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REPORT ON REGIONAL DEVELOPMENT INCENTIVES

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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 JANUARY, 1973

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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.

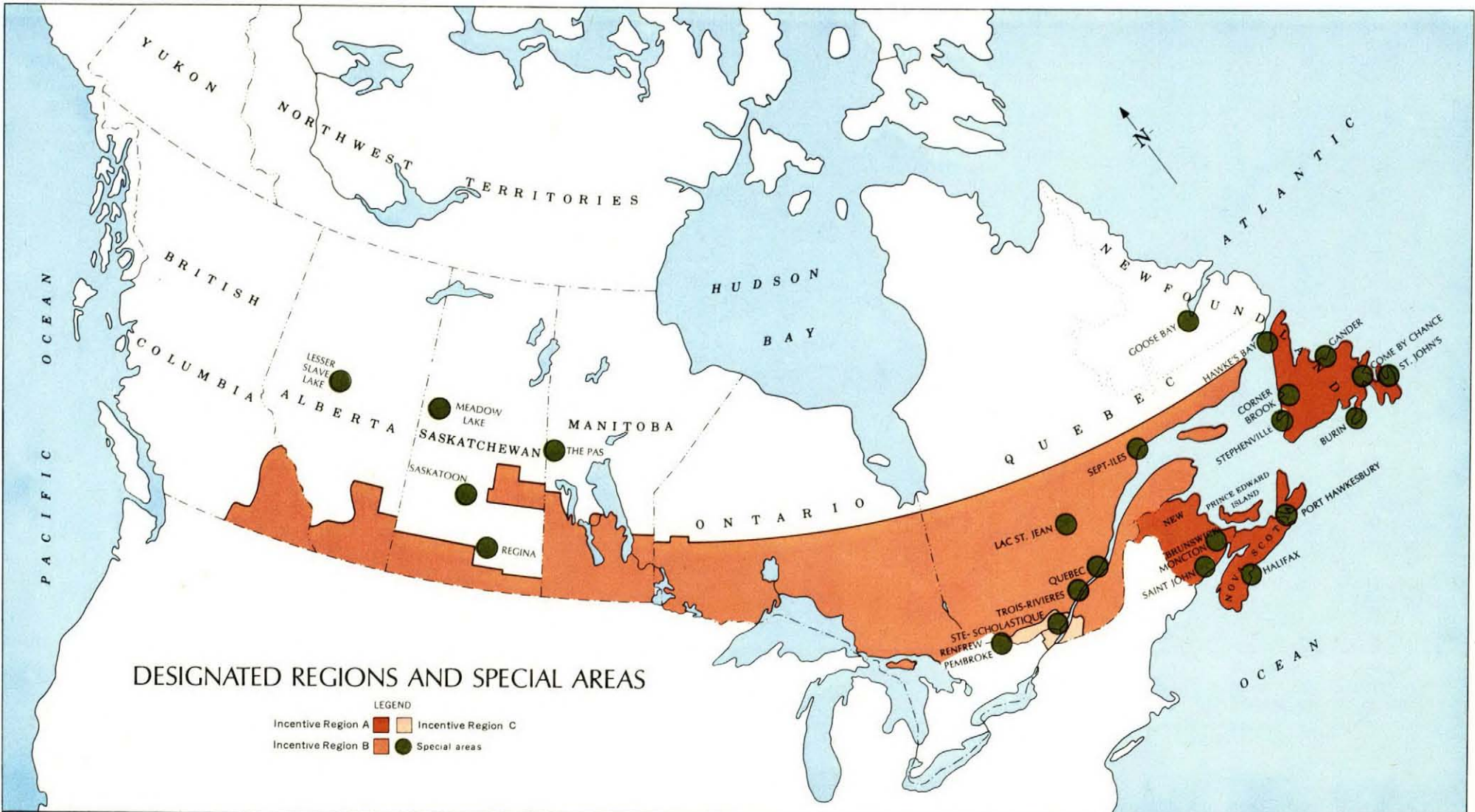
Loan guarantees, which are intended to offset difficulties that investors sometimes encounter in obtaining loan funds for investment in slow-growth regions, may not exceed 90 per cent of the total advances made by a lender, plus the interest involved, or 72 per cent of the total capital costs.

