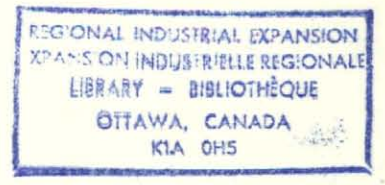
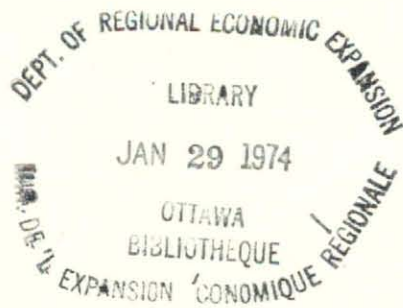




**Regional  
Economic  
Expansion**

**Expansion  
Économique  
Régionale**

# **REPORT ON REGIONAL DEVELOPMENT INCENTIVES**



**November, 1973**

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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 NOVEMBER, 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 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)		

\*Incentive grants ceased to be available in Region C as of June 30, 1973. The region, however, continues to be designated until December 31, 1973, for the purpose of loan guarantees to commercial projects.

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.

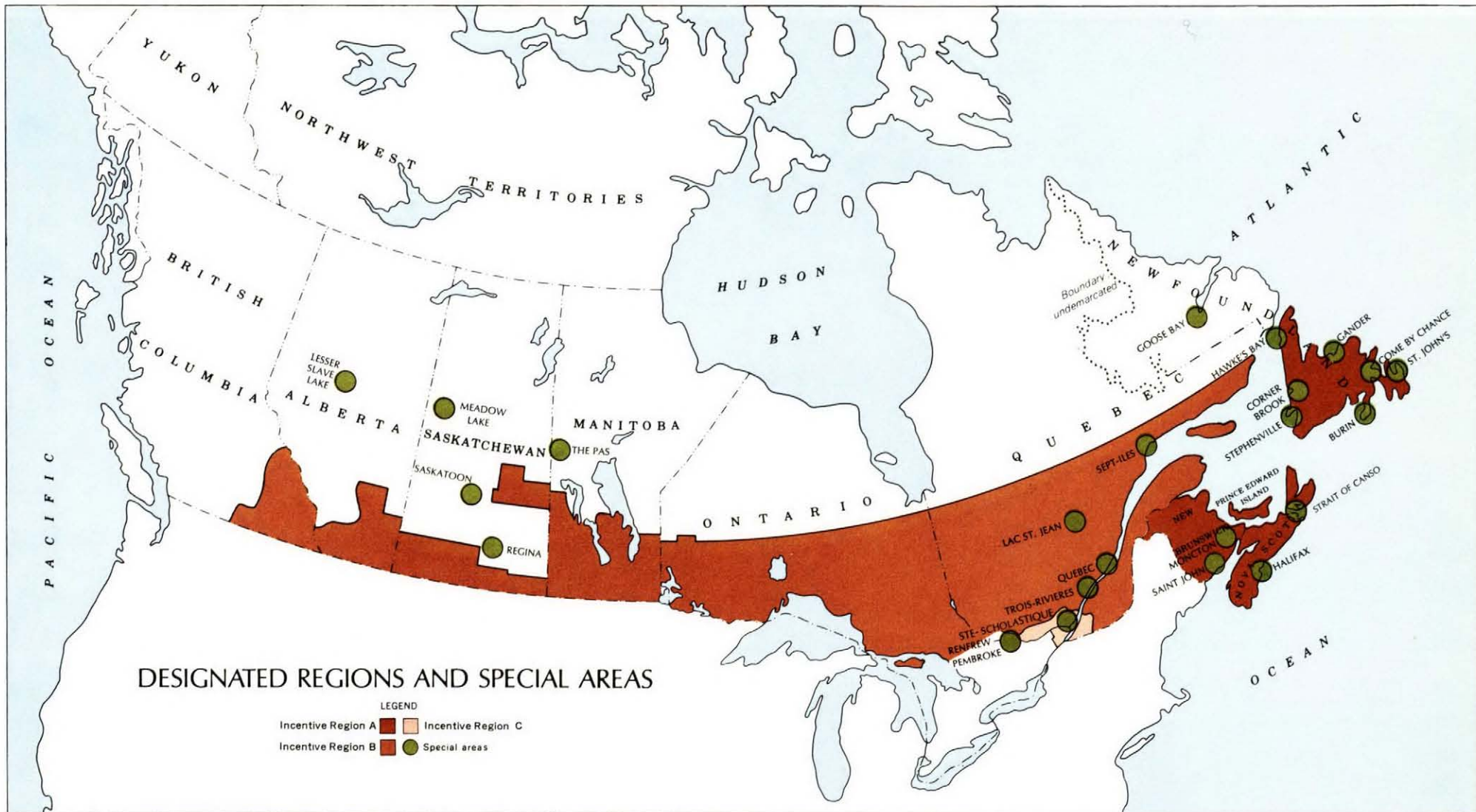
Industrial incentives available under the "Special Area" provisions of the Department of Regional Economic Expansion Act are not subject to the same statutory maxima. However, as a matter of administrative practice, standards

