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**Regional  
Economic  
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**Expansion  
Économique  
Régionale**

# **REPORT ON REGIONAL DEVELOPMENT INCENTIVES**



**December, 1972**



DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

REPORT TO PARLIAMENT ON THE ADMINISTRATION OF DEVELOPMENT  
INCENTIVES UNDER THE REGIONAL DEVELOPMENT INCENTIVES ACT  
AND SECTION 10 OF THE DEPARTMENT OF REGIONAL ECONOMIC  
EXPANSION ACT FOR THE MONTH OF DECEMBER, 1972

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	<u>CONTENTS</u>	<u>PAGE</u>
INTRODUCTION . . . . .		2
PART I	<u>SUMMARY STATISTICS</u> . . . . .	7
	Disposition of Applications and Status of Offers	
	Table 1 - Incentive Grant Applications . . . . .	9
	Table 2 - Loan Guarantee Applications. . . . .	10
PART II	<u>INCENTIVE GRANT ACTIVITY DURING THE MONTH.</u> . . . .	11
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.	
	Table 3 - Incentive Grant Activity . . . . .	12
PART III	<u>LOAN GUARANTEE ACTIVITY DURING THE MONTH</u> . . . . .	19
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.	
PART IV	<u>DEFINITIONS.</u> . . . . .	20

## INTRODUCTION

The Regional Development Incentives Act and the Department of Regional Economic Expansion Act make provision for incentives in support of the establishment, modernization or expansion of manufacturing and other types of facilities. The incentives, which may take the form of grants or loan guarantees, are made available as a means of increasing or maintaining employment opportunities in regions and areas designated by the Governor-in-Council as those requiring special measures to facilitate economic expansion and social adjustment.

Copies of the statutes and regulations concerned, and of brochures explaining the administrative process by which incentive grants and loan guarantees are made, may be obtained from the Public Information Division of the Department of Regional Economic Expansion.

The purpose of this monthly report, which is available to the general public, is to provide Parliament with up-to-date information on the operation of the regional development incentives program. The report contains summary statistics on administrative actions taken from the inception of the program until the end of the month in question, together with listings of essential facts pertaining to each offer of incentive assistance accepted during that month.

Industrial incentives are available in broad regions and special areas designated by the federal government following consultation with the provincial governments.

The designated regions cover broad segments of the country. The special areas, of which there are 23, represent more localized focal points of potential development. The designated regions and special areas are shown on the map on page 6.

The size of an incentive grant may be varied, within statutory limits, to meet the requirements of a particular project. For a new plant or the expansion of an existing plant into new product lines, it is based on approved capital costs and, if considered appropriate, the number of jobs to be created. For a plant modernization or an expansion that does not involve a new product, only approved capital costs can be considered.

The maximum available grant depends on location and type of project, as shown in the following table:

<u>Location</u>	<u>Type of Project</u>	
	<u>Modernization or Expansion</u>	<u>New Plant or New Product Expansion</u>
Region A (Atlantic Provinces)	30% of eligible capital costs	35% of capital cost plus \$7,000 per eligible direct job created.
Region B (Standard Designated Regions)	20% of eligible capital costs	25% of capital cost plus \$5,000 per eligible direct job created.
Region C (Special Designated Region - southwestern Quebec and southeastern Ontario)	10% of eligible capital costs	10% of capital cost plus \$2,000 per eligible direct job created.

Maximum limits, as stipulated in the Regional Development Incentives Act, are \$30,000 per eligible direct job created or one-half of the capital to be employed in the project.

Industrial incentives available under the "Special Area provisions" of the Department of Regional Economic Expansion Act are not subject to the same statutory maxima. However, as a matter of administrative practice, standards applicable under the Regional Development Incentives Act are normally applied where relevant.

