

SPECIAL AREAS ACT

**ANNUAL REPORT
1990-91**

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INTRODUCTION

Authority for the designation of special areas was provided initially under the Department of Regional Economic Expansion (DREE) Act. In consultation with the provinces, many areas across the country were designated for the purpose of implementing special measures to facilitate economic expansion and social adjustment. In 1983 the DREE Act was repealed. However, provision for special areas was continued under the Special Areas Act which was effected within the framework of the Government Organization Act on November 17, 1983.

Four special areas programs authorized under the former DREE Act continued to be administered under the Special Areas Act. These programs were: The Baie Verte Mines Inc. Agreement, the Montreal Special Area Industrial Incentives Program, the Economic Development Program for the Magdalen Islands, and the Business and Industrial Development Program (BIDP). The deadlines for accepting applications under all of the programs outlined above have passed.

Since the enactment of the Special Areas Act, no new designations have taken place. Nevertheless, section nine of the Special Areas Act requires that the responsible Minister provide both Houses of Parliament with an annual report on the administration of the Act. In fiscal year 1990-91 there were no activities under programs involving the Baie Verte, Magdalen Islands and Montreal Special Areas because programs in these areas had expired and activities under them including payments were completed in fiscal year 1989-90.

This report addresses activities that took place during fiscal year 1990-91 in areas designated for the Implementation of the Business and Industrial Development Program (BIDP).

BUSINESS AND INDUSTRIAL DEVELOPMENT PROGRAM

The objective of the Business and Industrial Development Program (BIDP) was to provide aid to communities located in designated areas that were experiencing economic hardship arising from their long-term dependence on traditional textile, clothing and footwear industries which were undergoing a period of declining business activity. More specifically, the BIDP provided counselling and financial aid for the purpose of fostering and developing new businesses and for the purpose of restructuring existing businesses in order that they could improve their competitiveness and profitability. The BIDP was administered under the authority of the Canadian Industrial Renewal Board.

The BIDP was implemented in seven special areas in April 1982 for an initial period of two years. In April 1984 the special area designations were extended for another two years to March 31, 1986. A cut-off date of January 31, 1986, was established for the receipt of new project applications. After January 31, 1986, new applications were to be made under the Industrial and Regional Development Program.

Two of the special areas were located in Ontario and five in Quebec. These areas are as follows:

Ontario
Cornwall
Hawkesbury

Quebec
Valleyfield
Drummondville
Trois-Rivières/Shawinigan
Sherbrooke/Magog
Victoriaville/Plessisville

In fiscal year 1990-91, the sole activity under the BIDP Program consisted of payments made for projects approved in prior years and which were still active. The total amount of the payments was \$1,752,383. There were no offers accepted under the BIDP during 1990-91.