



**Regional
Economic
Expansion**

**Expansion
Économique
Régionale**

REPORT ON REGIONAL DEVELOPMENT INCENTIVES

July, 1972

HD
3646
C3
A36
July
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 JULY, 1972

	<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	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined or Withdrawn.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>	23
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.	
	Table 4 - Loan Guarantee Activity.	24
PART IV	<u>DEFINITIONS.</u>	25

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 is to provide Parliament and the general public 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 now 23, represent more localized focal points of potential development. The designated regions and special areas are shown on the map on page 5.

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 operation.

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.

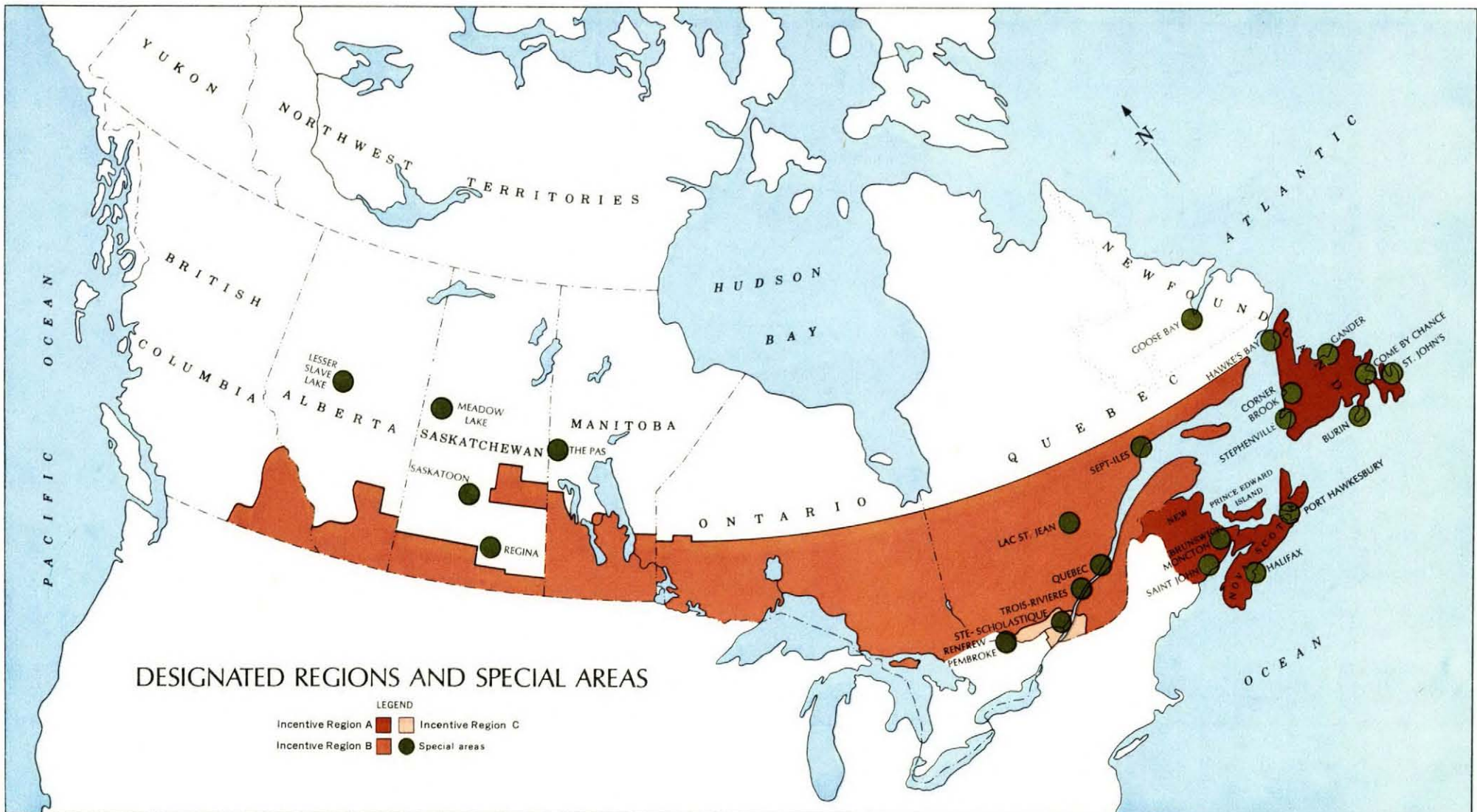
Loan guarantees, which are intended to offset difficulties that investors sometimes encounter in obtaining loan funds for investment in slow-growth regions, may not exceed 90 per cent of the total advances made by a lender, plus the interest involved, or 72 per cent of the total capital costs.

