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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 FEBRUARY, 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:

Location	Type of Project	
	Modernization or Expansion	New Plant or New Product Expansion
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.

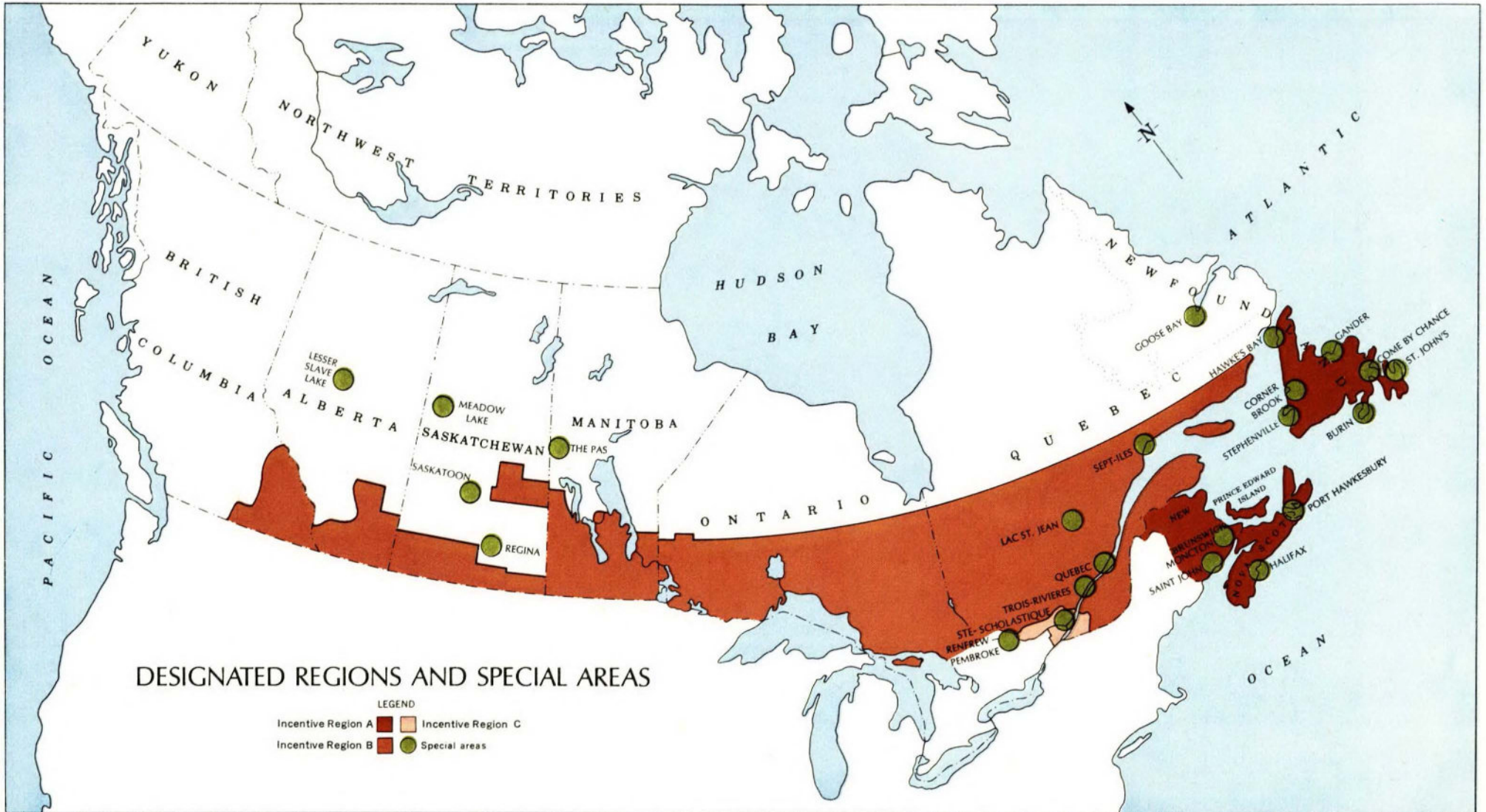
Loan guarantees, which are intended to offset difficulties that investors sometimes encounter in obtaining loan funds for investment in slow-growth regions, may not exceed 90 per cent of the total advances made by a lender, plus the interest involved, or 72 per cent of the total capital costs.