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 January, 1973.

Among other things, it shows:

- (1) that, during the month of January, 1973 applications were received (making a total of 2,145 during the current fiscal year) and 58 offers were made (making a total of 845 during the current fiscal year);
- (2) that, of the 7,128 applications received since the inception of the program, 3,787 were rejected or withdrawn and 2,723 resulted in offers;
- (3) that, after allowing for lapses, withdrawals and offers not accepted, the net total of accepted offers stood at 2,008; and
- (4) that, against obligations represented by the net total of 2,008 accepted offers, partial payments had been made in 903 cases and final payments in 46 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 \$1,639 million;
- expected direct new jobs numbering 83,533; and
- incentive grants of \$329.2 million.

Incentive grants actually paid to date total \$75.8 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 January, 1973.

Among other things, it shows that, during the month of January, 7 applications were received (making a total of 70 during the current fiscal year) and 1 offer was made (making a total of 13 during the current fiscal year).

TABLE 1

INCENTIVE GRANT APPLICATIONS

DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - JANUARY 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	192	2145	7128
Applications Withdrawn	78	926	2144
Applications Rejected	68	711	1643
Offers Made	58	845	2723
<u>STATUS OF OFFERS MADE</u>			
Offers Made	58	845	2723
Offers Lapsed	2	52	139
Offers Declined	10	65	209
Offers Accepted	69	818	2267
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	69	818	2267
Accepted Offers Declined or Withdrawn	18	143	259
Net Offers Accepted	51	675	2008
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	51	675	2008
No Payment Made	-	-	1059
Partial Payment Made	56	366	903
Final Payment Made	5	46	46

TABLE 2

LOAN GUARANTEE APPLICATIONS

DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - JANUARY 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	7	70	206
Applications Withdrawn	13	55	86
Applications Rejected	1	22	56
Offers Made	1	13	24
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	13	24
Offers Lapsed	-	1	2
Offers Declined	-	2	2
Offers Accepted	2	10	18
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	2	10	18
Accepted Offers Declined or Withdrawn	-	1	2
Net Accepted Offers	2	9	16
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	2	9	16
Guarantees in Operation	2	4	5

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of January 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 JANUARY 1973

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. Atlantic Hardchrome and Crankshaft Rebuilders Limited	Dartmouth, N.S.	Crankshafts	E	\$ 45,000	3	30%	\$ 13,500
2. Au Petit Goret Inc.	Longueuil, P.Q.	Pork	N	\$ 409,000	76	10% and \$500 per eligible job (76)	\$ 78,900 <u>0</u>
3. Baby Bear Shoe Co. Ltd.	St-Georges de Beauce, P.Q.	Shoes	E.M.	\$ 150,000	30	15%	\$ 22,500 <u>R</u>
4. Baird's Forgings Ltd.	Saint John, N.B.	Metal Stampings and Forgings	N	\$ 991,500	28	35% and \$5,000 per eligible job (28)	\$487,025 <u>0</u>
5. Barclay Press Co. (Claybar) Ltd.	Montreal, P.Q.	Lithography	M	\$ 67,000	3	8%	\$ 5,360
6. Bayshore Lumber Company Limited	Sussex, N.B.	Lumber	N	\$ 338,518	16	30%	\$101,556