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 by a lender, plus the interest involved, or 72 per cent of the total capital costs.

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 support 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.



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**Regional Economic Expansion**  
**Économique Régionale**

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 November, 1973.

Among other things, it shows:

- (1) that, during the month of November, 140 applications were received, and 49 offers were made;
- (2) that, of the 8,654 applications received since the inception of the program, 4,814 were rejected or withdrawn, and 3,420 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 2518; and
- (4) that against obligations represented by the net total of 2518 accepted offers, partial payments had been made in 1211 cases, and final payments in 190 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 \$1,961.2 million
- ... expected direct new jobs numbering 101,791,  
and
- ... incentive grants of \$395.3 million.

Incentive grants actually paid to date total \$125.0 million.

Table 2, which relates to loan guarantees, is concerned with the disposition of applications received, and the status of offers made to the end of November, 1973.

Among other things, it shows that, during the month of November, two applications were received, and one offer was made and accepted.

TABLE 1  
INCENTIVE GRANT APPLICATIONS  
DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - NOVEMBER 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	140	1145	8654
Applications Withdrawn	49	478	2733
Applications Rejected	25	359	2081
Offers Made	49	578	3420
<u>STATUS OF OFFERS MADE</u>			
Offers Made	49	578	3420
Offers Lapsed	5	39	182
Offers Declined	1	36	252
Offers Accepted	46	534	2913
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	46	534	2913
Accepted Offers Declined or Withdrawn	19	123	395
Net Offers Accepted	27	411	2518
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	27	411	2518
No Payment Made	-	-	1117
Partial Payment Made	40	384	1211
Final Payment Made	16	79	190

TABLE 2

LOAN GUARANTEE APPLICATIONS

DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - NOVEMBER 1973

	<u>..... MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	2	37	252
Applications Withdrawn	1	25	116
Applications Rejected	1	15	75
Offers Made	1	11	40
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	11	40
Offers Lapsed	-	2	5
Offers Declined	-	-	2
Offers Accepted	1	9	30
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	1	9	30
Accepted Offers Declined or Withdrawn	-	4	6
Net Offers Accepted	1	5	24
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	1	5	24
Guarantees in Operation	-	7	13

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

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

- (1) offers accepted;
- (2) offers accepted and subsequently revised;  
and
- (3) offers accepted and subsequently delined;  
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 NOVEMBER 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. Ahlstrom Canada Ltd.	Moncton N.B.	Glass Containers	EM	\$2,083,910	44	20%	\$ 416,782
2. Breton Industrial and Marine Ltd.	Point Tupper, N.S.	Aluminum Boats	N	\$ 421,000	50	15% and \$2,000 per eligible job (50)	\$ 163,150
3. Can-Am Containers Ltd.	Springhill, N.S.	Plastic Containers	E	\$ 54,000	4	20%	\$ 10,800 <i>R</i>
4. Canots Cadorette Canoes Inc.	Grand-Mère, Que.	Fiberglass Boats	N	\$ 122,500	24	20%	\$ 24,500
5. Carte Electric Limited	Winnipeg Man.	Electrical Distribution Transformers	NPE	\$ 141,400	37	10% and \$1,300 per eligible job (37)	\$ 62,240
6. Clairol Canada-Division of Bristol-Myers Canada Limited	Knowlton Que.	Toilet Preparations	E	\$ 662,000	38	15%	\$ 99,300

