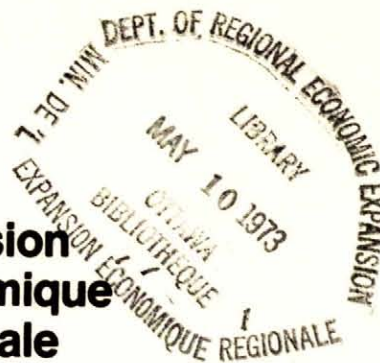


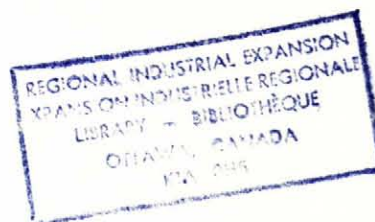


**Regional
Economic
Expansion**

**Expansion
Économique
Régionale**



REPORT ON REGIONAL DEVELOPMENT INCENTIVES



March, 1973

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March 1973

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 MARCH, 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:

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.

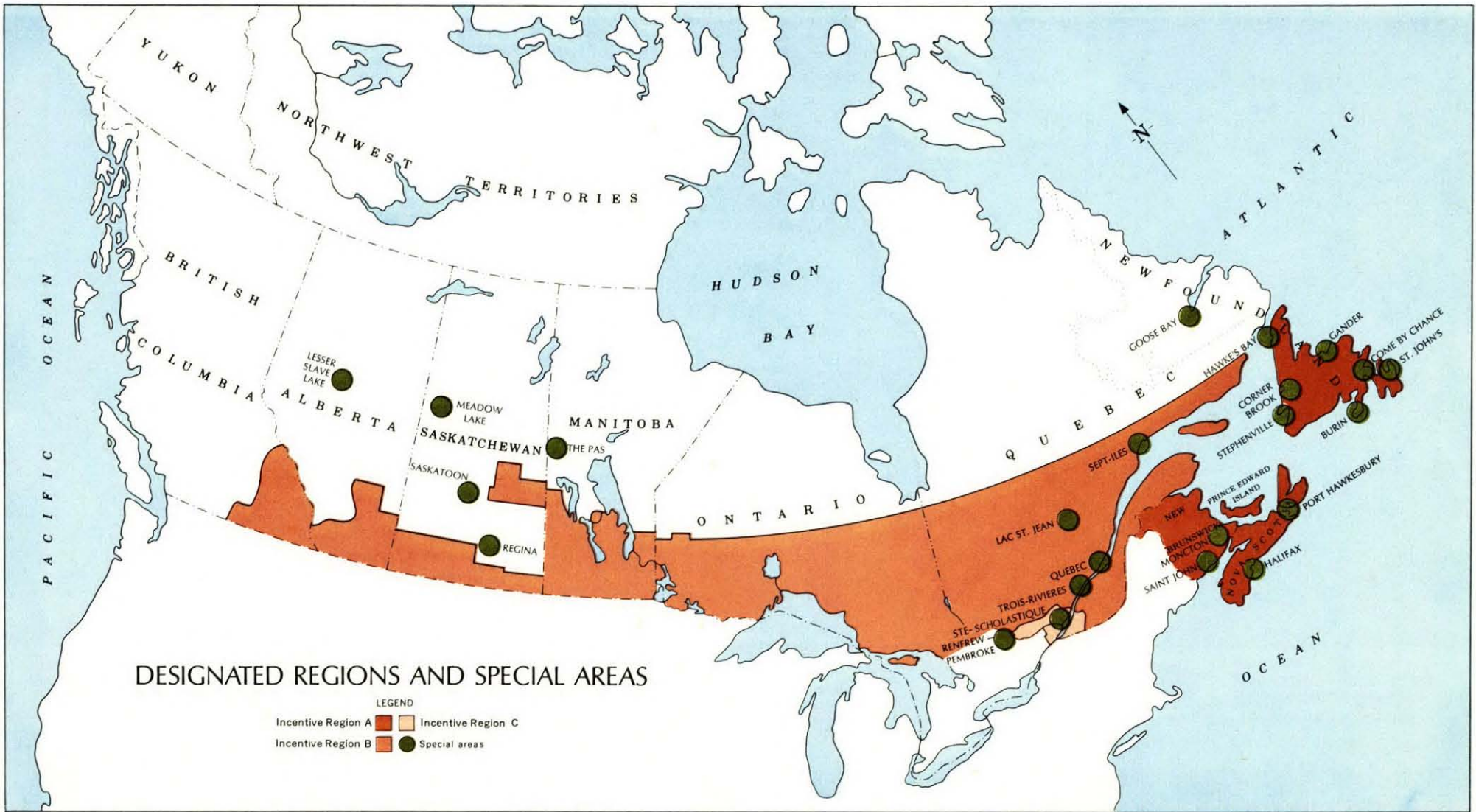
Loan guarantees, which are intended to offset difficulties that investors sometimes encounter in obtaining loan funds for investment in slow-growth regions, may not exceed 90 per cent of the total advances made by a lender, plus the interest involved, or 72 per cent of the total capital costs.