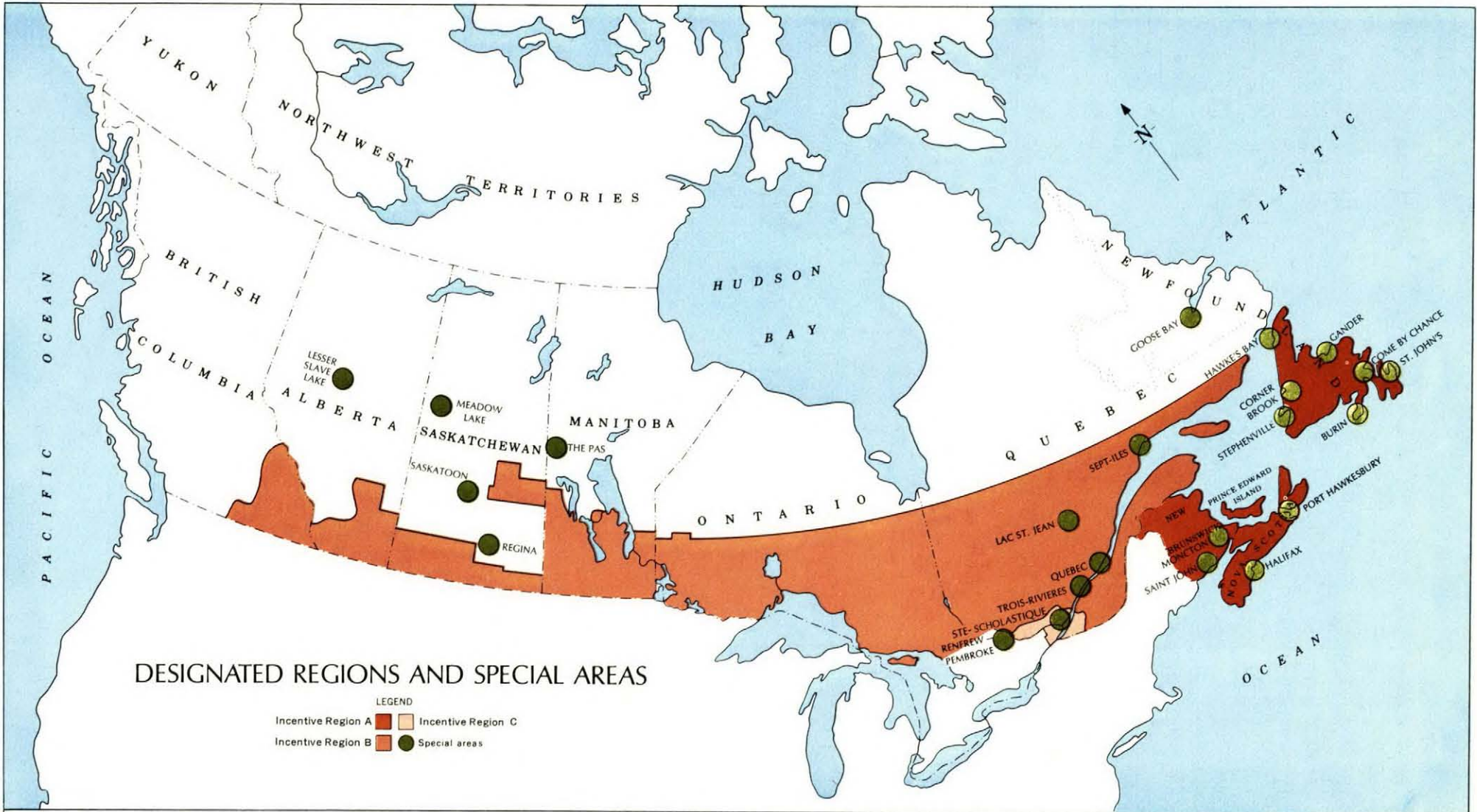
Loan guarantees, which are intended to offset difficulties that investors sometimes encounter in obtaining loan funds for investment in slow-growth regions, may not exceed 90 per cent of the total advances made by a lender, plus the interest involved, or 72 per cent of the total capital costs.

The monthly reports will be supplemented at the end of each fiscal year, beginning with the fiscal year ending March 1973, with a consolidated listing of all accepted offers of incentive assistance, indicating their current status.

