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**Regional  
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Régionale**

# **REPORT ON REGIONAL DEVELOPMENT INCENTIVES**

REGIONAL INDUSTRIAL EXPANSION  
EXPANSION INDUSTRIELLE REGIONALE  
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**May, 1973**

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Canada. 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 MAY, 1973

		<u>CONTENTS</u>	<u>PAGE</u>
INTRODUCTION . . . . .			2
PART I	<u>SUMMARY STATISTICS.</u>		7
	Disposition of Applications and Status of Offers		
	Table 1 - Incentive Grant Applications. . . . .		9
	Table 2 - Loan Guarantee Applications . . . . .		10
PART II	<u>INCENTIVE GRANT ACTIVITY DURING THE MONTH</u>		11
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.		
	Table 3 - Incentive Grant Activity. . . . .		12
PART III	<u>LOAN GUARANTEE ACTIVITY DURING THE MONTH.</u>		27
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.		
	Table 4 - Loan Guarantee Activity . . . . .		28
PART IV	<u>DEFINITIONS</u>		29



## 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.

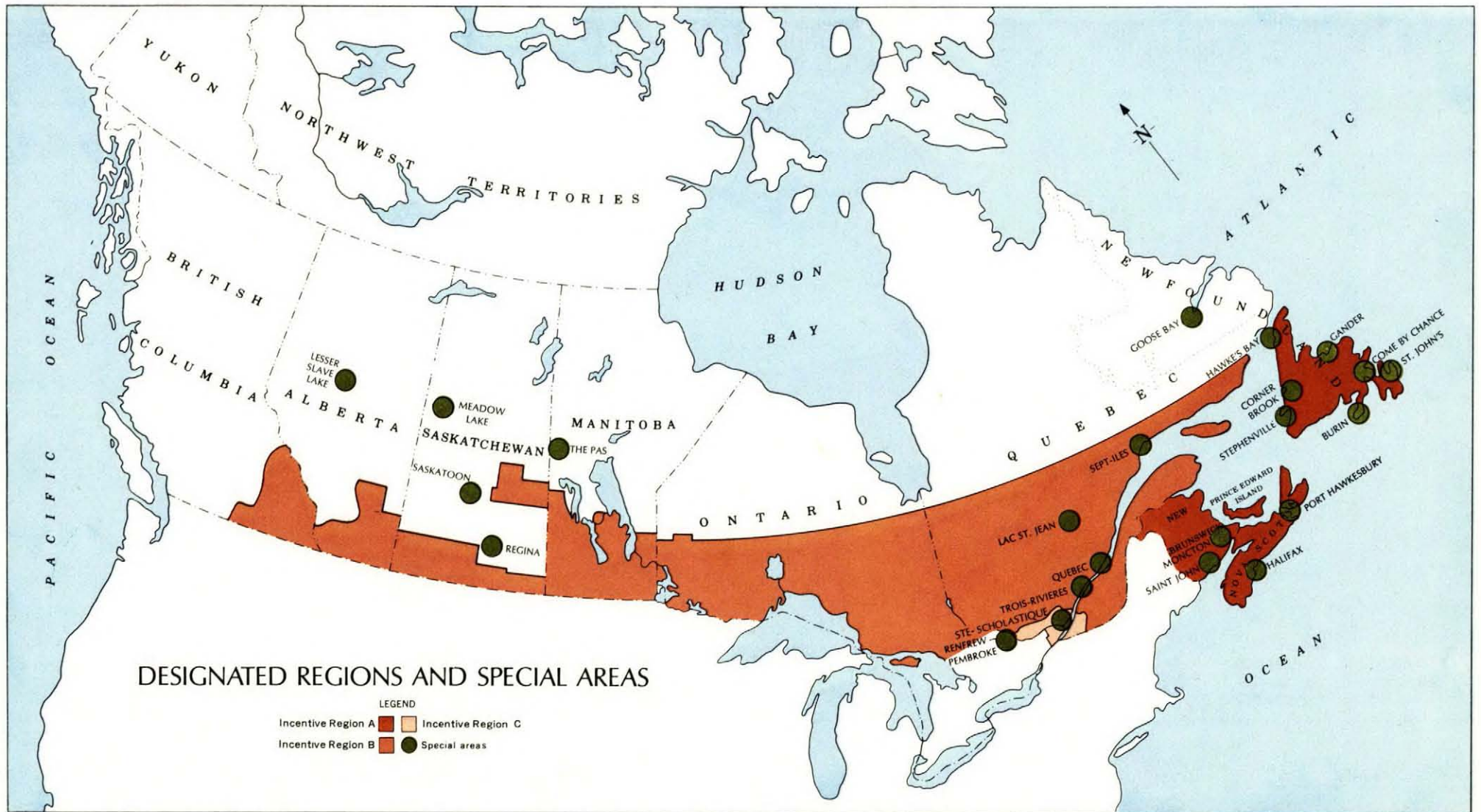
Loan guarantees, which are intended to offset difficulties that investors sometimes encounter in obtaining loan funds for investment in slow-growth regions, may not exceed 90 per cent of the total advances made by a lender, plus the interest involved, or 72 per cent of the total capital costs.