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

PUBLISHED 1972
 CARTOGRAPHIC UNIT
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Regional Economic Expansion
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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 March 1973.

Among other things, it shows:

- (1) that, during the month of March, 206 applications were received (making a total of 2,511 during the current fiscal year) and 76 offers were made (making a total of 965 during the current fiscal year);
- (2) that, of the 7,509 applications received since the inception of the program, 4,023 were rejected or withdrawn and 2,842 resulted in offers;
- (3) that, after allowing for lapses, withdrawals and offers not accepted, the net total of accepted offers stood at 2,105; and
- (4) that, against obligations represented by the net total of 2,105 accepted offers, partial payments had been made in 929 cases and final payments in 61 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 \$1,750 million;
- expected direct new jobs numbering 88,521; and
- incentive grants of \$348.8 million.

Incentive grants actually paid to date total \$96.4 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 March, 1973.

Among other things, it shows that, during the month of March, 5 applications were received (making a total of 80 during the current fiscal year) and 2 offers were made (making a total of 18 during the current fiscal year).

During the month of March, a computer data system was fully activated with a view to providing in the future a greater degree of consistency in the statistics on program activity. The current report, however, includes corrections and additions to the former manually-maintained system which have led to some inconsistencies with earlier reports. One particular adjustment relates to the estimate of total incentive grants, which has now been modified to incorporate the actual amount of the incentive where final payment has been made.

One of the projects listed in this report is covered by an agreement with the Manitoba government and Manitoba Forestry Resources Inc. The Agreement was signed during the month under the authority of the "Special Areas" provisions of the Department of Regional Economic Expansion Act and provides for an incentive of up to \$12 million to Manitoba Forestry Resources Inc., a new provincial Crown corporation established to acquire and operate a forestry complex at The Pas. Incentives in connection with this complex had been offered to the original private owners under the Area Development Incentives Act but no payment was possible under that legislation in the light of various matters before the courts in Manitoba. The initial payment of \$9,600,000 on the grant provided by the above Agreement has been made in trust for payment to the provincial corporation at such time as it has acquired clear legal title to, and is operating, the complex. The Agreement, which provides that the grant cannot exceed \$12 million, is based on estimated capital investment of at least \$70 million and an estimated minimum of 400 jobs.

