

A Brief Overview of Industry Canada's Corporate Hand-Outs

Over the decades, Canada's most profitable military contractors have been the top recipients of billions of dollars in handouts made by Industry Canada (IC). The two IC programs dispersing the most money were the **Defence Industry Productivity Program (DIPP)** and the one that replaced it in 1996, **Technology Partnerships Canada (TPC)**.

DIPP alone gave \$3.14 billion to over 600 corporations. By the end of 2001, TPC had authorized the handover of some \$1.66 billion.

A Canadian Taxpayers Federation study ("Corporate Welfare: A Report on Sixteen Years of Industry Canada Financial Assistance," 1998) analysed \$11.3 billion in financial assistance dispersed by IC between Apr. 1, 1982 and Oct. 14, 1997. During that period, the top four recipients were all military contractors. They received \$1.86 billion, i.e., 17% of the total.

1. Pratt & Whitney Canada \$949 million
2. De Havilland Aircraft Canada \$425 million
3. Bombardier, Canadair \$245 million
4. Le Groupe MIL Inc. \$241 million

Over 49% of the \$11.3 billion total, i.e., \$5.6 billion, was authorized to 75 of Canada's largest and most profitable companies. About half of those top 75 IC funding recipients are military contractors.

"Repayable" Contributions

Although funds dispersed by Industry Canada through DIPP and TPC were considered to be "loans," the vast majority have never been repaid.

Program	Funding Period	Funds Authorized	Percent Repaid
DIPP	Apr 82 - Dec 01	\$2,477,328,437	18.2%
TPC	Apr 96 - Dec 01	\$1,661,699,925	2.58%

Notes on Table 10:

- All 84 DIPP recipients in Table 10 appear in one or more other tables in this *Press for Conversion!*
- These 84 corporations received 73% of all DIPP grants awarded between 1969 and 1990.
- In some cases, figures include DIPP grants awarded to subsidiaries of the listed corporations.

Top 10 Industry Canada "Corporate Welfare Bums"

1.	Pratt & Whitney Canada	1,218,198,911
2.	Bombardier, Canadair	370,302,460
3.	Bell Helicopter Textron Canada	148,053,301
4.	Cdn Marconi Co.	129,250,317
5.	CAE Electronics Ltd.	120,462,313
6.	Litton Systems Canada	110,897,128
7.	McDonnell Douglas Canada	97,835,553
8.	Bombardier Inc.	88,543,671
9.	Cascade Data Services	87,000,000
10.	AlliedSignal Aerospace Canada	83,316,270
	Total	2,453,859,924

