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CATALOGUE OF FEDERAL AND PROVINCIAL
PROGRAMS FOR SMALL BUSINESS

SMALL BUSINESS SECRETARIAT
DEPT. OF REGIONAL INDUSTRIAL EXPANSION
OTTAWA
SEPTEMBER, 1983

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PREFACE

THIS REPORT CATALOGUES VARIOUS PROVINCIAL AND FEDERAL PROGRAMS WHICH ARE DEEMED USEFUL TO BUSINESS. THESE PROGRAMS EITHER PROVIDE INFORMATION WHICH IS CONDUCIVE TO BUSINESS OPERATIONS OR ARE A SOURCE OF FINANCIAL ASSISTANCE.

THE INFORMATION CONTAINED HEREIN, IS CURRENT TO AUGUST 1983. SINCE PROVINCIAL AND FEDERAL PROGRAMS ARE FREQUENTLY MODIFIED, READER IS ADVISED TO CONSULT THE CURRENCY OF THE RELEVANT PROGRAMS.

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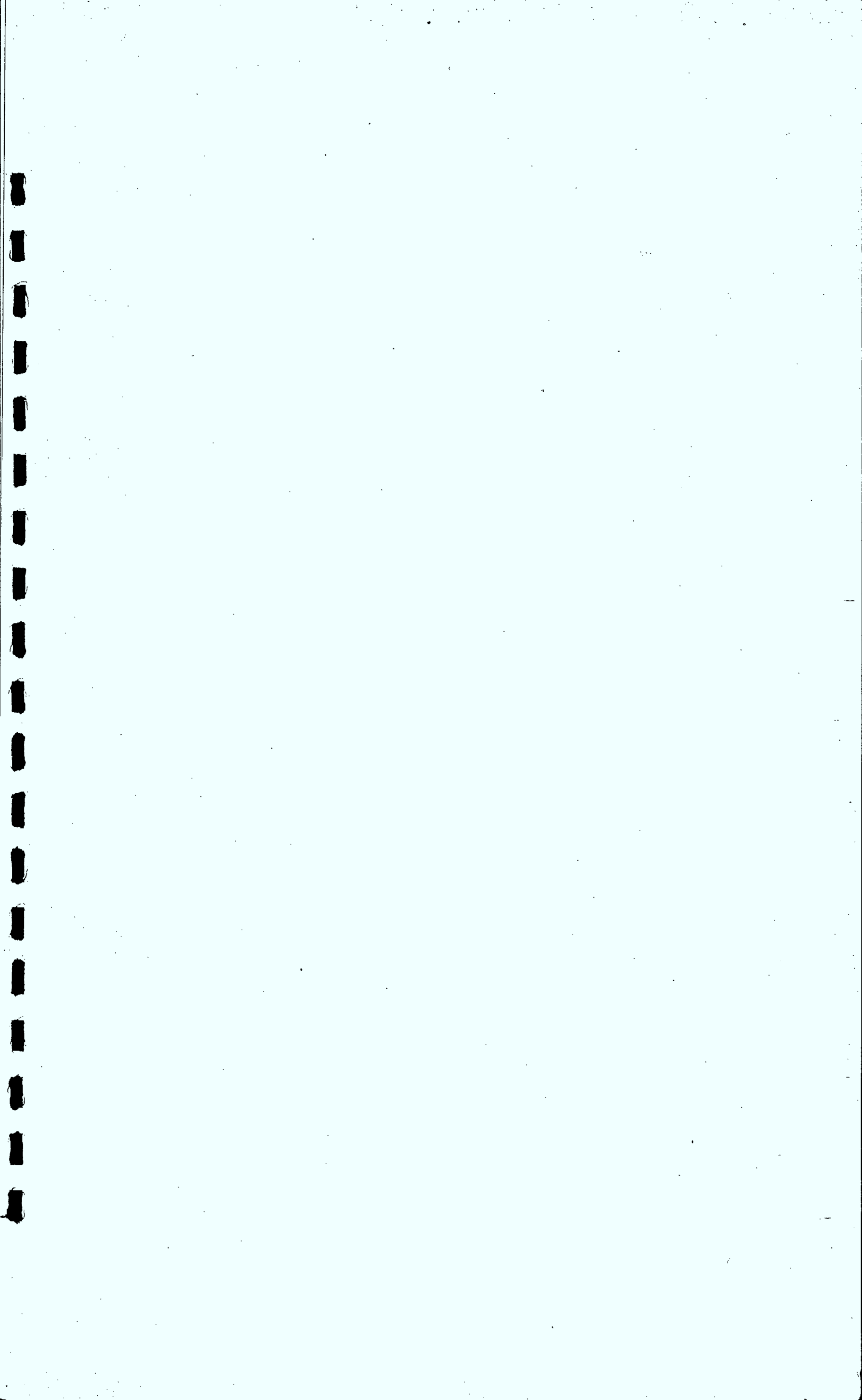
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I. EXPORT AND MARKETING ASSISTANCE PROGRAMS

A. FEDERAL PROGRAMS

B. PROVINCIAL PROGRAMS

A. FEDERAL PROGRAMS

The federal and provincial governments of Canada are making a concerted effort to assist Canadian companies to become more involved in the export trade. Export assistance seeks mainly to foster export market development including funding feasibility studies.

External Affairs and the newly created Department of Regional and Industrial Expansion are the major focus of the federal governments export efforts. External Affairs maintains 300 Trade Commissioners and 170 locally hired Commercial Officers in 92 posts in 68 countries. These trade posts provide basic market research, general economic reporting and statistical information as well as information on access problems such as currency restrictions or tariffs. They also work to develop local contacts with all levels of government and industry, as well as acting as a pipeline for information to and from Canadian companies and potential customers such as, for example, setting up appointments for visiting Canadian industrialists.

External Affairs also provides three marketing assistance programs to help achieve its export objectives. These are as follows:

1. Promotional Projects Program

This program is administered by the International Marketing Policy Group of the Department of External Affairs and represents the funding vehicle through which external underwrites a portion of the cost to industry of participating in promotional events which it organizes.

The program encompasses a wide variety of trade promotional techniques within three general categories: trade fairs abroad, trade missions and trade visitors. The program is designed to benefit as wide a cross-section of Canadian industry as possible by providing the opportunity to promote Canadian manufacturing capabilities, services and products in the marketplaces of the world thereby increasing the knowledge of foreign buyers about Canadian products and capabilities.

The companies that participate in the program must undertake to provide information on sales results and agency agreements to assist external in measuring the usefulness of the program to Canadian business. Further, exhibits must be staffed by competent company representatives who have executive powers to quote prices and carry on contractual negotiations. Company technical and sales literature used in the program are published with departmental assistance in the language of the host country.

a. Trade Fairs

The objective of the trade fair is to permit Canadian companies and others to expose their products and services to the governments, business communities and consumers in foreign markets at a nominal cost. External undertakes sponsorship and organizes the participation of Canadian firms, trade organizations, associations, etc. and coordinates the design, construction, erection and operation of the exhibits.

In recent years, "vertical" international fairs with specific product and commercial specialization, have been emphasized as opposed to "horizontal" or mixed product fairs to which the general public is admitted. As a result, participation in many of the shows now sponsored, is limited to a specific industry sector. External usually participates in a show for two to three consecutive years after which it is expected that Canadian industry will continue to take part without government support.

Under the Trade Fair category, External provides participating firms with a complete exhibition service for which the company pays a deposit which is refundable following completion of the event and once contractual obligations have been met.

In order to participate in an External sponsored Canadian exhibit at an international trade fair, a firm must be currently operating in Canada, be

willing to export, have the ability to compete in foreign markets for the products involved and have satisfactory financial and management strengths to enter and sustain the export market with its products.

Participants are selected on a first-come, first-served basis up to the limits of the space available.

b. Trade Mission

Participation in both outgoing and incoming trade missions is by special Departmental invitation. Outgoing missions are organized to promote Canadian equipment, products and services, or, as in the case of senior level missions, to negotiate trading agreements or the reduction of trade barriers. The types of missions organized are as follows:

(i) Ministerial and high-level missions

These missions are led by an Assistant Deputy Minister or a higher ranking official and usually have a general trade objective covering several product sectors. As such, they provide opportunities to meet with senior trade officials as a means of developing Canada's export potential. These missions could also lead to the negotiation and implementation of reciprocal trade agreements with the foreign countries.

(ii) Commodity-oriented trade missions

The objectives of these missions are to develop a better understanding by Canadian industry of foreign market needs and to expose foreign buyers to Canadian expertise, services and equipment as a basis for export sales.

(iii) Seminars

These missions are used to introduce in foreign countries the specialized technology which is available from Canada.

(iv) Economic and industrial cooperation missions

These outgoing and incoming missions usually result from the provisions for periodic exchanges included in reciprocal agreements with foreign governments. As such, they provide the mechanism and environment for cooperation in technology, industry development and trade. They also provide a forum for resolving problems associated with these initiatives.

Nominations for membership in outgoing trade missions are normally made by the Industry Sector Groups in consultation with the Trade Commissioner Service posts abroad, the Regional Offices and the Trade Development Bureaux. Nominees are selected on the basis of suitability as representative of a particular segment of the industry; technical qualifications and contribution to the mission's objective; an interest in exporting to the region concerned; and, regional distribution within Canada.

Incoming mission membership is normally suggested by the Trade Commissioner in the area in consultation with the Industry Sector specialists.

External initiates, plans and manages all trade missions it sponsors. For outgoing trade missions, the participants are responsible for all of their travel costs exclusive of airfare and local transportation. For incoming missions, the program covers the cost of transportation, hotels, meals and incidental charges for incoming mission members up to prescribed limits.

c. Trade Visitors

Under its trade visitors activity, External invites influential foreign businessmen and government representatives to examine Canadian goods and services and to inspect the industrial capability of Canadian firms. Visits may also be arranged to Canadian trade fairs or exhibitions where Canadian products are being displayed.

The program provides the return economy air fare and the cost of accommodation, meals and local transportation for the visitors. In addition, an officer from

the appropriate Industry Sector Branch is appointed to accompany incoming buyers while they are in Canada. Expenses incurred through the visit are sometimes shared with companies, groups of companies and/or associations which stand to benefit directly from the visit.

The trade visitors project is open to individuals from business and government from overseas. The main criteria for eligibility are the capability of the visitor to have an influence on buying Canadian goods and services, and to have an interest that can benefit more than one Canadian company or region. The company or government agency the visitor represents should be capable of fulfilling any sales contracts into which it may enter. The program is not open to executives or employees of Canadian owned subsidiary operations.

2. Program for Export Market Development (PEMD)

Although PEMD is an External Affairs program it is delivered by DRIE regional offices subsequent to a memorandum of understanding signed between the two departments.

The objective of the program is to provide an incentive for Canadian suppliers of goods and services to enter world markets and expand export activities by reducing the cost of developing foreign markets. Such risks may result from the unusual size and complexity of a large specific project, international competition, new and unfamiliar market conditions and/or the need for a consortium approach to meet opportunities abroad.

Eligibility

The program is available to Canadian manufacturing and service companies located and operating in Canada that export goods and services. PEMD is not intended, however, to support normal export business activities in a foreign market in which the supplier is already well established. Rather it provides incentive where there is a proven need to share the financial risk of developing or adjusting to a foreign market. It is also required that the export business sought be incremental to overall Canadian exports in the market area concerned.

Assistance

Specific project bidding: PEMD shares the cost of bidding on specific projects anywhere outside Canada. The projects typically involve a formal bidding procedure in competition with foreign firms for consulting services, engineering, construction and the supply of Canadian goods and services.

Participation in trade fairs: PEMD helps Canadian exporters participate in trade fairs and industrial exhibitions outside Canada. Companies may participate in the same event as many as three times. The events that PEMD supports are generally of limited duration rather than ongoing exhibitions.

Incoming foreign buyers: PEMD helps Canadian companies bring potential buyers to Canada, or an approved location abroad. The foreign buyers must represent importers located abroad and must play a major role in influencing purchasing decisions or industrial co-operation agreements.

Export consortia: The program encourages Canadian manufacturers to make co-operative arrangements for the development of joint export sales by forming permanent export groups. It is especially interested in encouraging consortia of small and medium-sized firms. It supports feasibility studies of proposed consortia as well as the formation and operation of new consortia in Canada for up to three years.

Sustained export market development: PEMD helps Canadian exporters undertake a sustained marketing effort in a foreign market by establishing facilities on location. Under Phase I of this subprogram, support is provided for market studies and the preparation of a market penetration plan. Under Phase II, the implementation costs determined by the plan may be shared for up to three years.

The program provides up to 50% of the costs incurred by a company in its penetration of new markets. These contributions are repayable if sales are made to that market.

PEMD also provides valuable non-financial assistance to Canadian exporters by providing up-to-date information on access problems for Canadian goods and services abroad.

Magnitude

The budget for this program in 1982/83 is \$7,526,000.

3. PEMD-Food

PEMD also has a special program for Agriculture, Fisheries and Food Products known as PEMD - FOOD. The program is designed to benefit Canadian companies, producer organizations, marketing agencies and industry associations who wish to develop new export markets for agriculture, fisheries or food products.

Assistance

The assistance provided under the PEMD - Food program is much the same as those for the basic PEMD program with emphasis on the opportunities and special needs of the sector.

Assistance may cover capital or operating costs for special production, handling, storage, or technical promotion facilities. Long term market development plans and projects including generic promotion, establishment of overseas representation as well as technical training of individuals from customer companies may be eligible. PEMD - Food will also provide increased scope and a more flexible approach to addressing the specialized export development needs and opportunities of the food sector. Assistance may be provided for the organization of commodity groups to undertake commodity promotion.

4. Canadian Commercial Corporation

The Canadian Commercial Corporation (CCC) is a Crown corporation established to assist in the development of trade between Canada and other nations.

Assistance

The CCC tie the requirements of foreign governments and international agencies to the supply capabilities of Canadian producers of goods and services through government to government contracts. Since its creation in 1946, CCC has helped to develop sales on behalf of hundreds of Canadian firms with customers in the U.S. and overseas. In addition to providing the contractual link in government to government export transactions CCC offers other helpful services to Canadian exporters and foreign customers. It alerts suppliers to bidding opportunities, follows through in packaging, shipment, inspection and acceptance, may participate in securing bids and arranging performance bonds; undertakes sole-sourcing if requested by the customer (at times, it can transform an international tender into a negotiated sale, thereby reducing some of the delays and costs which would otherwise be involved); and, not least, expedites the payment process.

Magnitude

In 1982/83 the Corporation received enquiries from foreign governments and international agencies resulting in 2,560 export contracts worth over \$580 million.

5. Industrial Co-Operation Program

The Industrial Co-Operation Program is administered by the Canadian International Development Agency, (CIDA). The program is designed to strengthen economic ties between Canada and rapidly industrializing nations of the Third World.

Eligibility

Assistance is available to Canadian business and industry defined as business people, proprietorships and limited companies subject to Canadian law. However, preference will be given to small and medium sized companies. Assistance is also available to most developing countries.

Assistance

The CIDA will fund studies to investigate opportunities for Canadian firms to establish or expand operations in developing countries and/or to test Canadian technology in Third World countries. It will contribute up to \$10,000 for starter studies and up to \$100,000 for viability studies. Starter studies are general investigations and viability studies are sophisticated analyses of project possibilities designed to lead directly to investment decisions. Funds are to be used for return air fare, accommodation and living expenses and reasonable support services required for the implementation of the project.

The CIDA will also provide up to \$250,000 for any of the following projects:

- through its Canadian Project Preparation Facility (CPPF) to any project that will enable Canadian companies to prepare project preparation (pre-feasibility) studies to developing countries to accelerate their industrialization;
- through its Canadian Technology Transfer Facility (CTTF) to any project will enable Canadian companies to test and adapt their technologies in developing countries as a lead-in to long-term co-operation with counterparts in developing countries;
- projects that will provide information in a readily usable form to the Canadian private sector and to developing countries about each other's potential for co-operation;
- projects that will match Canadian technical capacities to developing countries' needs;
- projects that will assist Canadian businessmen in overcoming unusual problems, and that will increase the developmental impact of projects (includes special training programs to fill key gaps in the manpower resources from which the investor might draw; legal and other professional services required to come to grips with special situations, such as complex tax legislation; assistance through CIDA facilities to find Canadians to work abroad; and project-related equipment and facilities to increase developmental impact).

6. Business Opportunities Sourcing System (B.O.S.S.)

The federal government also provides the Business Opportunities Sourcing System (B.O.S.S.) which is an authoritative data base on Canadian companies, their products and the markets they serve. B.O.S.S. takes individual information from Canada's manufacturing and trading companies and incorporates it into a system that quickly and efficiently identifies Canadian suppliers for international and domestic markets.

Thus, when buyers seek particular products, suppliers can be rapidly identified by using B.O.S.S. by the Trade Commissioner posts.

The system also works in reverse. Suppliers can identify users of their products to find supply opportunities.

B.O.S.S. is also used to locate appropriate representation for trade missions and trade fairs, both in Canada and abroad.

7. Export Development Corporation

The Export Development Corporation is a Crown corporation whose purpose is to assist the Canadian export and thus create jobs domestically.

Eligibility

EDC will assist Canadian companies paying taxes in Canada and marketing goods with a minimum Canadian content of 60%. Special emphasis is placed on the needs of the small exporter. There is no minimum value of export business to qualify.

Assistance

Insurance: Companies can insure their export sales against nonpayment by foreign buyers. The EDC normally assumes 90% of the commercial and political risks involving insolvency or default by the buyer as well as blockage of funds, war or rebellion, cancellation of import licences and so on, in a foreign country. It also insures against cancellation of export permits in Canada. Coverage may also be obtained for intangible exports such as the sale or licensing to a foreign customer of any right in a patent, trademark or copyright.

The EDC will cover sales of general commodities and services normally made on short credit terms of up to 180 days and capital goods and services made on medium-term credit of up to five years. It will agree to pay any proceeds payable under an exporter's policy to a bank or other financial organization.

Guarantees: The EDC will issue guarantees to banks making export loans or issuing performance and bid securities. The capital goods and services sale must be insured by the EDC.

Financing services: By involving banks, other financial institutions and itself, the EDC provides medium- and long-term export financing to foreign buyers. Funds are provided directly to Canadian suppliers on behalf of the foreign borrower, in effect providing the exporters with cash sales.

- i) Loans: The EDC provides loans to foreign borrowers, and although they can be arranged for any export transaction involving capital goods and services, they are more applicable for transactions of a size in which the terms of repayment are normally more than five years.
- ii) Lines of credit: The EDC has established lines of credit with public agencies and private banks in many countries. These "umbrella-type" financial agreements provide encouragement for buyers in these countries to look seriously at Canadian technology and industrial capabilities and they alert Canadian manufacturers and consultants to the potential market for equipment and services in the country involved.
- iii) Forfaiting (Note purchases): The EDC will, under certain conditions, purchase promissory notes issued to exporters by foreign buyers in payment of goods and services sold on medium-term credit (up to five years). The main condition is that the note be guaranteed by a foreign bank or financial institution that is approved by the EDC.

Magnitude

Bill C-110 passed by the House of Commons on September 27, 1983 increased the EDC total lending limit to \$21 billion and the insurance ceiling to \$22 billion, for a total authorized maximum of \$43 billion.

8. Inward Processing Remission Order

Revenue Canada - Customs and Excise administers the Inward Processing Remission Order to enable manufacturers to compete more effectively on the export market by the remission of customs duty paid on goods imported for processing and subsequently exported.

Eligibility

In order to obtain a remission under this program the goods imported must be directly used in the manufacture or production of finished products for export. The manufacturer must have a bona fide sales agreement or an established record of export sales.

Application for remission must be made prior to the importation of the goods.

Other conditions apply including that the end-product must be exported within 3 years.

Assistance

The remission is paid immediately upon importation of the goods rather than waiting for the export of the finished product. Immediate remission payment is of particular benefit to small manufacturers.

B. PROVINCIAL PROGRAMS

The type and extent of assistance varies from province to province. All provide general information, counselling and promotional services mainly to small and medium-sized manufacturing companies. Most provinces will assist large companies that seek help but the programs are designed to reduce the risk of exporting for small companies.

Several provinces have set up separate trade ministries or branches. Ontario, for example, recently created a ministry of trade and Quebec is assembling a ministry of foreign trade that will have two main functions; it will promote exports and joint ventures with foreign firms and it will help define the provincial government's export policy.

Besides providing counselling and general information the provinces also supply other services including:

- support for participation in trade fairs and exhibitions, usually on a cost shared basis;
- financial assistance for foreign buyers as well as Canadian business people seeking to explore foreign opportunities;
- government initiated trade missions to foreign countries where groups of companies are introduced to marketing experts who can assess a company's exports interests, products and capabilities;
- Quebec and Ontario have the most extensive systems for counselling domestic companies. Ontario has 18 field offices throughout the province to help companies and Quebec has about 40 business counsellors.

Programs for assistance to foreign buyers follow the same general pattern in most provinces. To attract potential buyers from outside the province government's offer to pay all or part of air fares and in some cases provide daily expense money.

Similar financial assistance is provided to investigate foreign markets.

The provinces usually pick up part of transportation and display costs of companies appearing in foreign trade shows.

It is important to note that the provincial definition of export markets includes all markets outside of provincial boundaries.

The specific details of the provincial export programs are as follows:

ALBERTA

Alberta has two programs specifically designed to provide export assistance; the Market Development Assistance Program and Trade Development Programs. Both programs are administered by Alberta Economic Development/Trade Development Branch.

Market Development Assistance Program

Eligibility

The program is available to Alberta-based societies, persons, co-operatives or organizations engaged in the manufacture, sale and promotion of goods or services for export or whose aims are directed towards the expansion of trade outside Alberta. To be eligible, the applicant (person or company) must have the ability or must demonstrate the potential ability for competitive performance in foreign markets. In addition, the proposed projects must be designed to penetrate new, or expand present market areas, or must be part of an integral market strategy program.

Assistance

Under this program, financial assistance will be provided for out-of-province, national and international expositions; incoming buying and outgoing sales missions; market analysis and other market development and promotional activities.

Trade Development Program

The focus of this program is the provision of advisory services.

Eligibility

Alberta industrial and consulting companies are eligible for the program.

Assistance

The Trade Development Branch will assist companies by:

- identifying specific export sales, foreign joint ventures and licensing opportunities;
- co-ordinating private sector participation in national and international expositions;
- planning, organizing and implementing small expositions;
- providing expertise on foreign business environments;
- initiating and co-ordinating incoming buyer missions;
- assisting in the development of consortia for specific export sales projects.

BRITISH COLUMBIA

British Columbia has four specific export assistance programs administered by the Ministry of Industry and Small Business Development and with the specific objective of encouraging the export of British Columbian products and services. They are follows.

Incoming Buyers Program

Eligibility

This program is available to corporations able to bring foreign buyers into the province.

Assistance

The program will pay the return economy air fare to a maximum of \$2,000 for a buyer who visits a company's local plant.

Magnitude

By March 31, 1981, the program had the support of 31 companies that brought in buyers from other parts of Canada, the U.S. and overseas countries. Direct sales as a result amounted to \$486,700, with anticipated sales over the next 12-month period expected to be more than \$3.2 million.

Market Development Assistance Program

Eligibility

This program is available to companies or associations that wish to establish export markets for their products and do not find it advantageous or possible to participate in government-led trade missions.

Assistance

Aid to companies to investigate new market potential, appoint local agents or distributors or sell products directly. The Ministry pays the return economy excursion airfare, to a maximum of \$2,000, for a company to undertake any of the above activities.

Magnitude

In 1980 (the most recent year for which figures are available) 116 British Columbian companies qualified for assistance from this program. They explored sales opportunities in Canada, the U.S., Europe, Japan and other foreign countries. According to the Ministry, direct sales of \$2.5 million were made, with another \$20 million expected over the next few months.

Trade Mission Program

Eligibility

This program is available to corporations or trade associations that are able to compete in export markets.

Assistance

The financial assistance includes cost-sharing of transportation expenses associated with trade missions. These are organized by the Ministry on an occasional basis to countries outside Canada. It first identifies market areas and products and then selects appropriate companies to participate in a British Columbian delegation led by government representatives.

Financial support generally includes all transportation costs associated with the mission, provision of interpreters and the costs of hosting official receptions where appropriate.

Trade Show Assistance Program

Eligibility

Corporations or trade associations that are able to compete in the export market are eligible to receive this program.

Assistance

Assistance includes grants of as much as 50% of eligible costs, to a maximum of \$2,500. Eligible costs include:

- trade show space rental;
- display design and construction;
- display shipment and storage;
- rental of furniture/equipment;
- labour to install and remove the display.

Magnitude

In 1980, the program provided support to 79 British Columbian firms trying to penetrate the Canadian, U.S. and overseas markets, especially along the Pacific coast states.

According to the Ministry, direct sales achieved through trade fair activity were \$841,000 with anticipated sales over the next 12-month period of \$11.5 million.

MANITOBA

7. Trade Assistance Program (TAP)

This program is administered by the Market Development group of the Department of Economic Development and Tourism. TAP is designed to encourage Manitoba manufacturers of goods and services to penetrate, introduce and/or strengthen their market share in domestic (excluding Manitoba) and international markets.

The program is not intended to support normal export business activity but to provide a financial incentive where there is an above normal element of risk involved in developing new export sales. To qualify for assistance, firms should possess satisfactory financial and managerial capabilities.

Small and medium-sized firms are particularly encouraged to avail themselves of this program. Applicants are also encouraged to seek information, guidance and practical marketing assistance through the various services available from the Market Development group.

Objective

The objectives of the program are to encourage established Manitoba manufacturers to:

- Penetrate new market areas
- Introduce new products or product lines in already established regions
- Strengthen their competitive position in existing areas.

Eligibility

The program is available to companies which are established and operational in Manitoba and engaged in the manufacture of goods and services for export.

Products or services must include a substantial proportion of Manitoba content in terms of material, labour and/or services.

Assistance

Assistance is offered for:

- Trade fairs, including national and international exhibitions
- Trade missions, including incoming buyers and outgoing sales groups.

Assistance takes the form of cost sharing the expenses in undertaking a sales mission either outgoing or incoming, participating in a trade show and/or participating in approved promotional assistance programs.

The eligible costs are as follows:

Per diem Allowance: a maximum of \$75.00 per day for time spent in the market area.

Transportation Costs: round trip economy air fare for one person; if travelling by other means, gas and oil, or rail fare expenses will be accepted.

Trade Fair Space: rental of a maximum of two standard booths.

Freight Costs: costs associated with shipping samples, or display materials, to and from the market area.

Display Booth: costs incurred for the design, construction, erection and dismantling of a display booth for use at a trade fair or exhibition.

The Manitoba Trading Corporation is used as a functional tool of the market development group and firms may avail themselves of the corporation's export financing capability by applying through the market development group.

8. Export Incentive Program

The Export Incentive program is designed to provide export assistance to Manitoba manufacturing, processing companies and professional services.

Eligibility

Manitoba manufacturing or processing companies and professional sources.

Assistance

The program provides for the sharing of the costs of space at trade fairs and exhibitions and other specified costs on a 50/50 basis.

Introduction of potential buyers to Manitoba products or professional services by the payment of reasonable travel expenses of buyers.

50% of travel and accommodation cost reimbursed.

Annual limit of 3 such projects and \$5000 in total grants to each applicant.

9. NEW BRUNSWICK

New Brunswick does not have a specific program of export assistance. However, one of the objectives of the Commerce and Industry Services Branch provides assistance in the development of expanded markets for provincially manufactured and processed products.

NEWFOUNDLAND AND LABRADOR

10. Market and Product Development Program

Newfoundland has a Market and Product Development Program administered by the Department of Development. The objective of this program is to help increase exports or produce substitutes for imported goods.

Eligibility

Companies with sales of \$5 million or less that produce a manufactured item or an item produced from processing a natural resource or a substitute for imported products.

Assistance

The program will provide financial assistance in the form of a non-repayable grant of as much as 50% of the total cost of the project to a maximum of \$50,000. Funding will cover the following activities:

- research and development of a new product;
- promotion of existing products in new markets;
- modification of products so that they will be competitive in new markets;
- labelling and packaging products;
- travel for the purpose of preparing proposals, contacting potential customers and investigating current production operations;
- consultant studies;
- participation in trade missions that are not financed by the federal Department of Industry, Trade and Commerce/Regional Economic Expansion.

NORTHWEST TERRITORIES

11. Marketing Service - Commerce Division

The purpose of the Marketing Service of the Commerce Division is to provide marketing support to NWT businesses.

Eligibility

Any established NWT business

Assistance

NWT businesses are provided with information, advice, promotion and various other services. No financial assistance is offered.

NOVA SCOTIA

12. Trade Expansion Program

Nova Scotia's Trade Expansion Program, is administered by the Department of Development. The program is designed to help develop national and international markets for Nova Scotia products and to assist those manufacturers who do not qualify for PEMD.

Eligibility

Nova Scotia manufacturers and processors and selected service industries.

Assistance

The assistance available under the Trade Expansion Program includes:

- 1) Market education
 - 50% of return economy airfare for one company representative to attend an approved course,
 - \$30 per day for expenses,
 - 50% of tuition, registration and books (maximum per company per year -- \$750).
- 2) Trade fairs and exhibits
 - 50% of return airfare for approved company representative(s),
 - \$50 per day for expenses of one company representative,
 - \$30 per day for expenses of second representative,
 - cost of booth space.
- 3) Market identification
 - 50% of return economy airfare for approved company representative(s),
 - \$50 per day for expenses of one company representative,
 - \$30 per day for expenses of second representative.

4) Hosting incoming buyers

- 100% of return economy airfare to and from Nova Scotia for one buyer to visit the applicant's facilities.

Magnitude

In 1981-82 the program supported 181 companies and helped many more to participate in 30 trade shows and missions. Because the budget has been reduced to \$300,000 in 1982-83 from \$400,000 last year, only the better projects and shows will be supported.

ONTARIO

13. Ministry of Industry and Tourism

Exports of goods and services account for one third of Ontario's provincial revenue. In recognition of the importance of foreign markets to the provincial economy the Ministry of Industry and Tourism through its International Marketing group provides Ontario exporters with a wide range of free services.

(i) Program delivery in Ontario

Experienced consultants travel throughout the province taking to the work place their general knowledge of the way that business is done around the world and detailed information about the forms of practical assistance available to Ontario exporters from provincial and federal programs. They are the main link between the Ministry's field force in Ontario and the Ministry's external trade team. Upon examination of a company's products and capability a consultant can assist in the development of an export marketing plan, utilizing the existing support programs.

(ii) Program delivery abroad

Other consultants regularly visit assigned foreign territories to collect commercial intelligence and undertake market appraisals for individual companies. They organize sales missions and trade fair participation. They extend the group's external trade services to the Ontario and Canadian offices abroad and provide a source of specialized information about trade development in their areas.

Programs

a. Trade Missions: The Ministry organizes trade missions to potentially profitable foreign markets to permit Ontario exporters to meet prospective agents, distributors and buyers in the marketplace. The missions serve the basic purpose of introducing new exporters into their first market, normally the United States, and for experienced exporters they help the expansion of their efforts into broader markets or their deeper penetration into existing markets.

The Ministry arranges the missions and appointments for those who participate. Firms are invited on missions based on the Ministry's awareness of their interest in foreign markets and the capability to service such markets.

b. Trade Fairs/Exhibitions: Participation in trade fairs and international exhibits is one of the Ministry's long standing programs. These events, held at strategic locations around the globe, have aided the exposure of Ontario's business community to new or remote markets under the leadership and supervision of the Ontario government. The Ministry contributes towards the cost of participation in trade fairs and exhibitions. For example, transportation charges for shipping products to the exhibition, renting of display space and sales promotion are three specific areas where financial assistance is available.

c. Incoming Buyers and Delegations: The Ministry brings key agents, distributors and buyers from major world markets to Ontario to meet individually with manufacturers to negotiate sales agreements. The Ministry also hosts incoming delegations from other nations providing the Ontario exporter with an opportunity to make or reinforce contacts.

Companies can take advantage of this program through enquiry of the Ministry as to what incoming delegations are planned, and by expressing their desire to meet those delegates that present an opportunity for their company.

d. Trade aids: Under the Trade Aids Program Ontario companies are eligible for financing to help cover the marketing costs of introducing a new product into a new market through sharing the costs of international promotional literature, translations and product certification.

The Ministry has established the Office of Commercial Policy to help Ontario firms that are encountering unfair trade practices by foreign competitors or discriminatory treatment in foreign markets. The Ministry's International Offices also provide Ontario exporters with advice on markets, agents and distributors, arrange meetings with key people and assist with local arrangements. The province has offices in Tokyo, Hong Kong, Frankfurt, London, Paris, New York, Atlanta, Chicago, Dallas and Los Angeles.

14. Ontario International Marketing Intern Program

The Ministry of Industry and Tourism administers the Ontario International Marketing Intern Program to provide university graduates in marketing with training and practical experience in exporting and to provide Ontario manufacturers with young talented trainees.

Eligibility

Ontario-based manufacturers and Canadian interns who have graduated in business, marketing or other appropriate studies from a recognized Canadian university or community college.

Assistance

The program will assist 100 interns per year, with one intern per company per year. If the company has the facility to train the intern in international marketing and the ability to provide employment for the intern after the two-year program is over, BILD will pay 50% of the intern's salary, to a maximum of \$15,000 per year for the two-year period.

The intern cannot be related to the owner or management of any company for which he or she works, or own any shares in it. The company should find its own intern through the normal recruiting channels, and then apply for assistance once the terms of employment are agreed upon with the prospective intern.

15. Ontario International Corporation

The Ontario International Corporation was created in 1980 by the Ontario government. It is primarily a marketing agency whose principal function is the coordination of the Ontario public and private sector export expertise for off-shore projects.

Presently, the Corporation operates in four main areas:

- Provides the contacts between public and private enterprises for large scale off-shore projects.
- Coordinates packages of consulting skills and industrial products within Ontario's business sector.
- Acts as liaison between governments, consortia and joint venture partners.
- Brings influential visitors from around the world to review Ontario's industrial and social accomplishments.

To assist in the promulgation of Ontario based company expertise, the Corporation maintains listings of Ontario engineering, architectural and consulting companies which include areas of expertise. These listings are available to foreign buyers.

16. Ontario Development Corporation - Export Support Program

The purpose of the Export Support Program is to provide financial and advisory services to businesses in order to stimulate industrial growth, economic development and employment opportunities in the province.

Eligibility

To receive support under this program:

- goods financed for export by the Development Cooperations must have a significant Canadian content
- evidence that a solid export order is in hand
- satisfactory credit insurance is normally required
- applicants must be able to show that funds are not available elsewhere on reasonable terms and conditions.

QUEBEC

The Government of Québec, through the Ministère de l'Industrie, du Commerce et du Tourisme (Québec's Industry, Commerce and Tourism Department) offers a wide range of export assistance to businesses located in the province.

17. Office québécois du commerce extérieur (OQCE)

The Office québécois du commerce extérieur is designed to encourage the development of external trade by Quebec firms.

The OQCE has a triple mandate:

- to increase and diversify the exporting of Quebec goods and services;
- to increase the quality and quantity of technological exchanges between Quebec firms and firms outside of Quebec;
- to increase the quality and investments of foreign manufacturers in the sectors of advanced technology.

It administers the following programs.

a. Commercial and Industrial Expositions

The purpose of this program is to facilitate the participation of manufacturers in international expositions.

Eligibility

This is a program limited to a certain number (between five and ten) of manufacturers, chosen on the basis of certain criteria.

Assistance

Within the guidelines of this program, the ministry facilitates the participation of five to ten Quebec manufacturers in an international exposition to offer important channels for their products. The MICT, in co-ordinating the organization of participants, totally assumes the following costs:

- construction of stands;
- decoration;
- publicity;
- invitations to buyers.

The Ministry also assumes, in part, the costs of the rental of space, transportation of samples, etc. Each manufacturer pays his own expenses associated with the attendance at the exposition.

b. Commercial Missions

The objective of Commercial Missions Program is to organize advance meetings of a group of Quebec manufacturers with buyers from visiting countries.

Eligibility

This program is limited to a certain number of manufacturers.

Assistance

The Ministry of Industry, Commerce and Tourism (MICT) organizes meetings of a group of five to eight Quebec manufacturers with buyers from visiting countries. It co-ordinates the organization of these voyages, and assumes the publicity cost of the mission and, in part, the transportation of the participants and of their samples. Each manufacturer participating in the mission pays all other costs.

c. Promotion of Export Assistance Program/ Programme d'aide à la promotion des exportations (APEX)

The program is designed to elevate and develop the initiatives of Quebec communities with respect to increasing the number of their products outside of Quebec and the exchange of technology with firms outside the province.

Eligibility

Quebec manufacturing enterprises.

Assistance

There are three options available. These are:

Option 1: recherche et développement de nouveaux marchés (research and development of new markets)

The objective of this option is to give financial aid to manufacturing enterprises that want to sell their products abroad, and want to do so by researching and developing new markets for their products. A total of \$70 per day for one person working on a project outside of Quebec is available, as well as 50% of the cost of transporting a representative and materials or samples by airplane. In certain cases, 50% of the special costs are assumed by the Ministry as well, such as the demonstration of components of equipment, etc.

Option 2: participation à des expositions commerciales à l'extérieur du Québec (participation in commercial expositions outside Quebec)

The objective of this option is to give financial aid to Quebec manufacturing enterprises that want to sell their products outside Quebec by participating in commercial expositions. A sum of \$70 per day for one person for the length of the exposition outside of Quebec is available, so is 50% of the cost of air transportation of a representative and materials or samples. Also, 50% of the cost of the site, and of the concept, construction, assembly and dismantling of a stand at the exposition will be eligible for aid, to a maximum of \$2,000 for the concept and construction of the stand, and up to a maximum of \$1,000 for publicity in the fair's catalogue or in suitable journals.

Option 3: missions individuelles pour la promotion d'accords industriels (individual missions for the promotion of industrial agreements)

The objective of this option is to make financial aid available to any manufacturing firm that wants to conclude an industrial agreement with a firm outside Quebec at the time of an individual mission. The Ministry will reimburse in its entirety the cost of economy class airfare for a manufacturer authorized to go on a mission outside of Quebec.

Also, within Option 3, in collaboration with the Ministry of Intergovernmental Affairs (MAIQ) the OQCE recommends individuals for export missions by Quebec manufacturers to French (ACTIM program) and Belgian manufacturers. Missions include manufacturers who desire to export or who have limited experience in sales outside Quebec. Seminars or courses are also offered to expose the advantages of exporting, furnish the knowledge of potential exporting and, finally, prepare manufacturers for participation in missions and expositions of the OQCE.

18. Export Expansion

The Export Expansion program administered by the société de développement industriel (SDI) is designed to assist firms that want to expand their export sales.

Eligibility

Quebec-based firms whose sales are below \$25 million and companies having no fewer than 50% of their shareholders resident in Quebec. Eligible firms must export goods produced in Quebec and plan to develop their export sales.

Assistance

SDI will provide incentive reimbursements, which are intended to cover a portion of the firm's loans. These reimbursements may cover as much as 90% of interest payments. Interest reimbursements are accorded on the basis of significant improvement in the competitive position of the company over a five-year period. In general, the annual amount accorded is fixed at 2% of the value of export sales, and payment is conditional on a 20% increase in export sales.

19. Export Financing

Purpose

This program is designed to provide financing for exports to firms that are unable to obtain sufficient credit from banks.

Eligibility

Quebec-based companies that export consumer goods or equipment and are unable to obtain sufficient credit from banks.

Assistance

SDI offers loans and loan guarantees, and will also provide account receivable discounts and export sales credits for the exporter awaiting payment for orders delivered abroad.