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>
7. Bingley Steel Works Limited	Cornwall, Ont.	Steel	E.M.	\$ 144,020	13	10%	\$ 14,402
8. Boise Cascade Home and Land Ltd.	St. Jerome, P.Q.	Mobile Homes	E	\$ 741,500	99	10%	\$ 74,150
9. Mr. Roger D. Brine	Cape Bald, N.B.	Smoked Fish	N	\$ 31,000	4	30%	\$ 9,300
10. Canadian Adhesives Limited	Montreal East, P.Q.	Adhesives, Sealants, Caulking Compounds and Paper Tubes	N.P.E.	\$ 388,000	25	5% and \$1,500 per eligible job (17)	\$ 44,900
11. Canadian Parlour Frame Limited	Ville d'Anjou, P.Q.	Diningroom Furniture	E	\$ 387,770	39	10%	\$ 38,770
12. Cansteel Ltd.	Fredericton, N.B.	Mobile Home Axles	N	\$ 138,100	30	15% and \$1,500 per eligible job (29)	\$ 64,215 ^R
13. Cassidy & Maillard Limitée	Boucherville, P.Q.	Metal Furniture and Coated Metal	E.M.	\$ 83,000	5	10%	\$ 8,300 ^D
14. Crossley Karastan Carpet Mills Ltd.	Truro, N.S.	Woven and Tufted Carpets	E	\$4,523,000	185	20%	\$904,600
15. Custom Lumber	Bruce Mines, Ont.	Wooden Cabinets	N	\$ 72,307	8	15% and \$1,500 per eligible job (8)	\$ 22,846

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>
16. Custom Packaging Ltd.	Montreal, P.Q.	Packaging for Food & Pharmaceutical Products	a) E b) N.P.E.	\$ 90,000 \$110,000	19 7	10% 10% and \$1,000 per eligible job (7)	\$ 9,000 \$ 18,000
17. Dana Originals Inc.	Berthierville, P.Q.	Knitwear and Outerwear	N	\$840,000	275	10% and \$700 per eligible job (275)	\$276,500
18. Drummond Welding & Steel Works Ltd.	Longueuil, P.Q.	Metal Plates	N	\$732,000	104	10%	\$ 73,200
19. Eastern Plastic Industries Ltd.	Montreal North, P.Q.	Plastic Products	E	\$216,000	14	10%	\$ 21,600
20. Flemming & Gibson Sawmills Ltd.	Fredericton, N.B.	Kiln Dried Lumber and Green Lumber	a) E b) N.P.E.	\$ 50,000 \$100,000	10 2	15% 15% and \$2,000 per eligible job (2)	\$ 7,500 \$ 19,000
21. Fonderie Ste-Croix Ltée	Ste-Croix, P.Q.	Cast Iron Products	E	\$400,000	79	20%	\$ 80,000
22. Gaston Richard Inc.	Ste Julie, P.Q.	Feed Mill	N	\$ 78,000	7	8% and \$500 per eligible job (7)	\$ 9,740
23. Gateway Packers (1968) Ltd.	Winnipeg, Man.	Waste Paper Processing	N	\$143,000	13	20%	\$ 28,600

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>
24. Halliday & Turton Ltd.	St. John's, Nfld.	Potato Chips	N	\$ 200,000	23	30% and \$2,500 per eligible job (23)	\$117,500 <u>0</u>
25. Hardee Farms International Ltd.	Montague, P.E.I.	Frozen Vegetables	N	\$ 515,000	145	25% and \$5,000 per eligible job (122)	\$738,750 <u>0</u>
26. Haro Industries Limited	Chambly, P.Q.	Specialized Electro-mechanical Products	N	\$ 72,000	18	8% and \$700 per eligible job (18)	\$ 18,360 <u>0</u>
27. Hy-Hoe of Canada Ltd.	Arnprior, Ont.	Hydraulic Back Hoes	N	\$ 978,000	38	20% and \$3,000 per eligible job (36)	\$303,600 <u>R</u>
28. Industrial Machine & Iron Works Ltd.	Fredericton, N.B.	Trailer Frames	N	\$ 88,600	15	30%	\$ 26,580
29. J.C. Martel Inc.	St-Michel-des-Saints, P.Q.	Dimension Lumber	E.M.	\$1,116,900	15	20%	\$223,380 <u>0</u>
30. Jos. Paquin & Fils Ltée	Notre-Dame-des-Anges, P.Q.	Lumber	N	\$ 153,000	26	15% and \$2,000 per eligible job (20)	\$ 62,950
31. M. Louis Landry	Edmundston, N.B.	Reconstructed Motors	N	\$ 73,248	6	30%	\$ 21,975
32. La Scierie Manicouagan Inc.	Ragueneau, P.Q.	Lumber	N	\$ 317,000	25	12% and \$2,500 per eligible job (25)	\$100,540

