

charge to the mine, not at the value of the metal produced. Table 17.10 shows recent trends in exports of manufactures. As the data in the table will show, exports of manufactured goods in 1975 appear to have been at a level about 3.8 times that of 1965, but those of end products — roughly speaking, finished manufactures — were 6.9 times their 1965 level. This reflects in an important degree the impact of the Canada–United States Agreement on Automotive Products of 1965.

## **Federal assistance to manufacturing**

17.2

The Department of Industry, Trade and Commerce is responsible for stimulating the establishment, growth and efficiency of the manufacturing, processing and tourist industries in Canada, and also for developing export trade and external trade policies. It assists Canadian industries to initiate and take advantage of technological advances, improve products and services, increase productivity and expand domestic and foreign markets through a variety of programs and services. At each phase of the product cycle — from research, development and design through production and marketing — the department can assist with information and financial assistance.

### **Enterprise Development Program (EDP)**

17.2.1

Effective April 1, 1977 the Enterprise Development Program replaced the following Industry, Trade and Commerce innovative and adjustment assistance programs: Program for Advancement of Industrial Technology (PAIT), Industrial Design Assistance Program (IDAP), Program to Enhance Productivity (PEP), General Adjustment Assistance Program (GAAP), Automotive Adjustment Assistance program (AAA), Footwear and Tanning Industry Adjustment Program (FTIAP), and Pharmaceutical Industry Development Assistance program (PIDA).

EDP combines the basic features of these programs and is designed to facilitate coordination among various forms of assistance, making Industry, Trade and Commerce programs more accessible, particularly to smaller and medium-sized Canadian businesses. The overall objective is to enhance growth in the manufacturing and processing sectors of the Canadian economy by providing assistance to selected firms to make them more productive and internationally competitive. The focus is on firms prepared to undertake, in relation to their resources, relatively high risk projects which are viable and promise attractive rates of return on the total investment.

The Enterprise Development Program adopts a corporate approach to analysis of applicant firms to identify present and future requirements and to tailor a financing package that combines one or more forms of EDP assistance with other government assistance and private sector financing. This “merchant banking” flexibility has been described as investing in firms, not just supporting projects. A merchant bank is defined as a financial institution which endeavours to serve its clients by identifying, structuring and providing (or arranging for) all the types of financing, financial and management services required by a firm to realize its full potential.

The corporate/merchant banking approach is similar to that of an investor. The approach is to examine the resources of a firm (human, financial, physical and technological), the market opportunities and constraints, and plans of the firm to marshal its resources to exploit its present and future market opportunities.

Decision-making is carried out at different levels. Mixed private sector/public sector boards provide pragmatic market-oriented decisions by drawing on the experience of prominent businessmen. Decentralized boards in the various regions of Canada, with delegated approval limits, make faster decisions possible, with awareness of regional business conditions a factor.