20. Export Market Development Credits

The purpose of this program is to promote penetration of foreign markets.

Eligibility

Firms engaged in the development of new foreign trade markets.

Assistance

SDI will provide eligible firms with market development credits; these function basically as an insured loan. If the project should fail, partial exemption of repayment of the loan granted by SDI may be possible. However, if the venture is successful, the loan must be repaid and SDI may also make provisions to share in the profit realized from the project.

21. Foreign Investment Financing

The program was established to help Quebec companies establish an export or other premises abroad.

Eligibility

Companies that are 50% or more in the hands of shareholders resident in Quebec that wish to become established abroad and to establish an export office or other premises, such as distribution network, a sales office, an exhibition facility or an assembly plant.

Assistance

SDI may provide:

Term loans and loan guarantees: Term loans granted at market rates and loan guarantees are available.

Equity participation: SDI will provide minority equity participation in a company or a subsidiary. The procedure for the share redemption will be established in the beginning.

22. Various Export Assistance Programs

The objective of these programs is to assist companies that are looking for new markets and to assist firms that are interested in becoming established abroad or in expanding their export sales.

Eligibility

Basically, firms that export goods produced in Quebec are eligible, though each export assistance program has specific eligibility requirements.

Assistance

In addition to other programs, SDI can:

- support the formation of consortia or export corporations in partnership with private enterprise, and may participate as a partner in their administration;
- take part in the formation of groups or consortia for the specific purposes of particular major contracts;
- act as authorized agent where a buyer wishes to conduct a transaction through a state corporation, and no other state corporation is in any way concerned or involved.

Magnitude

In 1979, SDI's mandate to provide export assistance was widened. And in 1980, a new administrative section - SDI-Exportation - was formed to administer all programs related to export assistance.

Cumulative figures to March 31, 1980, for all of SDI's export programs include 293 grants totalling \$62,766,800; 35 loan guarantees totalling \$15,510,000; 12 loans totalling \$3,398,535; and 2 cases of equity participation totalling \$25,001.

In 1979-80, 129 companies were granted financial export assistance. The total amount provided under these programs was \$35,258,200, of which \$31,208,200 was in the form of grants. The main industrial sectors assisted during this period were food and beverages, rubber, clothing and wood products.

PRINCE EDWARD ISLAND

Prince Edward Island has an export assistance program which is administered by its Market Development Centre, a Crown corporation, that was established in 1972 and administered by an independent Board of Directors.

Market Development Programs

The program is designed to increase the sales of P.E.I. products in local and international markets.

Eligibility

P.E.I. manufacturers, processors and primary producers.

Assistance

Market management program: Through this program, the Centre will help P.E.I. firms develop their own marketing plans over the period of one year. Marketing seminars and market training programs are also available through the Centre.

Market promotion program: The Centre will assist companies in advertising their products and will promote P.E.I. products through media advertising, contests and other means of promotion. It will also help companies produce brochures, catalogues, sales kits and other materials.

SASKATCHEWAN

Aid to Trade Program

The Saskatchewan Department of Industry and Commerce administers an Aid to Trade Program designed to help manufacturers sell products outside Saskatchewan. The details of the program are:

Eligibility

Manufacturers introducing new products or considering new markets.

Assistance

The program will pay part of the costs for the following projects:

Market research: 50% of the cost of assistance from a professional market research agency to define prospective markets and target markets, to determine product acceptance, or to develop market strategies. It is not intended to assist studies to determine the feasibility of producing a product.

Product promotion: 50% of advertising and promotion costs for new products of existing products in a new market area. Projects may consist of advertising in trade journals, magazines, newspapers, electronic media, and brochure or pamphlet publication. The program will cover 50% of production and insertion costs excluding salaries and wages of company personnel. In the case of brochure and pamphlet publication, the program will cover 50% of the pre-printing costs.

Trade fairs: up to 100% of the cost of space rental at trade fairs and industrial exhibitions. Applications for assistance to attend a particular fair on more than one occasion may be considered.

Trade missions: up to 100% of actual travel costs to investigate new market opportunities.

Incoming buyers: a maximum of 50% of the cost of transportation, accommodation, meals and department-approved related expenses incurred on behalf of incoming buyers who intend to buy Saskatchewan manufactured goods or technology.

Sample shipments: as much as 50% of the transportation cost incurred to send products for inspection and trial use.

Magnitude

In fiscal 1980-81, the program approved 229 applications for grants of \$156,522. Estimated sales created were \$6.9 million and estimated jobs created were 88.

II. EMPLOYMENT & TRAINING

A. FEDERAL PROGRAMS

1. New Employment Expansion and Development Program (NEED)
2. Local Employment Assistance Program
3. National Industrial Training Program
4. New Technology Employment Program (NTEP)
5. Program for the Employment Disadvantaged
6. Summer Canada: Student Employment Program
7. Training Women in Non-Traditional Occupations
8. Work Sharing Program
9. Industrial Research Assistance Program (IRAP-H)
10. Industrial Research Fellowships
11. Management Excellence in Small Business Program (MESB)
12. Industry and Labour Adjustment Program
13. Simulated Work Experience Program
14. The Unemployment Insurance Act - Section 31 - Job Creation
15. Work Adjustment Training

B. PROVINCIAL PROGRAMS

ALBERTA

1. Priority Employment Program

BRITISH COLUMBIA

2. Graduate Research and Engineering Technology (GREAT)
3. Industrial Postdoctorate Fellowships

NORTHWEST TERRITORIES

4. Community Labour Pool

NOVA SCOTIA

5. Provincial Employment Program

ONTARIO

6. International Marketing Intern Program
7. Employment Development Fund
8. Employee Fitness Program

SASKATCHEWAN

9. Employment Opportunities Program/Employment Support Program
10. Special ARDA

A. FEDERAL PROGRAMS

EMPLOYMENT

The Canada Employment and Immigration Commission (CEIC) implements and administers most of the federal government policies and programs in the area of employment creation and job retraining. Although these programs are not specifically targetted to small business, they can be used by small business. The programs are as follows:

1. **New Employment Expansion & Development Program (NEED)**

This program is known in Ontario as the Canada-Ontario Employment Development Program (COEDI). CEIC's recently introduced NEED program is designed to create special job-creating projects which improve productivity and support economic recovery and regional development and which employ qualified men and women referred by Canada Employment Centres.

Eligibility

NEED sponsors may be federal departments and agencies, municipalities, non-profit organizations, private sector businesses and unions. Small Business initiatives could include:

- modernization of plants or facilities
- energy conservation
- pollution abatement
- site development for future construction

The project must last from 12 weeks to 12 months. Each project must employ at least three workers who have either exhausted their unemployment insurance benefits or are receiving social assistance. NEED Advisory Board have been established in each province to ensure a streamlined approval process varying according to regional requirements and provincial government participation.

Assistance

NEED funds will contribute to the wages of eligible workers up to an average of \$400 per week for each job created. These dollars will be applied to salaries and administrative costs. Wages cannot be less than the Ontario minimum wage nor greater than the prevailing rate for a particular job. Provisions are made for higher rates for supervisory workers on projects. Private sponsors are expected to contribute an average of 50% of gross costs.

Magnitude

The federal government has allocated \$500 million nationally and \$130 million in Ontario to the NEED/COED program. The government of Ontario has matched this figure.

2. **Local Employment Assistance Program (LEAP)**

The LEAP program is designed to increase the economic self-sufficiency of workers who normally have difficulty finding and keeping jobs.

Eligibility

Individuals, groups and organizations from communities selected by LEAP officials.

Assistance

LEAP provides funds to:

- create businesses which will provide jobs for the chronically unemployed;
- establish projects which will develop job skills for the chronically unemployed to help them integrate into the regular labour market.

Sponsors may be non-profit organizations or community groups, etc. or profit-seeking companies, provided that they are either worker or community-owned. Projects are not usually solicited from the general public. LEAP officials identify potential participants (groups and communities) by studying economic and social conditions in different areas and by responding to inquiries from groups and individuals. After groups are selected; representatives of community-based organizations, voluntary agencies, federal and provincial departments are consulted to ensure that the selections are appropriate. Once a project is selected, LEAP project officers will work with the selected sponsor of the project on a project proposal to be submitted to a regional review board. Sponsors sign a contract with the federal government stating the rights and obligations of each party involved in the agreement.

LEAP projects are eligible for up to \$275,000 for each 12 months of operation. In addition, if a project idea needs exploration or development, LEAP will provide a maximum of \$100,000 for the development phase of the project, provided that this phase does not exceed 12 months in length. The total federal contribution to any project may not exceed \$850,000.

Magnitude

LEAP projects may be funded for up to three years, plus one year for the development phase of the project. Each project is subject to review every 12 months. When LEAP funding ends, the project is expected to cover its operating costs.

3. National Industrial Training Program (NITP)

CEIC also administers the National Industrial Training Program (NITP). The NITP is designed to provide training to develop individuals' working skills and help employers to find skilled workers and train existing employees.

Eligibility

General Industrial Training Program (GITP) is available to Companies that employ systems analysts and computer programmers, metal processors, wood machinists, electrical/electronic equipment fabricators and assemblers, automobile and small-engine mechanics and a few selected construction occupations, such as plumbing and electrical work.

Critical Trade Skills Program (CTSP): The list of designated occupations eligible for assistance is decided by local industrial training committees which is made up of federal and provincial government representatives and delegates from local industry. Occupations are chosen on the basis of what delegates consider will be critical trade skills in the next five to ten years.

Assistance

The GITP program will reimburse up to 50% of training wages for new employees, up to 85% for physically handicapped trainees, and will also cover up to 75% of wages for women being trained in non-traditional occupations.

GITP is a short-term reimbursement program, covering wages for up to six months, or in extreme cases, up to 52 weeks.

CTSP funding is continued under the program for a two or three year period and, in Ontario, first-year wages will be reimbursed up to 75% over a 32-week period, wages in the second year of the program are covered up to 50% over 20 weeks, and in the third year, wage costs will be covered up to 50% over a 12-week period.

Magnitude

NITP replaced the old Canada Manpower Industrial Training Program in July 1992. Where that program covered up to 40% of trainee wages for employees already on staff, a firm can no longer upgrade its existing workforce under GITP except in cases where permanent layoffs will otherwise result.

Also worth noting is that support under CTSP will vary somewhat from province to province.

The budget for the General Industrial Training Program (GITP) for 1982/83 was \$77 million. The estimated budget for 1983/84 is \$86.9 million.

4. New Technology Employment Program (NTEP)

The CEIC administered NTEP program is designed to create jobs for well educated graduates in Scientific and Technical fields who are unable to find employment in their disciplines.

Eligibility

Employers must be private sector firms that normally employ fewer than 300 employees such as research institutes, non-profit Crown corporations, universities and community colleges, individuals in single proprietorships or partners, or associations and community organisations.

Employees must be unemployed Canadian citizens or permanent residents eligible to work in Canada. They must hold degrees in science (preferably physics, chemistry, biochemistry or biology) or a technical diploma obtained by a minimum of two years at a community college or technical school. Further, the employees must have entered the labour force in the past two years.

Preference is given to proposals for small-scale energy conservation projects in the transportation sector and the residential and commercial sectors; microelectronics; biotechnologies; materials technology; manufacturing science; communications technology; energy related research and development; geophysical exploration; instrumentation technologies; ocean technology and toxicology.

Assistance

Assistance offered is up to \$9,000 per employee for one year. This sum can increase to as much as \$15,000 if the firm can demonstrate that the proposed employment will directly or indirectly create additional jobs in its company or in other companies.

The maximum contribution is 75% of each employee's wages up to \$290 per week per job for a maximum of 12 months.

The maximum contribution to any one employer over 12 months is \$150,000 or subsidization of salaries for as many as ten employees.

5. Program for the Employment Disadvantaged (PED)

The objective of this program is to provide incentives to employers to provide continuing employment to handicapped or disadvantaged persons.

Eligibility

Any Canadian employer who is willing to create a job for a handicapped person is eligible. Eligible employees are people who want, need and have been seeking continuing employment but have been unable to obtain it due to a mental or physical disability or some other severe employment disadvantage (social, cultural, etc).

Assistance

For handicapped workers the program will pay 85% of gross wages for up to 13 weeks. After that, the wages of handicapped workers can be subsidized at 50% for up to 26 weeks and 25% for a further 26 weeks (65 weeks in all). Ancillary benefits of up to \$5000 per establishment toward such costs as widening a door, installing a ramp or purchasing special equipment, etc.

The wages of other employment-disadvantaged workers can be subsidized, up to 13 weeks at 85%; and at 25% for another 13 weeks (39 weeks in all).

The amount of subsidy for each worker is limited to a maximum of \$10,000.

6. Summer Canada: Student Employment Program

CEIC's summer program for students is designed to provide seasonable employment during the summer months by creating jobs which are additional to those currently in place and which do not involve the lay off of paid staff, the replacement of volunteers or the displacement of seasonal employees.

Eligibility

All existing organizations are eligible. A municipality is also eligible to become an employer if the provincial government does not object. All summer interns must be recruited through the Career-Oriented Summer Employment Program administered by the Public Service Commission of Canada.

Assistance

Under the Community Projects Stream, federal departments and agencies cannot submit proposals. Local governments, established organizations, businesses and partnerships may apply directly to the Canada Employment and Immigration Commission. The maximum amount of program support for a project in this stream will not exceed \$50,000 and activities proposed must be of a non-profit nature. Ordinarily, the proposal must provide for a minimum of three jobs for a minimum of six weeks and a maximum of 18 consecutive weeks of operation.

Under the Public Service Employment Component (PSEC), temporary public service jobs are created for up to three summers which are career-oriented and in specialized or highly technical areas covering a wide variety of academic fields. Eligible departments and agencies must submit their request for funding directly to the national office of the program in order to be considered.

Magnitude

For 1982, the \$10 million appropriated to the Public Service Employment Component was allocated to the provincial/territorial level based upon student unemployment data and is expected to generate approximately 3,000 summer interships.

All summer interns must be students and Canadian citizens or permanent residents.

7. Training Women in Non-Traditional Occupations

This program designed to assist women to enter occupations traditionally dominated by males.

Eligibility

Any Canadian employer who is willing to create a job for a woman in one of the following areas:

- sheet metal work;
- aircraft fabricating and assembly;
- industrial farm and construction machinery repair;
- precision and instrument mechanics;
- electrical and related equipment installation and repair.

Assistance

The program will pay 75% of a trainee's wages (to a maximum of \$185 a week). It will also pay as much as 100% of instructor's salaries, equipment and aids for the training of the new employee and related courses such as assertiveness training or sensitivity sessions for male co-workers. (If the company is not equipped to provide this training, it can be given by an outside agency.)

In addition to the list of eligible employment areas above, there may be others that qualify. The criteria specifies occupations in which men form 90% or more of the work force.

8. Work Sharing Program

The work sharing program is designed to reduce layoffs during temporary employment cutbacks.

Eligibility

Employers: Manufacturers who have been operating for at least two years, but are experiencing temporary production cutbacks that affect regular workers.

Employees: Those that meet the entrance requirements for regular Un-employment Insurance benefits and those whose working hours do not fluctuate from week to week.

Assistance

A firm that has reduced its production by between 20% to 60% can reduce its employee work week accordingly. The employer pays staff only for the actual hours worked and payment for the rest of the normal work week is at least partially made up through Unemployment benefits.

For employees who would otherwise be laid off work, this program is a boon because they earn more than they would through UI benefits.

However, for those who would not be laid off by production cutbacks, the program represents a temporary cut in income.

These facts are important because the decision to participate in the program must be made collectively by employees (or their representative) and employer.

Industrial Research Assistance Program IRAP-H: Contributions to Firms Employing Undergraduates

This program, administered by the National Research Council is designed to aid small firms with problems related to production designs, quality control and plant layout.

Eligibility

Only small companies are eligible to receive the program.

Assistance

The NRC will pay the salaries of university and technological college students.

Magnitude

The total IRAP budget for 1982/83 was \$35.2 million for 1983/84 it was \$38.5 million however, the April 1983 budget allocated an additional \$20 million to the program over two years.

Industrial Research Fellowships

The Natural Sciences and Engineering Research Council (NSERC) of Canada provides industrial research fellowships to encourage research and development by assisting companies to employ highly qualified personnel.

Eligibility

Companies: Those that are accepted as participating companies by the NSERC will be deemed eligible.

Individuals: Those who have recently received or who are about to receive doctorates and who wish to seek careers with industrial organizations in Canada. Applicants must be Canadian citizens or landed immigrants and preference will be given to those who have had not more than five years' experience after receipt of their degrees.

Assistance

The NSERC will contribute a maximum of \$22,000 per year toward the employee's salary and fringe benefits. It will provide the assistance for a period of as long as five years.

Undergraduate Industrial Summer Research Awards are also available to students in second, third or fourth year of an undergraduate program in the natural sciences or engineering leading to an honours bachelor's degree. The NSERC will contribute \$600 per month and travel allowance.

Magnitude

In 1980-81, 75 Industrial Research Fellowships were available.

11. Management Excellence in Small Business Program (MESB)

ITC/DREE's Small Business Secretariat administers the MESB program to allow business students to apply their classroom learning to a practical day to day small business environment and to give smaller firms 'hands on' help from those students.

Eligibility

Any business student from the business faculties of universities, community colleges and CEGEPs.

Assistance

A student may apply for a grant of up to \$3,000 to undertake a short-term (12-week) work assignment in a small business under the supervision of his or her business school professor.

The student would carry out tasks such as, researching the market for a promising new product line or putting in place an improved accounting system.

Magnitude

The program has been budgeted at \$1.4 million over the next three years.

12. Industry and Labour Adjustment Program (ILAP)

The Industry and Labour Adjustment Program administered by DREE/ITC is designed to alleviate the distress caused in Canadian communities by permanent large scale industry dislocation which result in massive layoffs. The ILAP program is scheduled to expire in 1984.

Eligibility

Manufacturing and processing firms undertaking projects to establish, expand or restructure operations in designated communities.

Designated communities: Brantford, Chatham and Windsor in Ontario; L'Islet/Montamagny, Port Cartier/Sept-Iles and Tracy/Sorel in Quebec; McAdam, New Brunswick; Sydney, Nova Scotia. Further communities will be designated as economic circumstances dictate.

Assistance

For projects that offer significant net economic benefit to the community and would not be undertaken without program assistance, ILAP offers:

- non-repayable contributions of up to 75% of consulting costs associated with the development of projects for the establishment, expansion or restructuring of operations of eligible firms or mergers with or acquisitions of other firms;

- non-repayable contributions of as much as 75% of consulting costs for a comprehensive analysis of the operations of firms to develop satisfactory plans to restructure operations or to assist in the implementation of plans for restructuring or adjustment;
- repayable contributions (interest-free) of as much as 50% of the eligible capital costs of projects (including the acquisition, construction, expansion, modification or conversion of machinery, equipment or buildings), and an amount not exceeding 50% of eligible pre-production expenses associated with such projects. (The eligible capital costs and pre-production expenses of a project must aggregate at least \$100,000.)

15. Simulated Work Experience Program (SWE)

Employment and Immigration Canada administers the Simulated Work Experience Program to provide simulated work experience to laid off apprentices in the nationally designated shortage occupations.

Eligibility

Eligible trainees include laid-off apprentices in the designated occupations who may be either provincially indentured or in-plant apprentices.

Assistance

Payment of trainees may come either from UI benefits or Training Allowances.

14. The Unemployment Insurance Act, Section 38 - Job Creation

Section 38 - Job Creation of the Unemployment Insurance Act is administered by Employment and Immigration Canada. The program is designed to use UI benefits more effectively by putting laid off workers back to work.

Eligibility

Applications may be sponsored by established non-profit organizations, registered businesses, partnerships and corporations, and government ministries and agencies.

Assistance

The claimant/worker receives the regular benefit rate or the rate set by the Commission for that particular project, whichever is greater, to a maximum of \$240 per week, with a possible top-up by the province.

15. Work Adjustment Training Program (WAT)

Employment and Immigration Canada administers the Work Adjustment Training Program to provide an eight week on-the-job assessment and training of selected CEC clients at no cost to the employer.

Eligibility

Clients eligible for such a program are in need of assessment for the following reasons: productivity; attendance; suitability for specific work; and further training needs.

Assistance

The employees wages are paid by CEIC's training program for eight weeks.

B. PROVINCIAL PROGRAMS

ALBERTA

1. Priority Employment Program (PEP)

The purpose of Alberta's Priority Employment Program is to provide work opportunities for unemployed Albertans during the winter months.

Eligibility

PEP offers wage assistance to create employment and training opportunities for Albertans.

Assistance

The assistance available under this program is as follows:

- Small Business Support - the provincial government will pay 50% of the employee's wages to a maximum of \$2.50 per hour.
- Industrial Training - the provincial government may reimburse up to 50% of trainee wages and up to 100% of instruction and course development costs.
- Private Vocational School - the provincial government may pay the instructional costs of the course for up to four months. Alberta residents who are currently unemployed may qualify for reimbursement of tuition fees, and certain books and supplies. Students may also receive training allowances.
- Municipal Government - participating municipalities will be reimbursed the minimum wage for each project employee.
- Provincial Government Departments - employees hired through the program will be paid \$5.50 per hour.

BRITISH COLUMBIA

2. Graduate Research and Engineering Technology (GREAT)

British Columbia's Science Council of Canada administers a program designed to encourage research collaboration between the universities business and industry in British Columbia.

Eligibility

Fellowships are available to graduate students at B.C. universities in natural and social sciences and professional disciplines. All B.C. organizations, both public and private, are eligible to cooperate with the academic institutions providing that research can be arranged which is acceptable to both the collaborating organization and university.

Assistance

Successful applicants will receive \$7,500 per year, payable in monthly instalments. Normally the term of the fellowship will be three years. The student is expected to spend a minimum of 12 months out of the three-year period of the fellowship working in outside organizations.

3. Industrial Postdoctorate Fellowships

The program is administered by the Science Council of British Columbia. The program is designed to subsidize the employment in British Columbia of Canadians holding or about to receive Ph.D. degrees in the natural or social sciences or in the professional fields.

Assistance

Candidates negotiate terms of employment with B.C. industrial or business organizations after which the government will pay up to \$12,000 annually to the employer. Normally the term of the fellowship is two years.

NORTHWEST TERRITORIES

4. Community Labour Pool

The Northwest Territories has a large community Labour Pool program administered by its Manpower Development Division, NWT Department of Economic Development and Tourism. The program is designed to assist providing unemployed people throughout the NWT with jobs wherever they can be found.

Eligibility

Any employer seeking northern workers.

Assistance

The government of the N.W.T. has 10 Manpower Development officers and four Labour Pool officers. Combined with the federal government's five Manpower offices and seven or eight Outreach officers, these officials serve 59 communities and 7,000 and 8,000 unemployed people.

This large labour pool system has the advantage of having a focal point in unserved communities.

NOVA SCOTIA

5. Provincial Employment Program

Nova Scotia's Department of Development administers an employment program known as the provincial Employment Program designed to create new incremental jobs in the private sector.

Eligibility

Employers: Manufacturers, processors and selected service employers who offer skill related jobs.

Employees: Skilled jobs in the service sector must be filled by people who have recently successfully completed skill training in an area related to the new job. The training must have been completed at an institution located in and recognized by the province. The training should be of a duration and depth that it prepares the person sufficiently to fill a permanent, full-time job with the new employer.

Assistance

The provincial government will pay the new employee's wages to a maximum subsidy of \$75 per week. Assistance may continue for as long as 16 weeks for a total subsidy of \$1,200 per new job created.

The employer must provide a job that is a minimum of 35 hours per week for a minimum of 16 weeks.

The position created must present the potential for permanent employment and the employee must not have worked for the business in the past two months. Assistance is available to convert part-time jobs to full-time jobs where the number of work hours per week has averaged less than 15 over the past two months. The employee must not be related to management or the owners of the business.

ONTARIO

6. International Marketing Intern Program

Ontario's Ministry of Industry and Trade through (BILP) the Board of Industrial Leadership and Development administers the International Marketing Intern Program.

The program is designed to provide university graduates in marketing with training and practical experience in exporting, and to provide Ontario manufacturers with young, talented trainees.

Eligibility

Ontario-based manufacturers and Canadian interns who have graduated in business, marketing or other appropriate studies from a recognized Canadian university or community college.

Assistance

The program will assist 100 interns per year, with one intern per company per year. If the company has the facility to train the intern in international marketing and the ability to provide employment for the intern after the two-year program is over, BILD will pay 50% of the intern's salary, to a maximum of \$15,000 per year for the two-year period.

The intern cannot be related to the owner or management of any company he or she works for, or own any shares in it. The company should find its own intern through the normal recruiting channels, and then apply for assistance once the terms of employment are agreed upon with the prospective intern.

7. Employment Development Fund

Ontario's Employment Development Fund is designed to create jobs, enhance provincial competitiveness and improve Ontario's economic development.

Eligibility

To be eligible for assistance from this fund a firm must be established or considering establishment in the province.

Assistance

Assistance is available in the form of grants, loans, loan guarantees equity participation and interest or wage subsidies.

8. Employee Fitness Program

Ontario's Ministry of Tourism and Recreation administers the Employee Fitness Program to improve the level of individual fitness through increased physical activity.

Eligibility

Any employer and/or an employee Group.

Assistance

Assistance under the program includes:

- Consultative services and salaries for persons setting up the programs and/or training leaders to conduct same.
- Travel to and registration fees for training events for the person or persons who will conduct the fitness program.
- Fitness equipment required to conduct the program.
- Promotional expenses.
- Fitness testing and consultation (maximum of two tests per participant) when part of an activity program.
- Evaluation report of the program.
- Program will provide up to 50% of eligible costs.

SASKATCHEWAN

9. Employment Opportunities Program/Employment Support Program

The Saskatchewan Department of Industry and Commerce the Employment Opportunities Program to encourage and assist in the creation of employment especially for disadvantaged people.

Eligibility

Saskatchewan businesses creating permanent jobs for people who have difficulty maintaining regular employment and adequate earnings because of lack of marketable or life skills; social, cultural or locational barriers; physical, mental or other handicaps. The jobs must be permanent and pay at least the provincial minimum wage.

Assistance

Conditional grants or loan guarantees to \$30,000 per job created are available.

The maximum assistance is 50 per cent of fixed assets or 100 percent of guarantee of working capital and start-up costs.

In fiscal 1980-81 the program approved 54 applications for total grants of \$1.7 million. The total expenditure by applicants was \$2.1 million and estimated jobs created were 98.

10. Special ARDA

The Special ARDA program administered by Saskatchewan's Industry and Commerce and the Department of Regional Economic Expansion is designed to create employment opportunities for Indian and Metis people in rural areas of Saskatchewan.

Eligibility

Businesses that are owned by or employ a majority of people of Indian ancestry.

Assistance

Grants of as much as 50% of the cost of buildings, machinery and initial working capital, and as much as 100% of the cost of feasibility studies, training costs and abnormal operating costs may be approved for business enterprises that qualify under the conditions above.

Applicants must provide equity of at least 10% of capital costs, and be able to arrange for the balance of the financing required over and above the grants provided. Industry and Commerce regional staff will assist applicants to develop business proposals for the program where management appears capable and there are reasonable prospects that the enterprise will be self-supporting.

Magnitude

In fiscal 1981/82 5 million was spent on the program.

III. FINANCING

A. GENERAL

1. Industrial and Regional Development Program

B. LOANS

FEDERAL

1. Federal Business Development Bank (FBDB)
2. Small Business Bonds
3. Indian Economic Development Fund
4. Eskimo Loan Fund and Associated Financial Assistance Programs

PROVINCIAL

ALBERTA

1. Alberta Opportunity Company Program (AOC)

BRITISH COLUMBIA

2. Travel Industry Development Subsidiary Agreement (TIDSA)
3. British Columbia Development Corporation

MANITOBA

4. Community Economic Development Fund
5. Destination Manitoba - A Canada-Manitoba Agreement for Tourism Development

NEWFOUNDLAND

6. Newfoundland and Labrador Development Corporation
7. Direct loans

NORTHWEST TERRITORIES

8. Assistance to Industry
9. Eskimo Loan Fund and Eskimo Economic Development Contributions (EEDC)
10. Small Business Loans and Guarantees Fund
11. Special ARDA

NOVA SCOTIA

12. Industrial Estates Limited
13. Small Business Development Corporations
14. Cape Breton Development Corporation Programs

ONTARIO

15. The Ontario Development Corporation, the Northern Ontario Development Corporation and the Eastern Ontario Development Corporation

PRINCE EDWARD ISLAND

16. Industrial Enterprises Programs
17. Manufacturing and Processing Term Loans

SASKATCHEWAN

18. Saskatchewan Economic Development Corporation
19. Retail Operating Loan
20. Small Industry Development Program

C. LOAN GUARANTEES

FEDERAL

1. Small Business Loans Act (SBLA)

PROVINCIAL

ALBERTA

1. Alberta Opportunity Company

BRITISH COLUMBIA

2. British Columbia Development Corporation

NEW BRUNSWICK

3. Financial Assistance to Industry Program

NEWFOUNDLAND AND LABRADOR

4. Loan Guarantees Program

NORTHWEST TERRITORIES

5. Small Business Loans and Guarantees Fund

ONTARIO

6. Board of Industrial Leadership and Development (BILD)
7. Publishers Guarantee Program
8. Foreign Subsidiary Buy-Back Program
9. Ontario Development Corporation
10. Employment Development Fund

SASKATCHEWAN

11. Saskatchewan Economic Development Corporation
12. Assistance for Inventory and Manufacturing Expansion (AIME)
13. Employment Opportunity Program

D. INTEREST RATE ASSISTANCE

FEDERAL

1. Small Business Investment Grant

PROVINCIAL

ALBERTA

1. Alberta Small Business and Farm Interest Shielding Program

BRITISH COLUMBIA

2. Low Interest Loan Assistance
3. Small Business Development Fund

MANITOBA

4. Market Interest Rate Relief for Small Business

NEW BRUNSWICK

5. Financial Assistance to Industry

NOVA SCOTIA

6. Industrial Estates Limited Loans

ONTARIO

7. Ontario Business Incentive Program
8. Direct Loans Program
9. Tourism Redevelopment Incentive Program

QUEBEC

10. Temporary Financing for Textiles, Millinery, Clothing, Shoe and Furniture Industries
11. Financing for Small Manufacturing Firms
12. Financial Assistance to Manufacturing Firms in the Field of Modern Technology
13. Financial Assistance to High Growth Firms
14. Export Assistance Programs

SASKATCHEWAN

15. SEDCO - Industrial Accommodation Program
16. The Small Business Interest Abatement Program

E. GRANTS/FORGIVABLE LOANS

FEDERAL

1. Business and Industrial Development Program

PROVINCIAL

BRITISH COLUMBIA

1. The Small Manufacturers Development Assistance Program

MANITOBA

2. Enterprise Manitoba Industry Sector Development Program
3. Rural Small Enterprise Incentives

NEW BRUNSWICK

4. New Brunswick Small Industry Financial Assistance Program
5. Financial Assistance to Industry

NEWFOUNDLAND

6. Financial Incentive Program
7. Rural Development Program

NOVA SCOTIA

8. Rural Industry Program (RIP)

NORTHWEST TERRITORIES

9. Interim Subsidiary Agreement (GDA)

ONTARIO

10. The Small Business Incentives Program
11. Tax Exemption Program
12. Canada-Ontario Subsidiary Agreements - Eastern Ontario Development Program
13. Rural Industrial Infrastructure Program

14. Tourism Development Program
 - (a) Planning and Feasibility Studies Subprogram of the Tourism Development Program
 - (b) Tourist Attraction Development Subprogram of the Tourism Development Program
 - (c) Tourist Facilities Marketing Subprogram of the Tourism Development Program

PRINCE EDWARD ISLAND

15. Licensing/Joint Venture Program
16. Industrial Prospecting Program
17. Investment Incentive Program

QUEBEC

18. Montreal Special Area Program
19. Canada-Quebec Subsidiary Agreements - Modernization of Pulp and Paper Industry

SASKATCHEWAN

20. Saskatchewan Main Street Program
21. Qu'Apelle Valley Subsidiary Agreement
22. Special ARDA

F. VENTURE CAPITAL/EQUITY CAPITAL

FEDERAL

1. Federal Business Development Bank

PROVINCIAL

ALBERTA

1. Alberta Venture Capital Corporation (VEN)

BRITISH COLUMBIA

2. British Columbia's Small Business Development Fund

MANITOBA

3. Venture Capital Companies

NOVA SCOTIA

4. Venture Corporations

NEW BRUNSWICK

5. Provincial Holdings Ltd.

ONTARIO

6. Small Business Development Corporations
7. Venture Capital Loans
8. Student Venture Capital Loans
9. Innovation Development for Employment Advancement
10. Board of Industrial Leadership and Development

PRINCE EDWARD ISLAND

11. Venture Capital Program

QUEBEC

12. Societes de developpement de l'entreprise québécois (SODEQ) or Corporations for the Development of Québec
13. Financial Assistance for Mergers and Acquisitions
14. Financial Assistance to Manufacturing Firms for Mergers and Acquisitions
15. Financial Assistance to Manufacturing Firms in the Field of Modern Technology

SASKATCHEWAN

16. Saskatchewan Economic Development Corporation

NEWFOUNDLAND

17. Newfoundland Industrial Development Corporation
18. Newfoundland and Labrador Development Corporation Limited

NORTHWEST TERRITORIES

19. Assistance to Industry

III FINANCING

- A. General
- B. Loans
- C. Loan Guarantees
- D. Interest Rate Assistance
- E. Grants/Forgivable Loans
- F. Venture Capital/Equity Financing

III FINANCING

A. GENERAL

1. Industrial and Regional Development Program (IRDP)

The Industrial and Regional Development Program is the Core program of what will be the Department of Regional Industrial Expansion. The multiplicity of programs which once existed is reduced to seven, the principal one being the Industrial and Regional Development Program.

The Industrial and Regional Development Program encompasses the following former programs:

Enterprise Development Program (EDP)
Support for Technology Advanced Productivity (STEP)
Co-operative Overseas Market Development Program (COMDP)
Institutional Assistance Program (IAP)
Regional Development Incentives Act (RDIA)
Montreal Special Area Program (MSAP)
Magdalen Islands Special Area Program (MISAP)

It is important to note that for the first time, as far as traditional ITC clients are concerned, an "individual" entrepreneur is able to apply for start-up assistance. Also IRDP will, for the first time, make direct federal assistance to industry available throughout all of Canada. This, the core program of ITC/DREE, will be delivered locally. It will provide financial assistance to business through grants, contributions, repayable contributions participation loans and loan guarantees.

The IRDP will provide financial assistance for eligible products over six elements of a product or company cycle. Enriched support will be available to areas most in need through a graduated scale with four tiers. To establish which areas are available for the various levels of assistance, an index has been designed. The index, is based on Canada's 260 census districts which are the smallest discrete areas for which sufficient historical data are available on a nationally consistent basis.

Three measurable factors are used to calculate the formula for the development index. They are:

- a) the level of unemployment in a census district (based on three-year averages using the most recent years for which data are available);
- b) the level of income per person in a census district (based on three-year averages using the most recent years for which data are available);
- c) the fiscal capacity of the province in which the census district is located (based on averaging annual available data for two years now; three years when data are available).

Each of the factors is assigned a different weight to reflect their different importance. The unemployment factor has a 50% influence; the income factor, 40%; the provincial fiscal capacity, 10%. Weightings were chosen to reflect the traditionally accepted measurements of economic hardship.

The Tiers

The IRDP provides differing levels of assistance over four tiers. The regions designated in the tiers will not remain static as the tier designations will be evaluated annually against changes in the statistical data.

The cut-off points between the tiers themselves is:

- 0 - 5% Tier IV - those regions in which the 5% of Canadians most in need of economic assistance reside;

- 5 - 20% Tier III - those regions in which the next 15% in terms of economic development need reside as well as the NWT and the Yukon;
- 20 - 50% Tier II - those regions in which the next 30% of the population reside; and,
- 50 - 100% Tier I - those regions in which the remaining 50% of the population reside.

Short-term Adjustment Provision

Provision has also been made to deal with Tier I districts that find their economic and employment bases suddenly eroded due to a cyclical and temporary downturn in the economy. Therefore, if the unemployment to labour force ratio for a Tier I region exceeds the national average by one percentage point for any consecutive six-month period, that region will be eligible for Tier II assistance for establishment for one year.

1) INDUSTRIAL DEVELOPMENT CLIMATE

- a) Assistance may be made available to economic, business or technological institutes for studies and specialized common services having significant and direct benefits for regional industrial development.

All Tiers are eligible

- b) Assistance may be available for the establishment of non-profit centres or institutions that are expected to become financially self-supporting if the centre or institution carries on or supports work related to industrial development.

All Tiers are eligible

- c) Infrastructure directly related to regional industrial development may be supported on a shared cost basis with provinces.

Availability

- Tier II
- Tier III
- Tier IV

2) INNOVATION

a) Studies

Assistance may be made available toward the cost of hiring qualified consultants for studies on project feasibility, technology transfer, market research and venture capital search associated with prospective innovation projects.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Developing New Products or Processes

Assistance may be provided for projects to develop or demonstrate new or improved products or processes. These must be scientifically feasible, entail significant technical risk and represent attractive prospects for commercial exploitation.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

c) Developing Technological Capability

Projects for the improvement or expansion of technological capability which do not lead directly to identifiable sales may be supported if the technological capability is of strategic importance to the firm and the regional industrial development priorities of the government.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

d) Development and Demonstration

Projects to develop or demonstrate new products or processes, but which do not entail significant technological risk may be supported in a way similar to those in section b) above. However, this assistance will be repayable upon successful commercial exploitation of the resulting product or process.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

e) Industrial Design

Assistance may be made available for the design of a new, durable product, capable of being mass produced, that offers good prospects for commercial exploitation subject to certain conditions.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

3) ESTABLISHMENT

a) Studies

Funding may be provided toward the cost of hiring qualified consultants for studies of project feasibility, market research or venture capital search associated with a prospective establishment project.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Plant Establishment

Funding may be made available for the establishment of new production facilities for manufacturing or processing, selected service sectors related to industry or tourism operations.

<u>Availability</u>	<u>Maximum Costs Sharing Ratios</u>	<u>Minimum Approved Capital Costs</u>
Tier I	Not eligible	N/A
*Special Tier I	35%	\$50,000
Tier II	35%	50,000
Tier III	50%	25,000
Tier IV	60%	5,000

*If the unemployment to labour force ratio for a Tier I region exceeds the national average by one percentage point for any consecutive six-month period, that region will be eligible to apply for Tier II assistance for one year.

4) MODERNIZATION/EXPANSION

a) Studies

Assistance may be provided toward the cost of hiring qualified consultants for project feasibility studies, market research and venture capital search for projects associated with modernization, productivity improvement or expansion.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Modernization

Assistance may be made available for the acquisition of new, advanced machinery and equipment which significantly enhances the productivity of existing activities in manufacturing and processing, selected services related to industry and tourism operations.

<u>Availability</u>	<u>Maximum Costs Sharing Ratios</u>	<u>Minimum Approved Capital Costs</u>
Tier I	25%	\$100,000
Tier II	35%	50,000
Tier III	50%	25,000
Tier IV	50%	5,000

c) Expansion

Assistance may be made available for the expansion of existing manufacturing or processing production facilities, as well as those in selected service sectors related to industry or tourism operations.