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 sources of data and definitions 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.



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 July, 1972.

Among other things, it shows:

- (1) that, during the month of July, 224 applications were received (making a total of 1,094 during the current fiscal year) and 104 offers were made (making a total of 440 during the current fiscal year);
- (2) that, of the 6,077 applications received since the inception of the program, 2,769 were rejected or withdrawn and 2,318 resulted in offers;
- (3) that, after allowing for lapses, withdrawals and offers not accepted, the net total of accepted offers stood at 1,649; and
- (4) that, against obligations represented by the net total of 1,649 accepted offers, partial payments had been made in 631 cases and final payments in 6 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 \$1,382 million;
- expected direct new jobs numbering 67,442; and
- incentive grants of \$279 million.

Incentive grants actually paid to date total \$53.5 million.

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

Among other things, it shows that, during the month of July, 7 applications were received (making a total of 33 during the current fiscal year) and 2 offers were made (making a total of 7 during the current fiscal year).

TABLE 1

INCENTIVE GRANT APPLICATIONS

DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - JULY 1972

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	224	1,094	6,077
Applications Withdrawn	80	365	1,583
Applications Rejected	53	254	1,186
Offers Made	104	440	2,318
<u>STATUS OF OFFERS MADE</u>			
Offers Made	104	440	2,318
Offers Lapsed	5	21	108
Offers Declined	6	23	167
Offers Accepted	74	366	1,815
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	74	366	1,815
Accepted Offers Declined or Withdrawn	11	48	166
Net Offers Accepted	63	318	1,649
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	63	318	1,649
No Payment Made			1,012
Partial Payment Made	27	94	631
Final Payment Made	1	6	6

TABLE 2

LOAN GUARANTEE APPLICATIONS

DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - JULY 1972

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	7	33	169
Applications Withdrawn	5	18	49
Applications Rejected	2	10	44
Offers Made	2	7	18
<u>STATUS OF OFFERS MADE</u>			
Offers Made	2	7	18
Offers Lapsed	-	-	1
Offers Declined	1	1	1
Offers Accepted	1	3	11
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	1	3	11
Accepted Offers Declined or Withdrawn	-	1	2
Net Accepted Offers	1	2	9
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted Guarantees in Operation	1	2	9

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of July 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 JULY 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. AGIO Chemistries Limited	Portage La Prairie, Man.	Refined Silver	N	\$263,000	50	15% and \$1,500 per eligible job (48)	\$111,450 <u>D</u>
2. Abbey Wines Ltd.	Truro, N.S.	Wines	E	\$491,500	17	10%	\$ 49,150 <u>R</u>
3. Beaulé & Fils Inc.	St. Zacharie, P.Q.	Clothing	N	\$ 81,000	55	15% and \$300 per eligible job (55)	\$ 28,650
4. Bevan Bros. Limited	Charlottetown, P.E.I.	Sheet Metal Products	E.M.	\$ 30,175	6	20%	\$ 6,035
5. Bow Plastics Limited	Granby, P.Q.	Plastic Pipe Fittings and Furniture Parts	E	\$266,658	15	10%	\$ 26,666 <u>R</u>
6. Breton Industrial and Marine Limited	Port Hawkesbury, N.S.	Steel Fabrications	N.P.E.	\$305,191	21	25% and \$3,000 per eligible job (21)	\$139,298 <u>D</u>
7. Les Breuvages Oka Inc.	Ste Thérèse, P.Q.	Reconstituted Fruit Juice	N	\$ 67,000	15	5% and \$550 per eligible job (15)	\$ 11,600 <u>D</u>