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. Columbia Chrome Grinders Ltd.	Cranbrook, B.C.	Machine Parts	N	\$ 140,000	8	18% and \$2,200 per eligible job (8)	\$ 42,800
8. Corell Industries Ltd.	Granby, Que.	Textile Machinery	N	\$ 583,000	126	10% and \$1,800 per eligible job (104)	\$ 245,500 <sup>D</sup>
9. Flemming-Gibson Industries Ltd.	Juniper N.B.	Lumber	EM	\$ 271,700	Nil	20%	\$ 54,340
10. Forano Limitée	Plessisville, Que.	Forest development machinery	E	\$1,064,000	101	15%	\$ 159,600
11. Gérard Gauvin	Paquetville, N.B.	Tallow and Bone Meal	N	\$ 260,000	7	25% and \$5,000 per eligible job (5)	\$ 90,000
12. Huppé et Frères Ltée.	Victoriaville, Que.	Furniture	N	\$ 324,000	20	20%	\$ 64,800
13. Industrial Containers Ltd.	Dartmouth, N.S.	Corrugated Shipping Containers	E	\$ 395,000	10	15%	\$ 59,250
14. Jean Caron Ltée.	St-Augustin Que.	Modular Furniture (wall shelves)	N	\$ 243,264	17	20% and \$1,500 per eligible job (16)	\$ 72,653

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>
15. Jules St-Pierre Ltée.	Mont-Laurier, Que.	Soft drinks	EM	\$ 105,000	4	15%	\$ 15,750 <sup>D</sup>
16. L & T. Enterprises Limited	Dieppe, N.B.	Fresh Potatoes	N	\$ 155,000	5	25% and \$1,500 per eligible job (5)	\$ 46,250 <sup>R</sup>
17. L. Wittenberg & Son Ltd.	Winnipeg, Man.	Pallets	E	\$ 58,000	13	20%	\$ 11,600
18. La Chemise Grand' Mère Inc. (T.B.I.)	Grand-Mère, Que.	Sport Shirts	N	\$ 124,060	68	8% and \$400 per eligible job (62)	\$ 34,725
19. La Chemise Lapointe Inc.	Ville St-Georges, Que.	Shirts	E	\$ 250,000	125	20%	\$ 50,000
20. Laplante & Fils	Fulford, Que.	Metal cages for small animals	EM	\$ 36,750	7	20%	\$ 7,350
21. Les Industries Tanguay Limitée	St-Prime, Que.	Slash saws, a) cutters-trimmers log haulers, self propelled hydraulic loaders	NPE	\$ 654,000	56	20% and \$5,000 per eligible job (56)	\$ 410,800
			b)	E	\$ 903,000	48	20%
22. Lorraine Graining Machine Inc.	Quebec, Que.	Machines for wood Finishings	N	\$ 123,000	12	20% and \$2,200 per eligible job (11)	\$ 48,800