<u>Availability</u>	<u>Maximum Costs Sharing Ratios</u>	<u>Minimum Approved Capital Costs</u>
Tier I	25%	\$100,000
Tier II	35%	50,000
Tier III	50%	25,000
Tier IV	50%	5,000

Note: In Tier I, assistance will be targeted to the most promising areas of industrial potential and comparative advantage.

d) Adaptation of Microelectronics/Electronics Technology

Funding may be provided to manufacturers and processors for the first installation of microelectronic devices in their products and operations, for the design of custom microelectronic devices, and for incorporation or application of electronic dependent products or systems in products, processes, production methods or facilities.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

5) MARKETING

- a) Assistance may be made available to persons carrying on or about to carry on a tourism operation for the collection and dissemination of information for the purpose of developing the domestic market, for arranging a special event likely to attract tourists and for organizing conferences likely to result in a substantial increase in tourists or visitors.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

- b) Assistance may be available to non-profit organizations for activities promoting the acceptance of Canadian standards and product specifications, for market research and analysis, advertising, trade shows or other events or for the publication of and dissemination of catalogues to promote Canadian products if the purpose of these activities is to increase the marketing of products or services.

All Tiers are eligible

c) Studies

Funding may be available toward the cost of hiring qualified consultants for feasibility studies for the above as well as for market research or marketing strategies studies for a) preceeding.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

d) Program for Export Market Development (PEMD)

Although not part of IRDP, PEMD will be delivered by ITC/DREE on behalf of the Department of External Affairs in support of ITC/DREE's continuing responsibilities for trade promotion in Canada.

All Tiers are eligible

6) RESTRUCTURING

a) Studies

Assistance may be provided toward the cost of hiring consultants for studies of project feasibility, market research, and venture capital search associated with prospective restructuring projects.

<u>Availability</u>	<u>Maximum Sharing Ratios</u>
Tier I	50%
Tier II	60%
Tier III	75%
Tier IV	75%

b) Restructuring

Loan guarantees up to 90% may be provided on a last resort basis. An annual insurance fee will be levied. (Projects involving loans of less than \$500,000 will normally be referred to the Federal Business Development Bank (FBDB) which can better serve this level of business clientele through its direct lending activities).

For some companies which do not find loan guarantees sufficiently useful, repayable contributions of up to 25% may be provided for capital costs.

All Tiers are eligible

Participation Loans are available in Tiers II, III, and IV.

B. LOANS

FEDERAL

1. Federal Business Development Bank (FBDB)

The Federal Business Development Bank is a Crown Corporation created to help the establishment and development of businesses in Canada. In early 1983 FBDB was given a new mandate to enable it to adopt a number of measures designed to mesh its services more closely to client needs. The FBDB offers two main types of services to business: Financial Services and Management Services.

Eligibility

All Canadian small business

Assistance

Term lending

The differences which once existed between FBDB interest rates and those charged by major financial institutions in the private sector will be reduced. The interest rates will continue to be at the upper end of the market but the gap will be within $\frac{1}{2}\%$ to 1% of interest rate charged by other financial institutions for comparable risk. FBDB also offers floating rate loans that be switched to fixed terms at the clients request.

Conditions: The FBDB will provide financing only when debt financing at reasonable terms from traditional sources is unavailable. Funds may be used to:

- purchase fixed assets, such as land, buildings, machinery, equipment, aircraft and so on;
- replenish working capital;
- refinance working capital;
- purchase an existing business;
- develop land for residential lots;
- any other reasonable business proposals.

Magnitude

In fiscal 1983 the Bank authorized nearly 3500 loans for an amount of \$340.5 million.

2. Small Business Bonds (SBB)

The Department of Regional Industrial Expansion administers the Small Business Bond program. The program is designed to reduce the cost of borrowing for qualifying small business corporations and unincorporated businesses, farmers and fishermen who are experiencing financial difficulty.

Eligibility

Firms experiencing financial difficulty are eligible to use the program if they are:

- an individual who is a sole proprietor of an active business;
- a partnership that carries on an active business;
- a corporation that is eligible to claim a small business deduction and is a small business corporation within the meaning of the Income Tax Act;
- a co-operative corporation, in which all or substantially all of the assets are used in an active business carried on by it in Canada.

Definition of financial difficulty: for individuals or partnerships, if they are:

- in default or expected to default on a debt held by a person at arm's length ("default" must be due to a general inability to pay and not as the result of a technical default such as merely refusing to pay or an oversight; "expected to default" does not mean that there must be a subsequent default, but only a reasonable possibility of that occurring);
- the individual has no other personal resources outside the business that could reasonably be used; none of the partners could be reasonably expected through the issuance of an SBB.
- the individual or partnership is unable to obtain any further financing except through the issuance of an SBB.

For a corporation, if:

- it is in default or is expected to default on a debt held by a person with whom it deals at arm's length;
- the corporation has provided evidence from a financial institution that normally makes loans of type required by it, other than from the financial institution proposing the SBB, that financing is not available from it;
- the beneficial shareholders and any associated corporations have each provided a written statement to the lender to the effect that they are unable to reasonably provide further financing to the corporation.

Other conditions: The small business debt must be:

- a bill, note, mortgage or similar obligation;
- for an amount not less than \$10,000 and not greater than \$500,000;
- for use in an active business as defined in the Income Tax Act;
- issued after November 12, 1981 and before January 1, 1983;
- issued for a term of not more than five years and not less than one year;
- issued by the individual, partnership or corporation and the funds used exclusively in Canada to pay debts in which the applicant is in default, or could be reasonably expected to default because of inability to make payments.

More than one SBB can be issued, subject to certain rules that ensure that the issuer and certain related parties do not, in the aggregate, issue bonds in excess of \$500,000.

The interest rate is negotiated by the borrower and the lender, which may be banks, other financial institutions, any company or individual.

The borrowers cannot deduct the interest charges for tax purposes. However, the advantage to the lender is that the interest paid on an SBB is treated as a dividend, so that the lender will not incur a tax liability on the interest received.

Since the program came on stream in January 1982, 1,192 small businesses have applied for the SBB discount on loans worth \$235 million. Of those applicants, 759 are farmers.

The SBB replaced the Small Business Development Bond (SBDB) program, which expired at the end of January 1982. The SBDB program allowed low interest loans for development and expansion, as well as for financial difficulty. The Small Business Bonds program is to expire in December 1983.

3. Indian Economic Development Fund

The Department of Indian Affairs and Northern Development administers the Indian Economic Development Fund to provide support and funding for projects that will contribute to the economic development of Indian communities and individuals.

Eligibility

Any individual, corporation, partnership or Indian band whose activities contribute or may contribute to the economic development of Indians is eligible to apply for this program.

Assistance

Financial support is provided through direct loans, loan guarantees and contributions. The Direct Loan Program is a revolving fund with an authorized limit of \$70 million, while the Loan Guarantee program, a claim fund to cover defaults, has an authorized limit of \$30 million. Loan guarantees may cover all or only part of a loan from conventional private-sector lenders. Contributions totalling approximately \$35 million per year are provided to projects for equity or developmental financing. In addition to these funding resources, the Indian Economic Development Program provides a variety of activities, including technical services, planning support and training programs.

4. Eskimo Loan Fund and Associated Financial Assistance Programs

The Native Coordination and Social Development Branch of the Department of Indian Affairs and northern Development administers the Eskimo Loan Fund and its associated financial assistance programs to provide guarantees, loan and contributions for commercial enterprises operated by Inuit or Inuit controlled organizations.

Eligibility

Eskimos wishing to start a new enterprise, existing companies owned and/or managed by Eskimos, Eskimo cooperatives, etc., may apply to this program.

Assistance

Loans or bank guarantees may be made for:

- the establishment of commercial businesses such as sole proprietorships, registered or unregistered partnerships, corporations, cooperatives or cooperative federations, credit unions and caisses populaires;
- the provision of additional working capital to existing businesses;
- the construction, purchase, reconditioning or repair of commercially owned buildings whose primary use is for business purposes;
- the construction, purchase, reconditioning of vessels (including canoes and small boats) whose primary use will be commercial, and ancillary facilities including docks, boat cradles and boat houses;
- the purchase and repair of vehicles and aircraft to be used in any gainful occupation;
- the purchase, repair and reconditioning of engines, machinery, tools, equipment, materials and stock-in-trade to be used in any gainful occupation;
- Grants may also be made to help such basic needs as provision of infrastructure, economic planning, feasibility studies, appraisals, legal fees, provision of support services on a start-up costs.

ALBERTA

1. Alberta Opportunity Company Program (AOC)

The Alberta Opportunity company is a Crown Corporation formed by the Alberta Opportunity Fund Act in 1972 to provide financial and management assistance to help develop Alberta business. AOC is not a replacement for banks and other financial institutions; its purpose is to provide money for viable business ventures where conventional financing is not readily available, particularly for small businesses in small communities.

Eligibility

There are six qualifying factors for participation in this program. The applicant:

- must be a business operating for profit;
- may be a proprietorship, partnership, co-operative or corporation under federal or provincial companies legislation;
- must have a reasonable equity investment in the business (usually the greater the uncertainty of future profits, the higher proportion of equity investment is necessary);
- must be located in Alberta (a branch plant of a national organization may be eligible, provided that AOC funds are used only to finance the plant in Alberta and the necessary financing is not available from other sources);
- must contribute to economic expansion in the province and be in the best interests of the community and the province as a whole;
- must in general, be of a type considered by the AOC to fall within the terms of the Alberta Opportunity Fund Act and Regulations.

Project eligible for assistance include:

- establishment of new businesses;
- acquisition of fixed assets (land, buildings and equipment);
- expansion of existing facilities;
- strengthening working capital;
- R&D projects;
- financing raw materials or finished inventions for manufacturers.

The AOC gives priority to:

- small businesses;
- small communities;
- Alberta-owned enterprises;
- research and development;
- pollution control projects;
- enhancement of Alberta's tourism potential;
- promotion of exports and reduction of imports;
- employment and business experience for Alberta students;
- enterprises offering a higher degree of job opportunity in relation to capital investment;
- enterprises that will develop new markets for Alberta;
- local development organizations providing services or facilities related to development or expansion of industry in their own communities.

Assistance

Loans: The AOC is a lender of last resort. Loans may be provided to buy land, construct or expand a building and purchase machinery or furnishings needed for the business. The AOC will also provide direct loans to strengthen working capital, particularly when it has been depleted by the purchase of buildings or machinery. In small communities, the AOC will also provide direct loans to help purchase a business when the continuation of that business is beneficial to the community.

Repayment terms are flexible, and can extend up to 15 years. Interest rates are established in relation to current competitive market rates, but remain fixed for the term of the loan. Security usually consists of a mortgage on the business and may also include personal guarantee or other forms of security. Loan guarantees: The AOC may guarantee loans by other lenders, usually by chartered banks or Treasury Branches, and usually for a short term of, say, one to three years. The AOC charges a fee of 1% per year for guarantees, in addition to the interest charged by the prime lender. For security, the prime lender usually has first charge on the accounts receivable and inventory of the business, and either the prime lender or the AOC may request additional security from the borrower.

Inventory financing: The AOC has special programs for manufacturers or wholesalers who have seasonal financing problems. These companies may find aid through inventory financing for the stockpiling of raw materials to be used in the manufacturing process, or stockpiling of the end results of the process, where such stockpiling might be beneficial. The manufacturer must be able to lease plant storage space to the AOC, and there must be an alternative market for the stockpiled material. Under the terms of the agreement with the AOC, the AOC will purchase the inventory from the manufacturer under a buy/sell agreement at established prices up to 80% of laid-in cost or the wholesale price. This is a short-term, 12-month revolving agreement that usually extends not longer than 18 months, but is negotiable after 12 months. The interest rate will be established by the AOC at the time the application is approved, and will apply on to the net outstanding balance after the purchase and resale of the materials by the AOC.

Magnitude

In fiscal 1982, the AOC authorized 311 loans totalling \$41,722,683 (up from 304 loans the previous year, totalling \$31,864,596). From fiscal 1981 to fiscal 1982, the average loan amount increased to \$134,157 from \$104,818. Loans under \$50,000 accounted for 39% of the total in fiscal 1982, loans from \$50,000 to \$100,000 accounted for 28% of the total, and loans in the \$100,000 to \$200,000 accounted for 16%. Of the total loan figure granted in fiscal 1982, 38% was granted to establish new businesses, 44% went to expanding existing businesses, and 18% was granted for the purchase of existing businesses.

The AOC was established as a Crown corporation on June 2, 1972. It was created by the Alberta Opportunity Fund Act, and replaced the Alberta Commercial Corporation. In the 10 years that the company has been in existence, it has loaned approximately \$250 million and has given out approximately 2,500 loans.

BRITISH COLUMBIA

2. Travel Industry Development Subsidiary Agreement (TIDSA)

The Travel Industry Development Subsidiary Agreement (TIDSA) is jointly administered by DREE/ITC and the B.C. Ministry of Industry and Small Business Development.

The program is designed to boost travel industry development and provide new employment.

Eligibility

Owners of tourist facilities and entrepreneurs proposing the provision of new facilities and attractions.

Assistance

The program is a five-year, \$50-million project and "consists of five parts":

- study and planning,
- industry organization,
- industry upgrading,
- travel generators,
- skiing development.

Programs for industry organization and upgrading will be of most interest to B.C. business. The qualifications for these programs are:

- the project must be located outside the Lower Mainland and Victoria areas;
- it must be tourist-oriented, either accommodation or a tourism generator (cultural centre, special-interest park or others);
- normally, at least 10 accommodation units must be built or up-graded;

- a minimum of 20% equity for the project must be provided by the applicant;
- there must be a demonstrated need for assistance;
- refinancing of debt on existing facilities is ineligible.

The assistance is in the form of loans, either low interest or interest-free and forgivable. Low interest loans (at half the prime rate) will be given for as much as 40% of eligible capital costs to a maximum per project of \$600,000. The program will provide interest-free, forgivable loans of as much as 25% of eligible capital costs to a maximum of \$375,000.

Magnitude

By March 31, 1981, the program had received 1,222 applications and had approved 192 of them. Under the industry upgrading section of the program, 26 applicants received assistance of \$2.8 million. This agreement is due to expire in October 1983.

3. British Columbia Development Corporation (BCDC)

The British Columbia Development Corporation (BCDC) was established by the provincial government in 1973 to encourage economic development throughout the province. In pursuing this objective, the Corporation serves as the prime source of information and assistance to prospective new industries and to companies wishing to expand their operations in British Columbia.

Eligibility

Manufacturers and processors and related services industries, publishing firms; companies engaged in the development or expansion of tourist facilities.

Financial leverage of applicant businesses should not exceed 70% on a pro forma basis and the current ratio of assets to liabilities must be 1:1 or greater.

Assistance

- Loans or loan guarantees for businesses or industrial enterprises willing to locate to B.C. or to expand or modernize existing facilities.
- Industrial sites for sale or lease at attractive rates in various regions of B.C. The corporation will assemble and develop industrial land and parks.
- Advice on locating in B.C., including industry studies and other provincial information, will be provided by BCDC. Senior staff will also counsel individuals on business matters.

MANITOBA

4. Community Economic Development Fund

The Community Economic Development Fund is administered by a Manitoba crown corporation to encourage the optimum economic development of remote areas and slated communities within Manitoba.

Eligibility

All types of small and medium-sized economic enterprises ranging from manufacturing to service industries, located in areas that fall within the jurisdiction of the Northern Affairs Act. Enterprises that receive Special ARDA grant assistance may also be considered, even though they may not fall within the geographic area covered by the Northern Affairs Act. Indians of Treaty status are also eligible in some cases.

Local ownership and local control of the business applying for assistance is considered of prime importance. In addition, the applicant must fulfill the following conditions:

- there must be assurance of repayment from the earnings of the business;
- there must be evidence of ability to operate the business successfully;
- the applicant must not be able to obtain sufficient funds from other sources at reasonable terms.

The Fund may also provide assistance to businesses eligible for other federal and provincial assistance, and will participate in the "packaging" of projects in co-operation with other agencies and programs.

The Fund will not provide direct grants, but where there are additional requirements to cover costs of management or other training in a business, then the Fund will assist the applicant in applying for special grant assistance elsewhere.

Treaty Indians may be assisted by the Fund if the enterprise has a government contract and can assign the money to the Fund, or if bridge financing for Special ARDA grants is needed, provided that the enterprise is not located on Reserve land and that the Fund may have appropriate collateral security from the applicant.

Assistance

Loans: The Fund usually provides assistance in the form of a term loan to existing business enterprises and to persons waiting to establish a new business. The amount of the loan is determined on the basis of the applicant's requirements and needs. The term of the loan varies to suit the needs of individual borrowers. Interest rates also vary; the approved rate is the Fund's current interest rate at the time the loan is approved, and is fixed for the life of the loan.

Loan guarantees: In some cases, the Fund will encourage the applicant to arrange financing through a chartered bank instead of through the Fund and, where necessary, the Fund will provide the chartered bank with a guarantee rather than provide the applicant with a direct loan.

Advice: The Fund also provides technical and other advisory assistance to loan applicants.

Magnitude

During fiscal 1981, 34 loan applications were approved for a total of \$1.18 million. As a result, 120 jobs were either created or retained. Since the Fund's beginning in 1972, 327 loan applications have been approved for a total of \$8.77 million, resulting in the creation and/or retention of 1,021 jobs.

5. Destination Manitoba - A Canada/Manitoba Agreement for Tourism Development

Destination Manitoba is a five-year tourism development cost-shared agreement. The federal Department of Regional Economic Expansion funds 60% of the program, and the other 40% is provided by the Manitoba Department of Economic Development and Tourism. Destination Manitoba formally terminates on March 31, 1984.

The Destination Manitoba program is designed to improve the productivity in the tourism industry and to enhance existing selected destination areas in the province.

Eligibility

Manitoba municipalities, rural areas and tourist operators (see specific programs for details).

Assistance

Tourism Industries Studies and Planning: One million dollars have been allocated to consultants to undertake investigative work and to provide a detailed analysis of many aspects of Manitoba's tourism industry. Studies undertaken under this program include:

- tourism resource inventories by geographic area;
- regional and community tourism industry data banks;
- analysis to identify tourism industry gaps;
- evaluation of industry development programs;
- planning and analysis of specific projects;
- analysis of existing and potential tourism industry markets;
- development of tourism industry plans.

Winnipeg Destination Areas: Under this program, \$3.5 million have been allocated to assist in the improvement, expansion or development of tourism attractions in Winnipeg. Assistance is provided in the form of capital cost assistance grants. The types of projects that can be assisted under this program include restoration of historic sites, expansion of cultural facilities and enlargement of key recreational attractions. The City of Winnipeg and non-profit organizations may be eligible for conditional grants for city-initiated projects for up to 60% of capital costs, up to a maximum of \$500,000.

Rural Destination Areas: Under this program, \$6 million have been allocated for the development of public facilities in areas other than Winnipeg. Municipalities and non-profit organizations may be eligible for grants to cover up to 60% of capital costs, up to a maximum of \$500,000. To be eligible, projects must be located in destination areas such as: Whiteshell-Lake Winnipeg-Hecla, Riding Mountain-Duck Mountain and The Pas-Flin Flon-Snowlake and major traffic corridors. Alternatively, they must serve such specialty markets as outdoor recreation, auto traffic on main roads or "self-education markets" involving cultural, historical or natural resources. Projects that may be assisted under this program include restoration of historic sites, establishment and enhancement of cultural attractions, theme development of rural museums and selective provincial parks development.

Tourism Attractions: One and a half million dollars have been allocated under this program for the promotion of regional and provincial attractions and events. Projects supported by this program are oriented toward assisting the local area to become a popular destination area or stop-over for tourists. Activities targeted under this program include:

- the development and co-ordination of an advertising and marketing strategy cost-shared with tourism organizations and associations;
- the development and marketing of package tour travel to Manitoba;
- the development of a unified road-signage system to direct travellers to tourism destination areas in the province.

Tourism Industry Organization: One million dollars have been allocated to establish and strengthen the organizational and institutional structures in the tourism industry.

Rural Tourism Industry Incentive Program: Seven million dollars in loan assistance have been allocated to stimulate the development and upgrading of attractions and private accommodation facilities such as hotels, motels, resorts, inns, campgrounds, tourism cottages and cabins in rural Manitoba. Assistance available under this program takes a combined form of interest-free forgivable loans and repayable loans. Three categories of projects are eligible for assistance:

- **Tourist Upgrading:** interest-free forgivable loans are available to cover up to 40% of approved capital costs. The minimum project size is \$10,000 (or a \$4,000 support loan) and the maximum level of support is \$25,000.

- Tourism Expansion: loan assistance is available to cover up to 40% of eligible capital costs, to a maximum of \$250,000. Up to \$25,000 is provided as an interest-free forgivable loan and the balance is provided in repayable loans. The minimum eligible project size is \$25,000 (or up to \$10,000 in support).
- Tourism Development: loan assistance is provided to cover up to 40% of eligible capital costs, up to a maximum of \$250,000. The first \$25,000 is given as an interest-free forgivable loan, and the balance is provided in repayable loans. The minimum project cost eligible for support is \$100,000 (or up to \$40,000 in support).

Magnitude

The Destination manitoba sub-agreement is due to expire March 31, 1984. It is expected that total costs for the duration of the agreement April 1979-March 1984 will be \$20 million.

NEWFOUNDLAND AND LABRADOR

6. Newfoundland and Labrador Development Corporation

The Newfoundland and Labrador Development Corporation (NLDC) is administered by the federal Department of Regional Industrial Expansion and the provincial Department of Industrial Development.

The program is designed to aid in the development of small and medium sized businesses within the province.

Eligibility

Newfoundland and Labrador businesses involved in manufacturing, processing industrial services, tourism or in resource industries that can indicate that funding is not available to them on reasonable terms and conditions through normal financing channels.

Assistance

Term Loan Financing: NLDC has offered term loans to the following business sectors: manufacturing, agriculture, forestry, tourism accommodation, remanufacturing/assembly, processing, fishing, mining and quarrying, industrial service and specialized services.

No loan given may exceed four times the amount of equity available for investment in the proposed project, and the maximum repayment period is 15 years. The rate of interest on a term loan is set by NLDC at the time of approval, and is comparable to rates offered by traditional lenders. The applicant must demonstrate, in writing, that term loan financing was not available under reasonable terms and conditions from a regular lender.

Equity Financing: NLDC may join in the promotion of new companies through the purchase of shares. It may also take shares in existing companies that are undertaking an expansion of their operation. NLDC equity funds are for the sole purpose of supplementing private equity, and therefore it must limit its role to that of a minority shareholder. Equity participation will be considered by NLDC in businesses with a high level of employment, intensive use of raw materials or advanced technology companies. The same types of businesses are given aid as receive aid in the form of term loans. NLDC equity investments usually take the form of preferred shares, redeemable on a predetermined schedule.

InfoReach Advisory Services: These services are designed to assist individual business firms in the province that require advice or guidance in the financial, bookkeeping, marketing, technical or other types of business-related functions. It is a confidential service.

InfoReach Business and Technical Information Services: NLDC also offers a Business/Technical library, located at its office in St. John's. The library contains in excess of 2,500 business and technical books and subscribes to more than 200 periodicals of particular interest to anyone involved in or planning a small or medium-sized business within the province. It operates on a "user-card system" and has a free Books-by-Mail lending service. A catalogue is issued periodically to all card holders the various books and periodicals available.

Business Opportunity Identification: NLDC does ongoing potential business opportunity research. Subscribers to its InfoReach Service Program receive regular mailings and bulletins outlining what are considered to be current, potential business opportunities.

Entrepreneur Identification Program: NLDC maintains a list of entrepreneurs and potential entrepreneurs who have contacted the corporation. These entrepreneurs regularly receive screen information concerning potential business opportunities. This list of entrepreneurs is confidential, and is not made available to anyone outside NLDC.

InfoReach Seminar on "Developing Business Opportunities": This is a two-and-one-half hour seminar that is available to any interested group prepared to co-sponsor the session and provide local facilities and promotion. The seminar deals with the subject of developing a business plan from the concept stage through to a complete business proposal for financing. Subjects covered during the session include entrepreneurialism, refining the business concept, researching the business plan as well as preparing and organizing the application and proposal for financing.

Magnitude

The maximum investment the company can make in loans and/or equity is \$2.5 million.

7. Direct Loans

The purpose of Newfoundland's Direct Loans program is to finance the purchase of equipment and machinery. It is also used to finance certain types of expansion and/or improvements; or in certain circumstances to provide working capital.

Eligibility

To be eligible to receive the program a company must be based in Newfoundland and Labrador and the Department must be satisfied that the enterprise is viable, stable, capable of meeting debt obligation and providing security.

Assistance

Under this program a company is able to obtain interest bearing loans with repayment to be made monthly, semi-annual or annual blended installments. The limits of the available assistance are dependent upon particular circumstances and more importantly upon available security.

NORTHWEST TERRITORIES

The Department of Economic Development and Tourism of the Northwest Territories administers three financial programs to assist small business

8. Assistance to Industry

This program was set up to provide contributions to private businesses; umbrella organizations and to government projects destined for private ownership.

Eligibility

NWT residents and businesses planning to establish or expand operations in the Northwest Territories.

Assistance

The program provides limited assistance to be used for immediate interim financing, seed capital or funds to complement development loans. This program is flexible, and specific applications cannot be made for financing under the program, although general applications may be drawn upon by government personnel when circumstances dictate.

9. Eskimo Loan Fund (ELF) and Eskimo Economic Development Contributions (EEDC)

The purpose of this program is to provide funding for direct loans and loan guarantees for commercial enterprises operated by Inuit and Inuit controlled organization.

Eligibility

Eskimos, Eskimo co-operatives Eskimo companies.

Assistance

EEDC grants and ELF loans (which may be used in conjunction with one another) are provide for the following purposes:

- establishing a commercial business;
- additional working capital to existing business;
- building construction, purchase and renovation;
- purchase of vehicles and aircraft to be used for commerical purposes.

ELF loans of up to \$250,000, with a maximum term of 15 years, are available from the department. No specific limit has been set for contributions, and each case will be decided individually on its merits.

10. Small Business Loans and Guarantees Fund

The purpose of the Business Loans and Guarantees fund administered by the Northwest Territory Department of Economic Development and Tourism is to provide term loans and loan guaranties to businesses and enterprises in the NWT where the required credit or other financial assistance is not available from other sources on reasonable terms and conditions.

Eligibility

New or existing businesses in the NWT.

Assistance

The following assistance is available, term loans and loan guarantees, limited to a maximum of 500,000 and a term of 15 years for purposes of financing the purchase, installation renovation improvement or expansion of equipment, inventory or premises used or to be used in carrying on a business enterprise.

In certain cases, the FBDB and the Small Business Loans and Guarantees Fund share loans on a joint participation basis. The Special ARDA fund is a grant program that frequently complements the Small Business Loans and Guarantees Fund.

Magnitude

Since the inception of the fund in 1970-71, 462 applications have been considered by the board, and of those, 191 have been approved for a total of \$5,937,319. In 1980-81, the board considered 34 applications and approved 12 loans and 6 loan guarantees for a total of \$471,200 in aid. Businesses supported by the fund in 1981 employed 816 persons at an average wage of \$15,000 for a total payroll of approximately \$12 million.

11. Special ARDA

The federal Department of Regional Economic Expansion and the Northwest Territories Department of Economic Development and Tourism administers the Special ARDA program to provide people of the Northwest Territories, particularly those of Indian and Inuit ancestry, with financial help to improve their economic conditions.

Eligibility

Projects that will open up new jobs, increase income and improve living conditions for people working throughout the N.W.T. For a commercial project to qualify, a majority of the employees must be of Indian or Inuit ancestry. Priority is given to proposals incorporating Native entrepreneurship. Eligible projects include commercial businesses, resource harvesting, training and special measures needed to help people take advantage of job opportunities.

Additional conditions for assistance include:

- o More than half the people involved in the project should be of Indian or Inuit ancestry. Good training should be provided (costs of training can be covered through the Special ARDA program or other federal and territorial programs).
- o Detailed information about the project is required from the applicant so that the amount of the grant can be calculated.
- o The project must be able to make enough money to pay the bills and salaries for at least five years.
- o An applicant must show that the project will be well managed.
- o Applicants must put equity into the project. This equity can be either the owner's money, or can take the form of land, work done or materials and supplies owned by or given to the owner. For businesses, this equity must be at least 10% of the cost of buildings, machinery or equipment.

Assistance

Aid usually takes the form of a cash grant to the individual, group or community starting the project. Businesses can obtain grants for up to 50% of the capital required for the project, or for funds for training and other services. The amount of the grant will differ from project to project, as each project is considered individually.

NOVA SCOTIA

12. Industrial Estates Limited

Industrial Estates Limited (IEL) is a crown corporation designed to promote and support the establishment of secondary manufacturing industries throughout the Nova Scotia.

Eligibility

Business with sales of more than \$12 million that are involved in manufacturing, assembly or service industries in support of manufacturing. Applicants must hold at least 20% equity in the venture and the minimum loan requirement should be \$250,000.

Assistance

Mortgage financing: IEL will provide as much as 100% of financing of land and buildings, and as much as 60% financing of the installed cost of equipment. The financing is generally amortized over 20-year and 10-year terms respectively, with no penalty for early payout at any time. Interest rates are competitive with current market rates.

Consulting services: IEL also provides a team of technical experts to assist an expanding enterprise, or one that's relocating, with all facets of the project, from prefeasibility studies to cross-matching with other incentive programs. IEL will pay as much as 50% of feasibility studies conducted by outside consultants.

Other: In addition to this basic fixed asset financing, IEL can design an incentives program to suit the needs of particular project after evaluation of the economic impact of the project on the province and on Canada.

13. Small Business Development Corporation

The Small Business Development Corporation is administered by the Nova Scotia Department of Development. The objective of the corporation is to help in the establishment and expansion of small business.

Eligibility

Nova Scotia businesses with annual sales of less than \$2 million and less than 50 employees that require more than \$5,000 but less than \$250,000.

Not eligible: real estate, professional services, non-profit organizations, financial agencies and businesses covered by existing provincial lending agencies.

Assistance

For businesses that have an equity position of at least 20%, the program will provide loans of as much as \$250,000 at fixed interest rates for the life of the loan. Funds may be used for the purchase of land, buildings, equipment and other fixed assets. Loans are not available for refinancing or for normal bank financing of receivables and inventories. Under special circumstances, the program will lend money to replenish working capital depleted by capital expenditures over the two most recent years or to augment bank assistance to industries of special importance to the province, such as those involved in R&D high technology and the offshore industry. Terms run from five to twenty years. Preference will be given to projects that generate new jobs. The corporation also provides start-up consulting to small businesses.

14. Cape Breton Development Corporation Programs

The Cape Breton Development Corporation, a federal crown corporation, was established to promote the location and expansion of industry in Cape Breton through the provision of direct loans, forgivable loans, equity loans and grants to the primary, secondary and tourism sector to encourage long term viable business development.

Eligibility

Companies in need with programs approved by the Corporation.

Assistance

DEVCO will provide: direct loans at rates 3% to 6% below prime.

Forgivable loan for research on products that can be produced in Cape Breton.

Aid of up to 100% of the capital cost for new technology development in sectors where the historic rate of growth has been slow.

ONTARIO

15. The Ontario Development Corporation, the Northern Ontario Development Corporation, the Eastern Ontario Development Corporation

Ontario has three development corporation the Ontario Development Corporation, the Northern Ontario Development Corporations and the Eastern Ontario Development Corporation. These corporations are designed to assist in the development of manufacturing and tourism oriented businesses in designated regions.

Eligibility

Secondary manufacturers, service industries that support manufacturing and tourism operators may obtain assistance under this program.

Note: The corporations place their greatest priorities on the needs of small businesses. They were, until two and a half years ago, simply lenders of last resort. Now they do small business consulting and assemble financial packages utilizing both private and government sources.

Eligible projects:

- construction of new buildings or the purchase of existing vacant ones;
- purchase of production equipment;
- initial commercial production of products involving new technology;
- expansion of high technology, growth firms;
- financing of foreign receivables in export markets;
- purchase and/or renovation of the fixed assets of a viable foreign-owned Ontario-based company that would otherwise cease production;
- purchase of pollution control and energy saving equipment;
- development, expansion and renovation of tourist accommodation and attractions;
- purchase of tourist hotels, motels and lodges on a case-by-case basis in priority tourism areas;
- upgrading of tourism in line with Tourism Ontario's Grading Program.

Ineligible projects:

- working capital for businesses other than Canadian-owned small businesses (which ODCs define as those employing fewer than 100 people);
- financing of bankrupt or insolvent businesses;
- financing of wholesale or retail businesses, resource industries, service industries not related to manufacturing and industries where adequate capacity already exists in Ontario and Canada for their goods and services.

Assistance

ODCs provide assistance in three different ways:

- guarantees, with or without incentives;
- term loans, with or without incentives;
- export support lines of credit.

Guarantees: The corporations will guarantee to a maximum of \$1 million a loan from a conventional source in a case where adequate funding would not be available otherwise.

In cases where there is a demonstrated need on the part of the applicant and the proposal carries significant benefits for the province, the corporations may provide an incentive in the form of an interest subsidy that decreases over the initial years of the term of the loan.

Term Loans: Term loans to a maximum of \$500,000 are provided as part of a total financial package, when traditional funding under normal terms and conditions is not sufficient.

As above, in cases where a project offers exceptional benefits to the province and the cash flow needs of the applicant cannot be met by other ODC programs, the corporations may provide incentives in the form of interest and/or principal deferral.

Export support loans: ODCs will assist with the financing of foreign receivables for Ontario-based exporters who are experiencing difficulties in financing sales to foreign countries. Lines of credit established under this program carry an interest rate fixed for a one-year period in order to provide some stability to new exporters. The programs will provide a revolving line of credit to a limit of \$1 million. Interest rates generally approximate those of private lenders.

Advisory services: Corporation consultants skilled in financial and management techniques can provide competent assistance on most financing problems encountered by ODC clients.

Industrial park: ODCs offer loans to municipalities to finance the purchase and/or servicing of land within their boundaries for use as industrial parks. The program provides 15-year loans of as much as 50% of the cost of purchasing and servicing suitable industrial land or 75% of the cost of servicing land already owned by the municipality.

Principal repayment is deferred for the first five years and interest is forgiven on a declining scale for that period.

The program does not apply to Metropolitan Toronto and the regional municipalities of Durham, Malton, Peel and York.

Financing for publishers: In co-operation with the Ministry of Culture and Recreation, the ODCs administer a financing program to provide working capital for Canadian-owned Ontario publishers of Canadian books. They provide guarantees based on the line of credit requirements and book sales to a maximum of \$250,000. Interest subsidies to a maximum of \$50,000 annually are available to cover 50% of the prime borrowing rate.

TRIP: The Tourism Redevelopment Incentive Program (sponsored by the Board of Industrial Leadership (BILD) offers loan guarantees and interest subsidies for the development, renovation or expansion of tourist hotels, motels, lodges and attractions. An interest subsidy of 5% per year applies for the first five years, declining by 1% per year to zero by the tenth year. As much as 90% of principal may be guaranteed to a maximum of \$500,000. The program may also be used to finance the purchase of an existing tourist business. As much as 75% of the value of the business (on an income basis) may be covered through TRIP.

The BILD-sponsored Tourism Upgrading Program provides additional funding for the tourist industry. Any solvent tourist operation that has received an official Tourism Ontario Grading report may apply for a term loan to implement recommendations made in the report. Upgrading proposals between \$5,000 and \$50,000 will be considered.

PRINCE EDWARD ISLAND

16. Industrial Enterprises Programs

Industrial Enterprises Program is administered by Industrial Enterprises Incorporated a PEI development corporation.

Eligibility

P.E.I. manufacturers or processors, warehouse operators and those involved in commercial storage, freezing, curing, processing and packing of fish or agricultural products. At this time, such businesses as electronics and metalworking and resource-based industries such as agriculture and fishing are being emphasized.

Assistance

Loans: IEI is a lender of last resort. It will provide loans of up to 75% of the cost of the construction or expansion of buildings or the purchase of machinery and equipment, to a maximum loan of \$2 million. These loans may be either short, medium, or long-term, depending on the purpose. Loans are usually secured by a first charge on real estate or chattels, or by personal or corporate guarantees or some other form of security.

17. Manufacturing and Processing Term Loans

This program is designed to provide term loans.

- to new and existing manufacturers and processors for the purpose of acquiring capital assets such as manufacturing and processing equipment and production facilities. Assistance may also be in the form of working capital for companies that export a significant portion of production off Prince Edward Island.
- bridge financing related to approved Federal incentive grants is also available.
- the objective of the program is to provide manufacturers and processors with long term financing for capital assets which are directly associated with production facilities.
- all manufacturers and processors operating or intending to operate on Prince Edward Island are eligible to apply for term loans.

Assistance

- term loans to manufacturers and processors are made on the security of fixed assets or, in the case of working capital loans, other appropriate security related to the reason for the requirement for working capital. The loan rate is fixed at 1% above the Province's long rate and for a maximum term of five years.
 - of the loan, however, may be for periods up to 20 years. Equipment loans normally are amortized over a period between two and ten years and, for land and building, over a period between ten and twenty years.
 - assistance in the form of term loans is available to new and existing manufacturers and processors for the purpose of acquiring capital assets such as manufacturing and processing equipment and production facilities.
- (a) in the case of new industries, loans may be approved for up to 75% of the capital cost of the project including bridge financing of Department of Regional Industrial Expansion incentive grants. (eg. for a capital cost of \$100,000, the maximum amount available is \$75,000 of which \$55,000 is the loan and \$20,000 is the bridge financing. This particular combination does not necessarily apply).
- (b) in the case of existing industries, loans may be approved for up to 100% of the capital cost of the project including bridge financing of Dept. of Regional Expansion incentive grants. (eg. for a capital cost of \$100,000, the max. amount available is \$100,000 of which \$75,000 is the loan and \$25,000 is the bridge financing. As before, this is not necessarily the breakdown between the loan and the bridge financing).

Equity requirements are:

- 25% of the capital costs of the project.
- equity must be in the form of cash or assets. If assets, the value must be established satisfactory to the lending agency. For existing companies or firms undertaking an expansion program, equity requirements may be met by existing equity in the form of shareholders' equity of proprietor's capital.

QUEBEC

There are many provincial program in Quebec which provide assistance through loans. However, these program have all been grouped under different subheading in this Financing Section. The programs are as follows:

Temporary Financing for Textiles, Millinery Clothing, Shoe and Furniture Industries
Financing for Small Manufacturing Companies
Financial Assistance for Manufacturers Firms for Merges and Acquisitions
Financial Assistance to Manufacturing Firms in the field of Modern Technology
Financial Assistance to High Growth Firms

SASKATCHEWAN

18. Saskatchewan Economic Development Corporation

The Saskatchewan Economic Development Corporation (SEDCO) is a crown corporation designed to provide aid to Saskatchewan businesses.

Eligibility

To receive assistance under this program it is necessary to be a viable Saskatchewan business. Although most sectors are eligible special emphasis is placed on manufacturing sector.

Not eligible: exploratory and extractive industries, basic farming and ranching operations, charitable organizations, commercial and residential real estate, financial and leasing operations.

Assistance

Term loans: A business can obtain long-term financing and through mortgage loans of as long as 20 years. Funds may be used for construction of new plant facilities or the purchase of an existing facility. Short-term loans are available to finance the purchase of machinery and equipment. Interest rates on SEDCO loans are equal to or better than prevailing market rates and are subject to renegotiation every five years.

19. Retail Operating Loan

The objective of this program is to provide additional operating funds to those Saskatchewan retailers engaged in merchandising from inventory who need to deal with acute operational financing requirements.

Eligibility

Viable Saskatchewan-based retailers who need financing that is intended to complement, rather than displace, existing financial arrangements.

Assistance

SEDCO will lend retailers an amount equal to 25% of normal retail inventory levels. ROL is a once-only offer; the minimum borrowing is \$5,000 and the maximum is \$25,000. The funds may be used for almost any valid business requirement.