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 February, 1973.

Among other things, it shows:

- (1) that, during the month of February, 160 applications were received (making a total of 2,305 during the current fiscal year) and 45 offers were made (making a total of 890 during the current fiscal year);
- (2) that, of the 7,288 applications received since the inception of the program, 3,882 were rejected or withdrawn and 2,768 resulted in offers;
- (3) that, after allowing for lapses, withdrawals and offers not accepted, the net total of accepted offers stood at 2,053; and
- (4) that, against obligations represented by the net total of 2,053 accepted offers, partial payments had been made in 971 cases and final payments in 48 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 \$1,655 million;
- expected direct new jobs numbering 84,959; and
- incentive grants of \$332.1 million.

Incentive grants actually paid to date total \$78.8 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 February, 1973.

Among other things, it shows that, during the month of February, 5 applications were received (making a total of 75 during the current fiscal year) and 3 offers were made (making a total of 16 during the current fiscal year).

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	160	2305	7288
Applications Withdrawn	59	985	2203
Applications Rejected	36	747	1679
Offers Made	45	890	2768
<u>STATUS OF OFFERS MADE</u>			
Offers Made	45	890	2768
Offers Lapsed	3	55	142
Offers Declined	2	67	211
Offers Accepted	53	871	2320
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	53	871	2320
Accepted Offers Declined or Withdrawn	9	151	267
Net Offers Accepted	44	720	2053
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	44	720	2053
No Payment Made	-	-	1034
Partial Payment Made	68	434	971
Final Payment Made	2	48	48

TABLE 2

LOAN GUARANTEE APPLICATIONS

DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - FEBRUARY 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	5	75	211
Applications Withdrawn	4	59	90
Applications Rejected	2	24	58
Offers Made	3	16	27
<u>STATUS OF OFFERS MADE</u>			
Offers Made	3	16	27
Offers Lapsed	-	1	2
Offers Declined	-	2	2
Offers Accepted	-	10	18
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	10	18
Accepted Offers Declined or Withdrawn	-	1	2
Net Accepted Offers	-	9	16
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	9	16
Guarantees in Operation	1	5	6

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of February 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 |

A number of minor corrections are listed at the end of Table 3.

TABLE 3

INCENTIVE GRANT ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED
AND SUBSEQUENTLY REVISED, DECLINED OR WITHDRAWN DURING FEBRUARY 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. A & B Packing Enrg.	St. Leonard, P.Q.	Pork Processing	N	\$ 133,000	8	10%	\$ 13,300
2. Alligator Leather Goods Co.	Montreal, P.Q.	Watch Straps	E	\$ 83,500	18	8%	\$ 6,680
3. Amherst Woodworking (Maritimes) Limited	Amherst, N.S.	Wooden Doors	N	\$ 250,000	50	10% and \$1,500 per eligible job (50)	\$ 100,000
4. Artistic Lamp Shade Mfg. Co. Ltd.	St. Hubert, P.Q.	Speakers, Stereo and Radio Carts	N.P.E.	\$ 91,000	29	10% and \$2,000 per eligible job (5)	\$ 19,100 ⁰
5. Bayweb Limited	Sudbury, Ont.	Printing	N	\$ 190,785	12	15% and \$2,000 per eligible job (12)	\$ 52,618
6. Berwick Manufacturing Company	Berwick, Ont.	Wood Products	N	\$ 76,400	16	10% and \$1,400 per eligible job (16)	\$ 30,040