Although administrative practice differs somewhat depending on whether incentive assistance is provided under the Regional Development Incentives Act or the Department of Regional Economic Expansion Act, standard terminology is used in this report. Under the Regional Development Incentives Act, for example, letters are used to offer incentive assistance. Under the Department of Regional Economic

Expansion Act, proposed agreements are used for the same purpose. For the sake of simplicity, both actions are described in this report as "offers made". In the final section of the report, which is concerned with the definition of terms, attention is drawn to a number of other technical points of some significance.

In conclusion, it should be noted that applications for incentive assistance and supporting documentation contain a large amount of information that must be regarded as commercially confidential. It is for this reason that, as a matter of policy, the Department is unable to make public certain types of data. It is for the same reason that the Department does not reveal the fact that a particular application has been received unless and until it results in an accepted offer of incentive assistance. This policy is, of course, consistent with the aims and objectives of the program, which is designed to encourage investment in the designated regions and special areas of Canada.



DESIGNATED REGIONS AND SPECIAL AREAS

- LEGEND
- Incentive Region A
  - Incentive Region B
  - Incentive Region C
  - Special areas

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PART I - SUMMARY STATISTICS

In this part of the report, there are two tables setting forth summary statistics on different aspects of the regional development incentives program.

Table 1, which relates to incentive grants, is concerned with the disposition of applications received and the status of offers made as of the end of December, 1972.

Among other things, it shows:

- (1) that, during the month of December, 105 applications were received (making a total of 1,953 during the current fiscal year) and 54 offers were made (making a total of 787 during the current fiscal year);
- (2) that, of the 6,936 applications received since the inception of the program, 3,641 were rejected or withdrawn and 2,665 resulted in offers;
- (3) that, after allowing for lapses, withdrawals and offers not accepted, the net total of accepted offers stood at 1,957; and
- (4) that, against obligations represented by the net total of 1,957 accepted offers, partial payments had been made in 847 cases and final payments in 41 cases.

Estimates made at the time of offered incentives, and adjustments made as a result of subsequent changes in the projects concerned, produce the following totals pertaining to the current level of net accepted offers:

- eligible capital costs of \$1,616 million;
- expected direct new jobs numbering 81,752; and
- incentive grants of \$324.4 million.

Incentive grants actually paid to date total \$72.7 million.

Table 2, which relates to loan guarantees, is concerned with the disposition of applications received and the status of offers made as of the end of December, 1972.

Among other things, it shows that, during the month of December, 3 applications were received (making a total of 63 during the current fiscal year) and 1 offer was made (making a total of 12 during the current fiscal year).

TABLE 1

INCENTIVE GRANT APPLICATIONS

DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - DECEMBER 1972

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	105	1,953	6,936
Applications Withdrawn	81	848	2,066
Applications Rejected	54	643	1,575
Offers Made	54	787	2,665
<u>STATUS OF OFFERS MADE</u>			
Offers Made	54	787	2,665
Offers Lapsed	6	50	137
Offers Declined	2	55	199
Offers Accepted	39	749	2,198
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	39	749	2,198
Accepted Offers Declined or Withdrawn	7	125	241
Net Offers Accepted	32	624	1,957
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	32	624	1,957
No Payment Made			1,069
Partial Payment Made	36	310	847
Final Payment Made	6	41	41

TABLE 2

LOAN GUARANTEE APPLICATIONS

DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - DECEMBER 1972

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	3	63	199
Applications Withdrawn	3	42	73
Applications Rejected	1	21	55
Offers Made	1	12	23
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	12	23
Offers Lapsed	1	1	2
Offers Declined	-	2	2
Offers Accepted	-	8	16
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	8	16
Accepted Offers Declined or Withdrawn	-	1	2
Net Accepted Offers	-	7	14
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	7	14
Guarantees in Operation	-	2	3

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of December of:

- (1) offers accepted;
- (2) offers accepted and subsequently revised; and
- (3) offers accepted and subsequently declined; or withdrawn.