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>
23. Manganese Steel Castings (1973) Limited	Sherbrooke, Que.	Manganese, Carbon and Low Alloy Steel Castings	N	\$ 273,000	42	15% and \$1,500 per eligible job (41)	\$ 102,450 <u>0</u>
24. McDonell Conestoga Manufacturing Ltd.	Lethbridge, Alta.	Motor Homes	N	\$ 142,000	39	5% and \$1,000 per eligible job (39)	\$ 46,100 <u>0</u>
25. McKenzie Welding	Ear Falls, Ont.	Miscellaneous Metal Products	N	\$ 65,000	6	10% and \$3,000 per eligible job (6)	\$ 24,500
26. McRae Sawmills Limited	Whitney, Ont.	Sawmill	N	\$ 523,500	44	10% and \$2,500 per eligible job (40)	\$ 152,350
27. McSheffery Industries Ltd.	Moncton, N.B.	Metal Products	EM	\$ 71,292	5	20%	\$ 14,258
28. Meubles Dumont Inc.	Berthierville, Que.	Furniture	E	\$ 55,185	5	20%	\$ 11,037
29. Mica Dam Sawmills Ltd.	Revelstoke, B.C.	Railroad Ties	E	\$ 135,000	4	15%	\$ 20,250
30. National Sea Products Limited	North Sydney, N.S.	Fish	EM	\$1,131,500	71	15%	\$ 169,725
31. Ocean Harvesters Ltd.	Harbour Grace, Nfld.	Frozen Fish	EM	\$ 128,000	Nil	20%	\$ 25,600 <u>B</u>

NA

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>
✓ 32. Phillips Cables Limited	Portage La Prairie, Man.	Telephone Cable	N	\$4,550,000	120	12% and \$3,000 per eligible job (120)	\$ 906,000
33. S.W. Hooper & Co. Ltd.	Sherbrooke, Que.	Pulp & Paper, Asbestos & General Type Machinery	M	\$ 204,000	4	15%	\$ 30,600
34. Sanford Pearce (Canada) Ltd.	Granby, Que.	Heat Exchangers & Allied Products	N	\$ 618,000	71	5% and \$2,500 per eligible job (47)	\$ 183,400 <sup>D</sup>
35. Saults & Pollard (1971) Ltd.	Winnipeg, Man.	Commercial Printing	E	\$ 89,100	10	20%	\$ 17,820
36. Scotwell Industries Limited	La Tuque, Que.	Cabinet Towels & Terry Towels	N	\$ 330,000	50	15% and \$1,400 per eligible job (47)	\$ 115,300
37. Sinimex Inc.	Granby, Que.	Electronic glass washers & plastic cupboards	E	\$ 242,500	33	15%	\$ 36,375
38. Springfield Leader Limited	Lac du Bonnet, Man.	Commercial Printing	E	\$ 56,700	4	20%	\$ 11,340
39. Standard Tube Canada Limited	Winnipeg, Man.	Welded Steel Tubing	E	\$ 162,000	1	10%	\$ 16,200
40. St-Maurice Hardwood Inc. Et, Red Skin Lumber Ltd.	La Croche, Que.	Lumber	N	\$1,664,000	37	15%	\$ 249,600 <sup>D</sup>

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 Systems Equipment Limited	Winnipeg, Man.	Business Forms	E	\$ 340,000	24	15%	\$ 51,000
42. Tidewater Seafoods Incorporated	Charlottetown, P.E.I.	Processing Fish	N	\$ 365,000	42	25% and \$1,400 per eligible job (42)	\$ 150,050
43. Tidewater Seafoods Incorporated	Murray Harbour P.E.I.	Processing Fish	N	\$ 93,000	31	25% and \$1,400 per eligible job (31)	\$ 66,650
44. Charles Vaughan Paper Products	North Bay, Ont.	Processing of Paper Products	N	\$ 110,000	23	15%	\$ 16,500
45. Ventilateur Victoria Ltée.	Victoriaville, Que.	Ventilators & light Farm equipment	E	\$ 100,000	5	15%	\$ 15,000
46. W.M.M. Industries Ltd.	Charlottetown, P.E.I.	Modular Housing & Structural Steel	N	\$ 411,000	50	20% and \$3,000 per eligible job (45)	\$ 217,200