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>
33. Les Industries Gonzales Lecomte Ltée	St Hyacinthe, P.Q.	Sectional Homes	N	\$ 442,000	137	10% and \$500 per eligible job (134)	\$111,200 <i>D</i>
34. Les Meubles Maskinongé Industrie Ltée	Maskinongé, P.Q.	Wooden Furniture	E.M.	\$ 565,600	11	15%	\$ 84,840
35. Les Plastiques Bou-Chell Inc.	St-Anselme, P.Q.	Plastic Articles	N	\$ 174,000	52	15% and \$1,000 per eligible job (52)	\$ 78,100 <i>R</i>
36. Les Provisions Cloutier Enrg	Vallée Jonction, P.Q.	Meat and Fish Processing	E	\$ 37,000	3	20%	\$ 7,400
37. Loewen Millwork Canada Ltd.	Steinbach, Man.	Window Units	E	\$ 707,000	50	20%	\$141,400
38. Lumiart Ltd.	Ville d'Anjou, P.Q.	Chandeliers, Lighting Fixtures and Decorative Hardware	N	\$1,572,000	320	10% and \$1,500 per eligible job (141)	\$368,700
39. Montreal Meat Packers Ltd.	St-Germain de Grantham, P.Q.	Meat Processing	N	\$ 355,946	26	18%	\$ 64,070
40. Morbern Industries Limited	Cornwall, Ont.	Coated Fabrics and Wall Coverings	a) E b) N.P.E.	\$ 45,196 \$ 119,154	19 48	10% 10% and \$500 per eligible job (48)	\$ 4,520 \$ 35,915

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>
41. Mylord Shirt Mfg. Ltd.	Montreal, P.Q.	Knitted Shirts	N.P.E.	\$ 103,000	27	5% and \$500 per eligible job (26)	\$ 18,150
42. Native Metal Industries Limited	Regina, Sask.	Scrap Metal	E	\$ 263,000	77	20%	\$ 52,600
43. North Lethbridge Mo-Tires Ltd.	Lethbridge, Alta.	Retreaded Tires	N	\$ 153,200	13	20%	\$ 30,640
44. Paul Morency Inc.	Rimouski, P.Q.	Soft Drinks	N	\$ 403,000	4	15%	\$ 60,450
45. Pembina Poultry Packers Ltd.	Morden, Man.	Poultry Processing	E	\$ 151,835	13	15%	\$ 22,775
46. Perkins Papers Ltd.	Candiac, P.Q.	Tissue Paper	E	\$ 574,000	14	10%	\$ 57,400
47. Polymos Inc.	Terrasse Vaudreuil, P.Q.	Polystyrene Foam	N.P.E.	\$ 94,200	17	10% and \$800 per eligible job (16)	\$ 22,220
48. Powell Equipment Limited	Thunder Bay, Ont.	Machine Attachments	N	\$ 550,000	24	15%	\$ 82,500
49. Prelco Ltée	Rivière-du-Loup, P.Q.	Tempered Glass	N	\$ 415,000	18	25% and \$2,500 per eligible job (18)	\$148,750
50. P.V.R. Company Ltd.	St. Laurent, P.Q.	Chemical Products	N	\$ 339,930	55	10% and \$600 per eligible job (51)	\$ 64,593