The month and year of the most recent report for offers accepted and subsequently revised, declined or withdrawn are indicated in brackets under the company name. Only the revised data are shown.

Abbreviations have been used to describe the details of "type of project". Although full descriptions are provided in Part IV of this report, the abbreviations used are:

N	-	New Plant
N.P.E.	-	New Product Expansion
E	-	Expansion
M	-	Modernization
N.C.F.	-	New Commercial Facility

TABLE 3

INCENTIVE GRANT ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED  
AND SUBSEQUENTLY REVISED, DECLINED OR WITHDRAWN DURING DECEMBER 1972

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
1. Alberta Aspen Board Limited	Slave Lake, Alta.	Flakeboard	N	\$5,834,000	120	25% and \$5,000 per eligible job (117)	\$2,043,500
2. American Can of Canada Limited	St. John's, Nfld.	Metal Containers	N	\$1,008,000	23	10% and \$2,500 per eligible job (23)	\$ 158,300
3. Artena Company Limited	Longueuil, P.Q.	Office Furniture, Partitions, Etc.	a) M b) N.P.E.	a) \$ 137,079 b) \$ 181,785	22 49	10% 10% and \$1,300 per eligible job (49)	a) \$ 13,708 b) \$ 81,878
4. Avant Garde Knitting Mills Ltd.	Montreal, P.Q.	Knitted and Woven Material, Men's Sweaters and Shirts	E.M.	\$ 313,200	102	10%	\$ 31,320
5. Belle Peat Moss Co. Inc.	Cacouna, P.Q.	Synthetic Soil	E.M.	\$ 88,000	19	15%	\$ 13,200

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
6. Boa-Ski Alsport Ltd.	La Guadeloupe, P.Q.	Snowmobiles, Tri-sports and Bicycles	N	\$1,174,947	295	7% and \$1,500 per eligible job (287)	\$512,746
7. Bois Viateur Pepin Co. Inc.	La Patrie, P.Q.	Dimension Lumber	N	\$ 198,275	44	10% and \$1,000 per eligible job (42)	\$ 61,827
8. Mr. Antonio Corrazza	Moncton, N.B.	Marbelized Concrete Wall and Base Tiles	N	\$ 157,479	24	25% and \$1,500 per eligible job (22)	\$ 72,370
9. Cr�merie Belzile Limit�e	Edmunston, N.B.	Milk Products	E.M.	\$ 91,382	4	20%	\$ 18,276
10. Dumco Metal Products Co. Ltd.	Ville de Laval, P.Q.	Snow Removal Equipment	N	\$ 293,800	29	10% and \$1,500 per eligible job (18)	\$ 56,380
11. Eastland Industries Limited	Minto, N.B.	Kitchen and Bathroom Cabinets and Counter Tops	E.M.	\$ 89,200	Nil	30%	\$ 26,760
12. Gaymor Trailers Ltd.	St-Hubert, P.Q.	Commercial Trailers	E.M.	\$ 270,000	19	10%	\$ 27,000
13. Gilles Charland Inc.	Saint-Chrysostome, P.Q.	Hockey Sticks	N	\$ 125,500	7	10%	\$ 12,550
14. GWG Limited	Saskatoon, Sask.	Fashion Jeans	N	\$ 837,000	243	10% and \$600 per eligible job (243)	\$229,500 <i>B</i>