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. Bijoux BIR Ltée	Montreal, P.Q.	Jewellery	N	\$ 101,000	9	5% and \$300 per eligible job (9)	\$ 7,750
8. Blaines Plastics Company Limited	St. Hyacinthe, P.Q.	Plastic Injected Products	E	\$ 35,000	6	10%	\$ 3,500
9. Canadian Keyes Fibre Co. Ltd.	Hantsport, N.S.	Molded Pulp Products	E	\$1,142,500	10	15%	\$ 171,375
10. Carol Ann Furniture Mfg. Co. Ltd.	Montreal, P.Q.	Occasional Furniture	E	\$ 58,000	9	8%	\$ 4,640
11. Casey Fisheries Ltd.	Victoria Beach, N.S.	Smoked Herring, Groundfish and Herring Filet Blocks	E.M.	\$ 106,500	15	30%	\$ 31,950 <i>R</i>
12. Cassell & Sons Aluminum & Construction Co. Ltd.	Windsor, Nfld.	Aluminum Windows, Doors and Awnings	N	\$ 74,600	15	25% and \$2,000 per eligible job (15)	\$ 48,650 <i>D</i>
13. Centennial Steel Products Ltd.	Winnipeg, Man.	Steel Products	E	\$ 130,175	6	15%	\$ 19,526
14. Conroy of Canada Inc.	Thetford Mines, P.Q.	Fibre Glass Parts for Snowmobiles	N.P.E.	\$ 525,000	55	20%	\$ 105,000 <i>R</i>
15. Corporation Pharmaceutique Française Ltée	Montreal, P.Q.	Pharmaceutical Products and Cosmetics	N	\$ 60,000	50	10% and \$225 per eligible job (50)	\$ 17,250 <i>D</i>
16. Davis Machine Co. (1960) Ltd.	Saskatoon, Sask.	Metal Parts and Components	E.M.	\$ 33,150	4	17%	\$ 5,636

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>
17. Dayco (Canada) Ltd.	Tring Junction, P.Q.	Snowmobile Tracks	N	\$ 880,000	125	15% and \$3,000 per eligible job (125)	\$ 507,000
18. Forest Pallets Inc.	St. Louis de Terrebonne, P.Q.	Wooden Pallets	E.M.	\$ 117,735	20	10%	\$ 11,773
19. G. Klinge & Sons Ltd.	Geraldton, Ont.	Pulp Chips and Wooden Components	N	\$ 213,000	12	20% and \$4,000 per eligible job (12)	\$ 90,600
20. Green Lantern Wholesalers Ltd.	St. John's, Nfld.	Fresh Fruits and Vegetables	N	\$ 259,000	4	15%	\$ 38,850
21. Gregory Sanders Inc.	Granby, P.Q.	Ladies' Garments	N	\$ 240,000	120	5% and \$500 per eligible job (108)	\$ 66,000
22. G.R.S. Tool & Die Inc. (Canada)	Montreal, P.Q.	Oil Furnaces	N.P.E.	\$ 234,540	25	7% and \$1,000 per eligible job (23)	\$ 39,418
23. Mr. Donald R. Hay	Williamsburg, N.B.	Lumber and By-Products	E	\$ 55,500	6	30%	\$ 16,650
24. James Richardson Company (Limited)	Grande Vallée, P.Q.	Prepared Lumber	N.P.E.	\$ 135,000	10	20% and \$1,500 per eligible job (10)	\$ 42,000
25. Jos Côté Inc.	St. Georges de Beauce, P.Q.	Sawmill Machinery	N	\$ 870,090	47	20%	\$ 174,018