<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>
8. Canadian Johns-Manville Co. Ltd.	Brossard, P.Q.	Fiberglass Home Insulation and Polychloride Vinyl Pipe	N	\$6,470,000	95	10% and \$2,000 per eligible job (91)	\$829,000
9. Canron Plastics Limited	Berthierville, P.Q.	Plastic Pipes	E	\$ 271,000	15	12%	\$ 32,520 <i>R</i>
10. Capital Iron Works Inc.	Ville d'Anjou, P.Q.	Trailers for Boats and Snowmobiles	E	\$ 295,000	21	10%	\$ 29,500 <i>O</i>
11. Chassé Inc.	Ste Marie de Beauce, P.Q.	Sawmill and Lumber Chips	a) M b) N.P.E.	a) \$ 267,461 b) \$ 145,000	25 7	a) 20% b) 20% and \$2,500 per eligible job (7)	a) \$ 53,492 b) \$ 46,500
12. China Electroplating and Ornamental Iron Works Co. Ltd.	Sault Ste Marie, Ont.	Truck Bumpers	N.P.E.	\$ 118,000	14	10% and \$2,000 per eligible job (12)	\$ 35,800
13. Comeau's Sea Foods Limited	Saulnierville, N.S.	Herring Processing	N.P.E.	\$ 370,080	67	15% and \$1,000 per eligible job (67)	\$122,512
14. Coronet Carpets Ltd.	Farnham, P.Q.	Carpets	a) E b) N.P.E.	a) \$3,036,500 b) \$1,220,200	73 91	a) 8% b) 8% and \$1,800 per eligible job (91)	a) \$242,920 b) \$261,416
15. Créations L & M Inc.	Lanoraie, P.Q.	Lamps and Fixtures	N	\$ 74,000	26	17% and \$1,800 per eligible job (14)	\$ 37,780

<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>
16. Curadeau & Frères Inc.	Rivière-au-Renard, P.Q.	Fish Processing	a) E b) N	a) \$ 42,000 b) \$ 122,500	Nil 50	a) 15% b) 15% and \$710 per eligible job (50)	a) \$ 6,300 b) \$ 53,875
17. Custom Kitchen & Sheet Metal Works Ltd.	Montreal North, P.Q.	Mobile Carts for Food and Reach-In Refrigerators	N.P.E.	\$ 189,000	22	5% and \$1,100 per eligible job (22)	\$ 33,650
18. Decolog Inc.	Oka, P.Q.	Decorative Wood Products	N	\$ 120,000	22	10% and \$800 per eligible job (22)	\$ 29,600 <i>D</i>
19. Dorval Builders Supplies Ltd.	Dorval, P.Q.	Facing on Concrete Blocks	N.P.E.	\$ 94,658	32	5% and \$500 per eligible job (32)	\$ 20,733
20. La Federation Régionale des Chantiers Coopératifs de l'ouest Québécois	Taschereau, P.Q.	Lumber Chips	N	\$3,136,000	87	20% and \$3,200 per eligible job (76)	\$870,400 <i>D</i>
21. Ferguson Industries Limited	Pictou, N.S.	Ships	E	\$ 400,000	52	30%	\$120,000
22. FPE - Pioneer Electric Limited	Brandon, Man.	Electrical Products	N	\$1,129,000	97	15% and \$2,500 per eligible job (97)	\$411,850 <i>B</i>
23. Gordon W. Ross Ltd.	LaSalle, P.Q.	Four Colour Products	N.P.E.	\$ 70,000	35	8% and \$500 per eligible job (23)	\$ 17,100

<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>
24. Hanson Mills Limited	Hull, P.Q.	Body and Regular Hockey Stockings, Toques, etc.	a) E b) N.P.E.	a) \$ 17,500 b) \$ 80,975	5 16	a) 10% b) 10% and \$1,000 per eligible job (16)	a) \$ 1,750 b) \$ 24,097
25. Industrial Fasteners Ltd.	Marieville, P.Q.	Bolts and Nuts	E	\$1,200,000	20	10%	\$120,000
26. Industrial Fasteners Ltd.	Marieville, P.Q.	Bolts and Nuts	E	\$ 219,000	6	10%	\$ 21,900
27. Les Industries Wedco Ltée	Verdun, P.Q.	Plastic Products	N	\$ 216,500	32	5% and \$500 per eligible job (14)	\$ 17,825
28. International Harvester Company of Canada Limited	Candiac, P.Q.	Paylogger and Payloader	M	\$ 193,000	50	8%	\$ 15,440 <i>R</i>
29. J.R.B. Pet Foods Company Limited	St. Jude, P.Q.	Pet Food	N	\$ 172,237	36	5% and \$800 per eligible job (32)	\$ 34,211 <i>D</i>
30. Laiterie Intercité Compagnie Ltée	Between Dalhousie and Campbellton, N.B.	Milk Products	N	\$ 95,000	2	30%	\$ 28,500
31. Lalonde Electrique Inc.	Montreal, P.Q.	Electric Appliances and Motors	N.P.E.	\$ 180,400	34	7% and \$1,300 per eligible job (21)	\$ 39,928
32. Lennox Paper Limited	Lennoxville, P.Q.	Tissue Paper Products	N	\$4,280,000	60	16% and \$3,500 per eligible job (53)	\$870,300