Terms of repayment can be as much as five years from approval and only interest payments are required during the first year. Interest is fixed each year at 1% below commercial bank prime.

20. Small Industry Development Program

Saskatchewan Industry and Commerce also administers the Small Industry Development Program to help small businesses establish new facilities or expand existing ones.

Eligibility

Applications for assistance must be made before major commitments for buildings, machinery and equipment are made. There must be at least a 20% equity in the project if it is a new facility. A new operation must create at least one full-time, permanent job.

Assistance

Forgivable loans that vary in amount depending on the future of the project and the locality.

	<u>New Facility</u>	<u>Expansion or Modernization</u>
Communities of less than 6,000	35% of approved costs to a maximum of \$15,000	17½% of approved costs to a maximum of \$7,500
Communities of more than 6,000 (except Regina and Saskatoon)	30% of approved costs to a maximum of \$12,500	15% of approved costs to a maximum of \$6,250
Regina and Saskatchewan	25% of approved costs to a maximum of \$10,000	12½% of approved costs to a maximum of \$5,000

Magnitude

In fiscal 1980-81, the program approved 79 applications for total loans of \$442,492. The total expenditure by applicants was \$2.9 million and the projects created an estimated 136 jobs.

C. LOAN GUARANTEES

Under the Restructuring element of the proposed Industrial Regional Development program, loan guarantees of up to 90 percent may be provided on a last resort basis. An annual insurance fee will be levied.

The Federal Business Development Bank also provides loan guarantees. Loan guarantees are sometimes provided in combination with loan and equity financing.

1. Small Business Loans Act (SBLA)

This Small Business Loans Act is administered by the Department of Regional Industrial Expansion. (SBLA is one of the few programs which will continue to operate in addition to the new IRDP). The program is designed to help provide short and intermediate term credit to small business.

Eligibility

Companies with annual gross revenues of less than 1.5 million.

Assistance

Under the Small Business Loans Act, a business can apply directly to its banker or another approved lender for a guaranteed loan of as much as \$100,000. This loan can be used to finance 80% of the cost of movable or fixed equipment and up to 90% of the cost of land or new or improved premises.

Refinancing of existing debts or working capital requirements are not eligible.

Maximum interest on these loans is 1% above prime rate.

In fiscal 1982 the program guaranteed 17,044 loans worth more than 440 million. In the first quarter of 1983 4,712 loans amounting to 120,521 were guaranteed. This compares to 4,008 loans for 110,576,439 made in the same period of 1982.

SBLA is due to expire in 1985.

ALBERTA

1. Alberta Opportunity Company (AOC)

The Alberta Opportunity Company provides financial assistance to Alberta businesses that are unable to obtain conventional financing elsewhere. The AOC provides guarantees for loans for working capital and charges a fee of 10%. For further details on the AOC and the programs see the Loans section of this chapter.

BRITISH COLUMBIA

2. British Columbia Development Corporation

The British Columbia Development Corporation which was established in 1973 also provides loan guarantees for businesses or industrial enterprises willing to locate to B.C. or to expand or modernize existing facilities. Further details on the BCDC may be found in the Loans section of this chapter.

NEW BRUNSWICK

3. Financial Assistance to Industry Program

Under this program a New Brunswick manufacturer/processor can receive a loan guarantee available at the bank rate + $\frac{1}{2}$ %. There are working capital loan guarantees. Further details on this program can be found under Interest Rate assistance section in this chapter.

NEWFOUNDLAND AND LABRADOR

4. Loan Guarantees Program

Newfoundland and Labrador has a Loan Guarantees Program designed to assist companies unable to obtain financing through conventional channels.

Eligibility

Before obtaining the guarantee the company is required to prove its ability to repay obligations and provide the government with adequate security to cover the guarantee amount.

Assistance

Loan guarantees are issued in support of companies wishing additional working capital, equipment purchase and plant expansion. The amount of assistance available is determined by the company's ability to repay debts and by terms of the loan.

NORTHWEST TERRITORIES

5. Small Business Loans and Guarantees Fund

The purpose of this program is to provide term loans and loan guarantees to NWT firms when financing is not available from normal sources on reasonable terms and conditions. Further details on this program may be found in the Loan section in this chapter.

ONTARIO

6. Board of Industrial Leadership and Development (BILD)

This program designed to encourage the location of major projects in Ontario or help sectors which are experiencing difficulty may provide loan guarantees. For further details on this program see Venture Capital section in this chapter.

7. Publishers Guarantee Program

The Publishers Guarantee Program is designed to ensure that borrowers have access to adequate private sector funds.

Eligibility

Ontario based Publishers Assistance Loan guaranties.

8. Foreign Subsidiary Buy-Back Program

The purpose of the Foreign Subsidiary Buy-Back Program is to assist Canadian interests in buying foreign owned viable operations in Ontario which would otherwise close down or be sold to foreign interests. Preference will be given to those projects which will:

- maintain long term jobs
- retain technical skills and promote their upgrading
- prevent further import penetration
- promote nationalization of domestic production.

Eligibility

The following are eligible to receive the program:

- existing Canadian management/employees
- Canadian controlled companies
- Canadian investment groups.

Assistance

New principals investment must be at least 10% of the purchase price.

The maximum combined assistance available will be up to an amount equal to the principals' investment but will not exceed 500,000 in direct term loans and/or 1,000,000 in private lenders guaranties.

9. Ontario Development Corporation

The Ontario Development Corporation administer two programs which provide loan guarantees as well as other forms of assistance. Under the Tourism Redevelopment Incentive Program up to 500,000 is available in the form of a loan guarantee. Under the Ontario Development Corporation Direct Loans program the guarantees ceiling is \$1,000,000. For further details on these two programs see the Interest Rate Assistance Section in this chapter.

10. Employment Development Fund

Ontario's Employment Development Fund also provides loan guarantees to create jobs and enhance the province's competitiveness. For more details on the program see the employment sections.

SASKATCHEWAN

11. Saskatchewan Economic Development Corporation (SEDCO)

SEDCO, Saskatchewan's Development Corporation provides aid to Saskatchewan businesses with the support of a SEDCO guarantee. The term is one year and may be renegotiated for longer periods. SEDCO charges a fee based on a percentage of the utilized portion of the guaranteed amount of the total credit.

12. Assistance for Inventory and Manufacturing Expansion (AIME)

The Assistance for Inventory and Manufacturing Expansion program administered by SEDCO is designed to provide short term financing for manufacturers to cover peak working capital requirements.

Eligibility

Saskatchewan-based manufacturers who satisfy the following conditions:

- the value added component (labour and manufacturing overhead costs) must constitute a minimum of 33% of production costs;
- the applicant must demonstrate adequate capability to manufacture and market the agreed volume of expanded production;
- the applicant must confirm that normal working capital financing arrangements will not be adversely affected by the provision of this additional level of credit.

Assistance

AIME financing in the form of direct loan or guarantee may be applied to any point in the production cycle, from raw material acquisition to finished goods inventory. The amount of additional financing will be based upon the production costs of an agreed volume of expanded production. Interest rates vary according to prevailing market conditions and are calculated daily. The maximum term of AIME financing will be for one year with repayment derived from sales revenue.

13. Employment Opportunity Program

Saskatchewan's Employment Opportunity Program authorizes the provision of conditional grants or loan guarantees to 30,000 per job created. Further details on this program may be found in the employment section.

D. INTEREST RATE ASSISTANCE

1. Small Business Investment Grant (SBIG)

The Department of Industry, Trade and Commerce administered the Small Business Investment Grant program to reduce the cost of borrowing for the acquisition of certain new depreciable assets or for the financing of research and development.

Eligibility

Corporations that are eligible for the low corporate tax rate for small business, partnerships whose members are all individuals and proprietorships, including farmers and fishermen carrying on active businesses in Canada.

Eligible investments: loans for the acquisition of new depreciable assets or the financing of research and development.

Ineligible investments: loans for the purchase of land, automobiles, certain other passenger vehicles and the leasing of assets.

Eligible lenders: financial institutions including banks, trust companies, insurance companies, credit unions, caisses populaires, the Federal Business Development Bank, the Farm Credit Corporation, a lending agency of the government of Canada or of a Canadian province or territory, as well as investment companies. Additional financial institutions may be approved by the Minister as circumstances warrant.

Assistance

An interest grant of as much as 4% per annum for two years, will be paid to lending institutions on behalf of the borrower by the federal government on loans of not less than \$10,000 and not more than \$500,000 made to eligible small businesses. More than one loan may be obtained provided that the aggregate total does not exceed the maximum of \$500,000. The interest rate is negotiable by the borrower and the lender. The grant will be reduced from 4% when the grant and any other assistance available would reduce the final interest rate to less than 12%.

This was a temporary program. Only those loans made between June 29, 1982 and March 31, 1983 were eligible for interest grants.

ALBERTA

1. Alberta Small Business and Farm Interest Shielding Program

On September 7, 1982 the Alberta Department of Tourism and Small Business introduced the Alberta Small Business and Farm Interest Shielding Program. The program is effective from March 1, 1982 to March 1, 1984. The program was designed to relieve the financial pressures on Albertans and to provide a climate of stability for small business and farm operators.

Eligibility

- businesses established prior to September 1, 1982 with revenues of less than \$5 million annually
- majority Alberta owned
- at least 75% of the staff are employed in Alberta.

Assistance

Your business loan interest rate can be effectively reduced to 14½% with a maximum reduction of 6%. The maximum amount which may be borrowed is 150,000. It is important to note that business loans for working capital are also eligible.

BRITISH COLUMBIA

2. Low Interest Loan Assistance

The Low Interest Loan Assistance program is administered by the British Columbia Development Corporation as trustees of a fund provided by the Province of British Columbia. The objective of this program is to enhance the economic base of the province of British Columbia through the provision of low interest

loans to businesses in key economic sectors which wish to modernize, expand or establish new facilities.

Eligibility

The applicant's business must be engaged principally in either:

- manufacturing
- processing
- high technology
- provision of services to manufacturing, processing and high technology sectors.

The proceeds of the L.I.L.A. loan must be used for plant modernization, expansion or the establishment of a new production facility which will create new economic activity and benefits for the Province of British Columbia. Businesses receiving assistance under this program must be economically viable in the opinion of the Development Corporation. The applicant for the loan must have at a minimum a total tangible equity to tangible asset ratio of not less than 15% on a pro forma balance sheet basis.

Assistance

Loan Size: One-third (1/3) of the capital costs for fixed assets subject to a maximum of \$200,000 and a minimum of \$30,000. Interest Rate: The Development Corporation's normal rate of interest (currently 17.5%) divided by two. There shall be no interest accrued for a six month period commencing on the first day of the month during which the initial disbursement of the loan is made. The term shall be three(3) years.

Magnitude

By March 31, 1981 the program had approved a total of \$9 million on LILA loans, bringing the cumulative total to \$26 million. \$20 million will be provided over two years to augment this established and successful program.

3. British Columbia Small Business Development Fund

The B.C. Small Business Development Fund will be administered by the B.C. Development Corporation or trustees of a fund provided by the Province of British Columbia.

The program is designed to enhance the economic base of the province of British Columbia through the provision of fixed interest loans - at economically attractive rates - to businesses in key economic sectors which wish to modernize, expand, establish new facilities, or improve their working capital positions to meet the challenge of the market place.

Eligibility

The applicant's business must be engaged principally in either:

- manufacturing and processing
- high technology
- resource-related transportation.

The proceeds of the loan must be used for plant modernization, expansion or the establishment of a new production facility which will create new economic activity and benefits for the Province of British Columbia and replenishment of working capital. Businesses receiving assistance under this program should be able to demonstrate:

- strong management,
- growth potential
- job creation or preservation,
- financial need,
- that company resources have been depleted by current economic conditions, and
- that the enterprise has continuing viability in a more normal environment.

Priority will be given to British Columbia-owned and operated firms which have at least 75% of their assets and employees in the province. All areas of British Columbia will be eligible.

Security

If available, the security will consist of a mortgage of realty debenture secured by fixed assets owned by the company, and guarantees of principal shareholders.

Assistance

Loan Size: While the average loan is expected to be in the range of from \$100,000 to \$200,000, provisions will exist for a maximum of up to \$1 million.
Interest Rate: Initially 13.5% per annum, payable monthly. Interest rate fixed for term of loan.

Magnitude

\$170 million will be provided over two years to provide affordable loans for eligible businesses.

MANITOBA

4. Market Interest Rate Relief Program for Small Business

This program was designed to offer one-time assistance to small businesses during the critical period of high interest rates.

Eligibility

A business that:

- had gross sales of less than \$350,000 in 1981, or in two of the last three years;
- is a majority-owned Manitoba enterprise and has been in operation as of July 1, 1981, or before;
- has more than one full-time employee;
- has not received assistance under the Small Business Development Bond;
- needs the assistance to prevent the potential closure of the business;
- is in financial distress such that (1) is either in default to a major creditor, or expects shortly to be in default, (2) the owners or shareholders cannot reasonably contribute further equity, and (3) current liabilities exceed current assets;
- is not a professional service such as medical, legal or accounting, nor a farming enterprise (there is a separate aid program for farmers);
- the assistance provided must be instrumental to the prevention of the potential closure of the business.

Assistance

Assistance under this program takes the form of a 50% conditional grant and a 50% interest-free deferred loan (repayment begins on the loan after a 24-month period). Eligible businesses may qualify for up to \$6,000-a-year rebate payments related to interest paid on outstanding debts. Benefits are calculated on the actual interest rate up to a maximum of 20%. Firms may receive assistance for a 24-month period, but must reapply before the end of the first 12-month period. (This is an emergency program of one-time limited assistance.)

The program is partially retroactive, i.e., the first payment made to a claimant will cover interest paid over the previous three months. The remaining three payments (as payments are made on a quarterly basis, except in extreme circumstances) will cover interest paid in the subsequent nine months.

In addition to financial assistance, the Department of Economic Development and Tourism may provide business management counselling and advice under this program.

The program became operational on March 1, 1982, and will end on December 31, 1983. No applications will be approved after that date.

Magnitude

As of July 16, 1982, 1,137 entries had been responded to, and 259 applications for assistance had been received. Of those applications, 98 had been approved for a total value of \$420,000.

NEW BRUNSWICK

5. Financial Assistance to Industry

The New Brunswick Department of Commerce and Development administers the Financial Assistance to Industry program to encourage the establishment of manufacturing or processing industries in the provinces.

Eligibility

To be able to obtain assistance under this program one must be:

- either a potential manufacturer/processor willing to locate in N.B.;
- a New Brunswick manufacturer processor;
- a satisfactory level of equity is required (20%).

In order to receive assistance under this program your maximum sales level must be 1.5 million.

Assistance

Three types of financial assistance are available under this program:

- long terms loan at rates equal to the cost of bank rate + 1%
- 10-12 years term loans. Loan guarantees are available at the bank rate + ½% (ie. working capital, loan guarantees)
- forgivable loan 75,000-150,000.

NOVA SCOTIA

6. Industrial Estates Limited Loans

Industrial Estates Limited Loans are designed to aid companies wishing to expand or establish manufacturing facilities in Nova Scotia.

Eligibility

The secondary manufacturers who are located or willing to locate in Nova Scotia are eligible for assistance. Loans are for the acquisition of capital assets only.

Assistance

There is not a specified limit on loans. The interest rate is usually less than prime and is locked in for a maximum of 20 years. A prepayment penalty exists only for loans greater than 250,000.

ONTARIO

7. Ontario Business Incentive Program

The Ontario Business Incentives Program is administered by the Ontario Development Corporation to encourage the development of manufacturing firms in Ontario.

Eligibility

Manufacturers and processors of a new product. 20 percent equity is required. Equipment and buildings may be financed.

Assistance

Under this program you may receive term loans which are interest free for five years with principal deferred for five years.

It is possible to receive a loan of up to \$500,000 but standard practice has resulted in a limite of \$200,000.

The Ontario Development Corporation also administers two other programs which provide for interest subsidization - the Direct Loan Program and Tourism Redevelopment Incentive Program.

8. Direct Loans

The Direct Loans program is designed to encourage and stimulate economic development in Ontario.

Eligibility

Manufacturers and processors are eligible to obtain these loans for equipment and buildings only. 20 percent equity is required. There is no limit on project size.

Assistance

A 5 percent interest subsidy is provided. It declines at 1% per year for 5 years. The emphasis of this program is on loan guarantees with the guarantee ceiling set at \$1,000,000.

9. Tourism Redevelopment Incentive Program

The Tourism Redevelopment Incentive Program is designed to encourage Ontario tourist operators to undertake needed expansion and renovation, and to assist present and future operators on acquiring and upgrading existing tourist resorts.

Eligibility

Resort hotels, motels and tourist lodges are eligible to receive this program.

Assistance

Up to \$500,000 is available in the form of a loan guarantee. There is an interest rate subsidy of 5 percentage points per year for the first few years, declining 1 percentage point each year.

QUEBEC

Quebec has five programs which provide interest rate assistance. A number of these programs provide other types of assistance as well.

10. Temporary Financing for Textiles, Millinery
Clothing, Shoe & Furniture Industries

The program is aimed at assisting businesses which are experiencing difficulty in acquiring financing due to strong import pressure and unfavourable economic climates.

Eligibility

Any manufacturing or processing business engaged in Textiles, Clothing Millinery, Shoe and Furniture Industries.

Assistance

Under this program eligible businesses may obtain medium term loans (approximately 5 years) subject to the most favourable terms of repayment possible during the term of the loan.

Financial aid must not exceed \$1 million and the interest rate is slightly lower than the market rate for industrial financing.

11. Financing for Small Manufacturing Companies

This program, administered by the Quebec Industrial Development Corporation is designed to help small manufacturing companies to acquire fixed assets.

Eligibility

Manufacturing businesses with fewer than 20 employees and net assets less than \$750,000.

Assistance

Medium or long term loans are not to exceed 10 years. The total financial assistance available is \$100,000. The interest rate on current loans is slightly lower than the market rate for industrial financing.

12. Financial Assistance to Manufacturing Firms in the Field of Modern Technology

This program administered by Quebec's Industrial Development Corporation provides rebates on loans made to finance technology development and foster growth in the manufacturing sector. For complete details see Quebec programs under the Venture Capital section in this chapter.

13. Financial Assistance to High Growth Firms

This program designed to encourage the growth of firms which are operating in expanding markets.

Eligibility

Companies investing in any manufacturing sector in Quebec, providing the company can demonstrate development potential that is superior to the average for the sector.

Further eligibility requirements include:

- Société de développement industriel (SDI);
- the company must be more than 50% controlled by Quebec residents;
- planned investment must be intended to increase the firm's production capacity rather than replacing existing fixed assets. Minimal machinery investment should be \$50,000;
- the company must have been operating for a least three years in the same group or sub-group of manufacturing industries, and within this period it must have registered a profit (cumulative over the period);
- the firm must, over the most recent fiscal year, have had sales of a minimum of \$500,000 of manufactured goods;
- the firm must be able to demonstrate an increase in sales superior to the average for the sector over the previous three fiscal years.

Assistance

Grants: SDI may provide grants in the form of partial interest reimbursements on the firm's loans.

Loans: SDI may provide financing in the form of medium- or long-term loans granted at market rates.

Magnitude

This program began in 1979. During the 1979-80 period, 21 companies were supported under the program. Total assistance provided amounted to \$2,928,700. Grants took care of \$1,728,700 of that total. The main sectors involved were food and beverages, wood products, furniture, transport equipment and electrical appliances and equipment.

14. **Export Assistance Program**

This program is designed to provide incentives for exporting.

Eligibility

Quebec-based firms with more than 50% of share capital owned by Quebec residents are eligible for this program.

Assistance

Interest rate rebates are given on loans when exports surpass a given percentage.

SASKATCHEWAN

15. **SEDCO Industrial Accommodation Program**

The Saskatchewan Economic Development Corporation administers the Industrial Accommodation Program to assist small retail operators who are experiencing difficulty.

Eligibility

Saskatchewan-based retail stores who are experiencing hardship.

Assistance

Eligible retail outlets can borrow a maximum of \$25,000 at an interest rate of 1% below prime for a maximum term of five years.

16. **The Small Business Interest Abatement Program**

This program is designed to help businesses establish new facilities or expand existing ones.

Eligibility

Saskatchewan businesses with annual gross revenues of less than \$500,000, except farms and businesses whose prime activity is lending money.

Term loans of \$1,000 or more to be used for:

- establishing new businesses;
- purchasing existing businesses;
- purchasing fixed assets (land, buildings, equipment, renovations and so on) to expand or upgrade an existing business.

Assistance

For eligible businesses in centres of 6,000 people or more, the grant can be as large as \$250 to any one business in any one year or on any one loan over a 36-month period. The amount of the grant will reduce the effective interest rate on the loan by as much as 2%.

For businesses located in communities of less than 6,000 people, the grant can be as large as \$500. This will reduce the effective interest rate by as much as 4%.

Magnitude

In fiscal 1980-81, the program approved 439 applications for total abatement grants of \$157,160.

E. GRANTS/FORGIVABLE LOANS

FEDERAL

1. Business and Industrial Development Program

The Business and Industrial Development Program administered by the Canadian Industrial Renewal Board, Department of Regional Economic Expansion and Industry, Trade and Commerce is designed to strengthen the economic base and increase employment in special areas that depend heavily on the textile, clothing and footwear.

Eligibility

Firms involved in a manufacturing, processing or other commercial activity located in designated special areas or willing to establish in these areas.

Assistance

Assistance is given in the form of grants, direct loans or loan insurance.

FOR COMPANIES LOCATED IN SPECIAL AREAS

Grants of as much as 75% of costs are given:

- To develop project proposals: BIDP will pay the cost of qualified consultants to develop innovation projects, restructuring, merger and acquisition proposals, as well as common services proposals for groups or firms.
- To identify new products: consultancy fees incurred to identify new or improved products and to undertake related product and market testing.
- For product development: direct costs for the development of new or improved products and processes incorporating an advance in technology and offering good prospects for profitable commercial exploitation. Rights to the technology are vested in the firm but the exploitation of the project must be undertaken in Canada.
- For productivity improvement: the cost of consultants to conduct feasibility studies on productivity improvement measures that involve some risk to the applicant.

Grants of as much as 50% of the capital cost are given:

- For restructuring and modernization: projects required by firms in order to adjust or to restructure their operations to improve their ability to produce internationally competitive Canadian goods and services or to adjust to changes in markets. These grants also apply to the modernization costs that are part of the firm's restructuring plan. This assistance, available for projects with capital costs exceeding \$50,000, can be made repayable.

Grants to partially offset the costs of:

- The establishment of common services: by two or more applicants, such as purchasing, marketing, training and so on. These grants cover:
 - up to \$20,000 for incorporation costs,
 - up to 50%, 33 1/3% and 25% of general operating expenses, in each of the first three years respectively, to a maximum of \$150,000;
 - as much as 25% of eligible costs for the acquisition, construction and conversion of equipment and buildings where such costs exceed \$50,000.

Direct loans for mergers and acquisitions:

- Loans of as much as \$1.5 million can be provided to firms wishing to merge with or acquire a firm in order to contribute to the viability and development of a business activity in a special area. The rate of interest will not exceed 3% of the rate charged by the government to Crown Corporations.

Loan insurance for mergers, acquisitions and restructuring projects:

- Loan insurance to facilitate the availability of funds on reasonable terms and conditions, can be provided for 90% of a term loan from conventional lenders, for a 1% annual fee.

FOR FIRMS WILLING TO ESTABLISH IN SPECIAL AREAS

Grants of as much as 75% of costs are given:

- To develop proposals for new establishments: consultancy fees to develop a proposal concerning the establishment of a new manufacturing or processing or other eligible commercial activity in a special area.
- For feasibility studies for mergers and acquisitions: consultancy fees to examine the feasibility and prepare a plan for such an applicant to merge with or acquire a firm in a special area and thereby contribute to the viability and development of that business.

Grants of as much as 50% of costs are given:

- For new establishments: capital costs to establish a new manufacturing or processing or other eligible commercial facility in a special area. These grants available for projects with capital costs exceeding \$100,000 can be made repayable.

Direct loans and loan insurance:

- For mergers, acquisitions and restructuring projects: Assistance is available on the same terms and conditions as described above for firms located in the special areas.

Magnitude

BIDP has a total of \$135 million to spend over the next four years.

PROVINCIAL

BRITISH COLUMBIA

1. The Small Manufacturers Development Assistance Program

The small Manufacturers Development Assistance Program is administered by the Ministry of Industry and Small Business Development to encourage and assist the modernization, expansion, and establishment of small manufacturing and processing and high technology enterprises throughout British Columbia.

Eligibility

To be eligible for this program:

- The proposed project must involve manufacturing, processing or high technology, or a maintenance or repair facility directly related to the manufacturing, processing or high technology sectors.
- The proposed project must indicate commercial viability.
- the proposed project must provide socio-economic benefits to the province.
- In the case of an existing business, average sales for the two most recent years of operation should not exceed \$500,000.00 per year.
- Eligible Capital Cost may not exceed \$500,000.00.

Assistance

New Facilities

- New manufacturing, processing, or high technology facilities - 50% of Eligible Capital Cost or \$30,000, whichever is less.
- New maintenance and repair facilities directly relating to the manufacturing, processing or high technology sectors - 30% of Eligible Capital Cost or \$18,000, whichever is less.

Modernization and/or Expansion

- Existing manufacturing, processing and high technology facilities - 30% of Eligible Capital Cost or \$18,000, whichever is less.
- Existing maintenance and repair facilities directly relating to the manufacturing, processing or high technology sectors - 30% of Eligible Capital Cost or \$18,000, whichever is less.

Loan Forgiveness

- Fifty percent of the loan will be forgivable one year after operation has commenced and the balance one year thereafter provided that required terms and conditions under which the loan was granted have been met.

Magnitude

\$10 million will be provided over two years for interest free forgivable loans for capital expenditure. The program was announced September 19, 1982.

2. Enterprise Manitoba Industry Sector Development Program

Manitoba Department & Economic Development and Tourism (Industry and Trade Development Branch) and the federal Department of Regional Industrial Expansion administers the Enterprise Manitoba Industry Sector Development Program.

The program is designed to encourage and support new initiatives that would accelerate Manitoba's industrial development.

Eligibility

Companies, organization or individuals

Six industrial sectors will be emphasized: aerospace, electronics, food and beverage, health care products, light machinery, and transportation equipment. Other industrial sectors may also be emphasized, including apparel, printing and publishing, leisure products, furniture, forest resources, warehousing and distribution, chemicals and plastics, and mineral products. Preference will be given to supporting those projects which will expand the province's manufacturing sector, increase employment, and improve the competitive position of Manitoba's goods and services. The activities initiated under this program are intended to complement other Enterprise Manitoba programs.

Six private-sector Advisory Boards (for the six special industrial areas previously mentioned) have been set up to provide leadership in identifying and helping to promote and initiative activities that will result in opportunities for industrial growth. Each board is made up of approximately seven private-sector members, including labour representation, and are appointed by the provincial minister of Economic Development and Tourism, in consultation with the federal minister of Regional Industrial Expansion.

Assistance

Approximately \$1 million has been allocated to this program for aid in cost-sharing of feasibility studies including marketing, plant engineering, site location analysis, transportation and packaging. Consulting services may also be provided by external specialists.

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3. Rural Small Enterprise Incentives

The Manitoba Department of Economic Development and Tourism/Small Enterprise Development Branch and the federal Department of Regional Economic Expansion administer the Rural Small Enterprise Incentives program to provide assistance to new and existing Manitoba manufacturers and processors.

Eligibility

Manitoba manufacturers and processors located outside Metropolitan Winnipeg whose projects meet the criteria established under the program.

There are additional eligibility requirements:

- the proposed project must involve manufacturing, processing or re-building;
- the project must indicate commercial viability;
- the project must provide additional socio-economic benefits to the area;
- a forgivable loan incentive will materially influence the company's decision or enable it to undertake the project;
- eligible capital costs must not exceed \$60,000;
- in the case of an existing company, average sales for the two most recent years of operation cannot exceed \$500,000 per year;
- the company must apply before it has made any commitments for buildings, machinery or equipment.

An unsecured promissory demand note must be signed for the interest-free forgivable loan if the application is approved. The loan will not be recalled as long as the company remains in operation and meets the requirements of the letter of offer. The promissory note will be returned to the company upon forgiveness of the full amount of the loan.

For new facilities, the company equity contribution must be at least 20% of the eligible capital costs of the project. For existing facilities, two choices are given: existing and new equity must be at least 20% of the total of all assets, both existing and new; or if the equity in the existing operation is less than 20% of all assets, the company must invest at least 20% of the eligible capital costs of the project.

The loan is disbursed in two payments. Fifty per cent is advanced when the company meets equity requirements, has signed a promissory note and has begun construction. The remainder of the loan is advanced within approximately 30 days, after all requirements have been met. Fifty per cent of the loan will be forgivable one year after the business begins operation. The balance is forgivable two years after operation begins provided that all the terms of the loan have been met.

Assistance

Forgivable loans of up to 50% of eligible capital costs, up to a maximum of \$30,000, are available to establish a new manufacturing, processing or related maintenance or repair facility.

Forgivable loans of up to 30% of eligible capital costs, up to a maximum of \$18,000, are available to existing businesses for expansion or modernization.

Magnitude

In 1981/82 the total budget for this program was \$925 thousand of which \$135 thousand was grants.

NEW BRUNSWICK

4. New Brunswick Small Industry Financial Assistance Program

The New Brunswick Department of Commerce and Development administers the Small Industry Financial Assistance Program to encourage and assist the establishment of small industries and the modernization and expansion of existing small industry.

Eligibility

Manufacturing and processing firms with annual sales of less than \$1.5 million for the two most recent years. If the applicant has previously received forgivable loans, the aggregate of proposed loans and/or portion of loans not yet forgiven should not exceed \$50,000.

Equity requirements: For existing facilities present and new equity must be at least 20% of the aggregate of both existing and new assets. If it is less, the applicant must invest at least 20% of the approved capital cost of expansion. Equity contributions in new operations must be equal to at least 20% of the approved capital cost of the proposed operation.

Assistance

Forgivable loans to maximum of \$75,000 calculated as follows:

- for modernization and expansion of existing facilities, 30% of approved capital costs;
- for maintenance and repair facilities related to manufacturing and processing industries, 30% of approved capital cost;
- for new industries, 50% of approved capital cost.

In all cases, the approved capital cost must not exceed \$150,000. Fifty per cent of the loan will be forgiven one year after production has begun, and the balance one year thereafter, provided the general terms of the project are met.

5. Financial Assistance to Industry

The Financial Assistance to Industry program, makes available forgivable loans of \$75,000 to \$150,000 to eligible New Brunswick manufacturers or processors. In order to qualify for the program maximum sales level is 1.5 million. (Further details on the program may be found in the Interest Rate Assistance section of this chapter.

NEWFOUNDLAND

6. Financial Incentive Program

The purpose of the Financial Incentive program is to complement existing assistance programs provided by government sponsored agencies; and to stimulate development of tourism facilities by the private sector through financial incentives.

Eligibility

Eligible companies must be constructing, expanding or modernizing physical plant in rural Newfoundland and Labrador.

Assistance

New Capital Grants and expansion projects are entitled to 50 percent of the first \$500,000 eligible capital costs and 25% of the balance. For modernization projects 50% of the eligible capital costs with maximum 50,000 grant may be made available. The minimum expenditure must be \$5000.

7. Rural Development Program

The Newfoundland and Labrador Department of Rural Development and the federal department of Industry, Trade and Commerce/Regional Economic Expansion administers the Rural Development Program to assist small manufacturers and processors located in rural areas to expand improve or establish facilities.

Eligibility

Firms unable to meet RDIA size requirements are eligible for assistance. Businesses must be based in Newfoundland or Labrador and have at least 20% equity, excluding the grant, after the project is complete. The project must also create new jobs.

Assistance

Grant incentives to small industries are available as follows:

- as much as 50% of capital cost to a maximum of \$12,500 for establishment of manufacturing and processing facilities;
- as much as 50% of capital cost to a maximum of \$12,500 for modernization and/or expansion of manufacturing or processing facilities;
- as much as 50% of the capital cost to a maximum \$30,000 for establishment of industries utilizing primary resources.

Half the grant will be paid when half the project has been completed and the rest when it is finished.

Business Advisory services: Departmental staff will assist business people in areas such as business accounting systems, product inventories, marketing procedures, product development and quality controls. It will also train company personnel in these areas.

Magnitude

In 1982-83 \$3.4 million was budgeted for this program.

NOVA SCOTIA

8. Rural Industry Program (RIP)

The Rural Industry Program (RIP) administered by the Nova Scotia Department of Development is designed to help industries locate or expand in rural areas outside the Halifax Dartmouth Metro area.

Eligibility

Any individual, company or co-operative operating in Nova Scotia whose business activities will provide employment opportunities for rural Nova Scotians. In order to be eligible, the projects must process, manufacture or be one of certain selected services.

Eligible service projects include: machine shops, job printing, commercial saw sharpening, electric motor rewinding, packaging and assembly operations, ready-mix concrete, electroplating, bookbinding, engine rebuilding, asphalt manufacturing, plus retail outlets that are directly associated with new processing and/or manufacturing operations.

Assistance

Assistance can cover as much as 50% of the total capital costs of a project to a maximum grant of \$10,000. The amount will vary according to the financial contribution provided by the applicant plus any support provided by private agencies. If the project qualifies for assistance under DREE's RDIA program it is not eligible for RIP assistance.

Magnitude

In 1981-82, the program paid out \$822,000 to 100 businesses with the expectation of creating 225 new full-time jobs. Since the program's inception in 1974, it has achieved a 75%-80% success rate for projects assisted.

NORTHWEST TERRITORIES

9. Interim Subsidiary Agreement (GDA)

The federal Department of Regional Economic Expansion (DREE) and the provincial Department of Economic Development and Tourism administer the Interim Subsidiary Agreement to create a higher standard of living, quality of life and equality of opportunity for northern residents.

Eligibility

Residents and businesses of the Northwest Territories planning to establish or expand operation in the N.W.T.

Assistance

This program is directed at funding work in areas which N.W.T. residents consider are important for their economic future and the preservation of Native lifestyle.

Magnitude

This is a five-year agreement, and is due to expire in 1984.

ONTARIO

10. The Small Business Incentives Program

The objective of the Small Business Program (under Eastern Ontario Subsidiary Agreement) is to assist in the establishment of new businesses, and to encourage modernization and expansion of existing small business.

Eligibility

The business must involve any of the following: manufacturing, mining, processing (including agricultural and forest products) and related service industries. The total approved capital cost of the proposed project cannot exceed 600,000. If the applicant has previously received forgivable loan under this program, the total of proposed loan and/or portion of loan not yet forgiven must not exceed 300,000.

Assistance

The program provides interest free forgivable loans up to 300,000 to new and existing business in eastern Ontario.

Forgivable loans are also provided. If the terms and conditions have been met 25% of the loan will be forgiven after the second year, and the balance will be forgiven at the end of the third year.

11. Tax Exemption Program

The Tax Exemption Program was introduced to provide assistance to small business in the current economic climate.

Eligibility

Small business which are eligible for the small business deduction qualify for the tax exemption.

Assistance

Originally the tax exemption was to apply to the first two fiscal years after May 13, 1982. However, Ontario's May 10 budget extended the exemption from corporate income tax by one year. It was estimated that this extension will save small business \$180 million.

12. Canada-Ontario Subsidiary Agreements - Eastern Ontario Development Program

The Department of Regional Economic Expansion and the Government of Ontario administer the Eastern Ontario Development program subsidiary agreement to improve the economic and social well being of eastern Ontario residents through a small business incentive dual plan.

Eligibility

Any business located in eastern Ontario whose capital costs do not exceed \$500,000.

Assistance

As much as 25% of approved capital costs to a maximum of \$100,000.

Magnitude

The duration of this program is from December 1979 to March 1984. At the end of the 1981/82 fiscal year \$50 million had been spent on this program.

13. Rural Industrial Infrastructure Program

The Rural Industrial Infrastructure Program is designed to assist in removing specific physical constraints to the development of identified small-scale private sector projects.

Eligibility

To be eligible, projects must be located within the territorial districts of Northern Ontario, including the districts of Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay, Timiskaming and that portion of the district of Nipissing lying north, west and south of Algonquin Provincial Park. Because the intent of the program is to aid rural areas, the cities of Thunder Bay, Sault Ste. Marie, Timmins and North Bay, and the Regional Municipality of Sudbury are excluded, unless the benefits of such programs will flow to rural residents.

Eligible projects must result in the establishment of commercial activities involving natural resources harvesting; quarrying; manufacturing; processing; marketing, wholesaling or warehousing of local products; or repair and other services for the foregoing.

Assistance

Private sector: Assistance to the private sector takes the form of interest-free forgivable loans, up to a maximum of 50% of the approved capital costs or \$100,000, whichever is the lesser. These projects are handled through the Northern Ontario Development Corporation.

Public sector: Assistance to the public sector, such as municipalities, is in the form of grants, usually not exceeding 75% of the approved capital cost or \$200,000, whichever is the lesser. Projects are handled through the Ministry of Northern Affairs.

Private sector: Twenty-five per cent of the loan will be advanced when construction begins or when equipment and materials are ordered, when the required equity (a minimum of 10% of the approved capital costs of the undertaking) has been invested, and when security has been received to cover the amount invested. The remainder of the loan will be forwarded once security has been received to cover the total amount loaned, when a statement of incurred and approved expenditures is received, and when a site inspection confirms that the project is in compliance with the approved undertaking. Fifty per cent of the loan may be forgiven one year after the project is completed and the balance may be forgiven a year later, provided that the business for which the undertaking was intended is operating, and the general terms and conditions under which the loan was granted have been met.

Public sector: Fifty per cent of the grant will be advanced when construction begins or when equipment and materials are ordered, when the required equity (not less than 10% of the approved capital costs of the undertaking) has been invested, and when security has been received to cover the amount advanced. The final 50% will be forwarded upon verification that the project is completed.

Magnitude

Funding for this program is \$2.5 million.

14. **Tourism Development Program**

The purpose of the Tourism Development Program administered by the Northern Ontario Rural Development Agreement is to provide incentives to the private sector for upgrading, expanding and diversifying facilities, services and activities and will support studies for selected large-scale projects and tourist development zones. Details of the three subprograms follow below.

Magnitude

Funding for this program's \$3 million.

(a) Planning and Feasibility Studies Subprogram of the Tourism Development Program

The purpose of this program is to provide assistance for feasibility and planning studies to stimulate investment in the development or expansion of regionally significant tourism projects.

Eligibility

Individuals, corporations, groups or government agencies proposing investment opportunities located within the territorial districts of Northern Ontario, including Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay, Sault Ste. Marie, Timmins, North Bay and the Regional Municipality of Sudbury are excluded.

Assistance

Projects under this subprogram will usually be in the form of consultant studies. Funding is in the form of financial contributions toward planning studies and the assessment of investment opportunities, and may make up to 100% of the actual cost of the project.

Costs of the proposed project incurred prior to the date of application are not eligible. Payments for studies will be made on the basis of progress claims, substantiated by invoices for costs incurred. Payments will be in the cost-shared proportion determined by the NORDA Management Committee. The final payment will be made only after the final study report of the consultant has been accepted by the Management Committee.

All projects must be approved for assistance by March 31, 1984.

(b) Tourist Attraction Development Subprogram of the Tourism Development Program

This subprogram is designed to assist individuals, corporations or groups to expand or develop shoulder, off-season or winter tourist attractions of potential regional significance in order to improve the incomes of tourist operators, to create additional employment opportunities and stimulate related economic activities.