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>
51. Ray Litho Service Inc.	St. Laurent, P.Q.	Printing	E	\$ 61,200	8	10%	\$ 6,120
52. R. Brunet Concrete Limited	Valleyfield, P.Q.	Concrete Tubing	E	\$ 149,810	9	10%	\$ 14,981
53. Sail Craft of Canada Ltd.	Ile Perrot, P.Q.	Cruising Catamarans and Monohull Sailboats	N	\$ 150,000	37	5% and \$500 per eligible job (34)	\$ 24,500 <i>D</i>
54. Scierie Mont-Valin Ltée	Falardeau, P.Q.	Lumber	N	\$ 462,418	10	20%	\$ 92,484
55. Scierie Mont-Valin Ltée	Falardeau, P.Q.	Lumber	E.M.	\$ 89,082	5	20%	\$ 17,816
56. Scierie Morin Inc.	Chemin des Passes Dangereuses, P.Q.	Lumber	E	\$ 521,205	20	20%	\$104,241 <i>B</i>
57. Security Products Ltd.	Robichaud, N.B.	Plastic Buoys	E	\$ 31,700	3	30%	\$ 9,510 <i>D</i>
58. Mr. H.J. Sheriff	Kimberley, B.C.	Paper Products	N	\$1,031,023	31	15% and \$2,500 per eligible job (30)	\$229,653
59. St Anne Lumber Co. Ltd.	Nackawic, N.B.	Lumber	N	\$5,450,000	90	10% and \$2,850 per eligible job (90)	\$801,500 <i>D</i>
60. Sterling Electronics Ltd.	Montreal, P.Q.	Battery Chargers and Power Supplies	N.P.E.	\$ 75,000	47	10% and \$200 per eligible job (30)	\$ 13,500 <i>D</i>

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>
61. Superior Wire & Paper Products Ltd.	St. Laurent, P.Q.	Merchant Wire	N.P.E.	\$ 85,000	24	10% and \$1,000 per eligible job (20)	\$ 28,500
62. The B.V.D. Company Ltd.	St-Romuald, P.Q.	Men's Shirts	E	\$ 770,000	38	20%	\$154,000
63. The Enterprise Foundry Company Limited	Sackville, N.B.	Ranges and Furnaces	E.M.	\$ 470,000	55	10%	\$141,000 <u>R</u>
64. The Valley Shoe Company Inc.	Vallée Junction, P.Q.	Shoes	E	\$ 104,850	41	20%	\$ 20,970
65. Travelite Trailers Limited	Williamstown, Ont.	Travel Trailers	E	\$ 80,550	12	10%	\$ 8,055 <u>0</u>
66. Ulmic (Canada) Ltée	St. Laurent P.Q.	Precision Machinery	N	\$3,605,000	144	10% and \$2,000 per eligible job (128)	\$616,500
67. Ven-Rez Products Limited	Shelburne, N.S.	Furniture and Fixtures	N.P.E.	\$ 134,410	25	20% and \$3,000 per eligible job (20)	\$ 86,882
68. Winfield Chemical Industries Limited	Wakefield, P.Q.	Magnesia	E	\$ 58,000	7	10%	\$ 5,800
69. Teofilo Yarur	Pierreville, P.Q.	Horse Meat Processing	N	\$ 380,000	15	10% and \$2,000 per eligible job (15)	\$ 68,000 <u>0</u>

ACCEPTED OFFERS SUBSEQUENTLY REVISED

<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. Canadian Hockey Sticks Mfg. Inc. (Aug. 1972)	Drummondville, P.Q.	Hockey Sticks	E	\$ 60,000	9	20%	\$ 12,000
2. Canso Seafoods Limited (Sep. 1972)	Canso, N.S.	Fish Products	N	\$1,500,001	275	35% and \$3,300 per eligible job (275)	\$1,432,500
3. Confection Corriveau Inc. (Oct. 1971)	Windsor, P.Q.	Clothing	N	\$ 171,822	87	10% and \$400 per eligible job (75)	\$ 47,182
4. Digital Components Limited (Jan. 1972)	Bedford, N.S.	Electrical Components	N	\$4,072,800	524	20% and \$1,500 per eligible job (524)	\$1,600,560
5. Drummex Inc. (May 1972)	Drummondville, P.Q.	Automated Parking System and Conveyors	N	\$ 95,000	24	12% and \$550 per eligible job (24)	\$ 24,600
6. Fonderie Gosselin Inc. (Aug. 1972)	Ste Anne de la Pérade, P.Q.	Castings	E	\$ 66,905	9	15%	\$ 10,036
7. Grande Anse Beverages Limited (April 1972)	Grande Anse, N.B.	Soft Drink Bottling	E.M.	\$ 68,000	2	30%	\$ 20,400 <i>R</i>
8. Interprovincial Steel & Pipe Corporation Ltd. (April 1972)	Regina, Sask.	Steel Plates	E	\$2,984,000	200	20%	\$ 596,800
9. Jet Enterprises Ltd. (Dec. 1972)	Lachine, P.Q.	Glassware	E	\$ 290,000	48	10%	\$ 29,000