<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. Maison Mobiles France Canada Ltée	Quebec, P.Q.	Mobile Homes	N	\$1,618,700	198	15% and \$2,250 per eligible job (198)	\$688,305 <i>9</i>
34. Menuiserie Rive-Sud Inc.	Victoriaville, P.Q.	Kitchen Cupboards	E	\$ 213,000	23	20%	\$ 42,600
35. Metalform Inc.	Ville d'Anjou, P.Q.	Prefab Steel Products	E.M.	\$ 200,000	25	10%	\$ 20,000
36. Les Meubles Edra Inc.	Ste Agathe des Monts, P.Q.	Furniture	E	\$ 50,600	5	10%	\$ 5,060
37. Mid-City Ribbon and Carbon Mfg. Ltd.	Vaudreuil, P.Q.	Optical Scanning One- Time Carbon Coated Paper and Heat Sensitive Label Paper	N.P.E.	\$ 117,500	11	8% and \$1,500 per eligible job (10)	\$ 24,400
38. Montreal Woollens Ltd.	Montreal East, P.Q.	Latex Backing on Fabrics	E	\$ 38,000	8	10%	\$ 3,800 <i>R</i>
<i>W.F.</i> 39. Newfoundland Iron Works Ltd.	Stephenville, Nfld.	Steel Products	a) E.M. b) N.P.E.	a) \$ 19,175 b) \$ 55,000	6 2	a) 30% b) 30% and \$4,000 per eligible job (2)	a) \$ 5,752 b) \$ 24,500
40. Niven Truck Equipment Ltd.	Lethbridge, Alta.	Truck Bodies and Gas Tanks	E.M.	\$ 50,808	5	20%	\$ 10,161
41. Northland Trailers (Soo) Ltd.	Sault Ste Marie, Ont.	Factory Built Homes	E	\$ 207,685	35	20%	\$ 41,537
42. Park Ave. Auto Parts Co. Ltd.	Montreal, P.Q.	Rebuilt Engines	E	\$ 65,500	10	5%	\$ 3,275 <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>
43. Les Patates Québécoises Ltée	St. Romuald, P.Q.	Processing Potatoes	E	\$ 350,000	13	18%	\$ 63,000
44. Peerless Rug Limited	Acton Vale, P.Q.	Tufted Carpeting	E.M.	\$ 500,000	32	10%	\$ 50,000
45. Les Plastiques Industriels Anchor Ltée	L'Assomption, P.Q.	Oil Containers	N.P.E.	\$ 151,300	19	8% and \$1,500 per eligible job (19)	\$ 40,604
46. John Platt (T.B.I.)	Montreal, P.Q.	Plastic Skate Boots	N	\$ 80,000	28	6% and \$700 per eligible job (28)	\$ 24,400
47. Polar Quick Freezing Company Limited	Summerside, P.E.I.	Processing Frozen Fish	E.M.	\$ 115,500	5	30%	\$ 34,650
48. Prévost Car Inc.	Sainte Claire, P.Q.	Mobile Homes	E	\$ 564,866	108	20%	\$112,973 <i>R</i>
49. Les Produits Forestiers M.P. Inc.	St. Thomas Didyme, P.Q.	Lumber Chips	E	\$ 1,303,300	8	20%	\$260,660
50. Proto Metal Specialties Limited	Verdun, P.Q.	Metal Store Furniture	N.P.E.	\$ 86,000	31	7% and \$500 per eligible job (28)	\$ 20,020
<i>WA</i> 51. QSP Limited	Contrecoeur, P.Q.	Steel Products	N	\$19,600,000	281	10% and \$2,000 per eligible job (278)	\$2,516,000
52. Quinlan Brothers Limited	Bay de Verde, Nfld.	Frozen Fish Fillets	M	\$ 100,630	22	20%	\$ 20,126

