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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 APRIL 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)	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.

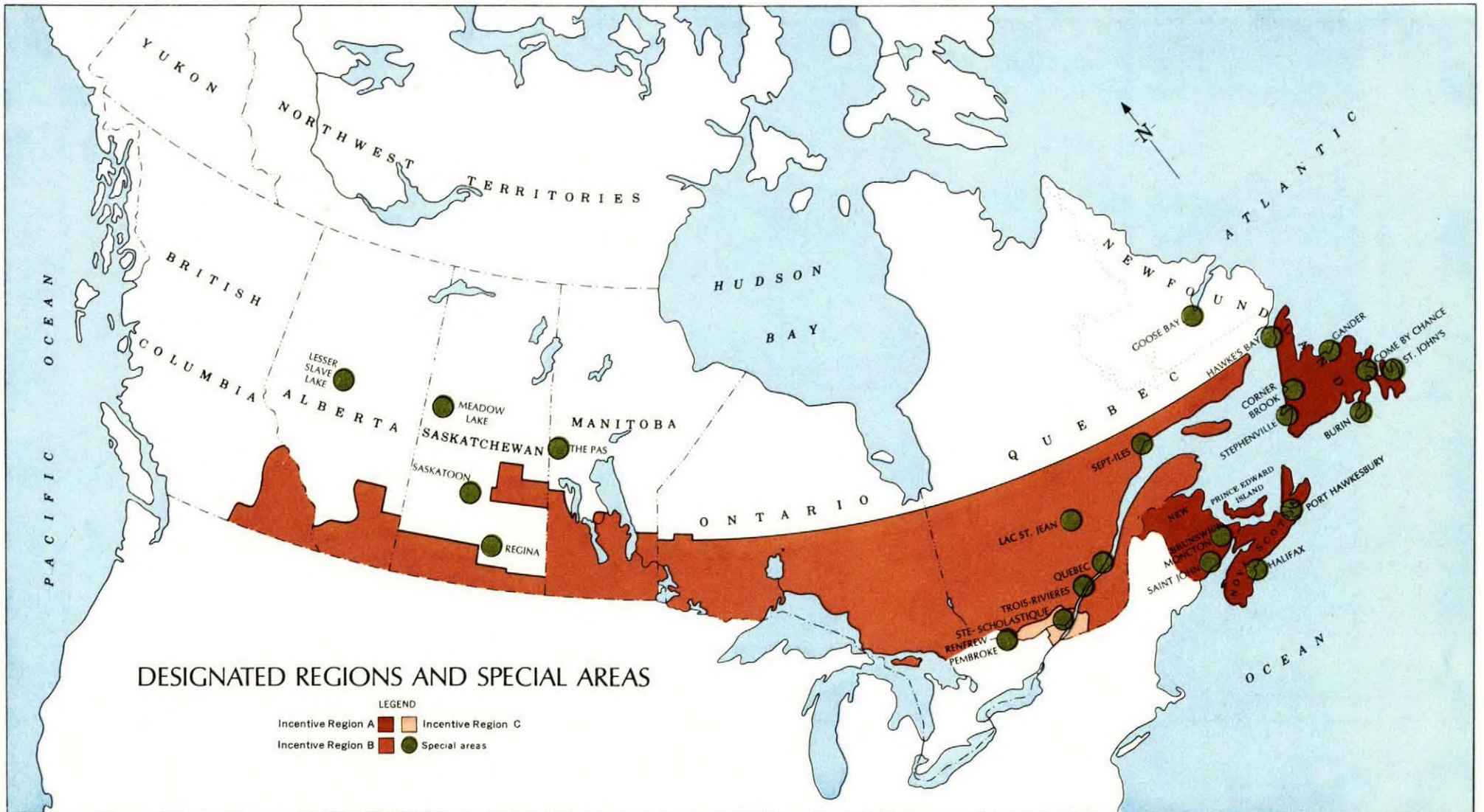
Loan guarantees, which are intended to offset difficulties that investors sometimes encounter in obtaining loan funds for investment in slow-growth regions, may not exceed 90 per cent of the total advances made by a lender, plus the interest involved, or 72 per cent of the total capital costs.

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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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 April 1973.