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
15. Imprimerie Gemac Limitée	Chibougamau, P.Q.	Printing	N	\$ 106,723	7	25% and \$1,800 per eligible job (7)	\$ 39,281
16. Jet Enterprises Ltd.	Ville La Salle, P.Q.	Cut and Decorative Glassware	E	\$ 563,000	48	10%	\$ 56,300 <u>2</u>
17. La Ferme de la Poulette Grise Inc.	La Malbaie, P.Q.	Chickens	E	\$ 140,000	15	20%	\$ 28,000
18. Les Ateliers Laubia Inc.	Nicolet, P.Q.	Ladies Wear	E	\$ 212,100	97	18%	\$ 38,178
19. Les Industries J.S.P. Inc.	Ste-Mélanie, P.Q.	Furniture	E	\$ 81,000	15	9%	\$ 7,290
20. Manhattan Wire Works Co. Ltd.	Ville Lemoyne, P.Q.	Wire Products	E	\$ 65,000	4	8%	\$ 5,200
21. Milbro Inc.	Montreal, P.Q.	Thermo-Wear	E	\$ 47,000	25	10%	\$ 4,700 <u>D</u>
22. Mobilier Rustique (Beauce) Inc.	St-Martin, P.Q.	Rustic Furniture	N	\$ 80,000	11	20%	\$ 16,000
23. Montreal Modern Knitting Mills Inc.	Montreal, P.Q.	Sweaters	N	\$ 211,000	54	8% and \$400 per eligible job (54)	\$ 38,480
24. Multi-Metal Inc.	Montreal, P.Q.	Cylindrical Metal Products	a) E b) N.P.E.	a) \$ 41,000 b) \$ 48,000	13 5	10% 10% and \$1,000 per eligible job (5)	a) \$ 4,100 b) \$ 9,800

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
25. National Underlay (1972) Inc.	Daveluyville, P.Q.	Rug Underlays	N	\$ 166,000	64	12% and \$800 per eligible job (42)	\$ 53,520
26. Néopac Limitée	Montreal, P.Q.	Plastic Packaging	N	\$ 126,634	30	10% and \$450 per eligible job (28)	\$ 25,263
27. Newfoundland Leather, Fur & Hide Co. Ltd.	Carbonear, Nfld.	Leather Products	N	\$ 64,587	13	30% and \$2,800 per eligible job (10)	\$ 47,376
28. Oxford Foundry & Machine Company Limited	Truro, N.S.	Miscellaneous Metal and Machine Shop Products	N	\$ 184,000	52	5% and \$700 per eligible job (50)	\$ 44,200
29. R.B. Colwell Ltd.	Elmsdale, N.S.	Margarine	N	\$ 65,000	7	35% and \$2,000 per eligible job (7)	\$ 36,750
30. Scierie Julien Côté Ltée	Matane, P.Q.	Planing Mill	E.M.	\$ 75,000	15	20%	\$ 15,000
31. Square D Company Ltd.	Edmunston, N.B.	Electrical Circuit Breakers	N	\$ 822,000	151	15% and \$2,500 per eligible job (151)	\$500,800
32. T.G. Bright (Quebec) Limited	St. Hyacinthe, P.Q.	Wine	N	\$1,512,000	19	5% and \$500 per eligible job (16)	\$ 83,600

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
33. The Canada Last Company Limited	Montreal, P.Q.	Maple Bowling Pin Billets	N.P.E.	\$ 100,000	20	7% and \$500 per eligible job (20)	\$ 17,000 <i>0</i>
34. Thor Mills Ltd.	Granby, P.Q.	Weaving Yarns	E.M.	\$ 473,000	5	14%	\$ 66,220 <i>h</i>
35. Tye-Sil Corporation Ltd.	St. Leonard, P.Q.	Christmas Garlands and Icicles	N.P.E.	\$ 100,000	39	5% and \$400 per eligible job (39)	\$ 20,600
36. W.H. Schwartz & Sons Limited	Halifax, N.S.	Spices	E	\$ 327,000	11	25%	\$ 81,750 <i>h</i>
37. Wickham Industries Inc.	St-Nicephore, P.Q.	Aluminum Windows and Doors	E	\$ 700,000	118	20%	\$140,000
38. Woodstock Wood Industries Limited	Woodstock, N.B.	Bowling Pins	N	\$1,124,000	108	5% and \$1,350 per eligible job (107)	\$200,650 <i>0</i>
39. York Structural Steel Ltd.	Fredericton, N.B.	Structural Steel	E.M.	\$ 237,560	32	25%	\$ 59,390