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.



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 May 1973.

Among other things, it shows:

- (1) that, during the month of May, 216 applications were received and 87 offers were made;
- (2) that, of the 7,908 applications received since the inception of the program, 4,280 were rejected or withdrawn and 2,997 resulted in offers;
- (3) that, after allowing for lapses, withdrawals and offers not accepted, the net total of accepted offers stood at 2,192; and
- (4) that, against obligations represented by the net total of 2,192 accepted offers, partial payments had been made in 1,056 cases and final payments in 128 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 \$1,814 million;
- ... expected direct new jobs numbering 91,821;
- and
- ... incentive grants of \$365.1 million.

Incentive grants actually paid to date total \$111.5 million.

The estimates presented above should be read in the context of the observations contained in the Report entitled "Assessment of the Regional Development Incentives Program" that was tabled in the Standing Committee on Regional Development by the Minister of Regional Economic Expansion on Thursday, May 24, 1973.

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 May 1973.

Among other things, it shows that, during the month of May, 5 applications were received.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	216	399	7908
Applications Withdrawn	95	149	2425
Applications Rejected	66	126	1855
Offers Made	87	155	2997
 <u>STATUS OF OFFERS MADE</u>			
Offers Made	87	155	2997
Offers Lapsed	3	6	152
Offers Declined	5	8	206
Offers Accepted	67	119	2497
 <u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	67	119	2497
Accepted Offers Declined or Withdrawn	25	33	305
Net Offers Accepted	42	86	2192
 <u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	42	86	2192
No Payment Made	-	-	1008
Partial Payment Made	56	173	1056
Final Payment Made	9	21	128

TABLE 2

LOAN GUARANTEE APPLICATIONS

DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - MAY 1973

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	5	10	226
Applications Withdrawn	7	10	101
Applications Rejected	3	7	67
Offers Made	-	1	30
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	1	30
Offers Lapsed	1	1	3
Offers Declined	-	-	2
Offers Accepted	-	2	23
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	2	23
Accepted Offers Declined or Withdrawn	1	1	3
Net Offers Accepted	-	1	20
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	1	20
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 May 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 MAY 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. Appel Novelties and Watch Company	Montreal, P.Q.	Gold Chains	N.P.E.	\$ 75,800	31	7% and \$300 per eligible job (26)	\$ 13,106
2. Audehou Inc.	Lac Bouchette, P.Q.	Lumber, Wood Panels, Wood Chips	N	\$1,169,600	46	15% and \$2,500 per eligible job (46)	\$ 290,440 <i>R</i>
3. Beauce Aluminum Enrg.	Ville St-Joseph, P.Q.	Aluminum Doors and Windows	N	\$ 132,350	30	20%	\$ 26,470
4. Ben Hokum and Son (Quebec) Limited	Clarendon, P.Q.	Lumber	N	\$ 450,000	37	20% and \$2,000 per eligible job (37)	\$ 164,000 <i>D</i>
5. Bilopage Inc.	Ville Vanier, P.Q.	Meat Processing	N	\$ 934,000	34	15%	\$ 140,100 <i>R</i>
6. Mr. Louis Bourgeois	Pre d'en Haut, N.B.	Apple Processing	E	\$ 48,500	1	25%	\$ 12,125 <i>R</i>
7. Braxco Ltd.	Saint John, N.B.	Ice Cream Novelties and Frozen Specialties	E.M.	\$ 453,000	36	15%	\$ 67,950