Among other things, it shows:

- (1) that, during the month of April, 183 applications were received and 68 offers were made;
- (2) that, of the 7,692 applications received since the inception of the program, 4,137 were rejected or withdrawn and 2,910 resulted in offers;
- (3) that, after allowing for lapses, withdrawals and offers not accepted, the net total of accepted offers stood at 2,149; and
- (4) that, against obligations represented by the net total of 2,149 accepted offers, partial payments had been made in 1,000 cases and final payments in 119 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 total pertaining to the current level of net accepted offers:

- ... eligible capital costs of \$1,767 million;
- ... expected direct new jobs numbering 89,043; and
- ... incentive grants of \$351.6 million.

Incentive grants actually paid to date total \$109.9 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 April 1973.

Among other things, it shows that, during the month of April, 5 applications were received and 1 offer was made.

TABLE I  
INCENTIVE GRANT APPLICATIONS  
DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - APRIL 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	183	183	7692
Applications Withdrawn	54	54	2341
Applications Rejected	60	60	1796
Offers Made	68	68	2910
<u>STATUS OF OFFERS MADE</u>			
Offers Made	68	68	2910
Offers Lapsed	3	3	149
Offers Declined	3	3	221
Offers Accepted	52	52	2430
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	52	52	2430
Accepted Offers Declined or Withdrawn	8	8	281
Net Offers Accepted	44	44	2149
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	44	44	2149
No Payment Made	-	-	1030
Partial Payment Made	117	117	1000
Final Payment Made	12	12	119

TABLE 2

LOAN GUARANTEE APPLICATIONS

DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - APRIL 1973.

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	5	5	221
Applications Withdrawn	3	3	94
Applications Rejected	4	4	64
Offers Made	1	1	30
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	1	30
Offers Lapsed	-	-	2
Offers Declined	-	-	2
Offers Accepted	2	2	23
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	2	2	23
Accepted Offers Declined or Withdrawn	-	-	2
Net Offers Accepted	2	2	21
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	2	2	21
Guarantees in Operation	1	1	7

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of April 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 APRIL 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. Associated Canners Ltd.	Dartmouth, N.S.	Soft Drinks	E	\$ 431,000	13	20%	\$ 86,200
2. Avon Foods Limited	Port Williams, N.S.	Canned Fruit and Vegetables	E.M.	\$ 301,000	Nil	30%	\$ 90,300 <u>R</u>
3. B.K.R. Furniture Mfg. Co.	Montreal, P.Q.	Office Furniture	N	\$ 71,000	30	10% and \$500 per eligible job (27)	\$ 20,600
4. Barbour Foods Ltd.	Sussex, N.B.	a) Ice Cream Toppings	a) E	a) \$ 60,000	a) Nil	a) 20%	a) \$ 12,000
		b) Dairy Products and Spices	b) N.P.E.	b) \$ 140,000	b) 6	b) 20% and \$900 per eligible job (6)	b) \$ 33,400
5. Barthelness-Rodermund Inc.	Granby, P.Q.	Christmas Decorations	N	\$ 515,000	160	10% and \$700 per eligible job (140)	\$ 149,500

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. Biltrite Furniture Mfg. Inc.	Ville d'Anjou, P.Q.	Office Furniture	E.M.	\$ 175,000	28	10%	\$ 17,500
7. Brianyl Ltd.	Drummondville, P.Q.	All-Season Underwear	N.P.E.	\$ 84,000	84	5% and \$1,700 per eligible job (84)	\$ 147,000
8. Brunswicklab Limited	Sussex, N.B.	Laboratory Furniture	N	\$ 190,000	33	15% and \$2,000 per eligible job (33)	\$ 94,500
9. Canadian Bronze Company Limited	Winnipeg, Man.	Non-Ferrous and Aluminum Casting, Bearings	E.M.	\$ 333,000	44	15%	\$ 49,950
10. Cancot Industries Inc.	St. Leonard, P.Q.	Dust Mops	N.P.E.	\$ 160,000	13	8% and \$1,000 per eligible job (13)	\$ 25,800
11. Dominion Corrugated Paper Company Limited	Chambly, P.Q.	Specialized Corrugated Packaging	N.P.E.	\$ 155,000	6	9% and \$1,900 per eligible job (6)	\$ 25,350 <u>0</u>
12. Echafaudages à Erection Rapide Ltée	Montreal, P.Q.	Aluminum Structures	N.P.E.	\$ 100,000	10	10% and \$1,200 per eligible job (5)	\$ 16,000