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>
26. King Krest Enterprises Ltd.	Saskatoon, Sask.	Frozen Bread Dough	N	\$ 86,100	17	12% and \$1,350 per eligible job (17)	\$ 33,282 <i>D</i>
27. Kruger Pulp & Paper Ltd.	La Salle, P.Q.	Corrugated Containers	E	\$ 929,000	65	10%	\$ 92,900
28. Lady Sandra of Canada Ltd.	St. Leonard, P.Q.	Bedspreads and Draperies	E.M.	\$ 105,300	54	10%	\$ 10,530
29. Lamtech Inc.	St. Joseph, P.Q.	Laminated Plastic Furniture	N	\$ 112,000	7	8%	\$ 8,960
30. Maddison Industries Ltd.	Cranbrook, B.C.	Cutting and Gouging Torches	N	\$ 62,866	6	25% and \$1,800 per eligible job (6)	\$ 26,516 <i>D</i>
31. Matelas Lion D'Or Inc.	Chicoutimi, P.Q.	Mattresses	E	\$ 68,137	3	20%	\$ 13,627
32. Modern Plastics Co. Ltd.	St. Hyacinthe, P.Q.	Plastic Products	N	\$ 807,000	93	10% and \$300 per eligible job (88)	\$ 107,100 <i>B</i>
33. B. Montreuil	St. Foy, P.Q.	Generator and Compressor Sets	N	\$ 404,620	57	20% and \$1,800 per eligible job (57)	\$ 183,524
34. Nadeau Poultry Farm Ltée	St. François, N.B.	Chicken Processing	M	\$ 533,983	31	30%	\$ 160,195 <i>R</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>
35. Paris Star Knitting Mills Inc.	Montreal, P.Q.	Knitwear	E	\$1,060,000	331	7%	\$ 74,200
36. Plastitech Inc.	Daveluyville, P.Q.	Plastic Products	E	\$ 98,000	25	20%	\$ 19,600
37. Prairie Water (1972) Ltd.	Saskatoon, Sask.	Porous Concrete Well Casings	N	\$ 61,200	4	12% and \$1,950 per eligible job (4)	\$ 15,144
38. Produits Labonté Inc.	Portneuf, P.Q.	Food Products	N	\$ 81,098	14	25%	\$ 20,275
39. R. Foisy Ltée	St. Hubert, P.Q.	Steel Structures	N	\$ 312,000	100	8% and \$300 per eligible job (92)	\$ 52,560
40. Mr. Abe Rich	Dauphin, Man.	Men's Outerwear	N	\$ 209,670	60	10% and \$1,000 per eligible job (60)	\$ 80,967
41. Roulex Ltée	Alma, P.Q.	Tent Trailers	N	\$ 190,615	19	25%	\$ 47,653
42. Sakundiak Farm Equipment Ltd.	Regina, Sask.	Agricultural Implements	N	\$ 562,000	48	18%	\$ 101,160
43. Samuel, Son & Co. Limited	Laval, P.Q.	Flat Rolled Steel and Aluminum	E	\$1,382,900	28	7%	\$ 96,803
44. Shelburne Woodworkers Ltd.	Shelburne, N.S.	Lumber and Wood Chips	E.M.	\$ 102,000	5	30%	\$ 30,600

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>
45. Spices & Botanical Products Ltd.	St. Laurent, P.Q.	Spices and Seasoning	E	\$100,000	9	10%	\$ 10,000 <u>R</u>
46. Standard Tube Canada Limited	Mount Royal, P.Q.	Steel Tubing	E	\$621,000	12	8%	\$ 49,680
47. Super Chrome (Trois Rivières) Inc.	Trois Rivières, P.Q.	Electro-Plating and Galvanizing	N.P.E.	\$250,000	14	17% and \$2,000 per eligible job (14)	\$ 70,500
48. Superior Wire & Paper Products Ltd.	St. Laurent, P.Q.	Nails and Wire Products	N.P.E.	\$489,000	35	10% and \$1,000 per eligible job (30)	\$ 78,900
49. Thermal Controls Ltd.	Lachine, P.Q.	Refrigeration Condensing Units, Chillers and Sheet Metal Fabrication	a) E	\$120,200	21	10%	\$ 12,020
			b) N.P.E.	\$ 41,600	10	10% and \$600 per eligible job (10)	\$ 10,160 <u>f</u>
50. J.E. Totte and P. Totte	The Pas, Man.	Bakery Products	N	\$ 69,493	12	20%	\$ 13,899 <u>R</u>
51. Troy Pants Inc.	Weedon, P.Q.	Pants	E.M.	\$ 85,400	44	15%	\$ 12,810
52. U.I.D. Cheese Factory Co-operative Association Limited	Glenwood, Alta.	Cheese	E.M.	\$235,749	6	15%	\$ 35,362
53. Wood Preservation Industries Ltd.	Preissac, P.Q.	Wooden Parts	N	\$178,600	10	20%	\$ 35,720