TABLE 1

INCENTIVE GRANT APPLICATIONS

DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - MARCH 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	206	2511	7509
Applications Withdrawn	82	1074	2287
Applications Rejected	56	802	1736
Offers Made	76	965	2842
<u>STATUS OF OFFERS MADE</u>			
Offers Made	76	965	2842
Offers Lapsed	5	61	146
Offers Declined	9	75	218
Offers Accepted	58	928	2378
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	58	928	2378
Accepted Offers Declined or Withdrawn	10	157	273
Net Offers Accepted	48	771	2105
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	48	771	2105
No Payment Made	-	-	1087
Partial Payment Made	97	482	929
Final Payment Made	14	60	61

TABLE 2
LOAN GUARANTEE APPLICATIONS
DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - MARCH 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	5	80	216
Applications Withdrawn	1	60	91
Applications Rejected	2	26	60
Offers Made	2	18	29
<u>STATUS OF OFFERS MADE</u>			
Offers Made	2	18	29
Offers Lapsed	-	1	2
Offers Declined	-	2	2
Offers Accepted	3	13	21
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	3	13	21
Accepted Offers Declined or Withdrawn	-	1	2
Net Offers Accepted	3	12	19
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	3	12	19
Guarantees in Operation	-	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 March 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 MARCH 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. Atlas Hoist & Body Inc.	Cornwall, Ont.	Stationary Compactors, Containers and Steel U Truck bodies	N	\$ 670,000	103	10% and \$1,500 per eligible job (89)	\$ 200,500
2. Atro Ltée	Granby, P.Q.	Staplers and Fastners	N	\$4,000,000	175	15% and \$4,800 per eligible job (167)	\$1,401,600
3. Base International (Scientific) Ltd.	Rivers, Man.	Housing Components	N	\$ 170,000	105	10% and \$2,000 per eligible job (105)	\$ 227,000
4. Bérion Inc.	Notre-Dame-du-Lac, P.Q.	Wooden Fences	E	\$ 81,000	25	20%	\$ 16,200
5. Bérion Inc.	Notre-Dame-du-Lac, P.Q.	Saw Mill	N	\$ 63,000	12	20% and \$1,350 per eligible job (12)	\$ 28,800

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>
6. Boulangerie Samson Inc.	Lauzon, P.Q.	Bakery	E.M.	\$ 246,000	9	10%	\$ 24,600
7. Cambrian Clothing Ltd.	Winnipeg, Man.	Men's Clothing	N	\$ 235,000	137	10% and \$500 per eligible job (137)	\$ 92,000
8. Campbell & Burns Ltd.	Central Bedeque, P.E.I.	Processing Vegetables	E	\$ 700,000	28	20%	\$ 140,000
9. Cercast Inc.	Montreal, P.Q.	Precision Castings	E	\$ 122,800	18	10%	\$ 12,280 <u>0</u>
10. Champlain Industries (1962) Ltd.	Stanbridge Station, P.Q.	Hydrolyzed Protein	E.M.	\$1,120,000	14	10%	\$ 112,000 <u>0</u>
11. M.D. Chartré	Val d'Or, P.Q.	Roof Trusses	N	\$ 97,000	12	15%	\$ 14,550
12. Chaussures Fournier Inc.	Plessisville, P.Q.	Leather Boots	N	\$ 100,000	23	25%	\$ 25,000
*13. Commonwealth Plywood Co. Limited	Ste-Thérèse, P.Q.	Plywood and Veneer	E.M.	\$ 470,000	35	10%	\$ 47,000 <u>0</u>
14. Container Corporation of Canada	Chateauguay, P.Q.	Steel Drums, Pails, Plastic Liners and Rebuilding Steel Drums	N	\$3,803,000	251	10% and \$1,800 per eligible job (227)	\$ 788,900 <u>0</u>

* Subsequent to this offer being accepted the facilities of this company were destroyed by fire.