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>
8. Burns Foods Limited	Regina, Sask.	Hog Processing	N	\$2,400,000	202	15% and \$2,000 per eligible job (198)	\$ 756,000 <u>0</u>
9. Canada Packers Limited	Moose Jaw, Sask.	Carcass Beef and Related By-Products	N	\$3,209,000	58	17% and \$2,500 per eligible job (54)	\$ 680,530 <u>R</u>
10. Capital Hair Centre Limited	Moncton, N.B.	Men's Toupees and Hair Pieces	N	\$ 61,830	7	20% and \$2,700 per eligible job (7)	\$ 31,266
11. Caravelle Carpets Limited	Cornwall, Ont.	Non-Woven Carpets	E	\$ 342,450	18	10%	\$ 34,245
12. Carefree Design Enterprises Ltd.	China Creek, B.C.	Recreational Vehicles	N	\$ 530,000	88	10% and \$1,500 per eligible job (86)	\$ 182,000
13. Claude Forget Inc.	Saint-Jovite, P.Q.	Lumber	N	\$ 220,980	13	10% and \$1,400 per eligible job (13)	\$ 40,298
14. Connors Bros. Limited	Black's Harbour, N.B.	Herring and Sardines	N	\$4,545,000	110	20% and \$4,100 per eligible job (110)	\$1,360,000
15. Cooperheat of Canada Limited	North Bay, Ont.	Electric Welding Equipment	N	\$ 110,000	40	15% and \$1,000 per eligible job (40)	\$ 56,500 <u>0</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>
16. Dubeau & Lapointe Limitée	Drummondville, P.Q.	Steel Structures	E	\$ 339,000	10	15%	\$ 50,850
17. M. Guy Dufour	St-Jovite, P.Q.	Wooden Slats	N	\$ 32,800	8	10%	\$ 3,280 <u>D</u>
18. Earl Whynot & Associates Limited	Halifax, N.S.	Printing	E	\$ 183,000	5	30%	\$ 54,900
19. Engineering Products of Canada Limited	Boucherville, P.Q.	a) Steel Reservoirs	a) E	a) \$ 128,130	a) 8	a) 10%	a) \$ 12,813
		b) Aluminum Pressure Tanks	b) N.P.E.	b) \$ 195,000	b) 4	b) 10% and \$2,000 per eligible job (4)	b) \$ 27,500
20. Erfan Lumber Limited	Upper Musquodoboit, N.S.	Lumber	E.M.	\$ 235,000	Nil	20%	\$ 47,000
21. Mr. Adolf Feiler	Montreal, P.Q.	Jewellery	N	\$ 69,000	14	10% and \$500 per eligible job (14)	\$ 13,900 <u>D</u>
22. Feron Company Limited	Windsor, N.S.	Kitchen Cabinets	N	\$ 75,889	12	30%	\$ 22,767 <u>R</u>
23. Fontaine Body Ltd.	East Farnham, P.Q.	Truck Boxes	N	\$ 411,000	36	12%	\$ 49,320
24. GTE Lenkurt Electric (Canada) Limited	Saskatoon, Sask.	Multiplex Products for the Tele-communications Market	N	\$1,020,000	230	20% and \$1,500 per eligible job (230)	\$ 549,000

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>
25. General Scrap & Car Shredder Ltd.	Winnipeg, Man.	Shredded Metals	E.M.	\$ 161,057	5	12%	\$ 19,327 <i>R</i>
26. H.B. Dawe Limited	Cupids, Nfld.	Caplin Processing	N.P.E.	\$ 139,585	26	15% and \$2,000 per eligible job (26)	\$ 72,937
27. Hull Glass Limitée	Hull, P.Q.	Windows	N	\$ 416,000	11	8%	\$ 33,280
28. Ide (Canada) Limited	Laval, P.Q.	Machinery, Tools and Dies	N	\$ 181,000	21	10% and \$1,500 per eligible job (21)	\$ 49,600 <i>0</i>
29. Imprimerie Figaro Limitée	Lévis, P.Q.	Cold Type Typography and Electronic Typesetting	N	\$ 61,000	11	10% and \$500 per eligible job (11)	\$ 11,600
30. Isidore Roy Limited	Hagar, Ont.	Lumber	N	\$ 135,000	4	20%	\$ 27,000
31. J.D. Irving Limited	Sussex, N.B.	Softwood Lumber	N	\$1,719,000	40	15% and \$3,000 per eligible job (40)	\$ 377,850 <i>R</i>
32. J.D. Irving Limited	St. George, N.B.	Softwood Lumber	N	\$3,125,000	104	15% and \$3,000 per eligible job (104)	\$ 780,750
33. J.E. Therrien Inc.	Amos, P.Q.	Lumber	N	\$3,184,000	116	15% and \$2,500 per eligible job (116)	\$ 767,600 1 15 1