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>
13. Equinox Marine Limited	Winnipeg, Man.	Fiberglass Boats	N	\$ 215,000	29	5% and \$2,000 per eligible job (29)	\$ 68,750 <i>R</i>
14. Gesco Distributing Ltd.	Winnipeg, Man.	Foam Rubber Cushioning	N	\$ 302,500	24	5% and \$2,600 per eligible job (23)	\$ 74,925
15. Glolok Company Limited	Cornwall, Ont.	Polyurethane Foam Products	N	\$1,064,000	33	10% and \$2,000 per eligible job (33)	\$ 172,400 <i>D</i>
16. Grohmann Knives	Pictou, N.S.	Steel Knives	N	\$ 52,000	10	30%	\$ 15,600
17. Groleau Inc.	Ste-Thècle, P.Q.	Sawmill	N	\$ 400,000	40	15% and \$1,500 per eligible job (40)	\$ 120,000
18. International Spring Mfg. Co. of Canada Ltd.	Ville d'Anjou, P.Q.	Springs for Vehicles	N.P.E.	\$ 298,000	38	10% and \$1,500 per eligible job (34)	\$ 80,800
19. Jason Enterprises Ltd.	Baraneed, Nfld.	Fish Products	N	\$ 161,000	15	15% and \$2,100 per eligible job (15)	\$ 55,650 <i>B</i>
20. La Compagnie de Papier Rolland Limitée	St. Jérôme, P.Q.	Offset Paper	M	\$1,752,000	74	10%	\$ 175,200 <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>
21. Laurentide Enamellers Ltd.	Montreal, P.Q.	Baking Enamel	E	\$ 323,800	15	10%	\$ 32,380
22. Les Enseignes Zenith Inc.	Montreal-North, P.Q.	Commercial Signs	N	\$ 86,000	19	5% and \$500 per eligible job (19)	\$ 13,800 <i>D</i>
23. Les Entreprises Idu Ltée	Granby, P.Q.	Fibreglass Buildings	N	\$ 215,000	114	10% and \$1,000 per eligible job (114)	\$ 135,500
24. Les Industries R. Lavigne Inc.	Pointe-aux-Trembles, P.Q.	Sheet Metal Work	N	\$ 148,100	18	8% and \$600 per eligible job (18)	\$ 22,648
25. Les Industries Wedco Ltée	Boucherville, P.Q.	Plastic Products	N	\$ 377,000	39	7% and \$1,200 per eligible job (30)	\$ 62,390
26. Mailman Publishing Company Limited	Bridgetown, N.S.	Printed Products	E	\$ 70,500	5	30%	\$ 21,150
27. Matthews Mechanical Ltd.	Winnipeg, Man.	Swather Canvas Belting for Agricultural Harvesting Equipment	N.P.E.	\$ 163,000	22	15% and \$2,000 per eligible job (22)	\$ 68,450

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>
28. Mégantic Manufacturing Company	Lac-Mégantic, P.Q.	Tooth Picks	E	\$ 360,000	50	20%	\$ 72,000
29. Metal Expert Inc.	Shawinigan-Sud, P.Q.	Metal Products	E	\$ 93,000	9	20%	\$ 18,600
30. Metro Industrial Plastics Limited	Maugerville, N.B.	Plastic Drainage Pipe	E	\$ 67,000	3	30%	\$ 20,100 <i>R</i>
31. Meubles Carrier Furniture Inc.	Mont-Joli, P.Q.	Furniture	E	\$ 109,800	8	15%	\$ 16,470
32. Mitchel-Lincoln Paper Ltd.	St. Laurent, P.Q.	Corrugated Paper Boxes	N	\$1,000,000	97	7% and \$1,000 per eligible job (87)	\$ 157,000
33. Newcastle Ready-Mix Ltd.	Nelson-Miramichi, N.B.	Concrete Blocks	N.P.E.	\$ 107,000	4	25% and \$2,500 per eligible job (4)	\$ 36,750
34. Park Leather Ltd.	Winnipeg, Man.	Leather Coats & Ladies Sportswear	N	\$ 412,000	124	15% and \$900 per eligible job (124)	\$ 173,400 <i>D</i>
35. Playtex Limited	Malton, Ont.	Girdles and Brassieres	N.	\$ 821,000	186	20% and \$2,000 per eligible job (186)	\$ 536,200
36. Polymer International (N.S.) Limited	Truro, N.S.	Film and Woven Products	E	\$ 400,000	20	30%	\$ 120,000