<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>
53. Roland Boulanger & Cie Ltée	Warwick, P.Q.	Metal Doors	N.P.E.	\$ 317,000	13	15% and \$1,000 per eligible job (8)	\$ 55,550 <u>R</u>
54. Roland Inc.	Valleyfield, P.Q.	Metal Alloying	N	\$ 83,577	7	10% and \$2,000 per eligible job (7)	\$ 22,358
55. Rubycos Mills Ltd.	Montreal, P.Q.	Yarn	N.P.E.	\$ 160,425	10	8% and \$1,200 per eligible job (10)	\$ 24,834
56. Sani - T - Air (1968) Ltée	Laval, P.Q.	Air Filters, Humidifiers	N	\$ 80,000	15	6% and \$1,200 per eligible job (11)	\$ 18,000 <u>P</u>
57. S.M.I. Industries Ltd.) 1	Bathurst, N.B.	Snow Removal Equipment	N	\$ 595,000	100	25% and \$5,500 per eligible job (100)	\$698,750
58. Société Chimique Laurentide Inc.	Montreal, P.Q.	Motor Antigél	E	\$ 622,500	28	5%	\$ 31,125 <u>R</u>
59. Société Chimique Laurentide Inc.	Shawinigan Sud, P.Q.	Paints	E	\$ 202,500	10	15%	\$ 30,375 <u>R</u>
60. Le Soleil Limitée	Quebec, P.Q.	Imprinting	E.M.	\$1,367,779	Nil	10%	\$136,777
61. Spruce Falls Power and Paper Company Ltd.	Kapuskasing, Ont.	Kiln Dried Studs	N	\$3,800,000	64	10% and \$3,000 per eligible job (64)	\$572,000

<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>
62. Squire Manufacturing Ltd.	Winnipeg, Man.	Sleeping Bags and Outerwear	N	\$109,475	39	10% and \$1,000 per eligible job (39)	\$ 49,948
63. Technical Mould (Que) Ltd.	Montreal, P.Q.	Moulds for Unit Soles	N.P.E.	\$145,600	58	8% and \$450 per eligible job (55)	\$ 36,398
64. Ten Tex Inc.	Montreal, P.Q.	Polyester Material	N.P.E.	\$184,500	17	5% and \$1,500 per eligible job (17)	\$ 34,725
65. Thermofoam Manufacturing (1972) Limited	Fredericton, N.B.	Plastic Products	a) M b) N.P.E.	a) \$ 42,500 b) \$465,000	1 17	a) 15% b) 15% and \$2,000 per eligible job (17)	a) \$ 6,375 b) \$103,750
66. Triangle Pacific Forest Products Ltd.	Slocan, B.C.	Dressed Kiln Dry Lumber	E	\$851,859	64	15%	\$127,779
67. Vulcanisation St. Laurent (1970) Ltée	Hauterive, P.Q.	Tires	N	\$ 84,336	10	25%	\$ 21,084
68. W.R. Cuthbert Limited	Montreal, P.Q.	Moulding for Foundry, Soldering and Buffing	M	\$ 79,400	5	8%	\$ 6,352
69. Washington Cabinet Manufacturing Ltd.	Winnipeg, Man.	Kitchen and Bathroom Cabinets	N	\$326,355	12	12%	\$ 39,162
70. Wheaton Industries of Canada Ltd.	Lachine, P.Q.	Plastic Bottles	N	\$357,000	35	7% and \$1,000 per eligible job (35)	\$ 59,990

<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>
71. William Milne & Sons Limited	Temagami, Ont.	Kiln Dried Pine Lumber	E	\$ 158,000	18	10%	\$ 15,800
72. Wittler Furniture Ltd.	Winnipeg, Man.	Furniture Components and Architectural Wood Turnings	E.M.	\$ 47,000	Nil	14%	\$ 6,580
73. World Wide Gum Co. Limited	Granby, P.Q.	Sweet Tarts	N.P.E.	\$ 113,000	20	20% and \$1,000 per eligible job (17)	\$ 39,600
74. X. Béton Inc.	St. Nicolas, P.Q.	Pre Fab Concrete Components	N	\$1,076,720	40	15% and \$3,750 per eligible job (37)	\$300,258