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. Edith Serei Co. Ltd.	Ville St. Laurent, P.Q.	Cosmetics	N	\$ 706,000	75	8% and \$1,100 per eligible job (75)	\$ 138,980 <u>0</u>
16. Electro-Knit Fabrics (Canada) Ltd.	Selkirk, Man.	Printed Fabrics	E	\$ 965,000	40	15%	\$ 144,750
17. Ferblanterie Côte-Nord Inc.	Hauterive, P.Q.	Ventilator Conduits and Sheet Metal for Construction	N	\$ 118,966	15	20% and \$2,000 per eligible job (9)	\$ 41,793
18. Fraser Companies Ltd.	Plaster Rock, N.B.	Dressed Kiln Dry Lumber and Chips	E.M.	\$3,600,000	72	25%	\$ 900,000 <u>R</u>
19. Gélinite Inc.	Shawinigan, P.Q.	Porous Concrete Products	N	\$ 75,000	6	20% and \$850 per eligible job (6)	\$ 20,100
20. Ideal Brass and Plating Company	Winnipeg, Man.	Furniture	N	\$1,465,000	26	25%	\$ 366,250 <u>R</u>
21. Industries Couture Ltée	Chicoutimi, P.Q.	Sheet Metal	E	\$ 308,500	15	20%	\$ 61,700
22. J.C. Pratt Industries Ltd.	St. John's, Nfld.	Metal Products	E.M.	\$ 745,000	36	20%	\$ 149,000

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. J.E.P. Inc.	Ville St. Georges, P.Q.	Printing	E.M.	\$ 43,000	3	20%	\$ 8,600
24. Labbé & Fils Inc.	St. Georges Ouest, P.Q.	Abattoir	E	\$ 70,000	5	15%	\$ 10,500 <i>12</i>
25. La Cie d'Imprimerie et de Comptabilité de St. Hyacinthe Limitée	St. Hyacinthe, P.Q.	Cold Type Process to Offset Process	M	\$ 87,600	4	10%	\$ 8,760
26. L. & M. Industries Ltd.	Quebec, P.Q.	Sawmill Equipment	N	\$ 278,500	21	20% and \$3,000 per eligible job (21)	\$ 118,700
27. Le Bloc Vibre Inc.	Sherbrooke, P.Q.	Concrete Blocks	E.M.	\$ 167,000	6	10%	\$ 16,700
28. Les Breuvages Lemoyne Ltée	St. Hubert, P.Q.	Soft Drinks	N	\$ 158,100	9	8% and \$800 per eligible job (4)	\$ 15,848
29. Les Emballages de Spécialité Ltée	Montreal, P.Q.	Corrugated Cardboard	N	\$ 73,000	12	8% and \$700 per eligible job (10)	\$ 12,840
30. Les Entreprises J.H. Grenon Inc.	Ste-Anne des Plaines, P.Q.	Windows, Doors and Kitchen Cabinets	N	\$ 87,838	23	10% and \$700 per eligible job (19)	\$ 22,084 <i>0</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>
31. Les Entreprises Val-Laurent (1967) Ltée	Farnham, P.Q.	Wood and Aluminum Windows	N	\$ 131,703	37	6% and \$500 per eligible job (35)	\$ 25,402
32. L.L. Gauthier & Fils Cie Ltée	Shippegan, N.B.	Fish Processing	N	\$ 157,815	19	25% and \$2,000 per eligible job (19)	\$ 77,454 <u>R</u>
33. Mr. Hannu Maki and Mr. Jouko Eronen, (Finn Woodworks Ltd.)	Winnipeg, Man.	Wooden Furniture	N	\$ 118,000	17	25%	\$ 29,500
34. Matthew Moody Ltd.	Terrebonne, P.Q.	Conveyors	E	\$ 220,000	60	10%	\$ 22,000
35. Native Auto Salvage Company	Regina, Sask.	Steel Scrap Processing	N	\$ 960,000	13	10% and \$1,000 per eligible job (13)	\$ 109,000 <u>R</u>
36. Newaygo Timber Company Limited	Hearst, Ont.	Lumber	N	\$3,977,000	73	5% and \$3,000 per eligible job (73)	\$ 417,850 <u>R</u>
37. Nor-Cliff Farms Ltd.	Bonaventure, P.Q.	Frozen Fruits and Vegetables	N	\$ 162,000	18	15% and \$2,750 per eligible job (18)	\$ 73,800
38. Olympic Pant and Sportswear Co. Ltd.	Winnipeg, Man.	Men's and Boys' Clothing	E	\$ 722,000	107	15%	\$ 108,300 <u>R</u>