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>
34. J.O. Gonthier Inc.	Saint-Jérôme, P.Q.	Smoked Meats	N.P.E.	\$ 94,000	7	10% and \$1,500 per eligible job (5)	\$ 16,900 <u>2</u>
35. K.D.F. Industries Limited	Lachine, P.Q.	Plastic Boxes	N	\$ 400,000	43	5% and \$700 per eligible job (43)	\$ 50,100
36. Kirkland Lake Machine and Welding Limited	Kirkland Lake, Ont.	Metal Products	E	\$ 96,000	29	20%	\$ 19,200
37. La Compagnie des Fenêtres Saguenay Inc.	Chicoutimi, P.Q.	Doors and Windows	E	\$ 96,550	10	20%	\$ 19,310 <u>R</u>
38. La Coopérative de Dorchester	St-Anselme, P.Q.	Chicken Processing	E.M.	\$ 190,575	12	15%	\$ 28,586
39. Les Entreprises Désourdy Inc.	Saint-Luc, P.Q.	a) Sectional Homes	a) E	a) \$ 393,659	a) 135	a) 8%	a) \$ 31,493 <u>R</u>
		b) Kitchen Cupboards	b) N.P.E.	b) \$ 276,950	b) 23	b) 8% and \$650 per eligible job (23)	b) \$ 37,106 <u>R</u>
40. Les Entreprises Louis Lepage Inc.	Ste-Anne-des-Monts, P.Q.	Construction Lumber	N	\$ 122,780	22	10% and \$1,000 per eligible job (22)	\$ 34,278
41. Les Produits Rodech Inc.	Luceville, P.Q.	Industrial Trailers	E	\$ 320,000	64	20%	\$ 64,000 <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>
42. Les Viandes Demers Limitée	St-Pierre Les Bécquets, P.Q.	Abattoir	E	\$ 138,930	5	20%	\$ 27,786
43. Lock-Wood Manufacturers Limited	Scoudouc, N.B.	Wooden Windows and Door Frames	E	\$2,067,990	165	25%	\$ 516,998
44. Max Meilleur & Fils Limitée	Ferme-Neuve, P.Q.	Lumber	N	\$ 195,000	<del>15</del>	20%	\$ 39,000
45. Melco Enterprises Limited	Corner Brook, Nfld.	Meat Products	N	\$ 165,925	10	25% and \$4,000 per eligible job (10)	\$ 81,481
46. Meuble Lano Ltée	Ste-Véronique, P.Q.	Furniture	N	\$ 581,000	35	15% and \$3,000 per eligible job (35)	\$ 192,150
47. Mobilier Vic Line Inc.	Victoriaville, P.Q.	Furniture	E.M.	\$ 126,400	18	20%	\$ 25,280
48. Multiple Business Forms Ltd.	Dorval, P.Q.	Continuous Business Forms	E	\$ 100,500	6	10%	\$ 10,050
49. National Products Limited	Winnipeg, Man.	Steel Light Poles	E	\$ 286,610	16	10%	\$ 28,661
50. North American Forest Products Ltd.	St. Quentin, N.B.	Lumber	N	\$ 384,000	40	15% and \$1,500 per eligible job (38)	\$ 114,600

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>
51. Norwood Products	Sault Ste. Marie, Ont.	Lumber	N	\$ 185,400	23	25% and \$2,000 per eligible job (21)	\$ 88,350
52. Pêcheurs Unis du Québec	Rivière-au-Renard, P.Q.	Fish Processing	E.M.	\$ 60,000	3	20%	\$ 12,000
53. Produits Forestiers Chapais Limitée	Chapais, P.Q.	Lumber	N	\$3,713,000	201	15% and \$2,500 per eligible job (201)	\$1,059,450 <i>B</i>
54. Rexwood Products Limited	New Liskeard, Ont.	Particle Board	E	\$ 793,345	26	15%	\$ 119,002
<i>NA</i> 55. Robert Delisle Inc.	Trois-Rivières, P.Q.	Oil Processing	N	\$ 70,000	4	10% and \$1,000 per eligible job (4)	\$ 11,000
56. Roland Boulanger & Cie Ltée	Warwick, P.Q.	Doors and Moulding	N	\$1,538,350	153	10% and \$1,650 per eligible job (153)	\$ 406,285
57. Select Feeds Limited	Taber, Alta.	Pelleted Animal Feeds	N	\$ 110,400	8	20% and \$2,500 per eligible job (3)	\$ 29,580
58. Sopelco Limitée	Laval, P.Q.	High Energy Tension Wire	N	\$ 280,459	26	10% and \$1,600 per eligible job (26)	\$ 69,646