Individuals, corporations or groups that are located within the territorial districts of Northern Ontario, including Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay, Timiskaming and that portion of the district of Nipissing lying north, west and south of Algonquin Provincial park. Excluded are the cities of Thunder Bay, Sault Ste. Marie, Timmins, North Bay and the Regional Municipality of Sudbury.

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Assistance

Assistance for both capital and non-capital projects is in the form of conditional grant contributions of 50% of the approved costs of the project or \$50,000, whichever is the lesser. Projects requiring less than \$5,000 will not be considered for aid under this program.

Where capital projects are concerned, a profit-seeking applicant must invest and maintain not less than 20% equity in the enterprise, and shall be required to provide funding of at least 20% of the capital cost of the project.

In the case of capital projects, up to 50% of the conditional grant contribution will be advanced when construction begins or when equipment and materials are ordered. The remainder will be forwarded when there is proof that the applicant has incurred and paid his total share of the approved costs of the project.

All projects must be approved for assistance by March 31, 1984.

(c) Tourist Facilities Marketing Subprogram of the Tourism Development Program

The purpose of the Tourist Facilities Marketing Subprogram is to assist tourism operators to develop or expand their marketing programs in an effective manner so that they may improve their incomes, create additional employment opportunities and stimulate related economic activities.

Eligibility

Projects in the districts of Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay, Timiskaming and a portion of the district of Nipissing lying north, west and south of Algonquin Provincial Park. The cities of Thunder Bay, Sault Ste. Marie, Timmins, North Bay and the Regional Municipality of Sudbury are not eligible, nor are government owned or operated facilities.

Assistance

This program may provide assistance in the form of conditional grant contributions to 50% of the approved marketing costs or \$50,000 (whichever is the lesser) over a period of two years. Projects requiring assistance of less than \$4,000 are not eligible.

Projects must be completed within the time schedule outlined in the proposed marketing plan, or within two years, whichever is the lesser. Up to 50% of the grant may be advanced upon approval of the project, and the remainder of the grant will be given to the applicant when proof is established that the applicant has incurred and paid his total share of the approved costs, and the marketing plan is being implemented.

All projects must be approved for assistance by March 31, 1984.

PRINCE EDWARD ISLAND

15. Licensing/Joint Venture Program

This program administered by the Market Development centre is designed to create jobs and strengthen PEI firms by negotiating and servicing licensing arrangements or joint ventures with companies possessing appropriate new products and production technology.

Eligibility

The program is available to manufacturers or processors located in PEI.

Additional eligibility requirements include:

- only products that have an identified market opportunity and are not now existing in P.E.I. will be considered;

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- new products must be clearly compatible with existing production activities;
- the company must have, or be able to acquire, the production facilities and management capability to fulfill the terms of the agreement;
- the owners or shareholders of the P.E.I. firm must have no proprietary interest in the licensor or venture partner.

Assistance

Cost-sharing agreements will be signed with successful applicants covering up to 50% of technology search costs, professional and consulting assistance and royalty guarantees, to a maximum of \$25,000 per project. The client will bear all other costs associated with the project and, in order to claim any of the royalty guarantee, the client must demonstrate that every effort has been made to reach projected sales levels as per the agreement.

16. Industrial Prospecting Program

The Department of Tourism, Industry and Energy and the federal department of Regional Industrial Expansion administers the Industrial Prospecting Program. The program is designed to create additional manufacturing and processing job opportunities for residents of PEI by identifying, attracting or creating new processing and manufacturing activities in the province.

Eligibility

Potential new entrepreneurs (individuals and companies) who can demonstrate the seriousness of their pursuit to identify a new production activity or investment opportunity. This program is not a market identification or promotion program, but is specifically aimed at identifying new developmental investment opportunities.

Assistance

The program will cover travel expenses and the expense of contracting the services of an experienced professional to help determine the viability of a project. The applicant is required to fund at least 25% of the costs, and the province may contribute up to 75% of the total costs, to a maximum of \$15,000, for any single project.

This is a new program that was introduced in 1982 during the spring sitting of the P.E.I. Legislature.

17. Investment Incentive Program

Industrial Entreprises Incorporated also administers the Investment Incentive Program.

The objective of this program is to provide a financial incentive to manufacturing or processing companies that have created new and continued employment opportunities for residents of PEI.

Eligibility

Sole proprietorships, partnerships or incorporated companies engaged in manufacturing or processing operations that want to build or expand a facility located in P.E.I.

The new or expanding facility and the eligible jobs must be located in P.E.I. and the project must create a minimum of three jobs and must make a minimum capital investment in fixed assets of \$25,000.

Assistance

Financial assistance takes the form of a direct incentive grant. The grant for each job created or to be created will be based on 50% of the annual salary for each job at the time of initial commercial production, to a maximum of \$8,000 per job (jobs with annual salaries of less than \$8,000 are not eligible). Payment of the grant will be spread over a three-year period, with 50% paid after initial commercial production, 30% one year after initial commercial production. Payments will be adjusted upward or downward based on actual performance.

The total grant for each project may not be greater than 50% of new capital investment in fixed assets.

The scale of the grant for a project proposal will be based on the number of jobs created and maintained, the amount of payroll and the amount of the capital investment.

Over the three-year period of operations. IEI will monitor the firm's performance required under the program. Any company receiving an investment incentive must be prepared to submit yearly financial statements and additional details regarding the number of jobs, hours worked and payroll amounts.

The program was introduced in the spring of 1982.

QUEBEC

18. Montreal Special Area Industrial Incentives Program

The federal Department of Regional Economic Expansion (DREE) administers the Montreal Special Area Industrial Incentives Program to provide incentives for the establishment, expansion or modernization of the manufacturing industry and to provide some transfer of technology and fixed assets related to industrial research and development.

Eligibility

Projects involving the establishment of new facilities or expansion or modernization of existing facilities in two specially designated areas of Quebec. Area 1 is Metropolitan Montreal, and Area 2 includes satellite towns and the Outaouais region. Within these areas, certain firms are eligible for assistance. In Area 1, these are:

- food industries dealing in prepared and/or quick frozen foods;
- plastic products industries;
- primary metals industries;
- metal fabricating industries;
- machinery industries;
- transportation equipment industries
- electrical products industries;
- chemical and chemical products industries;
- certain scientific and professional industries;
- miscellaneous manufacturing industries;
- fixed assets related to industrial research and development, transfer of technology and research centres.

In Area 2, projects involving the establishment of a new facility, or the modernization or expansion of an existing facility are eligible for manufacturing and processing industries, excluding initial processing operation in a resource-based industry. Fixed assets related to industrial research and development, transfer of technology and research centres are also eligible in this area.

Any type of Canadian or foreign entity may apply, e.g., incorporated companies, partnerships, co-operatives or sole proprietorships. Canadian ownership is not a prerequisite. However, applicants subject to the provisions of the Foreign Investment Review Act (FIRA) must satisfy the requirements of that Act before they can qualify for a DREE incentive.

The applicant must provide equity equal to 20% or more of the total capital employed in the operation. For an existing operations, equity must be equal to at least 20% of the new capital employed plus 20% of the book value, at the time of the application, of existing assets and working capital.

In order to be eligible for the incentive, the applicant must also:

- co-operate with Canada Employment Centres in recruitment and training of manpower, and undertake to employ as many residents of the region in which the facility is located as practicable;
- meet regulatory standards for pollution control systems;
- given Canadian manufacturers a reasonable opportunity to produce the machinery and equipment for the project.

Assistance

DREE offers three types of incentives: non-repayable incentives, repayable incentives and provisionally repayable incentives. Incentives will be awarded only if they are essential to carry out the project, and are based solely on capital costs. The maximum level of an incentive given is 25% of approved capital costs up to one-half of the capital to be employed in the operation. The amount offered depends on the nature of the project and its location.

Approved capital costs include the capital costs of assets forming the whole or part of a facility, e.g., buildings, machinery and equipment, leasehold improvements, land improvements, transfer of technology and patents. Approved capital costs do not include:

- land;
- passenger motor vehicles (except those not used primarily for the commercial activity);
- means of transportation;
- assets that are normally considered to be a charge against income in the year in which they are acquired.

The first incentive payment of up to 80% of the total incentive may be made 30 days after the plant has been brought into commercial production and after an inspection to see that the plant is operating within the terms of the DREE agreement. The remainder will be paid between 24 and 30 months after the start of commercial production. No payment will be made until the approved capital costs are at least \$200,000 in Area 1 and \$100,000 in Area 2.

The Montreal Special Area program is scheduled to run from April 1, 1980 to March 31, 1984. The Montreal Special Area program will be absorbed by DREE/ITC's new Industrial and Regional Development program.

19. Canada - Quebec Subsidiary Agreements - Modernization of Pulp and Paper Industry

The purpose of this program is to assist eligible pulp and paper companies in modernizing facilities and installing equipment that will help protect the environment and conserve energy.

Eligibility

Any member of the pulp and paper industry in Quebec is eligible for this program.

Assistance

Incentives (grants) may amount to 25% of the approved capital costs of the project. The Federal Government provides 60% of the costs of this agreement.

SASKATCHEWAN

20. Saskatchewan Main Street Program

Saskatchewan Industry and Commerce and Municipal Affairs administer the Saskatchewan Main Street Program. The purpose of this program is to assist local business communities and municipal authorities to initiate and carry out an ongoing program of revitalization of business districts.

Eligibility

Communities of 6,000 people or less where at least 75% of the businesses located in a "Business Improvement District" agree to carry out store-front renovations in a co-ordinated effort.

Assistance

As much as 50% of the renovation costs to a maximum of \$500, with some exceptions to a maximum of \$1,000.

In addition, the department of Industry and Commerce will provide general business counselling, such as profit improvement, selling techniques, competition, staff training and management, and assist with retail trade analysis for merchants. The department of Municipal Affairs will provide technical planning and design assistance to the municipality or the Business Improvement District's Board of Management to identify and plan improvements. It will also give advice on storefront renovation co-ordination.

Magnitude

In fiscal 1980-81, 71 communities participated in the program and received total grants of \$1.1 million which contributed to improvements valued at \$3.2 million.

SASKTACHEWAN

21. Qu'apelle Valley Subsidiary Agreement

Saskatchewan Industry and Commerce and DREE administer the Qu'Apelle Valley Subsidiary Agreement.

This program is designed to develop the recreation and tourism potential of the Qu'Apelle Valley.

Eligibility

Businesses that offer to establish, expand or modernize permanent or seasonal accommodation facilities, dining or recreational facilities or services in the Qu'Apelle Valley area.

Assistance

Grants to do any of the above or to assist in the establishment, expansion or modernization of commercial facilities.

Magnitude

This program began in April 1974 and is scheduled to terminate in March 1984. At the end of the fiscal 1981/82 fiscal year \$33 million had been spent on the project.

YUKON TERRITORY

22. Special ARDA

The Yukon Territory Special ARDA is administered by the federal Department of Regional Economic Expansion and the Yukon Development and Intergovernmental Relations, in co-operation with the Council for Yukon Indians, Indian and Inuit Affairs, Canada Employment Centre and other agencies.

The purpose of the program is to provide residents of the Yukon, particularly those of Indian ancestry, who have previously had little or no access to regular earning and employment opportunities, with financial assistance to improve their economic conditions.

Eligibility

Three kinds of projects are eligible:

Commercial Undertakings: Businesses of all types are eligible, including resource utilization, manufacturing, processing and service industries. Projects must involve the establishment, acquisition, expansion or modernization of any business which will provide jobs for people of Indian ancestry.

Primary Producing Activities: Projects engaged in fishing, trapping, forest harvesting and agricultural activities that will improve the incomes of groups or associations of people, particularly those of Indian ancestry, are eligible.

Socio-Economic Improvement: Projects that provide counselling, training and other special social adjustment services that are not available under other federal or territorial programs and that are needed to help people of Indian ancestry take advantage of job opportunities are available.

Assistance under this program is provided when adequate support is not available for such projects under other federal or territorial programs. The Special ARDA program is not intended to replace or duplicate other programs, but to supplement them. The amount of assistance available under the program takes into account the financial contribution which can be provided by the applicant and also any support which may be provided by federal, territorial or private agencies, including commercial lenders.

Assistance

Under this program, financial assistance (usually an incentive grant) may be provided for:

- up to 50% of the eligible capital costs of a new or expanding business enterprise;
- up to 100% of the costs of improving the equipment of primary producers engaged in trapping, fishing and forestry;
- up to 100% of the costs for management or other training necessary to employ Indian people;
- up to 100% of the costs of counselling and other social adjustment measures to improve Indian economic conditions.

Assistance for infrastructure (i.e., forestry roads, power) related to projects may be provided.

Magnitude

The Special ARDA program was established with the signing of the Canada/Yukon Special Rural Development Agreement on June 4, 1978. The agreement expired on March 31, 1982, but a provision exists that extends the final completion date for projects to March 31, 1983, after which incomplete projects will be dropped.

The government of Canada funds all commercial projects. Other projects are cost-shared between Canada and the Yukon on a 50/50 basis unless the project involves status Indians, in which case the federal share increases proportionately with the percentage of status Indians involved.

Up to March 31, 1982, a total of 214 applications were received, 107 projects were approved, and 107 were withdrawn, did not qualify or were rejected. Some of the 107 offers made were declined by the applicants, and, as of March 31, 1982, only a total of 87 projects were active.

A total of \$3,869,615 was committed under the program. Of this total, \$2,450,967 was for commercial undertakings, and the remaining \$1,418,648 was for primary producing and social adjustment training projects. The government of the Yukon contributed \$230,487 of the \$1,418,648.

Negotiations are underway to develop a new agreement with Canada to provide broader programming to enhance the economic and social well-being of the Yukon's rural peoples.

F. VENTURE CAPITAL/EQUITY CAPITAL

FEDERAL

1. Federal Business Development Bank

FBDB's new mandate provides for it to have an expanded role in the investment banking arena. FBDB has received an additional 60 million for a total outlay of \$90 million over the next three years to make investment financing more accessible to small and medium sized businesses.

It will use its increased investment function to attract as much equity capital as possible from private financial institutions. If FBDB is successful in its negotiations as an intermediary with the private sector it may not have to inject any of its own funds. The objective is to get small businesses and financial institutions together.

If necessary FBDB will use its investment and equity capital and become a minority shareholder. However, the objective will be to divest itself of its holdings as soon as possible to recycle its financial resources into other companies. The services that the bank will offer include underwriting, syndication, equity financing and venture capital investments.

PROVINCIAL

There is a great deal of activity by provincial governments in the Venture Capital field both in terms of facilitations (tax incentives) or direct involvement.

ALBERTA

Quite a lot of activity by provincial governments in the venture capital field either in terms of facilitations (tax incentives or direct involvement).

1. Alberta Venture Capital Corporation (Ven-Caps)

The Alberta Venture Capital Corporation was announced in September 1982. It is to be financed initially by a \$200 million loan from the Alberta Heritage Savings Trust Fund.

The objective of Ven-Caps is to provide risk capital to new Alberta Industries not connected with real estate or oil and gas.

The government of Alberta will not participate in any venture capital investments. However it is expected that the government's financial investment in the venture capital corporation will enable the corporation to make the risk equity investments which are necessary to encourage the development and diversification of Alberta industry.

BRITISH COLUMBIA

2. British Columbia Small Business Development Fund

The purpose of the Small Business Development Fund is to encourage small and medium sized businesses to modernize and expand.

Eligibility

A business must be engaged in manufacturing, processing or high technology and it must be commercially viable with strong and effective management.

Preference will be given to businesses that are B.C. owned and operated - with at least 75% of their assets and employees in British Columbia.

Assistance

Equity financing.

MANITOBA

3. Venture Capital Companies

In early 1983 Manitoba's Department of Economic Development announced the formation of Venture Capital companies, a trial program to stimulate private investment in the development of promising and innovative small business ventures. The objective of the program is to stimulate the provincial economy by making it easier for small businesses to obtain financing for their operations.

Eligibility

The business sectors being targetted under the program include manufacturing and processing, research and development, tourist facilities, computer software products and the film industry.

Assistance

The government has established a \$1 million fund for the first year of the program. The government will pool investment funds with groups of private investors who wish to invest in the establishment of new business enterprises or in the expansion of existing ones. The private investors will be required to put to 65 percent of the initial investment and the government the remaining 35 percent.

Under the terms of the program the government and private investor groups will be allowed to invest up to 750,000 in a venture. The private investors must raise a minimum of 25,000 to register a "venture capital company" and at least 65,000 in total within twelve months of registration. As well, Venture Capital Companies must invest at least 70 percent of its capital in eligible equity investments within two years of being formed.

NOVA SCOTIA

4. Venture Corporations

Venture corporations is administered by the Nova Scotia Department of Development. It is designed to promote investment in Nova Scotia.

Eligibility

Investors: A group of private investors may form a venture capital corporation (VCC) with a minimum paid-in equity of \$25,000 (maximum is \$5 million). They must invest \$50,000 by the end of the first year, \$100,000 by the end of the second. (The Nova Scotia government matches the VCC's paid-in equity with a loan that is interest-free for the first 10 years).

Eligible businesses: Those with no more than 100 employees at the time of investment, in which 75% or more of the wages and salaries are paid to Nova Scotia residents. They may be involved in any of the following: manufacturing and processing; tourism; mineral exploration; film or video production and related industries; printing and publishing; research and development; farming; fishing and aqua-agricultural; computer services, data processing and data transmission; shipping and transportation; geological, geographical and seismic services; and provision of services to certain other types of business.

Assistance

To the investor: The government matches the total amount invested in the corporation's share capital by its shareholders and does not require any repayment of that loan in the first 10 years or charge any interest on it in that time.

To the company receiving venture capital investment: Working capital relieves it from the high cost of borrowing and provides funds for expansion: will expand its credit base (which may allow it to borrow more under more advantageous terms); stock becomes more attractive to other investors; venture capitalists of the corporation will provide marketing, financial expertise, business contacts and product ideas; strengthened financial position makes the firm more attractive to receive grants, loans and program assistance from all levels of government; and the company retains control because the aggregate number of equity shares held by the VCC cannot at any time exceed 49%.

At least one shareholder (or group of affiliated shareholders) must own 30% of the VCC shares or \$150,000 equity. Non-residents of Nova Scotia (individuals) or Canada (corporations) cannot own more than 49% of the VCC shares.

VCC may not make investments for:

- relending;
- the ownership of an apartment building, a townhouse, a condominium or a residential dwelling;
- the operation of a retail business;
- the operations of a wholesale business (with certain exceptions);
- trading in or development of real estate;
- holding a mortgage on real estate;
- insurance companies and agents.

Investment can be made only by means of a purchase of equity shares or an unsecured loan and it must be in a business that is at arm's length from the shareholders and officers or directors of the VCC.

Magnitude

To date, since the program's inception in June 1980, nine Venture Corporations have registered with the Department of Development, which has approved loans totalling \$1.07 million to them. Five VCCs have made at least one equity investment in a Nova Scotia business. Three more applications are in the final stages of registration.

NEW BRUNSWICK

5. Provincial Holdings Ltd.

New Brunswick's Provincial Holdings Ltd. is a crown corporation which assist in the establishment of industry in New Brunswick.

Eligibility

Manufacturers and processors based in New Brunswick.

Assistance

The corporation will take equity positions in industrial enterprises wishing to locate in the province. The extent of the equity is negotiable and each proposal is judged on its own merits.

Supervision of equity positions in private companies continues through representation on the boards of directors, periodic visits to the facilities and monitoring of financial and other operating reports of the respective companies.

ONTARIO

6. Small Business Development Corporations SBDC

The Ontario Ministry of Revenue administers Ontario's Small Business Development Corporations. This program is designed to provide equity capital and managerial expertise to small businesses in Ontario.

Eligibility

A registered SBDC may invest in new Ontario-based, Canadian-controlled manufacturing and processing companies with less than 150 employees. The small business will remain an eligible investment until such time as the number of employees exceeds 300, in which case the SBDC investment in that business will cease to be eligible after five years. Tourist activities, book publishing and R&D activities are eligible as well. Shareholders of an SBDC must be individuals resident in Ontario or corporations subject to Ontario tax and must have equity capital between \$250,000 and \$5 million. A corporation may start with an initial investment of \$25,000 if it will increase that amount to \$100,000 within a year.

The relationship between an SBDC and the companies in which it invests must be at arms length. You cannot set up an SBDC to invest in your own small business.

Assistance

To SBDC shareholders: Individuals who invest in an SBDC receive a grant of 30% of the cost of new issues of equity shares. Corporations receive a tax credit of equal value which is applied to reduce their corporate income tax. This may be carried forward for an indefinite period.

To small companies: Injection of new capital that can be used for:

- expanding - improving or enlarging current facilities;
- launching new enterprises - developing new ideas or inventions;
- attaining financial stability - paying off debts.

In order to protect the small business:

- an SBDC cannot purchase more than 49% of the voting shares of the business;
- two or more unrelated SBDCs cannot purchase more than 60% of the voting shares of the same small business;
- an SBDC cannot obtain the right to nominate a majority of the board of directors of the small business;
- an SBDC must give the other shareholders the right of first refusal if it chooses to sell any of its shares of the business.

Each SBDC also provides business and managerial advice to the small businesses in which it has invested.

Magnitude

The Ontario program has been in effect since 1979 and has been successful in attracting investments of about \$140 million through May 1983. Over 600 separate investments have been made in 314 small businesses in manufacturing, tourism, research and publishing. These investments have been channelled through 300 active SBDC's. In the May 10 Ontario budget the allocation to the SBDC program was increased from \$10 million per annum to \$30 million in 1983-84.

7. Venture Capital Loans

Ontario's Venture Capital Loans program was designed to assist small Canadian owned businesses in Ontario to introduce new technology that will help diversify Ontario's economy.

Eligibility

Small Canadian owned businesses in Ontario.

Assistance

Venture Capital loans to a maximum of \$500,000.

8. Student Venture Capital Program

The Student Venture Capital Program is designed to provide students with the opportunity to operate their own businesses by lending them the necessary capital to start.

Eligibility

Full time students 18 years of age or over. Projects must be designed to make a profit.

Assistance

Industry loans to a maximum of \$1,000 are made available for the life of the project.

9. Innovation Development for Employment Advancement (IDEA)

The goal of Ontario's IDEA corporation is to attract money for private Ontario based research and development which in turn is to further investment opportunities based upon any resulting new technology.

The IDEA Corporation has been allocated \$100 million to be spent over the next five years.

10. Board of Industrial Leadership and Development (BILD)

The purpose of this board is to encourage the location of major projects in Ontario or help sectors which are experiencing difficulties.

Eligibility

Canadian owned companies involved in high technology projects for start-up funding when their project has reached the proven prototype stage.

Assistance

The type of financing offered will depend on the project risk level and the borrower's cash flow requirements and potential earnings. One of the alternative methods of financing is venture capital, the others include grants, loan guarantees, and income debentures.

PRINCE EDWARD ISLAND

11. Venture Capital Program

PEI's Venture Capital program is administered by Industrial Enterprises Incorporated, a PEI development corporation. The Venture Capital Program was established to encourage the creation of private sector venture capital companies for the purpose of providing capital to new and existing PEI manufacturers and processors. Industrial Enterprises Incorporated (IEI) assistance will normally be in the form of a direct loan; however under exceptional circumstances IEI may acquire preferred shares in the corporation. The primary objective of the program is to provide through venture corporations financial and management assistance for the purpose of creating new or maintaining existing employment opportunities for residents of Prince Edward Island.

Eligibility

Venture capital companies (or venture corporations) registered in the province of PEI to operate as a supplier of capital and management capability to small P.E.I. manufacturing and processing enterprises. The corporation must operate exclusively as a venture corporation.

Assistance

Management assistance: IEI will provide, through the venture corporations, management assistance to identify and remedy management gaps that may crop up from time to time in any business.

Preferred shares: In exceptional circumstances where debt financing is not appropriate IEI purchase shares in the venture corporation.

Direct loans: IEI assistance to venture corporations normally takes the form of a direct loan with a 10-year term. The interest rate for the first five-year period will be the prevailing IEI lending rate in effect at the time of the first advance of funds. At the end of five years, the rate will change to conform with the prevailing IEI lending rate in effect on the first day of the second five-year period.

Interest on the loans in years one and two is 100% forgiven. In the third year, 75% of the interest is forgiven; in the fourth year, 50% is forgiven; and in year five, 25% is forgiven.

The amount of public-sector assistance provided by IEI will be:

- not greater than 50% of the financial assistance being provided by the venture corporation to a manufacturer or processor;
- not greater than \$500,000 on behalf of any one manufacturer or processor;
- not greater than \$2 million to any one venture corporation.

The venture corporation may make minimum principal repayments to IEI on a pro rata basis as it receives payments from a manufacturer or processor. The balance of the principal is due and payable at the end of the 10-year term, and interest payments must be made on a quarterly basis. Repayment of both principal and interest is permitted in any amount at any time without penalty or notice.

This program was introduced during the spring 1982 sitting of the P.E.I. Legislature.

QUEBEC

12. Sociétés de développement de l'entreprise québécois (SODEQ) or Corporations for the Development of Quebec

This program is administered by the Quebec Ministry of Industry, Commerce and Tourism. The objective of the program is to provide a source of risk capital for small- and medium-sized companies in Quebec; to provide managerial expertise to companies that are eligible for aid from SODEQs; and to provide financial incentives to individuals who wish to invest in companies eligible under the program.

Eligibility

A SODEQ may be set up and incorporated only if 10 persons or more apply for letters of patent under the Quebec 'Companies Act'. Before the SODEQ is incorporated, subscribers in the SODEQ must have purchased, in total, \$1 million of the capital stock, and \$350,000 of this must have been already paid in trust.

Small- and medium-sized companies that may qualify for aid from SODEQs must employ less than 200 people, be Quebec-based and have net assets of less than \$7.5 million at the time of investment.

Assistance

Tax credits: Individual and corporate taxpayers who invest in a SODEQ may deduct from their provincial taxes a total of 25% of the cost of SODEQ shares. This credit may only be claimed by taxpayers who are the first purchasers of shares from a SODEQ, and not by those who purchase shares from existing shareholders.

In addition, under a Stock Savings Plan introduced in 1979, if a shareholder holds his shares for a minimum of two years, he may deduct from his income the full cost of the SODEQ shares for provincial income tax purposes, up to maximum of 20% of annual earnings or \$15,000.

Magnitude: Since SODEQ's came into effect in 1979 a total of \$25 million has been invested largely by individual investors.

13. Financial Assistance for Mergers and Acquisitions

This program is designed to help firms that wish to merge or acquire the assets or shares of another company, in cases where this acquisition, merger or grouping of companies will have an impact on the manufacturing sector.

Eligibility

Firms in Quebec that wish to acquire the assets or shares of other firms, merge with one or more firms, or amalgamate in whole or part the resources and

interests of other firms in order to become more competitive and increase their share of the market.

Additional eligibility requirements include:

- the project must be submitted before the signing of any agreement between the parties involved;
- the project must involve companies owned by distinct and different groups of shareholders or financial groups, which are in no way financially interdependent, up to the point at which SDI is brought into the project;
- the project must involve competitive or complementary firms;
- the merger brought about through the assistance must remain over 50% controlled by residents of Quebec throughout the whole period of assistance by SDI.

Assistance

Grants: Grants are available in the form of partial interest reimbursement on loans taken out by the firm.

Loan, loan guarantees or equity participation: Other financing is also available from SDI in the form of medium- or long-term loans accorded at market rates, loan guarantees, or minority equity participation in the firm.

Magnitude

This program was set up by SDI in 1971. During the period of 1979-80, 26 firms were assisted under the program. During this time, a total of \$6,908,800 was granted, \$6,308,000 of which was in subsidies. The main industrial sectors given aid during this period were food and beverages, wood products, furniture and furnishings and printing.

Cumulative aid figures for the program from the beginning in 1971 to March 31, 1980 are: 152 grants for a total of \$29,643,516; 39 loans for a total of \$17,171,990; five loan guarantees for a total of \$668,471; and six cases of equity participation for a total of \$2,597,000.

14. Financial Assistance to Manufacturing Firms for Mergers and Acquisitions

This program administered by the Industrial Development Corporation is designed to help finance acquisition of a minority interest in companies.

Eligibility: Mergers must involve firms which are property of different shareholders or financial groups and which are not financially dependent on one another. The merger must involve firms whose production is either competitive or complementary at the product level. The newly formed company must be more than 50% controlled by Quebec residents.

15. Financial Assistance to Manufacturing Firms in the Field of Modern Technology

The Industrial Development Corporation also administers the Financial Assistance to Manufacturing Firms in the field of modern technology.

This program is designed to aid in technology development and foster growth in the manufacturing sector.

Eligibility

Technology used must assure high productivity and high salaries. Market for products must be in fast growth areas with markets inside and outside Quebec.

Investments to be made must be for expansions of productive capacity not replacement of existing assets.

Products must not be direct results of primary resource conversion.

Company must hire Quebec post-secondary school graduates.

Assistance

Acquisition of minority interest in the company of not more than 50% of share capital or 30% of the company's total assets. This program also provides assistance in the form of subsidies, loans or loan guarantees.

SASKATCHEWAN

16. Saskatchewan Economic Development Corporation

The Saskatchewan Economic Development Corporation was established to expand the economic base of the province.

Eligibility

Virtually every type of business is eligible for SEDCO assistance with the exception of those whose primary activity is exploratory and extractive.

Assistance

Share capital participation.

Its investment usually represents a minority interest. Membership on the board of directors of such companies is usually a condition of the investment. There is a buy back provision that ensures the right of the investor to acquire full ownership under known ground rules.

NEWFOUNDLAND

17. Newfoundland Industrial Development Corporation

The purpose of the Newfoundland Industrial Development Corporation is to provide financial assistance for the acquisition and/or construction of fixed assets.

Eligibility

Enterprise must be based in Newfoundland and Labrador. the business must also provide evidence of its viability, stability and capability.

Assistance

Investment in share capital.

18. Newfoundland and Labrador Development Corporation Limited

The Newfoundland and Labrador Development Corporation Ltd. was established to provide existing and potential Newfoundland and Labrador enterprises with technical information, advisory services and financial assistance in the form of loans and equity.

Eligibility

Newfoundland and Labrador businesses involved in manufacturing, processing, industrial services, tourism or in resource industries that can indicate that funding is not available to them on reasonable terms and conditions through normal business sources. The emphasis of the program is on businesses with high levels of employment.

Assistance

The Development Corporation provides equity participation up to 49% of the capital required in new or expanding companies. Combinations of equity and term debt may also be arranged. The corporation also provides information and advisory assistance and term loans.

NORTHWEST TERRITORIES

19. Assistance to Industry

The Assistance to Industry Program is designed to provide contributions to private businesses, umbrella organizations and to government projects destined for private ownerships.

Eligibility

NWT residents and businesses planning to establish or expand operations.

Assistance

This program provides three different kinds of assistance, one of which is seed capital. The other two are interim financing and funds to complement development loans.

IV. MANAGEMENT ASSISTANCE

A. FEDERAL MANAGEMENT ASSISTANCE PROGRAMS

1. FBDB - Management Services
2. Counselling Assistance to Small Enterprise (CASE)
3. Financial Planning Program
4. Business Opportunities Servicing System
5. The Incubator Program
6. The Management Excellence in Small Business Program
7. The Program for Export Market Development (PEMD) and PEMD Food
8. The Science and Engineering Student Program
9. The Technological Awareness Program
10. The University of Waterloo Enterprise Development Program
11. The University of Waterloo Inventions Assistance Program

B. PROVINCIAL MANAGEMENT ASSISTANCE

ALBERTA

1. Alberta Small Business Counselling

BRITISH COLUMBIA

2. Assistance to Associatives Program
3. British Columbia Development Corporation
4. Management Assistance Program
5. Small Business Counselling
6. Technical Assistance Program

MANITOBA

7. Enterprise Manitoba/Enterprise Development Centre Program
8. MBA Student Consulting Program for Small Business
9. Feasibility Assistance for Small Manufacturers (FASM)

NEW BRUNSWICK

10. Research and Productivity Council
11. Department of Commerce and Development

NEWFOUNDLAND AND LABRADOR

12. Newfoundland and Labrador Development Corporation
13. Management Training Program - Subsidiary Agreement Canada-Atlantic Provinces

NORTHWEST TERRITORIES

14. Co-operative Development
15. Indian Economic Development Fund
16. Marketing Service

NOVA SCOTIA

17. Consulting Assistance Program
18. Industrial Estates Limited
19. Small Business Development Corporations

ONTARIO

20. Energy Bus Program
21. Industry and Trade Research
22. New Plant Invention Counselling Service
23. Promotional Aids Marketing Program
24. Small Business Development Branch Advisory Services
25. Small Business Management Development Program
26. University Small Business Assistance Program (USBAP)

PRINCE EDWARD ISLAND

27. Industrial Enterprises Incorporated
28. Industrial Services Program
29. Management Training Program
30. Tuition Assistance Program
31. Student-in-Industry Program

QUEBEC

32. Ministry of Industry, Commerce and Tourism Counselling Services

SASKATCHEWAN

33. Management Development Program
34. Saskatchewan Economic Development Corporation
35. Rural Community Business Retention Program
36. Industrial Development Assistance
37. Planning and Site Selection

IV MANAGEMENT ASSISTANCE

A. FEDERAL MANAGEMENT ASSISTANCE PROGRAMS

Federal Business Development Bank (FBDB) - Management Services

1. Management Services

The FBDB offers more than 1,500 one-day or half-day seminars each year. The focus is on topics such as arranging financing, cash management, marketing, human resources management and cost control.

A low registration fee covers the session, seminar material and lunch. Participants work in small groups and take an active role in solving the problem under discussion. If, for example, the seminar deals with how to start a business, participants will develop a business plan for a sample business and then one for their own business, with an opportunity to review the material with FBDB officers.

FBDB is currently in the process of computerizing their information and referral service covering the whole range of government programs presently offered to the business community.

2. Counselling Assistance to Small Enterprises (CASE)

The FBDB has almost 1,500 counsellors across Canada who are involved in the delivery of the CASE program. They are either retired owners of small businesses or retired business managers and executives from a variety of industries and specialties.

Service: For a fee of \$13.25 an hour (with the first four hours prepaid) an FBDB counsellor can complement a business owner's expertise. For example, a skilled widget engineer may not know how to market the product or a processor of fish products may not be fully aware of international markets. FBDB counsellors will also help set up a small business by developing bookkeeping and control systems, marketing programs and so on. Travel time and costs are absorbed by the FBDB.

Stats: In fiscal 82/83 the CASE counsellors had carried out 12,600 assignments.

3. Financial Planning Program

As an entirely new initiative, it will also offer a "Financial Planning Program" to small and medium sized business on an experimental basis. This program is designed to assist small firms to prepare and present their business plans. The start-up costs of this program will be funded by a \$2,000,000 allotment. It will consist of three main services:

- first, a series of do-it yourself financial planning kits;
- secondly, packaging proposals by means of which the Bank will draw up, at the request of a client and with the cooperation of the firm's chartered accountants and other professional advisors, a business analysis report containing all the information and material required by any financial institution to properly assess an application for term loans;
- and a third service called "intermediation" by which the Bank would act as a go-between to obtain the required assistance, financial or otherwise, from other lenders on behalf of a client.

Magnitude

4. The Business Opportunities Servicing System (BOSS) is referred to in the Export Assistance Programs Section p. 8.

5. The Incubator Program administered by the National Research Council is referred to in the section on Innovation Assistance p. 123.

6. The Management Excellence in Small Business Program administered by the Small Business Secretariat of the Department of Industry, Trade and Commerce is referred to in the Employment Program Section p. 29.

7. The Program for Export Market Development (PEMD) and the PEMD FOOD program is referred to in the Marketing Export Assistance Programs Section p. 6.
8. IRAP-H The Science and Engineering Student Program (SESP) administered by the National Research Council is referred to in the Employment Programs section p. 28.
9. The Technological Awareness Program (TAP) administered by the National Research Council is referred to in the Innovation Assistance section p. 127.
10. The University of Waterloo Enterprise Development Program administered by the Canadian Industrial Innovation Centre/Waterloo with financial assistance from Industry, Trade and Commerce/Regional Economic Expansion is referred to in the section on Innovation Assistance p. 127.
11. The University of Waterloo Inventions Assistance Program administered by the Canadian Industrial Innovation Centre/Waterloo with financial assistance from Industry, Trade and Commerce/Regional Economic Expansion and in conjunction with the Canadian Patents and Developments Ltd. is referred to in the section on Innovation Assistance p. 127.

B. PROVINCIAL MANAGEMENT ASSISTANCE PROGRAMS

ALBERTA

1. Small Business Counselling

The Alberta Department of Tourism and Small Business administers the Small Business Counselling program to assist Alberta industry and small business.

Eligibility

Generally, Alberta small business or potential small businesses wishing to locate in Alberta.

Assistance

Business counselling: Day-to-day counselling services are available from experienced business analysts and business development representatives for anyone thinking of starting a business or improving or expanding an existing business. Merchandising and manufacturing specialists are also available, and group meetings can also be arranged.

Small business guides: Handbooks on starting, financing, marketing and operating a business in Alberta are available through any office of Alberta Tourism and Small Business.

Business Site Locations Program: Under one part of the Alberta Locations Program, a representative from the Small Business Division of Alberta Tourism and Small Business is available to help businesses find suitable locations in Alberta compatible with their requirements. Community profiles are also available to existing or potential businessmen under another part of the Alberta Locations Program. These profiles contain such information as population, location, transportation facilities, industrial land, utilities, building permits and other useful data.

Management Assistance Program: The Department of Tourism and Small Business works with local chambers of commerce or trade associations to set up a Management Assistance Program within a community. Up to 20 businesses within any one community may register to participate. The program is spread over a 5½-month period, and is divided into four phases:

- **Individual Firm Research:** The consultants spend a half-day with each firm gathering information and identifying the areas where the firm might change most effectively.
- **Individual Firm Counselling:** One half-day is spent with each firm in counselling on the subjects identified during the research phase. During this second phase, the consultants assist with the implementation

of their recommendations and provide information packages where needed. This phase takes place about two or three weeks after the research is completed.

- Counselling Follow-up: If any firm encounters any problems in implementing any recommendations for change, it may require another half-day counselling session. This normally occurs two to three weeks after the first counselling session.
- Program Audit: After three months, each firm will be revisited by consultants to determine program effectiveness and provide additional assistance in implementation, if required.

The cost to each participating business is \$35.

BRITISH COLUMBIA

2. Assistance to Associations Program

The Ministry of Industry and Small Business Development Administers the Assistance to Associations Program to assist business, trade and industry associations in providing business management development and learning opportunities to their members.

Eligibility

Any established or proposed business, trade or industry association. Applications from individuals are not accepted.

Assistance

Grants of as much as \$2,500 per association per year. The program will share costs on a 50:50 basis with the association, which can have several projects during any one year provided the aggregate amount claimed does not exceed \$2,500.

Funds may be used to:

- form a business, trade or industry association;
- undertake research studies or surveys related to management skills improvement of members;
- develop, produce or purchase learning materials or seminar packages tailored to the needs of the membership;
- present seminars or conferences including the engagement of guest speakers;
- send a delegate to attend a seminar or conference either in or out of the province (airfare and registration only).

Magnitude

In 1980-81, 12 associations were assisted under this program.

3. British Columbia Development Corporation (BCDC)

The BCDC is a crown corporation designed to promote economic development in the province of British Columbia.

Eligibility

Manufacturers and processors and related service industries; publishing firms; companies engaged in the development or expansion of tourist facilities.

Financial leverage of applicant businesses should not exceed 70% on a pro forma basis and the current ratio of assets to liabilities must be 1:1 or greater.