Table 10: Some of Industry Canada's Donations to Military Contractors

Corporation	D.I.P.P. Defence Industry Productivity Program (1969-1990)	T.P.C. Technology Partnerships Canada (1996-2003)	Total
Advanced Processing Inc	0	367,335	367,335
Aero Machining Ltd	498,649	0	498,649
Air Data	0	147,608	147,608
Aircraft Appliances&Equip	1,942,973	0	1,942,973
AlliedSignal Aero. Cda.	0	83,316,270	83,316,270
Aquarius Flight Inc	0	50,870	50,870
Atco Ltd.	1,230,739	0	1,230,739
Atlantis Systems Int.	0	1,200,000	1,200,000
ATS Automation Tooling	959,781	0	959,781
Avcorp Industries Inc	0	7,590,000	7,590,000
AWSM Enterprises	598,322	0	598,322
BAE Systems Canada	0	6,911,000	6,911,000
Ballard Power Systems	405,575	0	405,575
BC Instruments Inc	689,981	0	689,981
Bell Helicopter Textron Cda	148,053,301	0	148,053,301
Bendix Avelex Inc	6,347,103	0	6,347,103
BF Goodrich Landing Gear	0	1,560,000	1,560,000
Boeing Canada	1,849,790	0	1,849,790
Bombardier Inc	1,543,671		1,543,671
Bombardier, Canadair	283,302,460	87,000,000	370,302,460
Bristol Aerospace Ltd	10,954,583	11,474,000	22,428,583
CAE Electronics Ltd	47,062,313	73,400,000	120,462,313
CAE Inc	0	39,000,000	39,000,000
CAL Corp.	0	1,800,000	1,800,000
Cametoid Advanced Tech.	1,183,146	450,000	1,633,146
Cdn General Electric	5,559	0	5,559
Cdn Marconi Co.	111,450,317	17,800,000	129,250,317
Cdn Shipbuilding & Eng.	0	4,900,000	4,900,000
Canron Incorporated	354,253	0	354,253
Cascade Data Services	0	87,000,000	87,000,000
CaseBank Technologies	0	3,200,000	3,200,000
Cercast Inc	47,677	0	47,677
Coltec Aerospace Cda	0	50,217,500	50,217,500
Com Dev Ltd.	0	2,500,000	2,500,000
Cominco Ltd	1,967,497	0	1,967,497
Computing Devices Co.	23,511,377	3,000,000	26,511,377
Comtek Advanced Struct.	0	7,000,000	7,000,000
Corp. réseaux Spacebridge	0	2,000,000	2,000,000
Crystalline Manufacturing	0	2,500,000	2,500,000
Cymat Aluminum Corp.	0	3,400,000	3,400,000
Dalsa Inc	133,240	0	133,240
de Havilland Aircraft Cda.	24,849,291	57,000,000	81,849,291
Derlan Aerospace Cda	0	9,500,000	9,500,000
Devtek Corporation	1,857,373	0	1,857,373
Diemaco Inc	2,569,883	0	2,569,883
Dowty Cda Electronics	24,208,667	0	24,208,667
DRS Flight Safety & Comm.	0	897,600	897,600

Corporation	D.I.P.P. Defence Industry Productivity Program (1969-1990)	T.P.C. Technology Partner- ships Canada (1996-2003)	Total
EDO (Canada) Ltd	258,001	0	258,001
Exco Engineering	2,567,369	0	2,567,369
Expro Chemical Products.	267,227	1,792,883	2,060,110
FAG Bearings Ltd.	3,485,757	0	3,485,757
Firebird Semiconductors.	0	1,140,000	1,140,000
Fleet Industries Ltd.	1,801,411	3,250,000	5,051,411
Futuretek-Bathurst Tool.	0	87,875	87,875
Gallium Software	0	2,240,000	2,240,000
Gamma Foundry Co Ltd	106,001	0	106,001
Garrett Canada	1,159,988	0	1,159,988
General Dynamics Canada	0	246,000	246,000
General Kinetics Eng.	1,947,774	0	1,947,774
Gen. Motors Cda, Diesel Div	30,544,208	0	30,544,208
Gennum Corp	1,351,640	0	1,351,640
Global Thermoelectric	1,274,223	0	1,274,223
GMA Cover Corp. Canada	0	4,758,750	4,758,750
Guigné	0	4,900,000	4,900,000
Haley Industries Ltd.	3,864,044	3,000,000	6,864,044
Harris Canada	0	0	0
Hawker Siddeley Canada	3,375,586	0	3,375,586
Hermes Electronics Ltd	9,957,727	0	9,957,727
Héroux Inc	6,075,421	1,593,374	7,668,795
Héroux-Devtek	0	2,803,374	2,803,374
Honeywell Ltd	322,584	0	322,584
Hypernetics Ltd.	89,510	0	89,510
IBM Canada Ltd	553,498	0	553,498
iFire Technology	0	30,000,000	30,000,000
IMP Aerospace	3,302,112	0	3,302,112
Indal Technologies	0	2,900,000	2,900,000
Industrial Rubber Co. Ltd.	41,445	476,000	517,445
Ingersoll Machine & Tool	124,000	0	124,000
Instrumar Ltd.	0	4,300,000	4,300,000
Interactive Circuits & Sys.	77,418	0	77,418
Int. Water-Guard Ind.	0	235,845	235,845
Leigh Instruments Ltd	2,997,611	0	2,997,611
Linamar Corp	10,944,688	0	10,944,688
Litton Systems Canada	110,897,128	0	110,897,128
Lockheed Canada	0	4,600,000	4,600,000
Lucas Industries Canada	1,625,703	0	1,625,703
Luxel Technologies	35,965	0	35,965
MacDonald Dettwiler	28,526,736	15,380,000	43,906,736
Magellan Aerospace Corp.	0	40,658,500	40,658,500
Magna International Inc	628,108	0	628,108
McDonnell Douglas Cda	97,835,553	0	97,835,553
MDS Aero Support Corp	0	2,800,000	2,800,000
MDS Sciex Inc	1,604,032	0	1,604,032
Menasco Aerospace Ltd.	13,519,779	0	13,519,779
Mesotec Inc	880,024	0	880,024
Messier-Dowty	0	29,630,000	29,630,000
Microtel Pacific Research	3,516,466	0	3,516,466
MIL Davie Inc	1,947,964	0	1,947,964
National Auto Radiator	274,096	0	274,096
Neptec Design Group	0	6,150,000	6,150,000