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>
59. Swan Valley Foods Ltd.	Creston, B.C.	Thermal Processing of Vegetables and Fruits	N	\$1,729,000	161	15% and \$3,000 per eligible job (104)	\$ 571,350
60. Tanacan Ltd.	Granby, P.Q.	Sanitary Landfill Compactors	N	\$ 746,940	82	10% and \$3,000 per eligible job (82)	\$ 320,694 <i>D</i>
61. Treco Inc.	Mandeville, P.Q.	Rough Lumber	N.P.E.	\$ 134,564	27	10% and \$800 per eligible job (27)	\$ 35,056
62. United Maritime Fishermen Ltd.	Alder Point, N.S.	Fish Processing and Reduction	a) M b) N.P.E.	a) \$ <del>574,000</del> <sup>373,000</sup> b) \$ 201,000	a) 36 b) 14	a) 20% b) 5% and \$5,000 per eligible job (14)	a) \$ <del>114,800</del> <sup>74,608</sup> b) \$ <del>80,050</del> <sup>120,330</sup>
63. Universal Wire & Cable Co. Ltd.	Montreal, P.Q.	a) Round Aluminum and Copper Magnet Wire b) New Semi-Finished Products	a) E b) N.P.E.	a) \$ 736,000 b) \$ 328,000	a) 27 b) 13	a) 10% b) 10% and \$1,500 per eligible job (13)	a) \$ 73,600 b) \$ 58,800 <i>D</i>
64. Vadnais & Vadnais Inc.	Sainte-Florence, P.Q.	Lumber	N	\$ 287,000	31	15% and \$1,500 per eligible job (31)	\$ 89,550 <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>
65. Venus Electric Limited	Saint John, N.B.	Personal Care Products	N	\$1,322,000	315	15% and \$2,000 per eligible job (315)	\$ 828,300
66. Vin Geloso Wine Inc.	Ville de Laval, P.Q.	Wine Products	N	\$ 580,000	23	10% and \$2,000 per eligible job (18)	\$ 94,000
67. Whittaker Textiles International Ltd.	Marysville, N.B.	Textile Fabrics	a) E	a) \$ 600,000	a) 9	a) 15%	a) \$ 90,000
			b) N	b) \$1,128,000	b) 249	b) 35%	b) \$1,515,300
			c) N.P.E.	c) \$2,650,000	c) 133	c) 25% and \$4,500 per eligible job (249)	c) \$ 928,500
						c) 25% and \$2,000 per eligible job (133)	

*Jan 1974*

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. Booth Fisheries Canadian Co. Limited (Nov. 1971)	Fortune, Nfld.	Frozen Groundfish Fillets	E.M.	\$3,900,000	73	20%	\$ 780,000
2. Caravelle Carpets Limited (April 1972)	Cornwall, Ont.	Non-woven Carpets	E	\$ 134,000	24	10%	\$ 13,400
3. Computag Systems Limited (July 1972)	Moncton, N.B.	Commercial Printing	N	\$2,286,000	95	20% and \$4,000 per eligible job (95)	\$ 837,200
4. Container Corporation of Canada (March 1973)	St. Hubert, P.Q.	Steel Drums, Pails and Plastic Liners	N	\$2,270,000	196	10% and \$1,500 per eligible job (172)	\$ 485,000 <i>D</i>
5. Dionne Spinning Inc. (June 1972)	St-Georges Ouest, P.Q.	Spinning and Dyeing Yarns	N	\$1,835,000	188	20% and \$3,500 per eligible job (188)	\$1,025,000
6. Enamel & Heating Products Limited (Nov. 1972)	Amherst, N.S.	Steel Reinforcing Bars	E.M.	\$ 728,567	8	30%	\$ 218,570
7. Farr Company Ltd. (Sept. 1972)	Laval, P.Q.	Sound Control Equipment and Air Filters	E	\$1,400,000	<del>67</del> <sup>63</sup>	7½%	\$ 105,000
8. Fraser Companies Ltd. (March 1973)	Plaster Rock, N.B.	Dressed Kiln, Dry Lumber and Chips	E.M.	\$4,585,000	72	25%	\$1,146,250