Assistance

- Loans or loan guarantees for businesses or industrial enterprises willing to locate in B.C. or to expand or modernize existing facilities.
- Industrial sites for sale or lease at attractive rates in various regions of B.C. The corporation will assemble and develop industrial land and parks.
- Advice on locating in B.C., including industry studies and other provincial information, will be provided by BCDC Senior staff will also counsel individuals on business matters.

4. Management Assistance Program

The Management Assistance Program administered by the Ministry of Industry and Small Business Development is designed to assist small business firms in establishing detailed management or planning programs.

Eligibility

Proposed and existing businesses and business associations with clear potential for a successful operation.

Assistance

The program will provide financial support for the hiring of outside consultants to assist in formal, in-depth studies of a specific management or planning aspect of a firm's operations. MAP will pay as much as 50% of the costs incurred, to a maximum of \$5,000.

Eligible projects:

- those in the manufacturing sector that aren't eligible for the Technical Assistance Program (consultancy studies related to product pricing, profitability, management systems improvement and so on);
- those in other business sectors, such as consultancy studies related to profitability, management structure, expansion feasibility, productivity improvement, market potential and so on;
- projects that can affect the economic potential of communities, regional districts, industry associations and similar bodies, by providing broad benefits to a significant proportion of their membership.

Occasionally the Ministry will fully sponsor a particular study or other activity that could be of broad value to the business community or a particular geographic region. Some examples are: identification of new market opportunities, productivity improvement and business development opportunities.

5. Small Business Counselling

The Ministry of Industry and Small Business Development administers the Small Business Counselling program to provide qualified counselling to B.C. business.

Eligibility

Any B.C.-based company.

Assistance

Business Aid and Information Service: Provides information on the availability of financial and other assistance. This service also provides contacts in appropriate government ministries and private agencies and gathers and distributes business aids to help small businesses.

New Business Service: Offers counselling and information about government regulations and forms of business organization to people planning to start a business on their own. Staff will also assess the viability of a proposed operation.

Established Business Service: Qualified staff will provide organization and operational analysis, will diagnose problems, recommend solutions and help to implement them, especially in the areas of financing, marketing and management.

Management Development Service: Offers activities designed to improve management skills through personal contact and workshops. Emphasis is on the practical rather than the theoretical.

6. Technical Assistance Program

The Technical Assistance Program also administered by the Ministry of Industry and Small Business Development is designed to assist companies in business expansion, developing new products, or entering new lines of business.

Eligibility

Companies with a record of sound management which wish to study a specific aspect of their operations.

Assistance

The programs will pay, on a cost-sharing basis, as much as 50% of the cost of such a study to a maximum of \$10,000.

Magnitude

By March 31, 1981, the program had helped 24 companies to employ consultants to undertake marketing, feasibility and productivity studies. It also provided support to eight industry associations in a variety of activities designed to benefit all member companies of the association.

MANITOBA

7. Enterprise Manitoba/Enterprise Development Centre Programs

The Department of Economic Development and Tourism/Small Enterprise Development Branch and the federal Department Industry Trade and Commerce/Regional Economic Expansion administers the Enterprise Manitoba/Enterprise Development Centre Programs.

The program is designed to provide Manitoba's small manufacturing firms and selected other businesses with access to technical and business consulting services.

Eligibility

Manitoba manufacturers and such selected industries as aerospace, electronics, food and beverage, health care products, light machinery and transportation equipment.

Assistance

General Business Consulting Program: The three Enterprise Development Centres, in Brandon, Winnipeg and Dauphin, will provide:

- industrial development information;
- basic business start-up, legal and operations information;
- marketing and design analysis for the purpose of improving sales and costs;
- government assistance program information;
- information on financing sources;
- evaluation of actual support services requirements;
- and referral to specialized support services.

Business Support Services Program: The Centres will provide businesses with access to technical and advisory support services in such areas as productivity, distribution, design and marketing. Specifically, the program will provide help to:

- prepare viable business and marketing plans;
- introduce productivity improvement programs;
- develop and accounting system;
- identify and pursue new product and marketing opportunities, new design strategies and marketing channels;
- develop manufacturing processes and standards;
- carry out physical distribution studies;
- carry out cost-accounting studies and financial analysis;
- search out marketing research or industrial design or engineering consulting studies.

These services will be provided at no cost by Centre staff wherever possible. If the workload or experience is beyond the capabilities of Centre staff, the Centre involved will provide up to 50% of the cost of hiring a specialized external consultant.

Management Development Program: Through this program, the Centres will provide assistance to help a business start up, and will provide help to existing companies to improve business management skills. Workshops and seminars are provided in various Manitoba communities at a nominal charge (to cover direct costs) to participants. Topics covered in these workshops and seminars include how to generate business ideas, credit management and the legal requirements of running a business.

Advance Factory Space Program: The Centres in Winnipeg and Brandon offer from 1,500 to 4,000 sq. ft. of advance factory space in self-contained modules to new businesses and to existing businesses that are introducing a new, innovative product. The business pays no rent for the first six months and graduates to a rent of \$3 per square foot by the fourth six-month period. The business pays full rent at the end of two years. Each module has a small office, washroom facilities and manufacturing space with receiving and shipping areas.

MBA Student Consulting Program for Small Business

The MBA Student Consulting Program for Small Business is administered by the Department of Economic Development and Tourism/Department of Labour and Manpower.

This program has a twofold purpose. First, it was designed to benefit small and medium sized Manitoba businesses which would normally be unable to afford the services of business or management consulting firms. Secondly, the program provides a useful learning experience for student consultants who participate in the program.

Eligibility

Firms must be Manitoba-owned and located within the province. In addition, a company must not generate more than \$3 million annual sales nor employ more than 75 people.

Assistance

For a fee of \$250, of which 50% is payable on acceptance of the firm as a client and 50% on completion of the consultant's report, an MBA student consultant will identify specific client problems and prepare a project report which outlines the client problems to be addressed, the objectives of the project and the nature of the work to be done. If the client agrees to proceed with the program after discussing the project with the consultant, they both sign the proposal to formalize the agreement. The consultant then gathers and analyzes the necessary information, in co-operation and with the assistance of

the client, the program co-ordinator and faculty members. In the final stage of the program, the consultant prepares a project report which is reviewed by the program co-ordinator and/or faculty member overseeing the project, and is then submitted to the client.

The Manitoba Department of Economic Development and Tourism has other management assistance programs. Information on these program can be found in the Financing section under Manitoba.

9. Feasibility Assistance for Small Manufacturers (FASM)

The purposes of this program is to encourage the well planned establishment of new firms or growth of existing companies by assisting them in obtaining the services of private consultants to prepare business development plans.

Eligibility

Small Manufacturers and processors.

Assistance

This is a cost shared program which provides support for up to 50% of the costs of professional analysis and advice obtained from private consulting services.

NEW BRUNSWICK

10. Research and Productivity Council

The New Brunswick Research and Productivity Council is administered indirectly through a contract with the National Research Council. For details on this program see the Innovation Assistance section P. 121.

11. Department of Commerce and Development

Companies willing to locate in New Brunswick or existing industries will be provided with free research and investigative services. Also available is a wide range of trade and industrial services including cost-shared studies (management, technical and design services).

NEWFOUNDLAND AND LABRADOR

12. Newfoundland and Labrador Development Corporation

The Newfoundland and Labrador Development Corporation Ltd (NLDC) is administered by DREE/ITC and the provincial Department of Industrial Development. This corporation established for the development of small and medium-sized enterprises within the province provides management assistance as well as financial.

Eligibility

Small and medium-sized businesses in Newfoundland and Labrador, with certain stipulations depending on the kind of financing sought.

Assistance

InfoReach Advisory Services: These services are designed to assist individual business firms in the province that require advice or guidance in the financial, bookkeeping, marketing, technical or other types of business-related functions. It is a confidential service.

InfoReach Business and Technical Information Services: NLDC also offers a Business/Technical library, located at its office in St. John's. The library contains in excess of 2,500 business and technical books and subscribes to more than 200 periodicals of particular interest to anyone involved in or planning a small or medium-sized business within the province. It operates on a "user-card system" and has a free Books-by-Mail lending service. A catalogue is issued periodically to all card holders listing the various books and periodicals available.

Business Opportunity Identification: NLDC does ongoing potential business opportunity research. Subscribers to its InfoReach Services Program receive regular mailings and bulletins outlining what are considered to be current, potential business opportunities.

Entrepreneur Identification Program: NLDC maintains a list of entrepreneurs and potential entrepreneurs who have contacted the corporation. These entrepreneurs regularly receive screened information concerning potential business opportunities. This list of entrepreneurs is confidential, and is not made available to anyone outside NLDC.

InfoReach Seminar on "Developing Business Opportunities": This is a two-and-one-half seminar that is available to any interested group prepared to co-sponsor the session and provide local facilities and promotion. The seminar deals with the subject of developing a business plan from the concept stage through to a complete business proposal for financing.

Magnitude

The maximum investment the corporation can make in loans and/or equity is \$2.5 million.

13. Management Training Program - Subsidiary Agreement, Canada-Atlantic Provinces

The purpose of the program is to develop management training with the long term goal of improving management skills.

Assistance

Funding is provided for the operation of the Newfoundland Institute for Management Advancement and Training which promotes and conducts seminars, courses etc. for business management training. This program is funded 80 percent by the federal government, 20 percent by the provincial.

NORTHWEST TERRITORIES

14. Co-Operative Development

The Co-operative Development program is administered by Co-ops and Commercial Enterprises, Small Business Development section, Department of Commerce, and The Department of Economic Development and Tourism.

The purpose of this program is to stimulate co-operative development within the N.W.T.

Eligibility

Any N.W.T. resident.

Assistance

The department provides legal and financial advice and education. The co-operatives provide assistance to businesses and the general public in such areas as contracts for airstrip maintenance and upgrading; subcontracts for building; rental equipment to contractors; assistance to contractors in acquiring labour; contracts for freight and mail hauling; restaurant and hotel maintenance; provision of retail food, dry goods, hardware and taxi service.

15. Indian Economic Development Fund

The Indian Economic Development Fund is administered by the Economic Development Section, Indian and Inuit Affairs Program. This program is designed to provide advice, assistance and financial support in the field of economic development to Indian people, individually or in groups.

Eligibility

Status (Treaty) Indians, either individually or as a group. Non-status Indians may be eligible for assistance where community-based issues are involved, and where it can be established that significant meaningful benefits will accrue to status Indians.

Assistance

Financial support in the form of an accountable contribution may be made available by the Fund for socio-economic research and planning for business development to cover capital costs, equity and technical costs. The Fund also acts as a lender of last resort, and will, on occasion, provide loans and loan guarantees to eligible applicants. Loans of up to \$500,000 may be provided, though there is no limit for contributions and each case is decided individually.

16. Marketing Service

The Marketing Service is administered by the Small Business Development Section, Division of Commerce, Department of Economic Development and Tourism. The purpose of this program is to provide marketing support to NWT businesses.

Eligibility

Any established NWT business.

Assistance

Information advice and various other services.

NOVA SCOTIA

17. Consulting Assistance Program (CAP)

The Nova Scotia Department of Development administers the C.A.P. program to provide consulting help to small firms with 50 employees or less.

Eligibility

Any business operator who is faced with an emergency situation that can be eliminated by using the services of a competent business counsellor is eligible. The program may also be used for professionally conducted market or feasibility studies or for assistance in developing a business plan.

Assistance

The program will pay as much as 75% of the cost of the study to a maximum of \$2,000. Consultant selection and project management are handled jointly by a representative of the Business Development Centre (run by the department) and the applicant company.

Magnitude

In 1980-81, its first year of operation, the program assisted 50 projects. Last year CAP approved 140 applications and so far this year it has passed another 40. The program will have a budget of \$200,000 for 1982-83, of which \$100,000 has already been committed.

18. Industrial Estates Limited

IEL is a Crown corporation designed to promote and support the establishment of secondary manufacturing industries throughout the province.

Eligibility

Businesses with sales of more than \$2 million that are involved in manufacturing, assembly or service industries in support of manufacturing. Applicants must hold at least 20% equity in the venture and the minimum loan requirement should be \$250,000.

Assistance

Mortgage financing: IEL will provide as much as 100% of financing of land and buildings, and as much as 60% financing of the installed cost of equipment. The financing is generally amortized over 20-year and 10-year terms respectively, with no penalty for early payout at any time. Interest rates are competitive with current market rates.

Consulting services: IEL also provides a team of technical experts to assist an expanding enterprise, or one that's relocating, with all facets of the project, from prefeasibility studies to cross-matching with other incentive programs. IEL will pay as much as 50% of feasibility studies conducted by outside consultants.

Other: In addition to this basic fixed asset financing, IEL can design an incentives program to suit the needs of particular projects after evaluation of the economic impact of the project on the province and on Canada.

19. Small Business Development Corporation

The Small Business Development Corporation administered by the Nova Scotia Department of Development was established to help in the expansion of small business.

As well as providing the loans referred to in the section on financing the small business development corporation will provide consulting assistance to newly created businesses.

ONTARIO

20. Energy Bus Program

The Energy Bus Program is administered by the Ministry of Industry and Trade to reduce energy consumption in both the tourism and industrial sectors and help achieve energy self-sufficiency.

Manufacturers with plants that consume at least \$10,000 in total energy, tourism facilities, industrial parks, hospitals and schools.

Assistance

The Energy Bus will visit a company and do an energy audit to analyze energy consumption and cost trends. It will point to areas of potential energy and dollar savings.

Magnitude

In seven years, the Energy Bus has made 1,574 visits and, according to the Ministry of Industry and Trade, has identified potential energy savings of more than \$54 million.

21. Industry and Trade Research

The Ministry of Industry and Trade administers the Industry and Trade Research program to improve the availability of research data.

Eligibility

New or existing Ontario manufacturers and their support industries.

Assistance

The Ministry provides free of charge research on the identity of markets, commodity markets, commodity reports, domestic and foreign economic conditions, current Canadian production and export and import statistics.

22. New Plant Location Counselling Service

The Ministry of Industry and Trade - Industrial Development Branch administers the New Plant Location Counselling Service to assist manufacturers in finding new locations or expanded manufacturing facilities.

Eligibility

Ontario manufacturers.

Assistance

A free, confidential consulting service to aid industry to determine new suitable locations by examining available sites, buildings, workforce, labour costs, infrastructure, regulations and so on. This service also engages to a certain degree in provincial advocacy for industry regarding difficulties related to plant location.

23. Promotional Aids Marketing Program (PAMP)

The Promotional Aids Marketing Program is administered by the Ministry of Industry and Trade to assist in the successful launching of new products.

Eligibility

Small secondary manufacturers with less than 100 employees based in Ontario.

Product Qualifications: The product must have a minimum and realistic sales potential of \$200,000 in the first year. The applicant must support this claim with a sound marketing plan and back it up with acceptable data. The promotional project must be completed within six months of the approval date.

Assistance

PAMP will pay 50% of the costs of the project, to a maximum of \$7,500. The applicant is reimbursed for these costs upon completion of the project.

Magnitude

In fiscal 1980-81, 104 small firms received assistance totalling about \$657,000.

24. Small Business Development Branch Advisory Services

The Small Business Development Branch Advisory Services are administered by the Ministry of Industry and Trade to provide consulting services to small business.

Eligibility

Any small business located in Ontario.

Assistance

Assistance is provided in the following areas:

- Financial management: Emphasis is placed on accounting systems and financial records.
- Financial planning techniques: Including capabilities of the computer.
- Marketing and selling to government.

- Entrepreneurial consulting: Companies less than three years old with less than 10 employees may obtain individual counselling services to assist them through their growth period.
- Advocacy: The Ministry will act on behalf of small business within and between governments in relation to private sector institutions. (The Ministry will prepare and present an annual report to the federal government that will outline Ontario's concerns and recommendations of small business for programs, services and policies for federal initiatives.)
- Sounding board: To help small businesses overcome managerial and decision-making problems, the Ministry will assemble a team of carefully selected, experienced business people whose broad range of business experience will enable them to serve as a "board of directors" for that particular company.
- Manufacturing productivity improvement: The Ministry's engineering staff will advise a business on its plant layout, material handling, work measurement, low cost automation, cost reduction methods, incentive schemes, productivity and possible equipment improvement. (It is up to the client to implement any recommendations of the study.)

25. Small Business Management Development Program

The Small Business Management Development Program is administered by the Ministry of Industry and Trade to help small businesses improve their efficiency.

Eligibility

Ontario small businesses in the retail and service sectors.

Assistance

The program will cover 100% of the cost of bringing a management consultant into a community to consult with local businesses over a period of six months.

Approximately 20 communities are assisted each year and in each at least 15 businesses must participate to qualify their community for aid.

Magnitude

In fiscal 1982, the program spent \$320,000.

26. University Small Business Assistance Program (USBAP)

The University Small Business Assistance Program is administered by the Ministry of Industry and Trade to bring management assistance to small companies.

Eligibility

Canadian-owned small businesses based in Ontario.

Assistance

Low-cost consulting services performed by business students. The program provides grants to universities to set up and run student consulting services.

Magnitude

In 1981-82, the Ministry spent \$680,000 to fund 13 operations on 12 campuses. More than 2,000 companies were helped by 225 students.

PRINCE EDWARD ISLAND

27. Industrial Enterprises Incorporated Programs

The provincial crown corporation Industrial Enterprises Incorporated (IEI) was established to further industrial expansion and modernization in P.E.I.

Eligibility

P.E.I. manufacturers or processors, warehouse operators and those involved in commercial storage, freezing, curing, processing and packing of fish or agricultural products. At this time, such businesses as electronics and metalworking and resource-based industries such as agriculture and fishing are being emphasized.

Management advisory services: IEI will provide free advisory services on financing, accounting, banking, management, production and marketing to new companies. The other types of assistance made available through IEI (loans, equity financing) are referred to in the relevant sections.

28. Industrial Services Program

The purpose of PEI's Industrial Services Program is to make funds available to:

- assist island firms to engage consultants and industry specialists to recommend and implement improvements to existing manufacturing and processing operations.
- The program is designed to improve the profitability of existing industries through the upgrading of management or technical capabilities.

Eligibility

- All manufacturers and processors operating in Prince Edward Island are eligible to apply for assistance under the program.
- Projects eligible for assistance under the Industrial Development programs of the Department of Regional Industrial Expansion (DRIE) will not be eligible for assistance under this program.

Assistance

- the costs associated with engaging consultants and industry specialists normally will be cost-shared with the applicant on a negotiated basis.
- Requests will be assessed on an individual basis and costs to be paid or shared will be determined at the time of processing the application.
- The funding of this program is provided jointly by the Government of Prince Edward Island and the Department of Regional Industrial Expansion (DRIE) under the Comprehensive Development Plan.

29. Management Training Program

The purpose of P.E.I.'s Management Training Program is:

- to assist in covering the cost of a wide range of management seminars, workshops and courses designed to upgrade the management skills of Island business people.
- It is hoped that this Management Training activity will stimulate the demand for, and the effective participation by managers in management training and development programs. As such, the primary objective of the program is to increase the level of competence and improve the performance of management, thereby increasing the productivity of businesses in Prince Edward Island.

Eligibility

Applications for assistance are invited from educational institutions and from private industry associations. Individual businessmen, while not formally organized as an association, are also encouraged to submit requests for assistance.

- The course, seminar or workshop for which assistance is requested must be designed for management and supervisory personnel and should concentrate on improving and/or upgrading the managerial skills of the participants.
- Request for assistance must include evidence that there is a sufficient number of private businessmen interested in attending the course, or an indication of how sufficient interest will be generated.
- Costs eligible for assistance include instructor's fees, travel and accommodation, facility rental, promotion costs, materials, coordination expenses, etc.

Assistance

- Assistance is in the form of a direct grant to the organization which sponsors or coordinates a specific management training activity.
- Each request for assistance is reviewed individually and the amount of assistance is based on the budget submitted by the applicant. It is possible to assist with up to 100% of the 'net' cost of offering the course, seminar or workshop.

30. Tuition Assistance Program

- Prince Edward Island's Function Assistance Program is designed to encourage owners and senior level employees of Island-based businesses to improve their management capabilities by reimbursing a portion of the costs of attending approved courses and seminars.
- The primary objective of the program is to upgrade the managerial skills of owner/operators and senior level employees, thereby improving the overall productivity and competitiveness of local businesses.

Eligibility

- The program is open to owners and senior level employees of all Island-based businesses.
- The course or seminar for which assistance is requested must provide a direct contribution to the applicant's day-to-day management activities.
- The course or seminar must be offered by a recognized educational institution or by a qualified instructor.
- A person who is enrolled in a long term upgrading program, such as obtaining a University degree, will not be reimbursed for more than three courses (or 18 semester hours) of the upgrading program.
- Assistance is also available for out-of-province management courses and seminars, provided a similar course is not available locally.
- Courses of a technical, as opposed to a managerial, nature are not eligible for assistance.

Assistance

- Assistance is in the form of a direct grant to the business. Payment is made upon satisfactory completion of the approved course or seminar.
- The level of assistance for in-province courses and seminars is based on the following:
 - 50% of tuition fees
 - 50% of travel costs
 - up to \$70 per day for meals and lodgingThe maximum assistance available per business per year is \$500.

31. Student-in-Industry Program

The purpose of the Student-in-Industry Program is to provide direct concrete business management assistance to small firms while providing business students with meaningful work experience.

The program is a student consulting/employment program whereby small firms receive financial assistance to employ a junior or senior university business student for the summer months.

Students assist the businessman by recommending solutions to present problems and by researching future opportunities. Students are able to call upon a liaison professor from the University of Prince Edward Island School of Business Administration for technical consultation.

Eligibility

- Assistance will be available to manufacturers, processors and service businesses operating in Prince Edward Island as sole proprietors, partnerships or incorporated companies.
- As the number of firms eligible for assistance is limited, preference will be given to those firms who have not previously participated in this program.
- Eligible projects include management activities such as financial planning, general accounting functions, production design and control, marketing research and analysis, and inventory control.
- The job description provided by the applicant should indicate that the student's duties will result in substantial mutual benefits for both the student and the employer in terms of practical experience for the student and managerial assistance for the firm.

Assistance

- Financial assistance will be in the form of a direct subsidy to those firms who applications are approved. Payment will be made upon completion of the student's period of summer employment.
- The amount of assistance available is 50% of the student's salary to a maximum of \$85 per week for a maximum of 14 weeks during the summer months. The student's salary is negotiated by the student and a representative of the business firm.

QUEBEC

32. Ministry of Industry, Commerce and Tourism Counselling Services

The Ministry of Industry, Commerce and Tourism provides these services to encourage Quebec firms to take advantage of aid programs and services placed at their disposal by public and private systems.

Eligibility

Quebec companies, individual groups, etc.

Assistance

The regional deputy:

- analyses the general situation of the firm in order to promote its growth, its productivity and its profitability to assure its continuity as a viable company;
- establishes a diagnosis of the situation the firm is in regarding finance (ready money), management and administration, human resources, production, marketing and innovation;
- puts the firm's head office in touch with the organizations or institutions in the public; para-public and private sectors capable of aiding the firm;
- furnishes counsel with respect to the preparation of documents and files in order to respond to the requirements of those who will provide aid;
- will follow and examine the results of the aid provided;
- will direct new investors toward the sources of aid suitable for their needs.

SASKATCHEWAN

33. Management Development Program

The Management Development Program is administered by the Saskatchewan Department of Industry and Commerce to improve company performance and management skills.

Eligibility

Saskatchewan-based manufacturing and processing firms.

Assistance

The program will pay as much as 50% of the costs to a maximum of \$3,000 of hiring an outside management consultant to:

- help make important corporate decisions;
- make a detailed analysis of a firm's operations;
- recommend operational improvements.

Counselling and technical assistance: Departmental consultants will provide technical assistance and extend counselling services.

Approved seminars and courses: The program will pay as much as \$50 a day (living costs plus travel) to firms that wish to attend approved courses and seminars. Financial support may be limited to two people from any one company in any one calendar year and when course length is longer than 14 days, assistance may be provided for that period only.

Department-sponsored seminars and courses: The department will be underwriting and arranging its own seminars in co-operation with representatives from industry. These seminars will deal with specific problem areas, such as financial management, market development, industrial relations, product cost accounting, industrial engineering and others. The program will bear the cost of instructors, meeting place and any materials required.

In fiscal 1980-81, the program approved 36 applications and disbursed a total of \$25,266.

34. Saskatchewan Economic Development Corporation (SEDCO)

The Saskatchewan Economic Development Corporation (SEDCO) was established to provide aid to Saskatchewan business.

Eligibility

Saskatchewan viable business in most industries. Special emphasis on the manufacturing sector.

Not eligible: exploratory and extractive industries, basic farming and ranching operations, charitable organizations, commercial and residential real estate, financial and leasing operations.

Assistance

Term loans: A business can obtain long-term financing and through mortgage loans of as long as 20 years. Funds may be used for construction of new plant facilities or the purchase of an existing facility. Short-term loans are available to finance the purchase of machinery and equipment. Interest rates on SEDCO loans are equal to or better than prevailing market rates and are subject to renegotiation every five years.

Guarantee financing: With the support of a SEDCO guarantee, a conventional lender is able to extend credit limits that are justified but not otherwise possible to extend because of risk or other limiting factors. The term is one year and may be renegotiated for longer periods. SEDCO charges a fee based on a percentage of the utilized portion of the guaranteed amount of the total credit.

Equity financing: SEDCO will offer equity participation to encourage new industrial development in the province. Its investment usually represents a minority interest. Membership on the board of directors of such companies is normally a condition of the investment. There is a "buy-back" provision that ensures the right of the investor to acquire full ownership under known ground rules.

Industrial properties: A business can locate in one of the parks now owned by SEDCO or the corporation may locate and assemble specific sites almost anywhere in the province to suit particular requirements. Industrial sites can be acquired by purchase, lease or on a lease-option arrangement.

35. Rural Community Business Retention Program

The Rural Community Business Retention Program is designed to help stabilize and maintain the level of commercial services in smaller rural Saskatchewan communities.

Eligibility

- analysis must indicate that the existing business can be profitable.
- the business will normally be the only one of its kind serving the particular market.
- the seller normally will be retiring because of age or ill health, or other acceptable reasons.
- financing must include a reasonable personal investment by the purchaser.
- the business must be located in a community of less than 200 population.
- the purchaser must have sufficient training or experience to properly manage the business.

Assistance

- the program provides counselling to prospective new owners, on-the-job business and management training as well as financial assistance to ensure the continued operation of an existing business.

36. Industrial Development Assistance

The Industrial Development Assistance Program is concerned primarily with the development of secondary manufacturing and processing in Saskatchewan.

Eligibility

Investors considering Saskatchewan as a potential location for a manufacturing facility.

Assistance

A broad range of services is available to assist firms from the conceptual stage through construction start-ups, and finally the operation of a facility.

37. Planning and Site Selection

The purpose of the Planning and Site Selection program is to expand existing businesses and encourage establishment of new businesses.

Eligibility

Companies operating in the province of Saskatchewan or those interested in establishing themselves there.

Assistance

Industrial consultants are assigned by Industry and Commerce to work with investors to provide information on site selection, financial services, markets, transportation etc. The cost of market and feasibility studies to assist investors in evaluating opportunities can be shared up to 50% by Industry and Commerce.

V. RESEARCH AND DEVELOPMENT AND INNOVATION ASSISTANCE

A. FEDERAL ASSISTANCE

- 1) Contracting Out/Source Listing
- 2) Defence, Industry Productivity Program
- 3) Incubator Program
- 4) Industrial Research Assistance Program - IRAP-C
Field Advisory Service
- 5) Industrial Research - Assistance Program (IRAP-F)
Technical Information Service
- 6) Industrial Research Assistance Program (IRAP-H)
Contributions & Firms - Employing Undergraduates
- 7) Industrial Research Assistance Program (IRAP-L)
Contributions to Laboratory Investigations
- 8) Industrial Research Assistance Program (IRAP-M)
Contributions to Small Projects
- 9) Industrial Research Fellowships
- 10) Technical Awareness Program
- 11) University of Waterloo Investors Assistance Program
- 12) Unsolicited Proposals for Research and Development
- 13) Program for Industry/Laboratory Projects

B. PROVINCIAL ASSISTANCE

ALBERTA

- 1) Product Development Program

BRITISH COLUMBIA

- 2) Product Development Management Program

MANITOBA

- 3) Enterprise Manitoba/Industrial Technology and Food Products Centres
- 4) Research and Development Assistance Program
- 5) Design Assistance Program

NEW BRUNSWICK

- 6) Research and Productivity Council

NOVA SCOTIA

- 7) Product Development Management Program (PDMP)

ONTARIO

- 8) Agricultural Technology Transfer Subprogram of the Agricultural
Development Program
- 9) Product Development Management Program (PDMP)
- 10) Program to Encourage Product and Process Innovation (PEPPI)
- 11) Promotional Aids Marketing Program (PAMP)
- 12) Small Business Industry Technology Program
- 13) Technological Assessment and Planning Program

PRINCE EDWARD ISLAND

- 14) Licensing/Joint Venture Program
- 15) Product Development Management Program
- 16) Product Development Program

QUEBEC

- 17) Centre de Recherche Industrielle du Quebec (CRIQ)

SASKATCHEWAN

- 18) Innovation Place
- 19) Product Development Program
- 20) Saskatchewan Research Council

INNOVATION ASSISTANCE

A. FEDERAL INNOVATION ASSISTANCE

The federal government offers a wide range of assistance programs to support research and development and innovation.

They are as follows:

Contracting Out/Source Listing

The program of Contracting Out/Source Listing is administered by Supply and Services Canada to foster technological innovation in the private sector and to create, improve and market new products, processes and services by contracting out to industry government R&D requirements whenever possible.

Eligibility

Any Canadian company with R&D capabilities.

Assistance

The ultimate benefit of this system, which was established in 1972, is that a company may be chosen to do R&D work for various government departments. The first step toward this is to make the company known to Supply and Services by securing a listing in its Science Procurement Source Information System. In addition to the standard application, the department asks a firm to provide information on the following:

- specific areas of research and development and other scientific activities in which the company is qualified and has some capability and interest in developing further;
- description of the company's long-range plans for R&D that might be of interest;
- résumé outlining the qualifications of the company's management, scientific and engineering personnel;
- brief historical background of the company, its significant innovations, previous R&D work and marketing successes;
- description of any unique R&D facilities owned by or available to the company;
- outline of the company's production and marketing capabilities and its ability to capitalize on new knowledge resulting from R&D;
- copy of the latest financial statements.

The government solicits bids from listed companies in two ways:

- when a project can be described only loosely, it will send Requests for Proposals to establishments on its listing;
- when a project can be described clearly, it uses Invitations to Tender. These spell out all the requirements and request itemized firm prices, schedules and other necessary commitments. After evaluation of all tenders, the contract is awarded to the lowest responsive bidder.

Defence Industry Productivity Program (DIPP)

The DIP program administered by Industry, Trade and Commerce Regional Economic Expansion is designed to assist the technological development of the defence industry.

Eligibility

Canadian companies engaged in defence projects for export.

Assistance

Until last year, DIP covered up to 50% of the cost of an R&D project, machinery and other preproduction expenses, and machinery acquisition and other production costs could be covered by grants of up to 50% and also be eligible for loans of up to 50% of costs.

Now the loan component has been phased out, and any loans made are really 100% contributions. Under the restructured program, a nonrepayable grant of up to 50% is available for capital equipment only. Where the funding for capital equipment is more than 50% of the cost, the balance of the contribution from DIP must be repaid by the company, which is given an interest-free loan.

Funding for R&D and preproduction expenses are negotiable and contributions by DIP under these categories must be repaid.

Magnitude

Cost limit on DIP projects is \$10 million.

In fiscal 1981, the program approved grants of \$57.9 million and loans of \$13.6 million to 125 companies involved in 147 projects.

The budget for 1982/83 was 151.9 million (148.4 million contributions, 3.5 million loans). The estimated budget for 1983/84 is \$170 million.

Incubator Program

The National Research Council administers the incubator program which is designed to foster the growth of promising high technology firms in Canada.

Eligibility

Small, recently established, wholly Canadian-owned firms showing high initiative in high technology fields.

The NRC will consider only those research and development proposals that lead to a product or service that is unique and related to the Council's expertise. It will naturally give preference to projects in which it will benefit by gaining knowledge and experience from the co-operative endeavour.

One of the prime conditions of the Incubator Program is that the company should be willing to accept NRC ownership of patents or intellectual properties arising out of the program. Depending on the individual case, this point can be negotiated. Moreover, when the rights are owned by NRC, the company can normally expect to become the preferred licensee.

Assistance

The NRC provides laboratory space, support facilities and technical expertise for a period of up to three years in order to develop high-tech ideas in a joint venture situation.

Industrial Research Assistance Program IRAP-C: Field Advisory Service

The National Research Council administers the Field Advisory Service of IRAP to provide information and guidance on industrial engineering methods and techniques to develop better systems for improving the effectiveness of company functions and production operations.

Eligibility

Any company.

Assistance

Experienced industrial engineers from the NRC's 16 field offices across Canada will visit companies on request to advise them on how to collect relevant facts and data, how to analyze this data and what corrective action should be taken. They will also help the company gain access to the other types of assistance provided by NRC and other government departments.

Magnitude

The total IRAP budget for 1982/83 was \$35.2 million. The 1983/84 budget was expected to total 38.5 million. However in the April 19, 1983 budget the federal government committed an additional \$20 million to the program over the

next two years. (The allocation of this additional funding between 83/84 and 84/85 has not yet been determined. The Field Advisory Service (IRAP-C) and the Technical Information Service (IRAP-F) will provide technical information and advice on manufacturing problems to improve productivity and to promote the use of research results in industry across Canada, will receive increased funds to allow the National Research Council to set up regional offices across Canada. This increase will also help to fund additional staff in the provincial research organizations, which augment the Field Advisory and Technical Information Services in some provinces.

The increase also adds funds to the services offered under IRAP-L, IRAP-H and IRAP-M, which respectively allow small businesses to contract for research, hire undergraduates to solve problems, and allow firms to conduct small in-house R&D problems projects.

**Industrial Research Assistance Program
(IRAP-F): Technical Information Service**

The National Research Council administers IRAP-F Technical Information Service to help companies solve their technical problems. This program is of special interest to small and medium-sized companies that have little or no technical library facilities, engineering or research staff.

Eligibility

Any company.

Assistance

Technology transfer to industry by NRC experts through four interrelated programs:

- Science and Technological Advisory Service: offers assistance to companies to improve their technical expertise and efficiency;
- Manufacturing Sciences and Technology Service: assists with production and productivity improvements;
- Technical Awareness Service: keeps industry aware of technological developments pertinent to their interests;
- Science and Engineering Study Program: offers aid to industries in project work.

Magnitude

The total IRAP budget for 1982/83 was \$35.2 million. The 1983/84 budget was expected to total 38.5 million. However in the April 19, 1983 budget the federal government committed an additional \$20 million to the program over the next two years. (The allocation of this additional funding between 83/84 and 84/85 has not yet been determined. The Field Advisory Service (IRAP-C) and the Technical Information Service (IRAP-F) will provide technical information and advice on manufacturing problems to improve productivity and to promote the use of research results in industry across Canada, will receive increased funds to allow the National Research Council to set up regional offices across Canada. This increase will also help to fund additional staff in the provincial research organizations, which augment the Field Advisory and Technical Information Services in some provinces.

The increase also adds funds to the services offered under IRAP-L, IRAP-H and IRAP-M, which respectively allow small businesses to contract for research, hire undergraduates to solve problems, and allow firms to conduct small in-house R&D problems projects.

**Industrial Research Assistance Program
(IRAP-H): Contributions to Firms Employing Undergraduates
(See Employment Section)**

**Industrial Research Assistance Program
(IRAP-L): Contributions to Laboratory Investigations**

The (IRAP-L): Contributions to Laboratory Investigations administered by the NRC is designed to permit small companies to contract problem-solving investigations with appropriate research laboratories, institutes or consulting services.

Eligibility

Companies with 200 employees or less.

Assistance

Financial assistance to a maximum of \$6,000 per project. There is a limit of three projects per company per year. The company will be reimbursed, on receipt of paid-up invoices, to an amount equal to 75% of the authorized total cost of the contract.

Magnitude

The total IRAP budget for 1982/83 was \$35.2 million. The 1983/84 budget was expected to total 38.5 million. However in the April 19, 1983 budget the federal government committed an additional \$20 million to the program over the next two years. (The allocation of this additional funding between 83/84 and 84/85 has not yet been determined. The Field Advisory Service (IRAP-C) and the Technical Information Service (IRAP-F) will provide technical information and advice on manufacturing problems to improve productivity and to promote the use of research results in industry across Canada, will receive increased funds to allow the National Research Council to set up regional offices across Canada. This increase will also help to fund additional staff in the provincial research organizations, which augment the Field Advisory and Technical Information Services in some provinces.

The increase also adds funds to the services offered under IRAP-L, IRAP-H and IRAP-M, which respectively allow small businesses to contract for research, hire undergraduates to solve problems, and allow firms to conduct small in-house R&D problems projects.

**Industrial Research Assistance Program
(IRAP-M): Contributions to Small Projects**

The objective of the (IRAP-M): Contributions to Small Projects program is to encourage small companies, with limited or no technical staff, to solve specific technical problems with the aid of external R&D facilities in a selected research organization.

Eligibility

Provincially or federally incorporated manufacturers with 200 or less employees and little or no technical staff.

The project may not exceed 12 months in duration and must emphasize the following:

- applied R&D in the physical, chemical or biological fields;
- preliminary engineering to establish design principles for a new product or process;
- process and product improvement or development to the point of establishment of technical feasibility.

Assistance

Companies may subcontract all or a portion of an approved project to a co-operating research organization such as a qualified provincial research organization, university, industrial laboratory or consulting firm. The program will pay salaries and fringe benefits of professionals and technicians working on the approved project to a limit of \$30,000 in a 12-month period.

Magnitude

The total IRAP budget for 1982/83 was \$35.2 million. The 1983/84 budget was expected to total 38.5 million. However in the April 19, 1983 budget the federal government committed an additional \$20 million to the program over the next two years. (The allocation of this additional funding between 83/84 and 84/85 has not yet been determined. The Field Advisory Service (IRAP-C) and the Technical Information Service (IRAP-F) will provide technical information and advice on manufacturing problems to improve productivity and to promote the use of research results in industry across Canada, will receive increased funds to

allow the National Research Council to set up regional offices across Canada. This increase will also help to fund additional staff in the provincial research organizations, which augment the Field Advisory and Technical Information Services in some provinces.

The increase also adds funds to the services offered under IRAP-L, IRAP-H and IRAP-M, which respectively allow small businesses to contract for research, hire undergraduates to solve problems, and allow firms to conduct small in-house R&D problems projects.

Industrial Research Assistance Program (IRAP-P): Contributions to Large Projects

The National Research Council administers the (IRAP-P) Contributions to Large Projects program to increase the calibre and scope of industrial research in Canada in situations where it leads to high business effectiveness with economic and/or social benefit to Canada.

Eligibility

Incorporated companies engaged in activities based to a significant extent on technology derived from the physical and life sciences and engineering. Other Canadian enterprises, such as agricultural or fishery cooperatives or trade associations, as well as consulting firms, engineering and construction contractors and so on, which do not have direct control of production facilities may be eligible if they intend to maintain a research facility for the project and have the ability to fund and apply the research through an appropriate Canadian company or association.

Assistance

IRAP will pay the salaries of scientists, engineers, technologists and technicians and the company share of certain employee benefits. The participating company is responsible for the balance of funding, which may be provided by a third party subject to approval by the IRAP committee.

If special facilities or skills are required on a temporary basis, IRAP will pay the salary portion of a subcontract to a qualified organization such as a commercial laboratory, university or provincial research council.