Corporation	D.I.P.P. Defence Industry Productivity Program (1969-1990)	T.P.C. Technology Partner- ships Canada (1996-2003)	Total
Norsat International Inc	0	9,400,000	9,400,000
Novatronics	888,479	1,300,683	2,189,162
Oerlikon Aerospace	769,646	0	769,646
Offshore Systems Int.	0	4,000,000	4,000,000
Orenda Aerospace Corp.	0	8,400,000	8,400,000
Pratt & Whitney Canada	586,394,843	631,804,068	1,218,198,911
PRO MAC Manufacturing	0	160,000	160,000
PyroGenesis	0	5,600,000	5,600,000
Rapid Precision	53,292	0	53,292
Raytheon Canada Ltd.	1,966,088	8,939,000	10,905,088
Rio Algom Ltd	455,896	0	455,896
Rockwell Int. of Cda	338,604	0	338,604
Rolls-Royce (Canada)	2,685,805	0	2,685,805
Saint John Shipbuilding	2,483,010	4,000,000	6,483,010
Sextant Avionique Cda	0	9,900,000	9,900,000
SNC - Lavalin	605,538	0	605,538
Spar Aerospace Ltd.	75,685,616	4,831,000	80,516,616
St. John's Dockyard	0	0	0
Standard Aero Ltd	44,370	0	44,370
Tecmotiv Corporation	25,421	0	25,421
TFI Aerospace Corp	0	460,300	460,300
Thales Systems Canada	0	9,900,000	9,900,000
Toromont Industries Ltd	791,277	0	791,277
UDT Industries	5,332,007	0	5,332,007
Unisys Canada Inc	857,636	0	857,636
Valcom Ltd.	322,232	0	322,232
Velan Inc	494,729	0	494,729
Virtual Prototypes	580,617	3,819,000	4,399,617
Vistar Telecommunications	0	18,441,462	18,441,462
Vortek Industries Ltd.	0	4,490,000	4,490,000
Walbar Canada Inc	8,568,753	3,150,000	11,718,753
West Heights Manufact.	538,350	0	538,350
Western Star Trucks	0	17,377,141	17,377,141
WR Davis Engineering	174,347	0	174,347
Totals	1,648,414,874	1,561,097,438	3,209,512,312

Sources for Table 10:

(1) Data on DIPP was derived from Ken Epps, "The Defence Industry Productivity Program: Contributions 1969 Through 1990," *Ploughshares Working Paper 91-2*. Project Ploughshares, 1991. This Ploughshares data is from the Public Accounts of Canada, Industry, Science and Technology Canada. (Editor's note: DIPP lasted officially from 1969 until 1996. The data in the Ploughshares document, and in Table 10, does not include DIPP grants made to corporations after 1990.)

(2) Data on TPC was derived from two sources:

(a) News releases published on Industry Canada's website. <tpc.ic.gc.ca/en/releases.html>

(b) "Peeling Back the Onion: A Taxpayer Audit of Technology Partnership Canada," Canadian Taxpayers Federation, Feb. 19, 2002. <www.taxpayer.com/studies/federal/TPC_Audit_2002.pdf>