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. American Iron and Metal Co. (1969) Ltd. (April 1972)	Montreal P.Q.	Incinerated Copper Bales Lead Ingots, & Lead Alloys	NPE	\$ 685,500	24	8% and \$1,500 per eligible job	\$ 90,840
2. Apex Machine Works Limited (Oct 71)	Moncton, N.B.	Hollow Metal Doors and Fabricated Metal Products	N	\$ 479,800	92	35% and \$300 per eligible job (80)	\$ 191,930
3. Audehou Inc. (May 73)	Lac Bouchette, Que.	Lumber Wood Panels Wood Chips	N	\$1,536,144	88	15% and \$2,500 per eligible job (46)	\$ 345,422
4. Avon Foods Limited (Apr. 73)	Port Williams, N.S.	Canned Fruit & Vegetables	EM	\$ 201,000	Nil	30%	\$ 60,300
5. Brisco Sawmills Ltd. (Dec. 71)	Brisco, B.C.	Kiln Dry and Dressed lumber studs	EM NPE	\$ 237,450	4	20% and \$3,000 per eligible job (4)	\$ 59,490
6. Dalman Enterprises Limited (Aug 72)	Killarney, Man.	Agricultural Equipment	N	\$ 195,000	28	10% and \$700 per eligible job (28)	\$ 39,100
7. David Lord Limitée (March 73)	L'Assomption, Que.	Cannery	EM	\$ 74,048	31	10%	\$ 7,405
8. David Lord Limitée (March 73)	St-Jean, Que.	Cannery	EM	\$ 134,856	38	10%	\$ 13,486
9. Delisle Yogourt Ltée. (July 73)	Boucherville, Que.	Yogurt & Fresh Cheese	E	\$ 945,000	6	10%	\$ 94,500

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. Reliable Fence Mfg. Ltd. (Dec. 69)	Norton, King's County, N.B.	New Cedar Fencing	N	\$ 165,728	19	25% plus \$3,000 per eligible job (19)	\$ 98,432
11. Tissage Joseph Khouzam et Fils Inc. (Aug. 73)	Lavaltrie, Que.	Polyester Fabrics	N	\$ 305,400	13	10% and \$2,000 per eligible job (13)	\$ 56,540

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>
1. Faustin Cie Limitée (Sept. 73)	Pointe aux-Trembles, Que.						
2. Alanco Ltée (Oct. 73)	Montreal, Que.						
3. Beclawat (Canada) Limited (March 72)	Pointe Claire, Que.						
4. Canron Limited (Dec. 71)	Lachine, Que.						
5. Capitol Iron Works Inc. (July 72)	Ville D'Anjou, Que.						
6. Cercast Inc. (March 73)	Montreal, Que.						
7. Cooperheat of Canada Limited (May 73)	North Bay, Ont.						
8. General Brake & Clutch Service Ltd. (Sept. 72)	Winnipeg, Man.						
9. I.T.P. America Corporation (T.B.I.) (Oct. 73)	Montreal, Que.						
10. L.E. Shaw Limited (Nov. 72)	Moncton, N.B.						
11. Les Industries Gonzalez & Lecomte Ltée (Jan. 73)	St. Hyacinthe, Que.						

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>
12. Les Produits Esto Limitée (Jan. 69)	Mont-Joli, Que.						
13. London Felt Mfg. Co. Inc. (May 72)	Montreal, Que.						
14. London Felt Mfg. Co. Inc. (May 72)	Montreal, Que.						
15. Morden Fine Foods Limited (Apr. 72)	Morden, Man.						
16. Norton Villiers Canada Ltd. (Apr. 72)	Ville LaSalle, Que.						
17. Sinyor Spinners of Canada Ltd. (Nov. 72)	Montreal, Que.						
18. Travelite Trailers Limited (Jan. 73)	Williamstown, Ont.						
19. Valley Fabrication Inc. (June 73)	St. Timothée, Que.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of November 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 NOVEMBER 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. Vadnais & Vadnais Inc.	Ste-Florence, P.Q.	Wood Chips	\$ 287,000	31	\$ 40,000	\$ 36,000

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

1. Jack Berger Ltd. (Oct. 1972)	Winnipeg, Man.	Photo Engraving and Photogrammetry	\$ 219,000	13	\$ 300,000	\$ 68,000
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OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

Nil

PART IV - DEFINITIONS

TERMS USED IN PART 1

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 from the date of the offer. 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 the 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 until 24 months after the certified date of commercial production when the incentive is based only on approved capital costs; or until 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 organization 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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