Research projects will normally last two to three years. The NRC notes that projects should be of such a magnitude as to require at least one professional and an assistant for the duration of a period of about two years on a full time basis.

Magnitude

The total IRAP budget for 1982/83 was \$35.2 million. The 1983/84 budget was expected to total 38.5 million. However in the April 19, 1983 budget the federal government committed an additional \$20 million to the program over the next two years. (The allocation of this additional funding between 83/84 and 84/85 has not yet been determined. The Field Advisory Service (IRAP-C) and the Technical Information Service (IRAP-F) will provide technical information and advice on manufacturing problems to improve productivity and to promote the use of research results in industry across Canada, will receive increased funds to allow the National Research Council to set up regional offices across Canada. This increase will also help to fund additional staff in the provincial research organizations, which augment the Field Advisory and Technical Information Services in some provinces.

The increase also adds funds to the services offered under IRAP-L, IRAP-H and IRAP-M, which respectively allow small businesses to contract for research, hire undergraduates to solve problems, and allow firms to conduct small in-house R&D problems projects.

Industrial Research Fellowships

Details on Industrial Research Fellowships administered by the Natural Sciences and Engineering Research Council of Canada may be found in the Employment section.

Technical Awareness Program (TAP)

The Technical Awareness Program Administered by the National Research Council is designed to provide technological information to interested businesses, associations or educational institutions.

Eligibility

Any Canadian business, association or educational institution.

Assistance

The NRC selects articles relevant to Canadian conditions and presents them in the form of Tech Briefs. Each is given a title to describe its contents. When a client registers his interests, the computer selects and prints titles of monthly Tech Briefs based on these interests. The client may then order any of the briefs for study and application.

University of Waterloo Inventor's Assistance Program

The University of Waterloo Inventor's Assistance Program is administered by the Canadian Industrial Innovation Centre/Waterloo with financial assistance from Industry, Trade and Commerce Regional Economic Expansion and in conjunction with Canadian Patents and Developments Ltd. The program is designed to assist individuals and companies in taking the idea for a new product or process from the concept stage to the market-ready stage.

Eligibility

Any Canadian company or inventor.

Assistance

For a flat fee of \$50 the centre will give you a preliminary assessment of your invention.

If the rating is favourable, a comprehensive report outlining a recommended development plan will be produced. It may also offer to list the invention for marketing through its Innovation Bank. There is no listing charge for the first year of this service, which circulates a bulletin to prospective licensees and buyers.

Once the centre has developed contacts with prospective customers for licensing, manufacturing and sales, the inventor has the option of negotiating an agreement or authorizing the centre to do so.

The centre may also be prepared to participate directly in the development of inventions. It will do so in return for a fee for services, a share of future royalties or a blended formula. Its participation may include design assistance, patenting, specialized analysis, building and testing prototypes, manufacturing advice and obtaining financial assistance in support of development.

If the invention is suitable as a basis for a new enterprise, the centre can assist the start-up through its Enterprise Development department.

Unsolicited Proposals for Research and Development (UPRD)

The Unsolicited Proposals for Research and Development Program administered by Supply and Services is designed to encourage private sector research and development specifically related to existing government programs.

Eligibility

Any Canadian firm capable of performing the activity it proposes.

Assistance

The UPRD fund provides bridge financing to initiate projects pending their incorporation into departmental programs. This is done, however, only after a department has decided to support the proposal.

Magnitude

UPRD has an annual budget of \$15 million.

It has received a wide variety of proposals, from high-tech, space-oriented R&D and microelectronic applications to more traditional proposals in the farming, fishing and forestry industries.

The program's acceptance rate is in excess of 30% of applications received.

Since its beginnings eight years ago, it has received more than 4,000 proposals, and more than 1,200 contracts have been awarded, worth a total of approximately \$147 million. In fiscal 1982, 521 proposals worth more than \$100 million were submitted and 187 contracts were awarded, worth a total of \$28 million.

Program for Industry/Laboratory Projects (PILP)

The Program for Industry/Laboratory Projects (PILP) is administered by the National Research Council to bring about the application and use in Canada of government and other non-industrial scientific and engineering technology having potential economic and social benefit to Canada. This is done primarily by funding the development of this technology in industry.

Eligibility

Proposals to develop this technology are evaluated on the basis of technological risk involved, the technical and managerial capabilities of the company and the potential economic benefits to Canada.

Assistance

Financial support can be provided through procurement contracts or contribution agreements, and normally comprises between 75% and 100% of eligible costs. The Treasury Board has approved the extension of the program to include funding the development, in industry, of technology developed at Canadian universities. The Canadian Patents and Developments Limited (CPDL) licenses the background technology, i.e. the technology being transferred to the participating company by the company. The foreground technology i.e. the resulting new technology developed by the company is vested in the company when contribution agreements are used and in the crown under procurement contracts. In a procurement contract CPDL usually enters into a non exclusive license with the company. Under the extension of PILP to include technology developed by universities, the universities will control ownership of the technology and the method of the transfer to participating companies.

B. PROVINCIAL INNOVATION ASSISTANCE

ALBERTA

Product Development Program (PDP)

The Product Development Program is administered by the Alberta Economic Development/Industry Development Branch.

The PDP program is designed to assist Alberta manufacturers who wish to develop new products or improve existing products.

Eligibility

Alberta manufacturing companies.

Assistance

The Product Development Program provides financial assistance, to a maximum of 75% of eligible project costs, to Alberta manufacturers who wish to develop new products or improve the design of existing products. This program is designed to cover projects not normally exceeding a total cost of \$30,000.

BRITISH COLUMBIA

Product Development Management Program (PDMP)

The purpose of the Product Development Management Program (PDMP) is to assist small and medium sized Canadian manufacturing companies to carry out a preliminary assessment of their product development opportunities and problems and to assist them to implement a development program.

Eligibility

All PDMP projects begin with a preliminary audit assessment of the company's product development potential carried out by B.C. Research with the active involvement of company personnel. Small and medium-sized Canadian manufacturing companies are eligible.

Assistance

PDMP is jointly funded by Design Canada of the federal Department of Industry Trade and Commerce and the provincial Ministry & Industry and Small Business Development. The maximum eligible costs are \$25,000 per project.

MANITOBA

The Manitoba Department of Economic Development and Tourism and the federal Department of Regional Economic Expansion administers the 44 million federal/provincial Industrial Development Agreement (Enterprise Manitoba) and the \$20 million Tourism Development Agreement (Destination Manitoba). For information on the Enterprise Manitoba/Industry Sector Development Program and the Small Enterprise Development Programs which are R&D related see the Financing Section.

Enterprise Manitoba/Industrial Technology and Food Products Centres

The Manitoba Research Council in co-operation with the federal Department of Regional Economic Expansion and the Manitoba Department of Economic Development and Tourism administers the Industrial Technology and Food Products Centres of Enterprise Manitoba. This program is designed to stimulate the application of new or contemporary technology in Manitoba manufacturing, particularly in sectors identified as having significant potential for growth.

Eligibility

Technical Assistance Service: Both centres will:

- provide technical assistance to firms and individuals;
- arrange for outside experts to provide special skills not available in the centres;
- promote the effective utilization of technology in industry;
- organize seminars designed to increase awareness of evolving technology on an industry sector basis;
- direct clients to other government programs and services that can be of benefit;
- provide technical support for Enterprise Development Centre clients.

Research and Development Assistance Program

The purpose of the Research and Development Assistance program is to promote the growth of industry and technology in Manitoba by financially assisting projects concerned with the development of new or improved products or processes.

Eligibility

Small businesses, institutions and individuals carrying out research and development projects in Manitoba.

Assistance

The Manitoba Research Council cost-shares with the eligible enterprises for the costs of _____ direct labour, materials, special test equipment and tool and sub-contract and consultants fees.

Design Assistance Program

The Department of Economic Development and Tourism administers the Design Assistance Program to provide selective assistance to companies for the improvement of product design.

Eligibility

Eligibility to this program is restricted to projects where significant economic benefit to the province is apparent and where it is apparent that the company is in need of professional assistance and unable to obtain the necessary assistance under any other program.

Assistance

The program is cost shared with the Manitoba government and has a prescribed formula with a maximum unit.

NEW BRUNSWICK

Research and Productivity Council

The New Brunswick Research and Productivity Council is indirectly administered through a contract with the National Research Council. The Council was established to provide a source of technical support services for New Brunswick industry.

Eligibility

Companies in New Brunswick and Prince Edward Island.

Assistance

The Council maintains a well-equipped centre for engineering and problem-solving, industrial research and development, techno-economic studies and production engineering.

RPC carries out research and problem-solving on a cost-recovery basis for clients in Canada and abroad. All industrial engineering services are made available to companies in the two provinces by RPC through an NRC contract that also provides free technical information and assistance to New Brunswick companies.

NOVA SCOTIA

Product Development Management Program (PDMP)

The Product Development Management Program is administered by the Nova Scotia Design Institute and Department of Development in conjunction with Design Canada. The program is designed to contribute to the improvement of existing products and the development of new ones.

Eligibility

Nova Scotia manufacturers and processors who need integrated product development and marketing assistance.

Assistance

PDMP offers as much as 75% of approved costs to a maximum of \$15,000 contribution to a \$20,000 project for the following:

- design fees submitted by a consultant designer to develop a new product or redesign an existing one;
- design cost of developing new packaging, labels or sales brochures for manufacturers and primary producers;
- market studies.

The program will also pay as much as 75% of the cost of materials and labour to build one prototype (to a maximum of \$5,000).

Magnitude

In 1981/82 the program's budget was \$100,000 and in 1982/83 that amount will remain unchanged.

ONTARIO

Agricultural Technology Transfer Subprogram of the Agricultural Development Program

For details see Primary Industries section.

The Ontario Ministry of Industry and Trade administers the following five research and development programs.

Product Development Management Program (PDMP)

The Product Development Management Program designed to help small manufacturers develop new industrial design.

Eligibility

Small secondary manufacturers located in Ontario.

Assistance

Grants covering 75% or 90% of costs on eligible projects, which must be completed within 12 months and be commercially exploitable within 24 months. Total project costs should not exceed \$15,000 and PDMP will not give grants of more than \$10,000.

Eligible costs:

- consulting fees for industrial design, engineering product design and market research;
- construction of prototypes;
- development of product specifications;
- testing of prototypes related to materials and functions.

Non-eligible costs:

- capital expenditures;
- production engineering;
- direct and indirect productions costs;
- general overheads and administration.

Program to Encourage Product and Process Innovation (PEPPI)

The Program to Encourage Product and Process Innovation was designed to assist in the construction of prototypes of new products or processes.

Eligibility

Inventors or businesses resident in Ontario who have no manufacturing capabilities.

Assistance

PEPPI is designed for projects not exceeding \$15,000 total costs. The program will provide 100% of funding to a maximum of \$10,000.

Eligible costs include:

- materials, parts and components of the prototype;
- building of prototype using outside facilities;
- testing of materials and functions of the project prototype;
- fees of outside consulting expertise;
- R&D applied to specific design problems.

Magnitude

In fiscal 1980-81, 35 entrepreneurs received a total of \$349,100 under this program.

Note: Program was temporarily suspended in 1982. Check to see if it has been put back in place.

Promotional Aids Marketing Program (PAMP)

The Promotional Aids Marketing Program serves to assist in the successful launching of new products.

Eligibility

Small secondary manufacturers with less than 100 employees based in Ontario.

Product Qualifications: The product must have a minimum and realistic sales potential of \$200,000 in the first year. The applicant must support this claim with a sound marketing plan and back it up with acceptable data. The promotions project must be completed within six months of the approval date.

Assistance

PAMP will pay 50% of the costs of the project, to a maximum of \$7,500. The applicant is reimbursed for these costs upon completion of the project.

Magnitude

In fiscal 1980-81, 104 small firms received assistance totalling about \$657,000.

Small Business Industry Technology Program (SBITP)

The objective of the Small Business Industry Technology Program is to help small manufacturers develop new products or processes.

Eligibility

Small secondary manufacturers located in Ontario.

Assistance

Maximum costs for SBITP projects must not exceed \$25,000. The program will cover as much as 75% of all eligible costs to a maximum of \$15,000.

Eligible costs include:

- materials, parts and components;
- use of specialized manufacturing facilities;
- direct labour (excluding overhead expenses);
- testing related to materials and functions;
- R&D facilities;
- fees for outside consulting expertise in design, engineering and other technological skills;
- development of product specifications;
- legally required certification testing.

Technological Assessment and Planning (TAP) Program

The Technological Assessment and Planning program is designed to increase company efficiency and profitability.

Eligibility

Small Canadian-owned manufacturers in Ontario.

Assistance

TAP provides financial assistance up to \$3,600 for preliminary technical assessment and recommendation. Total project costs should not exceed \$4,000; the applicant pays the first \$400.

Eligible costs include:

- consulting services of research professionals;
- transportation expenses for one trip to the Ontario Research Foundation for its initial assessment and referral, plus any reasonable travel expenses incurred by the consultant.

Magnitude

In fiscal 1980-81, the program gave 30 small firms a total of \$102,300.

PRINCE EDWARD ISLAND

Licensing/Joint Venture Program

Prince Edward Island's Market Development Centre administers its Licensing/Joint Venture Program.

This program is designed to create new employment opportunities and strengthen existing P.E.I. firms through assistance to processors and manufacturers within the province in negotiating and securing licensing agreements or joint ventures with companies possessing appropriate new products or production technology.

Eligibility

- only products that have an identified market opportunity and are not now existing in P.E.I. will be considered;
- new products must have, or be clearly compatible with existing production activities;
- the company must have, or be able to acquire, the production facilities and management capability to fulfill the terms of the agreement;
- the owners or shareholders of the P.E.I. firm must have no proprietary interest in the licensor or venture partner.

Assistance

Cost-sharing agreements will be signed with successful applicants covering up to 50% of technology search costs, professional and consulting assistance and royalty guarantees, to a maximum of \$25,000 per project. The client will bear all other costs associated with the project and, in order to claim any of the royalty guarantee, the client must demonstrate that every effort has been made to reach projected sales levels as per the agreement.

Any approved project will be monitored by a Market Development Centre office who will work closely with the company during the initial period required to secure a formal agreement. This offer will give assistance in locating appropriate new products or production technology and in finalizing agreements, including the provision of specialized legal and consulting experience. In addition, during the first year of the agreement, the project will be monitored to assess sales levels and market penetration.

This program was introduced in the spring of 1982.

Product Development Management Program (PDMP)

The Product Development Management Program (PDMP) is designed to:

- encourage Prince Edward Island manufacturers to incorporate innovative design into the development of new, or improvement of current products.
- to support the development by Prince Edward Island manufacturers of innovative products, either new or improved.

Eligibility

- Only Prince Edward Island manufacturers are eligible for assistance under this program.
- The proposed new product must incorporate innovative design and not be presently available in the market.
- Improvements to existing products by incorporating innovative designs are also eligible.
- Successful applicants will be required to sign an agreement outlining terms and conditions under which they will participate in the program.

Assistance

Financial and Technical assistance will be provided for:

- market studies related to the product;
- design costs;
- prototype construction costs, materials and labour;
- testing costs.

Financial assistance will be cost-shared and will be negotiated between the Market Development Centre and the client.

Product Development Program

The purpose of the Product Development Program is to make financial and technical assistance available to primary producers, producers' organizations, processors and manufacturers to assist in the development and evaluation of new and improved products and processes.

A further objective is to assist primary producers, producers' organizations, processors and manufacturers in the development and evaluation of new and improved products or processes in an effort to expand production and markets.

Eligibility

- Eligible clients must be primary producers, producers' organizations, processors or manufacturers established and operating in Prince Edward Island.
- A new product need only be new to the particular company requesting assistance.

Projects eligible for assistance through the Federal Department of Regional Industrial Expansion (DRIE) will not be eligible under this program.

Assistance

Financial and Technical Assistance is available for:

- researching, developing and initiating new products;
- formulation costs associated with expanding product lines or improving existing products;
- costs of design, if work and colour separations required in developing new packages and labels;
- costs associated with the test marketing of products;
- evaluation of new or existing products;
- test production (trial run) of new products;
- transportation and organizational costs to undertake technical visits to equipment manufacturers and/or suppliers to view equipment in operation;
- costs associated with improving a manufacturing process to increase operational efficiencies.

All requests for assistance will be assessed individually.

All Market Development Centre staff costs associated with product development activities will be borne by the Market Development Centre.

All financial assistance will be cost-shared and negotiated between the Market Development Centre and the client.

QUEBEC

Centre de Recherche Industrielle du Quebec (CRIQ)

CRIQ is administered by Centre de recherche industrielle du Québec (Quebec Industrial Research Centre). The Industrial Research Centre is designed to promote innovation in small and medium-sized Quebec manufacturing enterprises.

Eligibility

The CRIQ has established a list of industrial sectors that will receive first priority in regards to research efforts. These are:

- manufacturers of machine tools and equipment in the food and beverage, metal products, mining and forestry, heating equipment and textile industries;
- electrical and electronics industries;
- wood products and furniture industries;
- manufacturers of clay, plastic or concrete items.

Assistance

The CRIQ will:

- conduct research activities in its own labs or in other research centres;
- help in the perfecting of industrial or scientific products, processes and equipment;
- help to gather and make available information and data related to technology and industry;
- work with industry on the creation, improvement and marketing of improved products, techniques or processes that will encourage economic growth and increase productivity.

The CRIQ's research and development facilities are available to eligible clients, but a fee is charged for their use. It will also share the cost of certain projects in the priority industrial sectors. In addition, the CRIQ will make available results of its internal research projects to enterprises that are able to prove that they have the willingness, managerial ability and financial resources to manufacture in Quebec.

SASKATCHEWAN

Innovation Place

The Saskatchewan Economic Development Corporation (SEDCO) administers Innovation Place to provide research and development facilities for product testing in life sciences, agribusiness, microelectronics, mineral extraction and refining and other related fields.

Eligibility

Firms interested in locating in the centre and using the available facilities for the above purposes.

Assistance

In addition to the availability of research and development resources at Innovation Place, access to the University of Saskatchewan's 14 colleges and three schools is available. And SEDCO offers a wide range of financial services, including term loans at low rates, leasing, lease/option and construction of facilities built to a firm's specifications. SEDCO may also offer equity participation on flexible buy-back arrangements.

Product Development Program

The Product Development Program is administered by the Saskatchewan Industry and Commerce Department to help assist in the development of new products and processes.

Eligibility

Manufacturers and processors who have the intention and ability to develop, produce and market the product.

Assistance

The program will pay 50% of the costs to a maximum of \$10,000 for an approved project in one of the following areas:

- developing new products;
- modifying or improving the quality and design of existing products;
- developing special processes;
- financing product-testing procedures to meet the mandatory standards of C.S.A., U.L. or other recognized agencies.

Assistance will be limited to two projects in any 12-month period.

Magnitude

In fiscal year 1980-81, the program approved 36 applications for total grants of \$248,047 on projects that had a total value of \$611,273.

Saskatchewan Research Council

The purpose of the Saskatchewan Research Council is to conduct and promote research and development in natural and managerial sciences.

Assistance

Contractual work will be undertaken for the private and public sectors. Cost shared development programs are available.

VI PRIMARY INDUSTRIES

A. FEDERAL ASSISTANCE

1. Advance Payment for Crops
2. Agricultural and Rural Development - Special ARDA
3. Farm Mortgage Loans
4. Farm Syndicate Loans
5. Farm Advisory Services for Farmers
6. Prospector's Assistance
7. Farm Improvement Loans
8. Crop Insurance
9. Agricultural Commodities Price Stabilization
10. Agricultural Fairs and Exhibitions Assistance
11. Animal Disease Eradication
12. Income Stabilization - Grain Producers
13. Fruit and Vegetable - Storage Construction Financial Assistance Program
14. New Crop Development Fund
15. Agriculture Information Services
16. Farm Building Plans Service
17. Agricultural Engineering Research and Development
18. Canadian Livestock Feed Brand Program - Feed Grains Storage Assistance
19. Fisheries Improvement Loans
20. Fishing Vessel Insurance Plan
21. Fishing Vessel Construction Assistance
22. Price Support for Fish Program
23. Fisheries Market Information and Support

B PROVINCIAL ASSISTANCE

ALBERTA

1. Agriculture Development Corporation Programs
2. Alberta Farm Development Loans
3. Beginning Farmer Program
4. Direct Farm Loans Program, Parts A and B
5. Disaster Assistance Loan Program
6. Specific Guaranteed Loans

NORTHWEST TERRITORIES

7. Trappers Assistance Program
8. Trappers Incentive Grants

NOVA SCOTIA

9. Farm and Timber Loans Program
10. Fishermens' Loans
11. The Nova Scotia Resources Development Board

ONTARIO

12. Agricultural Development Program
 - (a) Agricultural Technology Transfer Subprogram of the Agricultural Development Program
 - (b) Farm Development Subprogram of the Agricultural Development Program
 - (c) Farm Products Marketing Subprogram of the Agricultural Development Program
13. Natural Resources Development Program
 - (a) Resource Diversification Subprogram of the Natural Resources Development Program
 - (b) Rural Forest Production Subprogram of the Natural Resources Development Program
14. Ontario Mineral Exploration Program

VI. PRIMARY INDUSTRIES

A. FEDERAL ASSISTANCE

1. Advance Payment for Crops

Agriculture Canada delivers the Advance Payment for Crops program to help farmers meet post-harvest production costs and smooth out their cash flow.

Eligibility

Eligible crop producers belonging to an incorporated organization. (Eligible crops are all storable crops grown in Canada, except wheat, oats and barley grown in the area covered by the Canadian Wheat Board.)

Assistance

Each organization must make its request to Agriculture Canada before July 31 for the crop year from August 1 of that year to July 31 of the following year.

Interest-free advances to a maximum of \$15,000 are available. The program also will:

- (a) guarantee repayment of 95% of the amount a producer organization borrows from a bank;
- (b) pay the interest on the bank loan if the advances are made;
- (c) prescribe the rate of advance per unit of crop, audit organizations' records and review and approve monthly interest and default claims from organizations.

The benefits to individual producers are handled by a producer organization, such as a co-operative, which is responsible for:

- arranging loan details with a bank;
- issuing advances to producers;
- verifying the quality of each producer's storable crop;
- accepting responsibility for 10% defaults;
- paying for administration costs.

The individual producer is responsible in turn for:

- making application to the producer group;
- specifying the quantity of the storable crop;
- having no prior liens on the crop and not being in default on a previous advance;
- selling the crop to a designated buyer or broker who deducts the amount advanced and forwards it to the organization;
- interest on a cash repayment.

2. Agricultural and Rural Development - Special ARDA

The Agricultural and Rural development Special ARDA program is administered by the Department of Regional Economic Expansion (DREE) to provide employment, increase income and improve living conditions for rural residents especially those of Native ancestry.

Eligibility

Small businesses, self-employed farmers, hunters, trappers and fishermen in all the western provinces except Alberta.

Assistance

Incentive grants and other financial assistance for projects related to primary production, social adjustment projects and projects involving the establishment, acquisition, expansion or modernization or any commercial undertaking engaged in the utilization of primary resources, processing, manufacturing or the provision of services.

The amount of assistance depends on agreements worked out with individual provinces.

Magnitude

In 1980-81, DREE provided grants of \$13.4 million to companies in western Canada through this program.

3. Farm Mortgage Loans

The Farm Credit Corporation of Canada administers farm mortgage loans to provide long-term mortgage credit to assist farmers and those wishing to become farmers to purchase, develop and maintain sound farm businesses.

Eligibility

Individual farmers involved in crop production, dairying or livestock raising; fruit, vegetable and nursery production; beekeeping; fur farming; fish farming, or any other husbandry considered as farming, such as maple syrup production. Beginning farmers, partnerships, farming corporations and co-operative farm associations are also eligible for assistance.

Loans are secured by a mortgage on farm lands and any additional security which the Corporation may require, such as a chattel mortgage on livestock and equipment or other types of security.

Up to 30% of the loan funds may be disbursed prior to registration of a mortgage and the balance will be disbursed when mortgage documentation is completed.

Borrowers may select periods of up to 30 years to repay a loan, though terms may be limited depending on the nature of the enterprise and the applicant's ability to repay.

Credit advisors are also available to provide organization, planning and management advice.

Assistance

Loans are available for purchasing farm land, making permanent improvements, purchasing breeding stock and farm equipment, debt consolidation or any purpose that will facilitate the efficient operation of the farm.

The maximum loan for one qualifying applicant is \$300,000. The maximum loan for two or more qualifying applicants is \$500,000. Two types of loans are available:

- . Standard Farm Loans: the applicant must, after the loan is made, be principally occupied in farming.
- . Loans to Beginning Farmers: applicants may retain off-farm employment while developing an economic farm business, providing farming becomes their principal occupation within five years.

4. Farm Syndicate Loans

The Farm Credit Corporation of Canada administers Farm Syndicate Loans to enable farmers through the collective use of buildings, machinery and equipment to improve the efficiency of their operation.

Eligibility

Groups of three or more farmers who have signed agreements to purchase jointly and use buildings, machinery or installed equipment.

Assistance

Loans for up to 80% of the costs, to a maximum of \$15,000 per member or \$100,000 per group (whichever is less) are available. The Farm Credit Corporation also provides farmers with assistance in the preparation of the agreements.

Loans must be repaid over periods not exceeding seven years for machinery and 15 years for buildings and installed equipment.

The interest rate on Corporation loans varies with the cost of funds to the Corporation and the expense of servicing the loan.

5. Farm Advisory Service for Farmers

The Farm Credit Corporation provides the farmer with advisory assistance to manage the financial aspects of their farm business more efficiently.

Eligibility

Credit counselling is available to all farmers. Intensive advisory services are available to new and existing FCC borrowers.

Assistance

Record Keeping and financial statements: FCC credit counsellors will help farmers choose the record-keeping system that best meets their needs, and will assist them in becoming familiar with the system.

Interpretation and analysis of financial data: Advisory staff will help with financial analysis and planning in addition to giving assistance in identifying problems and opportunities for improvement. They will also assist in the evaluation of alternative courses of action. Comparative analysis of production and financial factors for similar farms can also be provided.

6. Prospector's Assistance

The prospector's Assistance Program is administered by the Prospector's Assistance Board, Department of Indian Affairs and Northern Development. The purpose of this program is to encourage the search for minerals in the NWT and the Yukon.

Eligibility

Anyone 21 years or older.

Assistance

Service contracts are available with eligible prospectors, including advance payments at the beginning of the season to a maximum grant of \$3,500, travel costs up to \$2,000 and other costs up to a maximum of \$500.

7. Farm Improvement Loans

Agriculture Canada administers the Farm improvement Loan Program to provide government guarantees for farm loans obtained from Chartered banks or other approved lenders such as credit unions, caisses populaires and trust companies.

Eligibility

Assistance is available to farmers for the purchase of agricultural implements, livestock and additional land, repairs to farm buildings and other projects for farm improvement and development.

Assistance

Term loans are available to farmers. Repayment terms are up to 15 years for additional land and up to 10 years for other purposes.

Loans to refinance existing debts or to provide working capital are not eligible. The applicant must provide a reasonable portion of the cost of the purchase or project from his own resources and an overall maximum of \$100,000 may be outstanding to any farmer at any one time.

8. Crop Insurance

Agriculture Canada administers the Crop Insurance Act to assist producers in mailing all risk crop insurance available to Canadian farmers through federal-provincial cost-shared agreements.

Assistance

The Crop Insurance Act provides for federal contributions toward the costs of provincially operated crop insurance programs and for either making loans to the provinces to pay indemnities in excess of reserves or reinsuring a major portion of the provincial risk involved in crop insurance scheme, a farmer may protect his investment in the production of crops by insuring against losses caused by perils such as drought, wind, tornado, frost and plant disease.

9. Agricultural Commodities Price Stabilization

Agriculture Canada assists producers to stabilize their incomes by providing deficiency payments when market prices fall below predetermined levels.

Eligibility

Producers are eligible for assistance under this program when a deficiency payment is announced producers may file application forms documenting their productions and payments are then made directly to individuals.

Assistance

Deficiency payments are made to producers whenever average market prices fall below the support prices prescribed in accordance with the Agricultural Stabilization Act for commodities "named" in the Act (cattle, hots, sheep, butter, eggs and cheese; and wheat, oats, and barley not produced in areas defined by the Canadian Wheat Board Act) and for those "designated" from time to time by the Governor-in-Council. Support for "named" commodities is set at a minimum of 90 percent of the previous five-year average market price, indexed for cash cost of production changes. For "designated" commodities, support prices are generally set at the 90 percent level.

In addition, under the Agricultural Products Board Act, action is taken through purchase and sale agreements to strengthen the market in lieu of stabilization.

10. Agricultural Fairs and Exhibitions Assistance

Agriculture Canada assists agricultural fairs and exhibitions, to encourage livestock improvement and help the fairs and exhibitions maintain or improve their facilities.

Assistance

Grants are provided to listed fairs and exhibitions for judges' fees, junior activities, improvements to exhibition facilities, and for prizes in livestock classifications. Prize money assistance is given to competitive beef and dairy cattle, sheep, and swine shows held at listed exhibitions and adopting the classifications offered by Agriculture Canada.

11. Animal Disease Eradication

Agriculture Canada administers the Animal Disease Eradication Program to compensate herd owners when their animals have to be slaughtered to control disease.

Assistance

Compensation generally corresponds to the market value of the animals, but there are maximum amounts applicable to cattle and horses destroyed under any particular area or herd disease program.

12. Income Stabilization - Grain Producers

Agriculture Canada administers the Western Grain Stabilization Act to protect producers against extreme fluctuations in returns from year to year.

Assistance

The Government contributes 4 percent and producers 2 percent of eligible gross income from grain to a stabilization fund. Payments are made when the net cash flow to prairie grain producers from grain sales falls below the level of the average for the previous five years.

13. Fruit and Vegetable Storage Construction - Financial Assistance Program

Under this program Agriculture Canada makes financial assistance available to producer groups for the construction or renovation of specialized fruit and vegetable storage facilities. The objective is to increase Canadian production of fruits and vegetables, improve handling procedures and ensure that high-quality products will be available over an extended period of time.

Eligibility

Groups of three or more primary producers such as producer associations, cooperatives, syndicates or marketing boards engaged in the production, storing and marketing of fruits and vegetables for the fresh market or for processing are eligible to apply for the financial assistance.

Assistance

Under the program, the federal government will pay up to a third of the total cost, to a maximum of \$500,000, of construction of a storage facility. Costs may include purchase of land, site development, architect's fees, grading and handling equipment, and access roads or railway spur lines.

14. New Crop Development Fund

This program administered by Agriculture Canada provides financial incentives and assistance to stimulate the development and adaptation of new crops, varieties or production practices or new growing areas for established crops, that offer promise to Canadian agriculture. The program is designed to bridge the gap between basic research and commercial production.

Eligibility

Commercial organizations, industrial and producer organizations, universities, provincial agencies and non-profit groups incorporated in Canada who have adequate resources to carry out projects can apply for the fund.

Assistance

The government's contribution is limited to 50 percent of eligible costs for commercially or provincially sponsored proposals. Contributions to non-commercial sponsors may be higher. Costs directly incurred as a result of undertaking a project (except capital costs) are considered eligible for financial assistance.

15. Agriculture Information Services

Agriculture Canada issues reports daily, weekly, monthly, quarterly and annually on the marketing of livestock, dairy products, eggs and other poultry products, fruits and vegetables, maple products and honey. The figures are gathered from the principal centres of Canada and cover receipts at markets, unloadings and related matters. Information about Agriculture Canada's policies, programs and activities is available from its Information Services Branch. The branch also has a public services section to provide expert replies to technical questions addressed to the department. The specialists of this unit give advice and information by letter, telephone or in person.

16. Farm Building Plans Service

Administered by Agriculture Canada, federal and provincial agricultural engineers cooperate to produce building plans for a wide variety of farm users. Leaflets describing the plans, and the plans themselves, are available only through provincial departments of agriculture.

17. Agricultural Engineering Research and Development

Administered by Agriculture Canada the Agricultural Engineering Research and Development Program (AERD) improves such areas as mechanization, buildings and energy utilization for farmers and assists Canadian industry in increasing agricultural engineering R&D effort.

Funds are provided for proposals solicited through the Science Procurement System of the Department of Supply and Services. Proposals can be made in response to advertised general program priorities or specific requirements and at the initiative of the proposer who recognizes a previously unmet need for specific work.

18. Canadian Livestock Feed Board Program - Feed Grains Storage Assistance

Agriculture Canada administers three programs to assist firms and individuals to build new inland elevators or expand storage capacities at existing elevators and feed mills. They apply only to commercial operations in areas that do not produce sufficient feed grains for local use.

The programs are:

1. The Inland Elevator Program assists the expansion of existing facilities through outright grants of up to 30 percent of eligible costs of construction to a maximum contribution of \$150,000.
2. The Construction of New Inland Elevators Program provides contributions covering up to 50 percent of eligible capital costs, to a maximum of \$500,000, on new elevators that are started after April 1, 1967. Commencing in the fourth year of operation of the new facility, the operator is required to begin repayments as follows:
Fourth year - \$0.45 per tonne of throughput
Fifth year - \$0.90 per tonne of throughput
Six to tenth year - \$1.35 per tonne of throughput
Repayments cease after the tenth year or when 40 percent of the contributions have been repaid at no interest.
3. The Local Feed Grain Security Program assists in the expansion of storage facilities at feed manufacturing plants. Assistance, in the form of carrying charges, may not exceed the lesser of the point at which additional inventories are equivalent to the new storage space created, or the point at which additional inventories reach a level of 1,100 tonnes (50,000 bushels). Carrying charges refer to storage charges plus interest cost of feed grain inventories.

19. Fisheries Improvement Loans

The Department of Fisheries and Oceans guarantees term loans made to fishermen by chartered banks and other approved lenders for a wide range of fisheries improvement projects.

Eligibility

Fishermen, defined as persons who own or plan to obtain a fishing vessel or fish-catching and related equipment, and who make their living by fishing are eligible to apply for the loan.

Loans may be made for the purchase or construction of fishing vessels and equipment; major repair or overhaul of fishing vessels; construction, repair or alteration of buildings required by a primary fishing enterprise; or general works for development or improvement of a primary fishing enterprise.

The maximum amount a borrower may have outstanding at one time is \$150,000. The maximum repayment period is 15 years.

20. Fishing Vessel Insurance Plan

The Fishing Vessel Insurance Plan provides low-cost insurance for seaworthy fishing vessels.

The plan provides total or partial loss coverage of seaworthy fishing vessels based on the appraised value of the hull and machinery. To be eligible vessels must have a value of \$500 or more. The vessel's home port must be in Canada and it must be used in a commercial fishery. Fishermen may opt for less than 100 percent coverage in order to reduce their premiums. Electronic equipment may also be insured and third party collision liability is available for an additional premium. Actual premium rates depend on the construction, condition, age and equipment of each vessel, the qualifications of the crew, the types of fishing activities in which the vessel engages, its area of operations and other factors related to the anticipated risks.

21. Fishing Vessel Construction Assistance

The Department of Fisheries and Oceans provides funds to encourage the building and use of modern small commercial fishing vessels built in Canadian yards.

Owners or prospective owners of vessels in the inland fishery that are 16 to 75 feet in length and vessels in the east coast fishery that are 25 to 75 feet in length are eligible. The eligibility criteria are reviewed annually to ensure that the limited program funds are used where the need is most pressing. At present, subsidies in respect of construction are approved only where the new vessel is to replace one that has outlived its usefulness.

Assistance

The government contributes 35 percent of the cost of construction, modification or conversion of approved projects for vessels which are, or will be, engaged in the inland or east coast fishery.

Magnitude

Approximately \$8 million per year is spent on this program.

22. Price Support For Fish Program

The fisheries Prices Support Board administered by the Department of Fisheries and Oceans is responsible for investigating and, where appropriate, recommending action to support prices of fishery products where declines have been experienced. The basic principle is to protect fishermen against sharp declines in prices and consequent loss of income due to causes beyond their control.

Assistance

The Board, subject to approval of the Governor-in-Council, is empowered to purchase fishery products at prescribed prices or pay deficiency payments to producers of fishery products equal to the difference between a prescribed price and the average price at which such products were sold.

The Board acts as purchasing agent for fishery products used in international food aid and development programs administered by the Canadian International Development Agency and the World Food Program.

23. Fisheries Market Information and Support Program

The Department of Fisheries and Oceans, Fisheries Market Information and Support Program is designed to strengthen the industry's capabilities in marketing and associated activities to obtain the highest return from the fishery resources of Canada. Services include: statistical and management information, trade and market outlook reports, market analysis and identification of market opportunities, marketing plans, policies and strategies to improve marketing efficiency, consumer education and promotion of fishery products, support of new product development, and price support operations.

Specific projects include: the Fisheries Food Centre, world-wide marketing studies, special marketing and sales missions and products promotion.

B. PROVINCIAL ASSISTANCE PROGRAMS

ALBERTA

The following five programs are administered by the Agricultural Development Corporation:

1. Agricultural Development Corporation Programs

Alberta's Agricultural Development Corporation was established to act as a lender of last resort to Albertans involved in the agricultural industry who are unable to obtain funds from conventional lenders under reasonable terms and conditions.

Eligibility

The Agricultural Development Corporation makes funds available to primary producers of agricultural products and the owners of associated businesses and agricultural industries.

2. Alberta Farm Development Loans (AFDL)

Eligibility

Primary producers of agricultural products who farm or intend to farm.

Assistance

Under this program, the applicant applies directly to the lender of his choice, who reviews the application and makes the decision whether or not to make the loan. Loans may be given up to a maximum of \$100,000 for a term of up to 15 years, and may be used for equipment, machinery, operating, building, milk quota, land, permanent improvements, livestock, or the purchase of any agricultural asset. Loans under this program may not be made for debt consolidation.

There are four specialized programs under AFDL that include incentive rebates. These programs have specific guidelines and purposes, but follow the same procedure to apply for a loan as an applicant would for an Alberta Farm Development Loan. These programs are:

- (a) Dairy Development Program: To qualify under this program, an applicant must be a supplier of dairy products to any licensed dairy product manufacturer and receive a loan under the ADC guaranteed loan programs. After receiving a loan, the applicant should contact the Regional Dairy Specialist, a representative of the Dairy Division, or an ADC loans officer to see if he qualifies for an incentive. If so, the incentive is \$70 per \$1,000 of the original loan amount eligible for incentive payment (maximum \$30,000 for individual farm operators and \$50,000 for partnerships, farming companies or farm families). Payments are made in equal annual amounts for three years, provided that a complete annual instalment of principal and interest has been paid and the original project is continued. Projects included in this program are:
 - constructing, altering or repairing buildings to be used primarily for dairying purposes;
 - making improvements to dairying facilities;
 - purchasing equipment incidental to the production of milk and the operation of a dairying facility;
 - purchasing milk quota;
 - purchasing a standby power plant;
 - dairy projects receiving written approval from the ADC.

- (b) Native Range Improvement Program: This program is designed to increase farm and ranch income by assisting and promoting range improvement practices. The maximum loan eligible for incentive is \$6,000 for individual farmers or ranchers. For partnerships and farming companies, it is \$6,000 for the first family within the partnership or company, plus \$3,000 for each additional family to a maximum of \$12,000. The incentive is \$70 per \$1,000 of the original loan amount eligible, and will be paid each year for five years. Projects that may be included in the program are:

- reseeding native range land to suitable tame species on soils with adequate potential;
- brush control;
- fence construction to facilitate grazing;
- trails to improve animal access (in some brush-covered areas);
- poisonous plant control and range weed control;
- drainage projects;

(c) Sheep Producer's Incentive Program: Eligible applicants for an annual incentive under this program are potential or established sheep producers who achieve their stated purposes in sheep production and are current with their loan repayment program. Applicants may also be required to enroll in a home study course in sheep production, accept counselling, or provide an annual farm production plan. The maximum amount of loan eligible for the incentive is \$40,000, and the annual incentive is \$70 per \$1,000 of the original loan amount eligible for a period of five years. Projects that may be included in the program are:

- the purchase or modification of equipment used in sheep production
- alteration or repair of buildings, fences and feedlot facilities;
- the purchase of sound rams and ewes to be retained in the breeding flock;
- other purposes receiving written approval from the ADC.