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. GWG Limited (Dec. 1972)	Saskatoon, Sask.	Jeans	N	\$1,168,500	243	10% and \$600 per eligible job (243)	\$ 262,650
10. International Harvester Company of Canada Limited (July 1972)	Candiac, P.Q.	Paylogger and Payloader	E	\$ 527,000	50	8%	\$ 42,160
11. Tricots Cirtex Knitting Inc. (June 1972)	Caraquet, N.B.	Single and Double Knit Fabrics	N	\$6,116,000	232	20% and \$3,000 per eligible job (232)	\$1,919,200
12. Vadnais & Vadnais Inc. (Oct. 1972)	Ste-Florence, P.Q.	Floors and Planks	N	\$ 68,000	26	10% and \$500 per eligible job (26)	\$ 19,800
13. Westfield Apparel Ltd. (Aug. 1972)	Winnipeg, Man.	Wearing Apparel	N	\$ 77,047	42	15% and \$800 per eligible job (42)	\$ 45,157

INCENTIVE GRANT OFFER PREVIOUSLY WITHDRAWN  
BUT RE-ACTIVATED DURING MAY 1973

<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>
Frontenac Fabrics Inc. (Jan. 1973)	Montreal, P.Q.	Woven Textile	N	\$ 602,000	44	5% and \$1,500 per eligible job (44)	\$ 96,100

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. A.B. Brantorps (June 1972)	Fredericton, N.B.						
2. Au Petit Goret Inc. (Jan. 1973)	Longueuil, P.Q.						
3. Cercast Inc. (March 1973 Rev.)	Montreal, P.Q.						
4. Commonwealth Plywood Co. Limited (March 1973)	Ste-Thérèse, P.Q.						
5. Cosmos Imperial Mills Limited (May 1972)	Yarmouth, N.S.						
6. Cosmos Imperial Mills Limited (May 1972)	Marysville, N.B.						
7. Diemakers Ltd. (March 1972)	Montreal, P.Q.						
8. Donewell Knitting Co. Ltd. (June 1972)	St-Laurent, P.Q.						
9. Dress Togs Inc., (Feb. 1972)	Montreal, P.Q.						
10. Happytree Inc. (Feb. 1972)	Montreal, P.Q.						
11. Henderson Lumber Company Ltd. (Nov. 1972)	Souris, P.E.I.						
12. Les Breuvages Oka Inc. (July 1972)	Ste-Thérèse, P.Q.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
13. Les Fonderies du St-Laurent Ltée (Sept. 1971)	St-Jérôme, P.Q.						
14. Mouton Québec Limited (March 1972)	Quebec, P.Q.						
15. Triple E. Motor Homes Ltd. (July 1971)	Winkler, Man.						
16. Nu-Way Trading & Creations Inc. (Oct. 1972)	Montreal, P.Q.						
17. Pacemaker Inc. (Feb. 1972)	Montreal, P.Q.						
18. Peerless Rug Ltd. (Nov. 1971)	Acton Vale, P.Q.						
19. Produits de Chauffage J. & L. Ltée (March 1973)	Daveluyville, P.Q.						
20. Maisons Mobiles France Canada Ltée (July 1972)	Quebec, P.Q.						
21. Simulated Brick & Stone Co. Ltd. (Aug. 1971)	Montreal, P.Q.						
22. St. Lawrence Plastics Ltd. (Jan. 1972)	St-Laurent, P.Q.						
23. St. Lawrence Plastics Ltd. (Jan. 1972)	St-Laurent, P.Q.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
24. Swagger Pants Inc. (Feb. 1972)	Montreal, P.Q.						
25. Mr. Teofilo Yarur (Jan. 1973)	Odanac Indian Reserve, Pierreville, 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 May 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 MAY 1973

Offers Accepted

Nil

Offers Accepted and Subsequently Revised

Nil

Offers Accepted and Subsequently Declined or Withdrawn

<u>Company</u>	<u>Location of Facility</u>
1. North American Stud Co. Ltd. (Nov. 1972)	Slave Lake, Alta.

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 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 applicaton.

Estimated Amount of Incentive Grant -- The Departmental estimate of the grant likely to be paid, based on evaluation of the proposed project.

An Estimated Incentive 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.

INDUSTRY CANADA/INDUSTRIE CANADA



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