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>
39. Papier Rouville Inc.	Marieville, P.Q.	Paper Bags	E.M.	\$ 155,700	2	10%	\$ 15,570
40. P.E. Bellehumeur & Fils Ltée	Berthierville, P.Q.	Cedar Doors	E	\$ 86,000	11	15%	\$ 12,900 <u>R</u>
41. Peerless Rug Limited	Acton Vale, P.Q.	Carpets and Rugs	E	\$5,215,000	213	10%	\$ 521,500
42. Polylab Inc.	Lauzon, P.Q.	Cleaning and Maintenance Products	N.P.E.	\$ 55,000	9	20%	\$ 11,000
43. Produits Chimiques Côté	Chateauguay Centre, P.Q.	Industrial Chemicals	N	\$ 65,000	8	6% and \$1,200 per eligible job (6)	\$ 11,100
44. Produits de Chauffage J & L Ltée	Daveluyville, P.Q.	Heating Ducts and Dampers	N.P.E.	\$ 82,000	21	25%	\$ 20,500 <u>D</u>
45. Regent Chocolates Limited	St. Hyacinthe, P.Q.	Specialty Chocolate	E	\$ 720,000	50	10%	\$ 72,000 <u>R</u>
46. SED Systems Ltd.	Saskatoon, Sask.	Vibration Measuring Instruments	N.P.E.	\$ 195,673	14	16% and \$2,300 per eligible job (14)	\$ 63,507 <u>S</u>

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>
47. Sportsman Campers & Trailer Manufacturing Ltd.	Saskatoon, Sask.	Recreational Vehicles	E	\$ 131,600	43	15%	\$ 19,740
48. Standard Knitting Ltd.	Winnipeg, Man.	Knitwear	E	\$ 184,000	29	15%	\$ 27,600
49. St. Lawrence Paper Bag Ltd.	Quebec, P.Q.	Paper Bags	E	\$ 650,000	24	20%	\$ 130,000
50. Sunburst Ceramics Ltd.	Lethbridge, Alta.	Ceramic Dinnerware	E	\$ 440,000	23	15%	\$ 66,000
51. Swecan International Limitée	Lanoraie, P.Q.	Sawing Machinery	E	\$ 154,315	22	15%	\$ 23,147
52. Trans World Record Corp.	St. Laurent, P.Q.	Records and Tapes	N	\$ 253,000	26	7% and \$1,000 per eligible job (18)	\$ 35,710 <i>R</i>
53. Turner and Seymour of Canada Limited	Winnipeg, Man.	Coil Chain	E	\$ 86,712	5	20%	\$ 17,342
54. Unicor Industries Inc.	Ville D'Anjou, P.Q.	Plastic Injection Moulding	E	\$ 193,000	10	7%	\$ 13,510 <i>0</i>
55. Vic Metal Corporation	Victoriaville, P.Q.	Metal Products	E.M.	\$ 317,975	20	20%	\$ 63,595
56. Victoriaville Hockey Sticks Ltd.	Victoriaville, P.Q.	Hockey Sticks	E	\$ 467,000	69	12%	\$ 56,040
57. Weldcraft Industries Ltd.	Ville Mercier, Chateauguay, P.Q.	Wire Drawing Blocks	E.M.	\$ 41,000	6	10%	\$ 4,100 <i>0</i>
58. Manitoba Forestry Resources Inc*	The Pas, Manitoba	Forestry Products	*	\$70,000,000	400	*	\$12,000,000

*For details see Page 9.