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. Cedrex Ltée (Sep. 1972)	St-Juste-de-Bretenières, P.Q.	Cedar Shingles	N	\$ 355,525	27	15% and \$1,500 per eligible job (27)	\$ 93,828
2. Concrete Products Limited (Rus-tique Brik Manufacturing Co. Ltd.) (Oct. 1972)	Moncton, N.B.	Concrete Products	E.M.	\$ 242,950	8	30%	\$ 72,885
3. Du Pont of Canada Ltd. (Sep. 1972)	North Bay Ont.	Explosives	N	\$2,771,000	140	12%	\$332,520
4. Eastern Township Machine Works Limited (Apr. 1972)	Sherbrooke, P.Q.	Bakery Machinery	E.M.	\$ 110,000	10	20%	\$ 22,000
5. Intercontinental Packers Ltd. (Jun. 1972)	Regina, Sask.	Meat Processing	N.P.E.	\$2,470,000	8	15% and \$3,000 per eligible job (8)	\$394,500
6. Les Industries Gonzales Lecomte Ltée (Jan. 1973)	St. Hyacinthe, P.Q.	Sectional Homes	N	\$ 479,000	137	10% and \$700 per eligible job (134)	\$141,700
7. Métallurgie Pelchat Inc. (Mar. 1972)	St. Romuald, P.Q.	Structural Steel	E	\$ 133,700	Nil	20%	\$ 26,740
8. Produits Belle Baie Limitée (Jan. 1972)	Caraquet, N.B.	Ground Fish	E	\$ 161,110	40	30%	\$ 48,333
9. Société Chimique Laurentide Inc. (Jul. 1972)	Montreal, P.Q.	Motor Antigal	E	\$ 764,500	28	5%	\$ 38,225
10. Southern Feeds Ltd. (Jan. 1971)	Lethbridge, Alta.	Pelletized Livestock Feed Concentrates	N.P.E.	\$ 123,280	5	25% and \$3,500 per eligible job (5)	\$ 48,320

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. ASM Manufacturing Company, (Division of 235318 Manufacturing Limited) (May 1972)	Cornwall, Ont.						
2. Canadian Heritage Homes Ltd. (International Log Homes of Canada Ltd.) (Jan. 1972)	Rock Creek, B.C.						
3. Feldcoma Knitting Mills Inc. (Apr. 1972)	Montreal, P.Q.						
4. Geniecorp Industries (Ontario) Ltd. (Geniecorp Enterprises Ltd.) (Nov. 1971)	Grand Forks, B.C.						
5. Ken MacLennan Sawmill Ltd. (Aug. 1972)	Dalkeith, Ont.						
6. Lido Knitting Mills Ltd. (Apr. 1972)	Montreal, P.Q.						
7. Parent Lumber Limited (Jan. 1970)	Saint Quentin, N.B.						
8. T. Maneklal Manufacturing Co. Ltd. (Jan. 1971)	Halifax, N.S.						
9. W.J. Gage Limited (Oct. 1972)	Winnipeg, Man.						

CORRECTIONS TO PREVIOUS REPORTS

<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. SWE-DANE CO. LTD. - REPORTED IN AUGUST 1971							
AS							
SWE-DANE CO. LTD.	Fredericton, N.B.	Furniture	N	\$ 340,000	59	10% and \$2,000 per eligible job (59)	\$131,500
SHOULD HAVE READ							
SWE-DANE CO. LTD.	Fredericton, N.B.	Furniture	N	\$ 340,000	59	10% and \$2,500 per eligible job (59)	\$181,500
2. EVANS PRODUCTS CO. LTD. - REPORTED IN AUGUST 1971							
AS							
EVANS PRODUCTS CO. LTD.	Golden, B.C.	Veneer and Plywood	a) E b) N.P.E.	\$ 695,000 \$1,931,000	34 88	15% 15% and \$2,500 per eligible job (88)	\$ 98,850 \$509,650
SHOULD HAVE READ							
EVANS PRODUCTS CO. LTD.	Golden, B.C.	Veneer and Plywood	a) E b) N.P.E.	\$ 659,000 \$1,931,000	34 88	15% 15% and \$2,500 per eligible job (88)	\$ 98,850 \$509,650
3. IMPRIMERIE FRONTIERE INC. (IMPRIMERIE DEGELIS INC.)							
was reported in December 1972 in error as an accepted offer subsequently withdrawn. This case is still active.							

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

No Loan Guarantees were accepted, declined, withdrawn or revised during February 1973.

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.