ACCEPTED OFFERS SUBSEQUENTLY REVISED

<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>
10. Napoléon Gagnon & Fils (1972) Ltée (Oct. 1972)	Tourville, P.Q.	Lumber Chips	N	\$ 372,930	33	15% and \$2,500 per eligible job (33)	\$ 138,439
11. Prévost Car Inc. (July 1972)	Sainte Claire, P.Q.	Mobile Homes	E	\$ 441,107	108	20%	\$ 88,221
12. Quadra Mfg. Ltd. (Dec. 1971)	Trail, B.C.	Chain Saws	N	\$ 505,723	57	14% and \$1,930 per eligible job (55)	\$ 176,951
13. Springdale Mills Limited (July 1971)	Valleyfield, P.Q.	Double Knit and Raschel Knit Products	a) E b) N.P.E.	\$ 406,700 \$1,557,700	13 38	8% 8% and \$1,500 per eligible job (38)	\$ 32,536 \$ 181,616
14. Well - Knit Products Inc. (Mar. 1972)	Montreal, P.Q.	Knit Fabrics	E	\$ 165,000	8	5%	\$ 8,250

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

1. Atlantic Whaling Co. Ltd. (April 1972)	St. Anthony, Nfld.						
2. Cambrian Clothing Limited (Nov. 1971)	Winnipeg, Man.						
3. Can-Am Spectator Sales Ltd. (Aug. 1972)	Elie, Man.						
4. Canlin Limited (Aug. 1971)	Pointe-aux-Trembles, P.Q.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<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>
5. Dover's Per-Kup Limited (June 1971)	Hull, P.Q.						
6. Frontenac Fabrics Inc. (May 1972)	Montreal, P.Q.						
7. G.C. Knitting Inc. (June 1972)	La Providence, P.Q.						
8. Imperial Converters Co. Ltd. (Oct. 1972)	St-Jérôme, P.Q.						
9. Les Aliments Maxi Inc. (Aug. 1971)	St-Romuald, P.Q.						
10. Les Carrosseries Isothermes l'Igloo Ltée (Mar. 1972)	Boucherville, P.Q.						
11. Manitoulin Rustic Furniture Ltd. (Aug. 1972)	Little Current, Ont.						
12. North Bay TV and Audio Ltd. (Sep. 1972)	North Bay, Ont.						
13. Plypane Inc. (Aug. 1972)	Ville d'Anjou, P.Q.						
14. Stowin Investments Ltd. (Aug. 1972)	Stellarton, N.S.						
15. Taran Furs Inc. (Mar. 1972)	Châteauguay, P.Q.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<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. The Canada Last Company Limited (Dec. 1972)	Montreal, P.Q.						
17. Unistacan Trail Motel Limited (Dec. 1971)	Winnipeg, Man.						
18. Yelles & Frères Enrg. (April 1972)	Ste-Eulalie, 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 January of offers accepted.

TABLE 4

LOAN GUARANTEE ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED
AND SUBSEQUENTLY DECLINED, WITHDRAWN OR REVISED DURING JANUARY 1973

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. Northern Sintered Metals Inc.	Granby, P.Q.	Powdered Metal Components	\$338,000	23	\$165,000	\$ 55,000
2. Thermofoam Manufacturing (1972) Limited	Fredericton, N.B.	Plastic Products	\$748,000	18	\$360,000	\$120,000

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.

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