ACCEPTED OFFERS SUBSEQUENTLY REVISED

1. Bow Plastics Limited (July 1972)	Granby, P.Q.	Plastic Pipe Fittings and Furniture Parts	E	\$ 350,000	15	10%	\$ 35,000
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<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
2. Chapman Bros. Ltd. (Oct. 1972)	Amherst, N.S.	Carbonated Beverages	N	\$ 172,000	5	30%	\$ 51,600
3. Colorplast Limited (Jan. 1972)	Ville St-Laurent, P.Q.	Dyes for Plastic Industry	N	\$ 222,000	27	10% and \$1,000 per eligible job (23)	\$ 45,200
4. Forex Inc. (Nov. 1971)	Val d'Or, P.Q.	Lumber Processing	N	\$1,900,000	121	15% and \$2,000 per eligible job (121)	\$527,000
5. Sterex Pharma Products Ltd. (Aug. 1972)	Pointe Claire, P.Q.	Pharmaceutical Products	N	\$ 290,000	22	10% and \$1,300 per eligible job (21)	\$ 56,300

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

1. Becker & Son Limited (Jan. 1972)	Charlottetown, P.E.I.						
2. Imprimerie Frontière Inc. (Mar. 1972)	Ville de Dégelis, P.Q.						
3. Mr. Clifford C. Long (June 1972)	White Rock, P.Q.						
4. Moonbeam Lumber Company Limited (Sep. 1972)	Moonbeam, Ont.						
5. Panelbuilt Corporation (Mar. 1972)	Moncton, N.B.						

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
6. Atlantic Alternator Rebuilders Limited (a company to be incorporated) (Nov. 1972)	Dartmouth, N.S.						
7. Swift Chemical Company (Jan. 1972)	Montreal, P.Q.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

No Loan Guarantees were accepted, declined, withdrawn or revised during December, 1972.

PART IV - DEFINITIONS

TERMS USED IN PART I

Application -- A submission, in the approved form, by an applicant requesting a development incentive. Each application is restricted to a development on a single site, but one application may relate to a modernization, an expansion, a new product expansion or a complete new facility, or to some combination of these. An application covering a combined development is counted and reported as a single application, but each individual type of project is evaluated separately.

Received -- An application delivered to the Department. The date of receipt is the first control date, and is used for reporting and determining conditions of "prior commitment" as defined in the Regional Development Incentives Act and Regulations.

Withdrawn -- An application withdrawn, at the request of the applicant, after receipt but before or during evaluation.

Rejected -- An application turned down, under the provisions of the governing statute, because the project in question is considered ineligible, would proceed without incentive assistance or would not make a significant contribution to economic expansion and social adjustment within a designated region or special area.

Offer Made -- When an application has been evaluated and an estimate made of the grant or loan guarantee required to assure that the proposed project can be brought into commercial production, the applicant is offered an incentive, subject to specified conditions. The date of the offer establishes the second control date for reporting and management.

Lapsed -- When the applicant in receipt of an offer does not return a formal acceptance within ninety days, the offer is deemed to have lapsed and the applicant is so advised. The project can only be given further consideration if a new application is made.

Withdrawn -- When an incentive offer is withdrawn, prior to acceptance, because of new information justifying such action.

Declined -- When the applicant formally declines an offered incentive.

Offer Accepted -- An offer of incentive assistance is accepted when the applicant returns a signed copy of the offer within ninety days of receipt. In accepting an offer, the applicant agrees to the latest date on which construction will begin.

Withdrawn -- When, prior to making payment, the Department determines that contractual commitments

relating to a project were made before the application was filed, or that other legal requirements were not met, and takes action to withdraw the offer in question.

Declined -- When the applicant formally advises the Department that he does not intend to proceed with a project following his acceptance of an offer relating to it.

No Payment Made -- No payment can be made to an applicant until the facility is certified as being in "commercial production", a condition defined in the Regional Development Incentives Act and Regulations. This requires an on-site inspection and audit by an officer authorized to act on behalf of the Minister.