(d) Vegetable and Potato Storage Program: Potato growers who are licenced by the Alberta Potato Commission and vegetable growers who are members of the Alberta Fresh Vegetable Marketing Board are eligible for an annual incentive under this program, provided that they meet all the objectives of the program and are current with their loan repayment program. The maximum amount of loan eligible for the incentive is \$75,000. The annual incentive is \$70 per \$1,000 of the original loan amount eligible and will be paid annually over a period of five years. Projects that may be included in the program are:

- the construction, modification and improvement of potato and vegetable storage facilities including insulation, ventilation, humidification and refrigeration equipment;
- the improvement of product handling capabilities in and out of storage;
- the purchase of equipment such as bin loading and unloading equipment, graders, vegetable and potato washing, waxing, grading and handling equipment;
- other purposes receiving written approval from the ADC.

3. Beginning Farmer Program

Eligibility

An individual who does not own, and has not owned, a viable farm unit, but who has demonstrated the ability required to succeed in farming.

An individual is eligible to apply for a loan under this program once, though he may opt to phase into the program in two stages instead of one. Under the staged option, the total loan amount may not exceed \$200,000 and the Stage II must be for a minimum of \$40,000. If an applicant chooses the staged option, the first loan will be given at the Corporations' preferred lending rate at the time, and the Stage II loan will be given at the preferred rate in effect at the time of the second loan's approval. An applicant must apply for a Stage II loan no later than four years after approval of the Stage I loan.

There are specific qualifications that any applicant must meet in order to qualify for a Beginning Farmer Loan, these are:

- the applicant must have a 10% interest in the proposed farming operation, though this interest may be of a non-cash nature;
- together with the financing to be provided, the applicant's assets, including cash but excluding household belongings, must not exceed \$35,000. If the applicant is married, this may include the spouse's assets as well. Any equity represented by assets to be acquired for less than fair market value must also be taken into account;
- the net worth of the applicant must not exceed \$175,000 after the proposed loan program has been taken into consideration;

- the applicant must have one or more years of practical farming experience certification under the Green C Certificate Program, or two years of education in an agriculture-related field and a suitable working arrangement guaranteeing effective farm management will be available.

Effective April 1, 1981, the applicant may earn an incentive calculated at 6% of the original principle balance if he or she complies with the terms and conditions of the ADC loan. This incentive will be paid annually for a term of five years. Loans under the Beginning Farmer Program are not eligible for earned incentive under any other ADC program.

A beginning farmer is allowed to have off-farm income over an extended period of time as long as it enhances, rather than detracts from, the development of the farm.

Assistance

The ADC will provide direct long-term loans to be used for land, permanent improvements, including houses and mobile homes; machinery; and livestock. Loans are available up to \$200,000 at the Corporation's direct loan preferred lending rate, with terms up to 30 years.

Loans for machinery or equipment will not normally be considered unless land is also being acquired, or is already owned by the applicant. Loans for machinery and livestock are usually given on short-term basis with a term up to 10 years; but long-term loans may be considered, depending on the applicant's ability to repay the loan.

4. Direct Farm Loans Program, Parts A and B

Eligibility

Primary producers establishing, developing or maintaining a viable family farm who are unable to secure reasonable financing elsewhere.

Applicants who derive the majority of their income from off-farm sources will not qualify for a loan under this program.

Assistance

The ADC will provide direct loans of up to a maximum of \$200,000 per participating farm family, to be amortized over periods of 20 to 30 years. These loans may be used for purchasing and; making permanent improvements, constructing, altering, repairing or extending buildings, including houses and mobile homes; consolidating outstanding liabilities; or any purpose approved by the ADC related to the establishment or maintenance of a family farm unit. Part A borrowers, with a pro forma net worth of less than \$225,000 and total assets of less than \$350,000 after the ADC loan is in place, may be charged interest at 3% less than the preferred lending rate for the first five-year term of the loan, and at the preferred lending rate thereafter. Borrowers who do not qualify for Part A will be charged interest at the preferred lending rate.

5. Disaster Assistance Loan Program

Eligibility

Any farmer who has suffered from an agricultural disaster beyond his control and which could not be insured.

Assistance under this program will be based on the applicant's need and the extent to which the loss threatens the viability of the operation. Losses customarily insured against losses which can be covered by crop insurance, and losses due to market collapse are excluded from assistance under this program.

Assistance

This program is not designed to compensate for losses, but to allow a farm unit to regain reasonable viability. Several means of assistance may be provided: a guarantee of borrowings in order to reduce costs, a direct loan under normal Corporate guidelines, a direct loan with graduated repayment schedules, or a direct loan with a reduction of interest payable in full or in part of up to three years.

Funds under this program may be used to repair and replace buildings and other permanent improvements, replace livestock, or for any other purpose deemed by the ADC to be directly related to an agricultural disaster.

6. Specific Guaranteed Loans

Eligibility

Primary producers who cannot secure financing from the lender of his choice due to the lender's lending policies in regard to term, security, risk or amount.

Assistance

Eligible applicants are assisted in obtaining short- and intermediate-term financing through a 100% guarantee of the financing by ADC to the lender. Loans are available for purchasing any agricultural assets, operating capital and debt consolidation. The maximum term for the loan is 15 years.

NORTHWEST TERRITORIES

7. Trappers' Assistance Program

The Trappers' Assistance Program is administered by the Department of Renewable Resources, N.W.T. Wildlife Services. The program is designed to provide loans to trappers.

Eligibility

Holders of N.W.T. general hunting licences who are residents of the Northwest Territories.

Assistance

Loans are available to trappers for outfitting of the coming season's activities and to assist trappers to reach their areas, to a maximum of \$1,500 per trapper.

8. Trappers Incentive Grants

The Department of Renewable Resources N.W.T. Wildlife Service also administers the Trappers' Incentive Grants' which are designed to assist trappers.

Eligibility

Holders of N.W.T. general hunting licences who are residents of the Northwest Territories.

A fur subsidy may be provided at the beginning of the trapping season, calculated on the previous season's fur sales.

NOVA SCOTIA

9. Farm and Timber Loans Program

The Nova Scotia Farm Loan Board and Department of Agriculture and Marketing administer the Farm and Timber Loans Program. This program is designed to assist in the development of new farms and to aid forest products companies.

Eligibility

Young and part-time farmers who wish to purchase farms, livestock and machinery, or owners of forest product mills who want to purchase land.

Assistance

The program will provide loans and interest subsidies using a variety of formulae and repayment schedules depending on the type of operation. The vast majority of loans are given to farmers.

10. Fishermens' Loans

The Nova Scotia Department of Fisheries/Fishermens' Loan Board administers the Fishermens' Loans Program.

Theis program makes loans to fishermen, associations of fishermen and companies for the following purposes:

- purchase of construction of a hull or boat;
- purchase and installation of an engine or other equipment in a boat;
- conversion or technical modification of an existing boat;
- development of aquaculture facilities.

Eligibility

Canadian citizens or companies resident in Nova Scotia who have at least two year's commercial fishing experience in the most recent five years and who can demonstrate to the Board that the larger portion of time spent or income recieved directly relates to commercial fishing. In the case of aquaculture, the applicant must provide evidence of competency.

Ineligible projects: the Board will not consider loans for vessels less than 22 ft. in length, used vessels more than 12 years old or loans for less than \$1,000.

Assistance

The Board will grant loans according to the type of loan required and the age of the boat. Terms vary from five to 15 years and interest rates are generally 10% with the exception of 1% more than the provincial borrowing rate for boats 65ft. or longer.

Magnitude

In 1981, the Loan Board approved 738 applications out of 914 submitted for total loans of \$39.4 million. By April 1982, it had approved a further 382 (of 621 considered) for a total of \$18.2 million. The loan fund is a total of \$150 million of which \$115 million is presently committed to 2,260 loans.

11. The Nova Scotia Resources Development Board (NSRDB)

The Nova Scotia Resources Development Board is a self-administering body under the Industrial Loan Act and the Industrial Development Act. The (NSRDB) is designed to assist in the development of a Nova Scotia tourism and resource based businesses.

Eligibility

Nova Scotia businesses engaged in the tourist industry, such as motels, hotels, campgrounds, restaurants and so on. Sawmills and fish and food processing plants are also eligible.

Ineligible businesses: manufacturing, wholesale and retail trade, service industries and construction.

Assistance

Industrial Loan Program: as much as 75% of the cost of fixed assets for processing firms, fish plants, lobster pounds, saw and planing mills and other industries related to the natural resource sector of the economy. Loan terms may be up to 20 years.

Tourism Industry Loan Program: as much as 75% of the cost of fixed assets for projects that involve new construction or expansion of motels, hotels, campsites, restaurants and certain recreational facilities related to tourism. Funds are not available to purchase existing facilities or for projects in the Halifax area. Terms of loans may be as long as 20 years.

ONTARIO

12. Agricultural Development Program

The Agricultural Development Program is administered under the Northern Ontario Rural Development Agreement to assist farmers and provide agricultural services in the north. The program encourages farmer to increase the use of applied technology through the demonstration and application of new methods and practises aimed at improving the efficiency of agriculture in the north. \$4.7 million have been allocated for this program.

The Agricultural Development Program has the following three sub-programs:

(a) Agricultural Technology Transfer Subprogram of the Agricultural Development Program

This program is designed to promote testing, demonstration and adoption of new technology on farms and in agricultural businesses.

Eligibility

Individual farmers, farm partnerships, farm corporations, farm organizations, commodity groups or groups of farmers with a common interest, and agricultural businesses within the districts of Rainy River, Kenora, Thunder Bay, Cochrane, Algoma, Temiskaming, Manitoulin, Nipissing, Parry Sound and Sudbury.

Those projects that will be considered for assistance are those which are expected to lead to improving the efficiency of farms or agricultural businesses through technological improvements, primarily, but not exclusively, in energy-saving systems, new crop development improved soil management, improved livestock environment, waste recovery and farm management systems.

Assistance

For testing innovative technology, aid is available for up to 50% of project costs with maximum assistance of \$10,000 available.

For demonstrating new technology, aid is available for up to 50% of project costs to maximum of \$10,000. Where grain storage systems are involved, assistance may be available for 50% of costs to a maximum of \$45 per ton of grain storage capacity of the system. Assistance will not exceed \$5,000 per farmer. For capital costs, the grant will be made in one payment after completion of construction. For non-capital costs, the grant will be paid to a maximum of \$15 per ton capacity in each year of the three-year period following the completion of construction.

For promoting the wider adoption of proven technology, aid is available for up to 25% of project costs with maximum assistance available of \$5,000 per project.

For facilitating the adoption of revised farming systems, aid is available for up to 25% of project costs to a maximum of \$5,000 per project.

Where in-depth on-farm testing of research-proven technology is proposed with public and private sector bodies, aid for up to 100% of the eligible costs will be considered to a maximum of \$50,000. Contracts with farmers to provide their time and resources will be considered eligible for projects involving in-depth on-farm testing of farm management systems where the Ontario Ministry of Agriculture and Food or Agriculture Canada are the primary sponsors.

If measuring or recording equipment is required to evaluate projects which are outside farm use, provision may be made for the purchase of the necessary equipment.

Final assistance will be authorized for approved projects upon submission of paid invoices. Normally, there will be a 20% holdback on payment pending submission of an acceptable final report.

This program is of limited duration, therefore all projects must be approved prior to March 31, 1984. Final reports and claims must be submitted prior to December 31, 1984, and no payments shall be made after March 31, 1985.

(b) Farm Development Subprogram of the Agricultural Development Program

The purpose of the Farm Development sub-program is to diversify and expand Northern Ontario agriculture by encouraging the establishment and further development of viable farm operations.

Eligibility

Individual farmers, farm partnerships, farm corporations, farm organizations, commodity groups or groups of farmers with a common interest, and agricultural businesses within the districts of Rainy River, Kenora, Thunder Bay, Cochrane, Algoma, Temiskaming, Manitoulin, Nipissing, Parry Sound and Sudbury.

Assistance

Financial assistance may be provided to a maximum of 50% of the approved capital costs of eligible projects. Projects may be individual projects; joint projects (those proposed by more than one producer for carrying out the same activities on a number of farms to achieve a stated purpose); and group projects (those in which a number of producers will benefit from the proposed project in one location). Projects will be assessed on their potential for development of the farm industry. Preference will be given to those projects which will create benefits for a significant number of producers.

For Land development proposals, aid is available for:

- land clearing and preparation: 50% of costs to a maximum of \$10,000. The maximum area that can be cleared with the help of financial assistance under this program is 40 acres per year per applicant.
- tile drainage: aid is available to 20% of costs, to a maximum of \$5,000.
- erosion control: aid is available to 40% of costs, to a maximum of \$5,000.

Total assistance per applicant will not exceed \$10,000.

(c) Farm Products Marketing Subprogram of the Agricultural Development Program

The Farm Products Marketing Sub-Program is designed to encourage production of new farm products through market research identification and development.

Eligibility

Individual farmers, farm partnerships, farm corporations, farm organizations, commodity groups or groups of farmers with a common interest and agricultural businesses within the districts of Rainy River, Kenora, Thunder Bay, Cochrane, Algoma, Temiskaming, Manitoulin, Nipissing, Parry Sound and Sudbury.

Assistance

Financial assistance may be provided for market identification studies to identify the potential of and requirements for marketing agricultural products that are produced in the area. Applications will be assessed on the adequacy of present market data and production potential of the product or products involved.

Financial assistance may also be provided for market development activities including promotion and test marketing of new products that are being produced in the area. Other market development proposals are also acceptable for aid. Applications will be assessed on the present supply-demand situation, the possible conflicts from competing products and the expectation of success and the extent to which current market development initiatives are in place.

13. Natural Resources Development Program

The Natural Resource Development Program administered by the Northern Ontario Rural Development Agreement is designed to expand the utilization of the natural resource base in rural areas in Northern Ontario. Through the sub-program, the Natural Resources Development Program encourages small scale projects through assistance towards pre-investment studies. Funding is also available to complete the geo-scientific data base in specific areas of high mineral potential. The Natural Resources Development Program has the following two sub-programs.

(a) Resource Diversification Subprogram of the Natural Resources Development Program:

This sub-program is designed to encourage the undertaking of investment and pre-investment studies for small-scale commercial activities with identified potential that will expand or diversify the use of natural resources.

Eligibility

Individuals, corporations, groups and government agencies making investment opportunities in the areas of natural resource harvesting, extraction, processing and marketing, or in the area of new or expanded use for natural resources. These investment opportunities must be located in the districts of Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay, Timiskaming or a portion of Nipissings lying north, west and south of Algonquin Provincial park, excluding the cities of Thunder Bay, Sault Ste. Marie, Timmins, North Bay and the Regional Municipality of Sudbury.

Assistance

Financial contributions towards the assessment of investment opportunities may be available up to 100% of the approved cost of the project to a maximum of \$80,000.

Projects are usually in the form of consultant studies, or demonstration projects involving applied technical research.

(b) Rural Forest Production Subprogram of the Natural Resources Development Program

The purpose of this sub-program is to assist rural landowners to improve or establish woodlots.

Eligibility

Lands considered by the Minister of Natural Resources to be suitable for forestry purposes within the territorial districts of Northern Ontario, including the districts of Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay, Timiskaming and a portion of the district of Nipissing lying north, west and south of Algonquin Provincial Park, and excluding the cities of Thunder Bay, Sault Ste. Marie, Timmins, North Bay and the Regional Municipality of Sudbury.

Assistance

Assistance will be given to land owners to plant and manage woodlots and to increase the production of wood fibre on privately held lands that are located near conversion plants. Preference is given to lands located near or along transportation corridors or within a reasonable distance of wood fibre conversion plants.

Assistance is also provided for silvicultural work. The applicant may either purchase planting stock from the Ministry of Natural Resources at rates established by the Forestry Act, or purchase from private sources, with the purchases approved by the ministry. The ministry will also provide, on request a list of potential buyers for successful applicants for wood harvested during stand improvement work.

14. Ontario Mineral Exploration Program

The Ontario Ministry of Natural Resources administers the Ontario Mineral Exploration Program (OMEP). The objective of this program is to provide incentives for the exploration of mineral resources in Ontario.

Eligibility

Prospectors, non-producing exploration companies, individual investors and corporations who plan to become engaged in mining activities on a financial level.

Assistance

Eligible prospectors, or individuals actively involved in mineral exploration, will receive a grant for 25% of eligible exploration expenses.

Eligible individual investors in a syndicate, partnership, or similar unincorporated organizations will receive a grant for 25% of eligible exploration expenses, pro-rated on the basis of the amount actually contributed and spent on eligible exploration.

Eligible non-producing exploration companies will receive a refundable income tax credit equal to 25% of eligible exploration expenses.

Eligible corporations that are not engaged in any mineral activities will receive an income tax credit equal to 25% of eligible exploration expenses.

The maximum grant or tax credit available for any OMEP program is \$500,000. In addition, individuals and corporations may deduct 75% of eligible expenditures under the Ontario and federal tax systems.

Exploration companies that cannot use the tax credit may apply to the Ministry of Natural Resources to have the unused tax credit converted to a grant.

VII SPECIAL INDUSTRIES

A. FEDERAL ASSISTANCE

1. Book Publishing Development Program
2. Canadian Film Development Corporation (CFDC)
3. Fashion Design Assistance Program (FDAP)
4. Shipbuilding Industry Assistance Program

B. PROVINCIAL ASSISTANCE

1. Textile Clothing and Hosiery Industries Modernization Program
2. Program of Innovation in the Furniture Industry
3. Program of Innovation in the Footwear Industry

VII SPECIAL INDUSTRIES

A. FEDERAL ASSISTANCE

1. Book Publishing Development Program (BPDP)

The Book Publishing Development Program (BPDP) is administered by the federal Department of Communications to stimulate the Canadian-controlled book publishing industry to develop, publish, market and distribute books by Canadian writers for the Canadian book market and foreign markets. It is also designed to improve the professional skills of the book publishing industry.

Eligibility

Companies that are 75% Canadian-owned and effectively controlled by Canadians, with annual sales of Canadian-authored books in excess of \$100,000 (with some exceptions). All Canadian-based companies, however, are eligible for the part of the program that assists in improving professional skills and foreign marketing.

Assistance

Sales and marketing incentive assistance: To aid firms in aggressively promoting and marketing here and abroad. Payments, based on eligible sales achieved by the applicant in its most recent fiscal year, will be made in a lump sum in arrears. The amount given out in 1981-82 for this segment of the program was \$4 million.

Canadian textbook and related materials assistance: To aid firms to publish Canadian textbooks and related learning materials at a price competitive with foreign publishers. The amount of assistance is based on the firm's eligible sales for the previous fiscal year. The total disbursement for this segment in 1981-82 was \$2 million.

Feasibility project and implementation assistance: To assist firms in achieving economies of scale in such areas as production, manufacturing, marketing, warehousing or distribution. Assistance will be given on a cost-shared basis to groups of publishers or groups of individuals to study consolidation of operations or overall improvements in industry efficiency. Total disbursement in 1981-82 was \$650,000.

Company analysis and implementation assistance: This component provides for outside specialists to analyse the financial and managerial weaknesses in Canadian companies, and to develop recommendations that will allow management to make improvements. Assistance is also provided for the necessary corrective action. BPDP will pay as much as \$25,000 for the analysis and as much as \$50,000 for the implementation, both on a cost-shared basis. Total disbursement in 1981-82 was \$590,000.

Foreign rights marketing assistance: This component will assist publishers to expand foreign markets for Canadian authored books through distribution arrangements, co-editions, and sale and purchase of rights by contributing to the cost of attending international book fairs. (All publishers in Canada are eligible to participate in this.) Assistance will cover one half of the economy return air fare and a per diem stipend. Total disbursement in 1981-82 was \$170,000.

Professional development assistance: To help publishers achieve greater functional specialization, particularly in the areas of financial management, business practices, design, promotion and distribution. Assistance is provided on a cost-shared basis with the industry associations. BPDP contributes 90% of the cost of a professional training plan implemented by the associations. It also contributes 50% of the tuition fees and compulsory textbook costs for individuals attending eligible scheduled courses at an accredited educational centre, and 50% of travel and accommodation expenses incurred by participants attending courses or seminars. Total disbursement in 1981-82 was \$190,000.

Research and documentation assistance: To help the book publishing industry collect and analyse reliable statistical data on their operations in order to help individual firms, industry associations and governments make rational and effective planning and operational decisions. Assistance to projects will be given on a cost-shared basis with the proportions decided on a case-by-case basis. Total disbursement in 1981-82 was \$200,000.

Export marketing assistance: To aid publishers in their efforts to expand the market abroad for Canadian books. Assistance will be given on a cost-shared basis and normally will not exceed \$15,000 to any one beneficiary in the same fiscal year. Total disbursement in 1981-82 was \$200,000.

2. Canadian Film Development Corporation (CFDC)

The Canadian Film Development Corporation is crown corporation whose purpose is to foster and promote the development of a feature film industry in Canada.

Eligibility

(a) The completed film must have a significant Canadian creative, artistic and technical content and arrangements must have been made to ensure that the copyright in the completed film will be beneficially owned by an individual resident or company incorporated in Canada

or

(b) Provision has been made for the production of the film under a co-production agreement entered into between Canada and another country.

Assistance

The CFDC assists film producers in developing screenplays. Its investment may cover the cost of securing an option on a Canadian novel, retaining an experienced screenwriter and certain other expenses relating to the projects, normally on a cost-sharing (50/50) basis.

It also assists Canadian feature film producers by providing development, interim and investment financing for film that meet its criteria on Canadian content, financing, completion and distribution. It will assist distribution companies by supplementing budgets in the launching of Canadian feature films released in Canadian theatres.

3. Fashion Design Assistance Program (FDAP)

The Fashion Design Assistance Program is administered by Industry, Trade and Commerce/Regional Economic Expansion. The purpose of this program is to develop Canadian fashion design talent, strengthen innovative fashion design in the Canadian textile and apparel industries, and promote fashion design in domestic and international markets.

Eligibility

Canadian textile, apparel and related businesses.

Assistance

Professional development grants enable designers in the Canadian fashion industry to improve performance through special courses.

Industry orientation projects upgrade the skills and knowledge of fashion design educators through active participation in apparel manufacturing firms.

Training-in-industry offers industry experience to undergraduates of Canadian schools of fashion design as course extensions during summer holidays.

Promotion assistance is provided to fashion industry associations and provincial governments.

Shipbuilding Industry Assistance Program (SIAP)

The Shipbuilding Industry Assistance Program (SIAP) is administered by Industry, Trade and Commerce/Regional Economic Expansion to increase productivity and efficiency of Canada's shipbuilding industry.

Eligibility

Builders of new commercial and fishing vessels above certain minimum sizes, whether for Canadian or foreign registry.

Minimum sizes:

(a) Fishing vessels - 75 ft. overall length

(b) Other commercial vehicles:

- 100 gross tons if self-propelled;
- 200 gross tons if not self-propelled;
- 50 gross tons if a tug;
- 2 gross tons if a submersible capable of operating at a depth of at least 300 metres.

Assistance

The program subsidizes the approved cost of a vessel built or converted in Canada. The rate of subsidy is determined by the date of application.

SIAP also pays an incentive grant of 3% of the cost of vessels entitled to subsidy or purchased by the federal government. It will be paid when matched by an equal investment by a shipyard in improved productivity.

Magnitude

The budget for this program was capped at \$75 million annually for 1980-81, 81-82, and 82-83.

The Shipbuilding Industry Assistance Program is due to expire in 1985 however, the Productivity Improvement Grants of SIAP will remain in existence beyond that date.

B. PROVINCIAL ASSISTANCE

QUEBEC

1. Textile Clothing and Hosiery Industries Modernization Program

The Quebec Ministry of Industry Commerce and Tourism administers the Textile, Clothing and Hosiery Industry Modernization Program in an effort to contribute effectively to the modernization of the textile, clothing and hosiery industries by granting aid in the form of grants and loans.

Eligibility

Firms in the textile, clothing and hosiery industry that have been open at least a year and whose sales of Quebec-made articles are more than 50% of total sales or \$500,000.

Assistance

- (1) Studies by a consultant for modernization, development or restructuring; diagnostic studies and the forming of a plan of action concerning the products, the market, methods of selling, management, etc.; feasibility studies for merging.

For any of these, grants are available for 75% of expenses up to \$100,000 for a company, and 90% of expenses up to \$100,000 for a community or for a grouping of firms or an industrial association.

- (2) Modernization of equipment or replacing by modern equipment; reorientation of products by the reduction of lines and by the production of other lines; reorganization of a factory for a modernization project or the reorientation of production; acquisition of equipment for management, maintenance of health or reduction of pollution.

For any of these, grants for 30% of the first \$3 million of admissible investment and 15% of the surplus up to a limit of \$2 million per community is available.

- (3) Development of equipment for new or improved production. For this, grants up to 85% of initial costs of setting up, to a maximum of \$10,000, are available. In addition, up to 66 2/3%, 50% and 33 1/3% of costs, respectively, for the first, second and third years of work are available, to a maximum of \$200,000. Up to 30% of capital costs will also be eligible for grant money.

- (4) As a lender of last resort, the ministry will loan, under this program, a maximum of 70% of capital costs, provided that the group of companies applying for assistance consists of a majority of Quebec manufacturing firms.

2. Program of Innovation in the Furniture Industry

Programme visant à stimuler l'innovation dans l'industrie de meuble - innovation meuble.

The Quebec Department of Industry, Commerce and Tourism administers the program of Innovation in the Furniture Industry to encourage furniture manufacturers to realize an innovating project in research, development and/or commercialization of new products, improved products or new processing facilities.

Eligibility

Any existing enterprise, incorporated since at least one year and operating in the furniture industry. The production of furniture must represent at least 50% of its annual revenues or represent at least \$500,000 of its sales annually.

The project must include innovative characteristics that can help the enterprise increase its sales or allow it to resist foreign competition.

Assistance

This program provides subsidies of a maximum of \$200,000., calculated in proportion of the following expenses:

- 50% of the eligible expenses related to products innovation, for the commercialization of such products, and/or for the adaption of processing techniques and methods;
- 75% of eligible expenses, up to a maximum of \$5,000. for an analysis of products, resources and operations of the enterprise in order to identify its needs and its potential of innovation.

For projects aimed at the development of new or improved processing facilities, the enterprise must consent to yield its rights on the design and the fabrication of the equipment to a manufacturing enterprise in the Province of Québec, or at the Centre de Recherche Industrielle du Québec. For these projects, the financial assistance may be of 75% of eligible expenses to a maximum of \$200,000.

In general, eligible expenses are:

- consulting fees for the realization of studies;
- expenses of conception, development and adjustment of new products, or improvement of existing products;
- expenses of conception, development and adjustment of new products, or improvement of existing products;
- expenses of conception, development and adjustment of new production techniques, or improvement of existing techniques;
- increase of the marketing effort;
- expenses of conception, development or adjustment of new or improved production facilities;
- hiring costs of a designer, an engineer and a marketing expert for a period of three years;
- training costs of the employees involved in the research and development function in the enterprise.

Costs of purchase, location or construction of plants or equipment are not admissible for reimbursement.

3. Program of Innovation in the Footwear Industry (Programme Visant a stimuler l'innovation dans l'industrie de la chaussure - innovation chaussure)

The Department of Industry, Commerce and Tourism, Government of Quebec administer the Program of Innovation in the Footwear Industry to provide financial assistance to manufacturing enterprises in order to allow them to realize an innovative project in research, development and/or commercialization of new products, improved products or new processing facilities and techniques.

Eligibility

Any existing enterprise, incorporated since at least one year, and operating in the footwear industry. The production of footwear must represent at least 50% of its annual revenues, or at least \$500,000 of annual sales.

The project must include innovative characteristics that can help the enterprise to increase its sales or allow it to face the foreign competition.

Assistance

This program provides subsidies of a maximum of \$200,000., calculated in proportion of the following expenses:

- 50% of the eligible expenses related to product innovation, the commercialization of such products, and/or for the adaptation of processing techniques and methods;
- 75% of eligible expenses, up to a maximum of \$5,000., for an analysis of products, resources and operations of the enterprise in order to know its needs and its possibilities of innovation.

In general, eligible expenses are:

- consulting fees for the realization of studies;
- expenses of conception, development and adjustment of new products, or improvement of existing products;
- expenses of conception, development and adjustment of new production techniques, or improvement of existing techniques;

- increase of the marketing effort;
- expenses of conception, development or adjustment of new or improved production facilities;
- hiring costs of a designer, an engineer and a marketing expert for a period of three years;
- training costs of the employees involved in the research and development function in the enterprise.

Costs of purchase, location or construction of plants or equipment are not admissible for reimbursement.

VIII ENERGY

A. FEDERAL ASSISTANCE

- 1) Canertech In
- 2) Development and Demonstration of Resource and Energy Conservation Technology (DIRECT)
- 3) Forest Industry Renewable Energy Program
- 4) Industrial Energy Research and Develop Next Program
- 5) Propane Vehicle Conversion Program
- 6) Purchase and Use of Sofar Heating (PUSH)
- 7) Energy from the Forest (ENFOR)

B. PROVINCIAL ASSISTANCE

ONTARIO

- 1) Dollars for Industrial Energy
- 2) Energy Bus Program
- 3) Energy Projects Group
- 4) Industrial Energy Conservation and Oil Substitution Incentive Program

YUKON TERRITORY

- 5) Yukon Energy Conservation Incentive Program

VIII ENERGY

A. FEDERAL ASSISTANCE

Canertech Inc.

Canertech Inc. is a federal crown corporation established to help commercialize innovative energy products and processes.

Eligibility

Any existing or prospective business with patentable, proprietary or lead technology, indicated or prospective markets, entrepreneurial enthusiasm and management commitment.

Eligible Projects: Canertech's interests include biomass, solar, wind, wave, micro-hydro and geothermal energy conversion systems and energy conservation products and services.

Canertech requires submission of a business plan, historical and projected financial statements and details of capital structure for its investment review. It also needs information about the history, management, technology, manufacturing, marketing and pricing and profit of the enterprise.

Assistance

Canertech places money at risk through equity or joint ventures. It offers technical, management and marketing assistance where it is involved. It can participate in demonstration and product development.

There are no fixed investment criteria, no rigid rules regarding control, no set dollar limitations and no restrictions in the choice of financial instruments. The approach to investment opportunities is individual and flexible.

Development and Demonstration of Resource and Energy Conservation Technology (DRECT)

The Development and Demonstration of Resource and Energy Conservation Technology is administered by Environment Canada. The purpose of the program is to give incentive to the private sector, in co-operation with municipalities and provinces; to develop and demonstrate equipment, systems or products designed to recover or otherwise save energy through resource recovery.

Eligibility

Any business, province or municipality that offers an appropriate proposal.

Criteria for funding assistance includes environmental protection benefits, energy conservation, increased employment potential and eventual displacement of imported materials.

On completion of the project, the developer will be given ownership of equipment, technical data, designs and process reports. However, the developer must undertake to make any patents and technology developed available on reasonable terms to all interested parties in Canada.

Assistance

DRECT will normally contribute as much as 50% of the total estimated cost of an approved project (usually to a maximum of \$100,000 per project in any one fiscal year). The sharing ratio depends on the degree of technical risk and the extent to which the technology can be applied by others.

The program supports feasibility studies and developments and analyses of energy recovery proposals and cost-benefits.

Magnitude

The budget for 1982/83 was \$1 million. The estimated budget for 83/84 is \$1 million.

Forest Industry Renewable Energy Program (FIRE)

The FIRE program administered by Energy Mines and Resources Canada is designed to encourage the substitution of forest and mill residues for other forms of energy-creating raw materials in the forest industry.

Eligibility

Any industry having adequate management, financial and raw material resources to conduct an eligible project.

Assistance

The program will pay as much as 20% of capital costs for the conversion of existing facilities or the installation of new facilities designed to utilize forest biomass or pulp mill effluents. The maximum funding per project is \$4 million.

Magnitude

The program was scheduled to run from 1979 to March 31, 1984 and to spend in total \$103 million.

Industrial Energy Research and Development Program (IERD)

The Industrial Energy Research and Development Program (IERD) administered by DREE/ITC is designed to assist research and development projects that will reduce energy use.

Eligibility

Companies, consulting firms, individuals, trade and research organizations.

Assistance

IERD contributes as much as 50% of the estimated cost of approved projects. The sharing ratio depends on the degree of technical risk and/or the degree to which the technology developed can be used by other companies.

The quality of the project proposed and the applicant company's capabilities are major criteria when applications are considered.

Magnitude

The 1982/83 budget was \$8 million. The estimated budget for 83/84 is \$8 million.

Propane Vehicle Conversion Program

The Propane Vehicle Conversion Program administered by Energy Mines and Resources Canada is designed to help with the conversion of commercial road vehicles to propane as a motor fuel.

Eligibility

Businesses using commercial road vehicles or farm vehicles. The program applies to the purchase of new propane road vehicles and to conversion of gasoline or diesel-fueled road vehicles to propane or propane/diesel fuel.

Assistance

Grants of as much as \$400 per vehicle.

Magnitude

The total budget for the program, which will run from fiscal 1982 until fiscal 1985, is \$38 million, with grants during the 1983 fiscal year expected to total \$10.8 million.

A decision on an application usually takes about six weeks.

Purchase and Use of Solar Heating (PUSH)

The Purchase and Use of Solar Heating program administered by Public Works Canada is designed to increase the use of solar energy equipment and strengthen a new regionally distributed manufacturing industry.

Eligibility

Any producer of solar heating systems.

Assistance

For its own account, the federal government will purchase a company's solar equipment. The equipment will be installed in both new and existing federal buildings and those owned by Crown Corporations. It will pay for total costs of design and construction.

Magnitude

The budget for 1982/83 was 17.2 million.

Energy from the Forest (ENFOR)

The Energy from the Forest (ENFOR) program is administered jointly by Environment Canada and Energy Mines and Resources Canada.

The program is designed to foster research and development related to the production, harvesting and utilization of forest biomass for energy.

Eligibility

Private sector researchers and consultants.

Assistance

Two subprograms are administered: (a) Biomass Production; and (b) Biomass Conversion. Both were managed by Environment Canada through fiscal year 1982/83. In 1983/84 and beyond Environment Canada will continue to manage the Biomass Production sub-program, but the Biomass conversion sub-program is now and will continue to be managed by Energy Mines and Resources.

- (a) Biomass Production deals with the forest oriented aspects of biomass energy, such as inventory, surculture, harvesting and environmental impacts.

Magnitude

The 1982/83 budget for this program was \$3.7 million. It is estimated that it will be 3.7 million in 83/84.

- (b) Biomass Conversion is concerned with the transformation of biomass raw materials into prepared fuels or energy intensive chemicals. The objectives and priorities of the program can be divided into four main research and development areas:

- (i) Preparation of Feedstocks for Conversion Systems;
- (ii) Direct Combustion Technology;
- (iii) Prepared Fuels Conversion Technology;
- (iv) Industrial Chemicals Conversion Technology.

The 1982/83 budget for this subprogram is 4.1 million. The estimated 1983/84 budget is 4.0 million.

This program is scheduled to expire March 31, 1984.

B. PROVINCIAL ASSISTANCE

ONTARIO

The Ontario Ministry of Industry and Trade administer four energy related programs.

Dollars for Industrial Energy Demonstration Projects

The Dollars for Industrial Energy Demonstration Projects program is designed to encourage new and innovative approaches to both conservation and renewable energy forms.

Eligibility

Ontario businesses or individuals who can demonstrate the appropriate capabilities to implement and manage a project.

Assistance

The federal and provincial governments will share in the cost of pilot projects. Eligible costs include those for engineering, equipment, installation and so on, plus a reasonable portion of indirect costs.

Magnitude

The latest figures indicate that \$4.8 million worth of applications have been approved.

Energy Bus Program

Details on the Energy Bus Program are found in the section on Management Assistance P 112.

Energy Projects Group

The Energy Projects Group Program is designed to assist and encourage Ontario manufacturers to conserve energy.

Eligibility

Canadian-owned manufacturers based in Ontario.

Assistance

Funding for energy conversion projects, energy costs analysis and consulting on energy matters on a cost-sharing basis.

Industrial Energy Conservation and Oil Substitution Incentive Program

The Industrial Energy Conservation and oil Substitution Incentive program is designed to encourage companies to switch from heating oil to alternate fuels and to promote the use of more energy-efficient equipment.

Eligibility

Any Ontario-based company that is capable of arranging for the design, purchase, installation and commissioning of one of the following projects:

- retrofitting or purchasing new equipment to convert a facility from oil to an alternative energy source such as natural gas, electricity or energy from waste;
- equipment replacement and manufacturing process changes to conserve energy;
- the advice and preparation of a report by a professional engineer to identify energy-saving opportunities.

Assistance

The program will provide partial funding to a maximum of \$50,000 on a project that has a payback period of five years or less.

The government will pay:

- 25% of the cost of conversion;
- 50% of the cost of new equipment or processes;
- 50% of the cost of consultancy fees to a maximum of \$1,000.

Magnitude

IECOSP is a three-year, \$10 million program that was launched at the end of 1980. In the first quarter of 1982, the program granted \$1.1 million to 128 firms to assist them with projects that had a total value of \$4.7 million.

YUKON TERRITORY

Yukon Energy Conservation Incentive Program

The Yukon Energy Conservation and Incentive Program is administered by Energy Mines and Resources and the Yukon Department of Economic Development and Intergovernmental Relations.

The purpose of the program is to provide energy conservation assistance to interested commercial, industrial and institutional users of energy resources to reduce energy expenditures and to achieve an economically efficient use of energy supplies.

Eligibility

Any industrial, commercial or institutional establishment located in the Yukon Territory.

Additional eligibility criteria are as follows:

- only buildings constructed prior to January 1, 1980, are eligible for a grant;
- no conservation expenditures may be made until the energy audit is done on the company's premises;
- grants are not retroactive for energy conservation investments made prior to the program start-up date;
- expenditure plans must be approved by the energy auditor in order to be eligible for a grant;
- no grants will be given for renovations not directly related to energy-efficient improvements.

Assistance

Under the program, a free analysis by an engineering staff of energy use on the premises is available. This energy audit is used to identify where, and by how much, costs can be reduced through energy conservation. On the basis of this audit, an engineer supplied by Economic Development will prepare an energy management plan for the company, including a list of recommended energy conservation projects.

If a more detailed technical assessment is required, Economic Development will provide subsidies of 50% of the cost of hiring engineering consultants.

The department will also provide grants of up to 50% of the cost of conservation projects, to a maximum of \$10,000, that are identified in the energy audit of the company's premises.

Magnitude

This program's funding totals \$1.6 million, of which the federal government provides \$1.2 million and the Yukon government provides \$.4 million. The program is due to expire on March 31, 1984. By then, the audit staff hopes to have audited approximately 50 buildings.

From the start up of the program until March 31, 1982, there have been 33 audits performed, 28 of these in Whitehorse and the surrounding areas. An effort is being made to actively extend the program beyond Whitehorse. A total of \$279,500 in grants has been approved in that same time period, and \$53,590 of this total has been awarded so far.