ACCEPTED OFFERS SUBSEQUENTLY REVISED

1. Alceco Machine Mfg. Ltd. (May 1972)	St. Laurent, P.Q.	Double Crank Presses	N.P.E.	\$ 120,900	24	10% and \$700 per eligible job (24)	\$ 28,890
2. Canadian Hoechst Limited (March 1972)	Varenes, P.Q.	Aqueous Emulsions Based on Styrene Monomer and Acrylates	N.P.E.	\$ 185,000	4	7% and \$1,400 per eligible job (4)	\$ 18,550
3. Computag Systems Limited (Sept. 1970)	Moncton, N.B.	Commercial Printing	N	\$1,975,000	95	20% and \$4,000 per eligible job (95)	\$775,000

<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>
4. Damo Inc. (Jan. 1972)	St. Damien de Brandon, P.Q.	Furniture	N.P.E.	\$ 80,500	12	20% and \$750 per eligible job (12)	\$ 25,100
5. Kalesnikoff Lumbering Co. Ltd. (March 1971)	Tarry's Flats, B.C.	Lumber and Chips	a) E.M. b) N.P.E.	a) \$ 245,277 b) \$ 110,486	1 2	a) 20% b) 25% and \$5,000 per eligible job (2)	a) \$ 49,055 b) \$ 37,622
6. La Fonderie Ste Croix Ltée. (Feb. 1971)	Ste. Croix, P.Q.	Cast Iron Pipes and Couplings	N	\$ 840,000	188	10% and \$800 per eligible job (188)	\$234,400
7. Pêcheurs Unis de Québec (March 1972)	Gaspé, P.Q.	Fish Processing	E.M.	\$ 178,200	9	20%	\$ 35,640
8. Pêcheurs Unis de Québec (Feb. 1972)	Newport, P.Q.	Fish Processing	M	\$ 170,000	Nil	20%	\$ 34,000
9. Reliance Products Ltd. (Dec. 1970)	Winnipeg, Man.	Plastic Containers and Lids	a) E.M. b) N.P.E.	a) \$ 127,729 b) \$ 483,140	10 31	a) 16% b) 16% and \$3,100 per eligible job (31)	a) \$ 20,437 b) \$173,402
10. The Liberty Wool Stock Company Ltd. (March 1972)	Montreal, P.Q.	Yarns	E	\$ 261,650	18	8%	\$ 20,932
11. The Proctor & Gamble Company of Canada Limited (Jan. 1971)	Grande Prairie, Alta.	Bleached Kraft Pulp	N	\$92,187,500	452	15% and \$5,000 per eligible job (452) or \$30,000 per job whichever is the lesser	\$13,560,000

<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>
<u>ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN</u>							
1. Bramac Industries Ltd. (Aug. 1971)	Charlottetown, P.E.I.						
2. Clarke and Sirkin Ltd. (July 1971)	Louisville, P.Q.						
3. Isadora Creations Ltd. (Nov. 1971)	Montreal, P.Q.						
4. Island Freezers & Storage Ltd. (Jan. 1972)	Charlottetown, P.E.I.						
5. Les Industries Polycor Limitée (Jan. 1972)	Lyster, P.Q.						
6. Les Protéines de Gaspé Ltée (Jan. 1972)	Rivière-au-Renard, P.Q.						
7. Noseworthy's Wholesale Pre-Cooked Foods (Feb. 1972)	Spaniard's Bay, Nfld.						
8. Renfrew Tool (1970) Ltd. (Oct. 1970)	Renfrew, Ont.						
9. Uncle Ben's Tartan Breweries (Ont.) Ltd. (Feb. 1972)	Cornwall, Ont.						
10. W. G. Garland Limited (Dec. 1971)	Carbonear, Nfld.						
11. Wee-Ski Corporation Int'l Ltée (Dec. 1970)	Princeville, P.Q.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of July 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, is indicated in the brackets under the company name. Only the revised data are shown.

TABLE 4

LOAN GUARANTEE ACTIVITY

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

OFFERS ACCEPTED

<u>Company</u>	<u>Location of Facility</u>	<u>Type of Operation</u>	<u>Expected Capital Cost</u>	<u>Expected Direct New Jobs</u>	<u>Loan Amount</u>	<u>Maximum Amount of Loan Guarantee</u>
1. Les Cedres Laurentiens Inc.	Matane, P.Q.	Cedar Shingles	\$ 334,000	25	\$ 50,000	\$ 45,000

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



135573