Partial Payment Made -- When commercial production of the facility has been certified and one or more payments have been made in relation to the offered incentive, but final payment has not been made.

Final Payment Made -- When the facility has been in commercial production for the prescribed period, a final inspection is made by the Department, and if all conditions specified in the accepted offer and in the governing Act and Regulations have been met, a final payment is made. The final payment cannot be made before 24 months after the

certified date of commercial production when the incentive is based only on approved capital costs; or before 36 months after the certified date of commercial production when the incentive is based in part on the number of jobs created in the operation.

#### Application of Terms to Loan Guarantees

The above definitions apply to both incentive grants and loan guarantees, except that there are no payments to applicants with loan guarantees.

When providing loan guarantees the Department enters into an agreement with the lender to guarantee repayment of a portion of a loan being made to the applicant. Such an agreement can only be executed when the applicant and the lender complete the loan arrangements. The original offer to the applicant by the Department is in the form of a letter of intent, a copy of which is sent to the prospective lender. Acceptance of the letter of intent by both parties is considered as an "offer accepted". If the applicant fails to complete his loan arrangements, the offer is withdrawn. If the applicant abandons his project or completes his loan arrangements without the guarantee, the offer is "declined". Once the Department has completed an agreement with the lender, there is a "guarantee in operation".

A loan guarantee applicant discharges his loan obligations directly with the lender, reducing at the same time the potential liability of the Department.

TERMS USED IN PART II

Company -- The legal corporate or organizational identification of the applicant at the time of his acceptance of an offer of incentive assistance.

Plant Location -- The name used is that which Statistics Canada uses to identify the specific geographic location of the plant or facility.

Product or Process -- The nature of the product or process.

Type of Project --

N. - New Plant - a new facility, the word facility being used as defined in the Regional Development Incentives Act and Regulations.

N.P.E. - New Product Expansion - an addition to an existing facility to manufacture or produce a product not previously manufactured or produced by the applicant.

E. - Expansion - an addition to an existing facility to increase the output of the products presently being manufactured or produced.

M. - Modernization - a change in an existing facility designed primarily to reduce production costs or improve product quality.

N.C.F. - New Commercial Facility - a new facility designed to provide a service rather than to undertake manufacturing or processing.

Expected Eligible Cost -- The capital costs of a project, as estimated by the Department on the basis of information supplied by an applicant, covering only costs that are eligible under the Regional Development Incentives Act and Regulations.

Expected Direct New Jobs -- The number of jobs to be created directly by the project, as estimated by the Department on the basis of information supplied by the applicant.

Eligible Jobs -- The Regional Development Incentives Act and Regulations define specific conditions under which a job-related incentive can be paid. Where an offer containing a job-related incentive has been made, the Department evaluates the estimate made by the applicant of the eligible jobs to be created. This number is declared in the offer as

the expected number of eligible jobs, and is the Departmental estimate of the number of jobs on which payment will be based.

Rate of Offer -- The rate of offer defines the terms under which grant payments will be made. These are expressed as a percentage of eligible capital costs and/or a dollar amount per eligible direct job to be created. The terms are based on the Departmental evaluation of the application.

Estimated Amount of Incentive Grant -- The Departmental estimate of the grant likely to be paid, based on evaluation of the proposed project.

An Estimated Incentives Grant in this report indicates the original estimate, and subsequent formal revisions thereto; or actual payments where final inspection and payment has been made.

#### TERMS USED IN PART III

Type of Operation -- A description of the product and process.

Expected Capital Cost -- Total capital costs associated with fixed assets, as estimated by the Department on the basis of information supplied by the applicant. At the time the

project becomes operational, this figure is amended, if necessary, to indicate actual investment.

Loan Amount -- The total value of the original loan to be guaranteed.

Maximum Amount of Loan Guarantee -- The initial amount of the loan guarantee, expressed as a percentage of the total loan.

INDUSTRY CANADA/INDUSTRIE CANADA



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