090	38
4. Thermactive R & D Program	Research	New facility	162	540	12
<u>Drummondville</u>					
1. Batronics Inc.	Batteries	Expansion	398	996	46
2. Cascades P.H.S. Inc.*	Hygiene products	New facility	2 400	12 000	107
3. Cie Mfre Générale Ltée	Pylones	Modernization	249	997	26
4. Extrusion de l'Est Inc.	Plastic products	Expansion	72	238	2
5. Jérôme Houle et Fils Inc.	Equipment for handling manure	Expansion	172	573	14
6. Les Industries Sipromac Inc.*	Meat processing equipment	New facility	35	88	12

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
7. Les Produits Industriels de Haute Température Pyrotek Inc.	Filters and valves	Expansion	298	994	16
8. Sérico - Décal Inc.*	Electronic keyboards	Expansion	156	446	17
9. Vendair Drummond (1985) Ltée*	Dust removers	New facility	89	295	14
<u>Trois-Rivières/Shawinigan</u>					
1. A. A. Klein & Fils Inc.*	Metal recycling	Expansion	36	119	2
2. Acier Fabrex Inc.	Garbage bins	New facility	323	923	26
3. Another Tech Corporation (Coretech)*	Cardboard mandrels and tubes	New facility	215	715	15
4. Asphalte Continental Inc.	Asphalt and crushed stone	Expansion	182	605	10
5. Atelier d'Usinage Gomex Inc.	Metal products	Expansion	75	249	3
6. Atelier d'Usinage Mamen Inc.	Metal products	Expansion	98	328	2



BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
7. Béton Vibré Ltée	Concrete pipes	Expansion	125	417	7
8. Canron Inc.	Machinery and heavy industrial equipment	Expansion	180	600	14
9. Construction Fermont Inc.	Steel frames and tanks	Expansion	36	121	10
10. DOC Mecano Inc.	Refinished pumps	Expansion	15	51	4
11. Diachem Chimique Inc.	Chemical products	New facility	650	1 624	20
12. Estampage M.G. Ltée	Metal products	Modernization	30	100	7
13. Estampage M.G. Ltée	Metal products	Expansion	150	500	15
14. Fonderie Grand-Mère Ltée	Cast iron pieces	Expansion	210	700	6
15. Formuken Inc.	Adhesive for tiles	New facility	38	95	11
16. La Fournée Blanc et Or (113862 Canada Inc.)	Bread	Expansion	23	75	3

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
17. La Société de Fabrication des Vieilles Forges Inc.	Industrial equipment	Expansion	63	210	8
18. Le Centre du Sciage Inc.	Sawing of carbone and granite blocks	New facility	60	200	8
19. Les Bois J.M. Arbour Inc.	Lumber	Expansion	64	212	4
20. Les Entreprises du 2925 Royale Inc.	Hockey sticks	New facility	51	205	12
21. Les Entreprises Sommex Ltée	Mattresses and box spring	Expansion	37	123	5
22. Massicotte & Arcand Inc.	Metal products	Modernization	43	143	3
23. Métal Expert Inc.	Ventilation system	Expansion	240	800	15
24. Moïse Cadoret Inc.	Boats	Expansion	95	380	24
25. N.E.I. Canada Ltée	Transformers	Expansion	388	1 940	20
26. Pneumatech Shawinigan Inc.	Rubber products	New facility	68	170	5

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
27. Produits Chimiques Superbes (1979) Ltée	Cleaning products	Expansion	53	176	2
28. Structures C.Q.S. Inc.	Steel structures	Modernization	248	825	30
29. Systèmes Hydrauliques Tremblay Inc.	Components of hydraulic systems	Expansion	58	233	3
30. Tubes PVC (Lionel Labrie & André Bouffard)	P.V.C. tubes	New facility	263	750	18
31. Waferboard Corporation Ltd.	Waferboards	Modernization	139	556	5
<u>Sherbrooke/Magog</u>					
1. Bioclass Inc.	Biological products	New facility	164	328	11
2. Camions Inter-Estrie Inc.	Motors, transmissions for trucks	New facility	116	580	8
3. Combustion Engineering Superheater Inc.	Steam generators	Modernization and expansion	1 400	5 600	320
4. Imprimerie Magog-Orford Inc.	Business forms	Expansion	72	288	4

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
5. Industries G-MAC Inc.	Hybrid circuits	New facility	2 346	5 865	233
6. Les Caoutchoucs Polymat Inc.	Rubber mats	New facility	102	290	6
7. Les Distributions Thona Inc.	Rubber products	Expansion	281	938	16
8. Les Distributions Thona Inc.	Rubber products	Expansion	364	1 213	24
9. Les Engrenages Sherbrooke Inc.	Industrial gears	Expansion	78	260	9
10. Les Gicleurs Astra Ltée	Fire alarms	Development of new products	53	178	1
11. Les Industries ETSG Inc.	Sealed glass and mosquito nets	Expansion	163	650	17
12. Les Industries G.E. Gilbert Inc.	Metal products	Modernization	75	250	6
13. Les Plastiques Sherbrooke Ltée	Plastic products	Expansion	39	130	5
14. Martin Feed Mills Ltd.	Litters for cats	New facility	720	1 800	21
15. Mesotec Inc.	Molds, aircraft parts	Expansion	77	258	8
16. Pro-Par (1978) Inc.	Gas propane tanks	Expansion	76	304	15

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
17. Produits de Ciment Sherbrooke Ltée	Concrete pipes	Modernization	75	250	10
18. Recyclage de l'Estrie (Recyclage Orford Inc.)*	Paper recycling	New facility	214	855	16
19. Tuiles Duromer Canada Inc.	Rubber tiles	New facility	432	1 234	55
20. Ultra Coatings Canada Inc.	Chemical products	New facility	96	275	10
21. Unitcast Canada Inc.	Steel molds	Expansion	158	528	15
22. Videolux Canada Inc.	Blank videocassettes	New facility	258	736	24
<u>Victoriaville/Plessisville</u>					
1. 122345 Canada Ltd. & Aliments Prince Foods Inc.	Meat products	Expansion	170	680	1
2. 134858 Canada Inc.	Houseboats	New facility	21	60	8
3. Cercueils Atlas Inc.	Caskets	Expansion	329	1 098	20
4. Emballage Victoriaville Ltée	Packing materials	Expansion	155	518	25

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAMLIST OF PROJECTS1984-1985

Special Area and Name of Company	Type of Business	Type of Project	Contribution (\$000)	Cost of project (\$000)	Jobs (number)
5. Industrie Flexart Inc.	Plywood joints	Expansion	98	325	9
6. Jouets Prince Inc.*	Games	Expansion	106	353	12
7. Les Emballages Cascades Inc.	Boxes and crates	Expansion	56	280	5
8. Les Fromages Princesse Inc.	Cheese	Modernization	86	285	18
9. Princefib Inc.	Boats, canoes	Expansion	126	421	17
10. Produits Nautiques Altra Inc.	Aluminium boats	New facility	180	360	1
11. Ventilateur Victoria Ltée*	Silos	Innovation	160	320	0
12. Vicroc Inc.	Drilling accessories	Expansion	120	400	6

Note \*: Projects authorized before October 31st, 1984