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. Barwood Flooring (Canada) Ltd. (Feb. 1972)	Maniwaki, P.Q.	Hardwood Parquet Flooring	a) E	\$ 92,000	19	15%	\$ 13,800
			b) N.P.E.	\$ 184,000	15	15% and \$2,000 per eligible job (15)	\$ 57,600
2. Berryfast Products Limited (World Wide Staple Co. Inc.) (Aug. 1972)	Montreal, P.Q.	Collated Nails	N.P.E.	\$ 94,550	17	10% and \$1,500 per eligible job (15)	\$ 31,955
3. Cercast Inc. (Dec. 1971)	Montreal, P.Q.	Precision Castings	N	\$ 116,850	16	10% and \$2,000 per eligible job (16)	\$ 43,685 <i>D</i>
4. David Lord Limitée (Jan. 1972)	L'Assomption, P.Q.	Cannery	E.M.	\$ 122,670	14	10%	\$ 12,267 <i>R</i>
5. David Lord Limitée (Jan. 1972)	St. Jean, P.Q.	Cannery	E.M.	\$ 260,200	38	10%	\$ 26,020 <i>R</i>
6. Gary Wilson Tire Service Limited (Sep. 1972)	Renfrew, Ont.	Tire Treads	E	\$ 79,400	5	17%	\$ 13,498
7. Gilbert Basque & Fils Ltée (Apr. 1972)	St. Sauveur, N.B.	Finished Lumber	N	\$ 55,000	10	35%	\$ 19,250
8. Les Industries R. & L. Girard Inc. (Jan. 1972)	Shawinigan, P.Q.	Automobile Parts	N	\$ 142,000	89	20% and \$325 per eligible job (61)	\$ 48,225

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>
9. Mode Louise Inc. (Nov. 1972)	Grand'Mère, P.Q.	Footwear	N	\$ 121,332	74	15% and \$900 per eligible job (74)	\$ 84,800
10. Ozite Corporation of Canada Ltd. (May 1971)	St. Jean, P.Q.	Printed Carpets, Shag, Tufted and Adhesive Lines	N.P.E.	\$1,520,000	109	10% and \$2,000 per eligible job (109)	\$ 370,000
11. Spindler Furniture International Ltd. (S. & P. Furniture Co. Ltd.) (Sep. 1972)	Arnprior, Ont.	Wood Furniture	N	\$ 207,000	45	15% and \$1,500 per eligible job (45)	\$ 98,550
12. Treco Limitée (Jul. 1971)	St. Jean- Chrysostome, P.Q.	Furniture and Plastic Parts	N	\$ 169,000	30	15% and \$1,500 per eligible job (30)	\$ 70,350

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. Barrie Corporation (Sep. 1971)	Montreal, P.Q.						
2. Canadian Artistic Dies Inc. (Oct. 1972)	Sherbrooke, P.Q.						
3. De Luxe Produits de Papier Ltée (Dec. 1971)	Montreal, P.Q.						
4. Indo-Canadian Foods Inc. (Mar. 1971)	Granby, P.Q.						
5. Ital-Knit Ltd. (Sep. 1971)	Huntingdon, P.Q.						
6. Knit-Craft Fashion Mills Ltd. (Apr. 1972)	Montreal, P.Q.						
7. Mégantic Manufacturing Company (Mar. 1972)	Lac-Mégantic, P.Q.						
8. Montrose Worsted Mills Inc. (Sep. 1971)	Granby, P.Q.						
9. Mr. Abe Rich (Feb. 1973)	Dauphin, Man.						
10. Tower Knitting Mills Ltd. (Apr. 1972)	Montreal, 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 March 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 MARCH 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. Brunswick Yacht & Realty Ltd.	Mactaquac Provincial Park, N.B.	Resort Hotel	\$1,464,300	60	\$800,000	\$125,000
2. Lindal Cedar Homes Ltd.	Renfrew, Ont.	Pre-cut Cedar Homes	\$1,095,000	86	\$400,000	\$360,000
3. Noco Drugs Limited	Selkirk, Man.	Pharmaceutical Products	\$ 246,000	25	\$ 50,000	\$ 45,000

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

NIL

OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

NIL

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 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 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 Commerical 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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