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>
37. Robert Lapierre Ltée	Daveluyville, P.Q.	Cupboard Doors	E	\$ 493,700	32	15%	\$ 74,055 <i>R</i>
38. Ross-Ellis Limited	Montreal, P.Q.	Record Jackets	E	\$ 145,415	7	5%	\$ 7,270
39. Sekine Canada Limited	Rivers, Man.	Bicycles	N	\$1,098,000	93	15% and \$2,000 per eligible job (93)	\$ 350,700
40. Sentinel Printing Ltd.	Yarmouth, N.S.	Commerical Printing	N.P.E.	\$ 52,000	3	20%	\$ 10,400
41. Siltek Limited	Bromont, P.Q.	Microelectronic Circuitry	N	\$2,197,000	287	15% and \$2,000 per eligible job (287)	\$ 903,550
42. St-André Furniture Co. Ltd.	Montreal, P.Q.	Hardwood Panels	N	\$ 79,000	15	10% and \$600 per eligible job (15)	\$ 16,900 <i>D</i>
43. Starlon Inc.	Ville de Laval, P.Q.	Lamps	N	\$ 269,750	43	10% and \$1,800 per eligible job (19)	\$ 61,175
44. Tan Jay Western Co.	Winnipeg, Man.	Ladies' Pants and Mens' Coordinates	N	\$ 892,000	233	15% and \$400 per eligible job (233)	\$ 227,000

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>
45. The Torrington Company Limited	Bedford, P.Q.	Bearings	N	\$ 897,180	56	5% and \$500 per eligible job (52)	\$ 70,959
46. Three L Enterprises Ltd.	Selkirk, Man.	Stereo Components and T.V. Stands	N	\$ 159,954	40	15% and \$600 per eligible job (40)	\$ 47,993 <i>Q</i>
47. Tilly Manufacturing Ltd.	Dorval, P.Q.	Swimming Pools	N.P.E.	\$ 232,000	100	5% and \$300 per eligible job (93)	\$ 39,500 <i>Q</i>
48. Val d'Or Métal Inc.	Val d'Or, P.Q.	Truck Boxes	N	\$ 179,566	15	15% and \$3,000 per eligible job (15)	\$ 71,934
49. Venture Carpets of Canada Ltd.	Drummondville, P.Q.	Space-Dyed Carpet Yarns	N	\$ 473,000	48	20%	\$ 94,600
50. Volvo Canada Ltd.	Halifax, N.S.	Passenger Cars	E	\$ 548,000	50	20%	\$ 109,600
51. Warwick Woollen Mills Co. Ltd.	Warwick, P.Q.	Wool	E.M.	\$ 219,000	23	15%	\$ 32,850 <i>R</i>
52. Wong Wing Food Products	Montreal, P.Q.	Food Products	N	\$1,353,000	168	10% and \$1,500 per eligible job (157)	\$ 370,800

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. Artwood Panel Board Inc. (Oct. 1972)	St. Romuald, P.Q.	Plywood Panels	E	\$ 238,600	8	15%	\$ 35,790
2. Eastern Die Casting Inc. (Aug. 1971)	Ville St-Laurent, P.Q.	Pressurized Moulded Metal Parts	E	\$ 215,000	28	10%	\$ 21,500
3. Ideal Electric Welding Co. Ltd. (Nov. 1972)	Montreal East, P.Q.	Tank Covers	N.P.E.	\$ 275,500	16	7% and \$1,000 per eligible job (14)	\$ 33,285
4. Labbé & Fils Inc., (March 1973)	St. Georges Ouest, P.Q.	Abattoir	E	\$ 122,200	5	15%	\$ 18,330
5. Lord & Cie Ltée (May 1972)	Napierville, P.Q.	Steel Panels	E	\$ 702,230	18	10%	\$ 70,223
6. Lord & Fils Compagnie Ltée (Aug. 1972)	Longueuil, P.Q.	Security Bars	E	\$ 99,000	21	10%	\$ 9,900
7. Marbrooke Knitting Corp. (March 1972)	Montreal, P.Q.	Ladies' Knitted Sportswear	a) E.M. b) N.P.E.	a) \$ 31,860 b) \$ 38,940	a) 1 b) 26	a) 7% b) 7% and \$500 per eligible job (26)	a) \$ 2,230 b) \$ 15,726
8. Montreal Woollens Ltd. (July 1972)	Montreal East, P.Q.	Latex Backing on Fabrics	E	\$ 72,000	8	10%	\$ 7,200

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>
9. Port aux Basques Seafoods Limited, c/o H.B. Nickerson & Sons Limited (June 1971)	Port aux Basques, Nfld.	Herring Processing	N	\$ 244,000	20	10% and \$4,000 per eligible job (20)	\$ 104,400
10. Terra Nova Shoe Limited (Nov.1971)	Harbour Grace, Nfld.	Footwear	N	\$ 110,968	30	25% and \$1,050 per eligible job (29)	\$ 58,192
11. Tignish Fisheries Co-op Association Ltd. (June 1971)	Tignish, P.E.I.	Seafood Processing	E.M.	\$ 171,660	22	30%	\$ 51,498

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. Baird's Forgings Ltd. (Jan. 1973)	Saint John, N.B.						
2. Hardee Farms International Ltd. (Jan. 1973)	Montague, P.E.I.						
3. Les Tricots Québécois Inc. (June 1972)	Montreal, P.Q.						
4. Navarro International Corporation (March 1972)	Montreal, P.Q.						
5. Reliance Packaging (Canada) Ltd. (March 1972)	LaSalle, P.Q.						
6. Rotobind Ltd. (Oct. 1971)	Dorval, P.Q.						
7. Technologie du Vêtement de Sport Inc. (May 1972)	Ste-Agathe- des-Monts, P.Q.						
8. Usen Fisheries Ltd. (Aug. 1972)	Souris, P.E.I.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of April 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 APRIL 1973

<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. Mont Cascades Ski Lifts Ltd.	Gatineau, P.Q.	Ski Resort	\$ 627,000	36	\$ 400,000	\$ 360,000
2. Saunders, Howell Manufacturing Ltd.	Carbonear, Nfld.	Wooden Furniture	\$ 411,000	20	\$ 220,000	\$ 55,000

PART IV - DEFINITIONS

TERMS USED IN PART I

Application -- A submission, in the approved form, by an applicant requesting a development incentive. Each application is restricted to a development on a single site, but one application may relate to a modernization, an expansion, a new product expansion or a complete new facility, or to some combination of these. An application covering a combined development is counted and reported as a single application, but each individual type of project is evaluated separately.

Received -- An application delivered to the Department. The date of receipt is the first control date, and is used for reporting and determining conditions of "prior commitment" as defined in the Regional Development Incentives Act and Regulations.

Withdrawn -- An application withdrawn, at the request of the applicant, after receipt but before or during evaluation.

Rejected -- An application turned down, under the provisions of the governing statute, because the project in question is considered ineligible, would proceed without incentive assistance or would not make a significant contribution to economic expansion and social adjustment within a designated region or special area.

Offer Made -- When an application has been evaluated and an estimate made of the grant or loan guarantee required to assure that the proposed project can be brought into commercial production, the applicant is offered an incentive, subject to specified conditions. The date of the offer establishes the second control date for reporting and management.

Lapsed -- When the applicant in receipt of an offer does not return a formal acceptance within ninety days, the offer is deemed to have lapsed and the applicant is so advised. The project can only be given further consideration if a new application is made.

Withdrawn -- When an incentive offer is withdrawn, prior to acceptance, because of new information justifying such action.

Declined -- When the applicant formally declines an offered incentive.

Offer Accepted -- An offer of incentive assistance is accepted when the applicant returns a signed copy of the offer within ninety days of receipt. In accepting an offer, the applicant agrees to the latest date on which construction will begin.

Withdrawn -- When, prior to making payment, the Department determines that contractual commitments relating to a project were made before the

application was filed, or that other legal requirements were not met, and takes action to withdraw the offer in question.

Declined -- When the applicant formally advises the Department that he does not intend to proceed with a project following his acceptance of an offer relating to it.

No Payment Made -- No payment can be made to an applicant until the facility is certified as being in "commercial production", a condition defined in the Regional Development Incentives Act and Regulations. This requires an on-site inspection and audit by an officer authorized to act on behalf of the Minister.

Partial Payment Made -- When commercial production of the facility has been certified and one or more payments have been made in relation to the offered incentive, but final payment has not been made.

Final Payment Made -- When the facility has been in commercial production for the prescribed period, a final inspection is made by the Department, and if all conditions specified in the accepted offer and in the governing Act and Regulations have been met, a final payment is made. The final payment cannot be made 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 the 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.

As 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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