



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

# **REPORT ON REGIONAL DEVELOPMENT INCENTIVES**

**October, 1974**

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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 OCTOBER 1974

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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.

Incentives to industry 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 represent more localized focal points of potential development.

Under the regulations which apply in the main to applications received before April 1, 1974, the size of an incentive grant may be varied within statutory limits to meet the requirements of a particular project. Under the revised program which was introduced on that date, standard formulae are used to calculate the level of incentive which may be offered for most projects. For a new plant or the expansion of an existing plant into new product lines, the formula is based on approved capital costs and approved wages and salaries related to the jobs created. For a plant modernization or an expansion that does not involve a new product, only approved capital costs can be considered.

Large projects, depending upon their requirements and the benefits to the region, may be offered a wider range of incentives including some which are specifically or provisionally repayable.

The maximum level of grant available under both the pre-revised and the revised programs is 20 per cent of

approved capital costs for a modernization or expansion and 25 per cent of approved capital costs plus \$5,000 per eligible direct job created for a new plant or new product expansion.

In addition to the previously mentioned maxima, the Regional Development Incentives Act stipulates that grants shall not exceed \$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" provision of the Department of Regional Economic Expansion Act are not subject to the same statutory maxima. However, as a matter of administrative practice, standards applicable under the Regional Development Incentives Act are normally applied where relevant.

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

Although administrative practice differs somewhat depending on whether incentive assistance is provided under the Regional Development Incentives Act or the Department of Regional Economic Expansion Act, standard terminology is

used in this report. Under the Regional Development Incentives Act, for example, letters are used to offer incentive assistance. Under the Department of Regional Economic Expansion Act, proposed agreements are used for the same purpose. For the sake of simplicity, both actions are described in this report as "offers made". In the final section of the report, which is concerned with the definition of terms, attention is drawn to a number of other technical points of some significance.

In conclusion, it should be noted that applications for incentive assistance and support documentation contain a large amount of information that must be regarded as commercially confidential. It is for this reason that, as a matter of policy, the Department is unable to make public certain types of data. It is for the same reason that the Department does not reveal the fact that a particular application has been received unless and until it results in an accepted offer of incentive assistance. This policy is, of course, consistent with the aims and objectives of the program, which is designed to encourage investment in the designated regions and special areas of Canada.

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 October, 1974.

Among other things, it shows:

- (1) that, during the month of October, 1974  
102 applications were received and  
58 offers were made;
- (2) that, of the 9912 applications received  
since the inception of the program,  
5449 were rejected or withdrawn, and  
4028 resulted in offers;
- (3) that, after allowing for lapses, withdrawals,  
and offers not accepted, the net total of  
accepted offers stood at 2928; and
- (4) that, against obligations represented by the  
net total of 2928 accepted offers, partial  
payments had been made in 1639 cases, and  
final payments had been made in 374 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 \$2,358.4 million;

... expected direct new jobs numbering 116,491;

and

... incentive grants of \$487.8 million.

Incentive grants actually paid to date total \$204.7 million.

Table 2, which relates to loan guarantees, is concerned with the disposition of applications received, and the status of offers made to the end of October, 1974.

TABLE 1  
INCENTIVE GRANT APPLICATIONS  
DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - OCTOBER, 1974

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	102	830	9912
Applications Withdrawn	38	266	3142
Applications Rejected	21	139	2307
Offers Made	58	422	4028
<u>STATUS OF OFFERS MADE</u>			
Offers Made	58	422	4028
Offers Lapsed	2	20	204
Offers Declined	6	28	282
Offers Accepted	63	375	3469
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	63	375	3469
Accepted Offers Declined or Withdrawn	14	77	541
Net Offers Accepted	49	298	2928
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	49	298	2928
No Payment Made	--	--	915
Partial Payment Made	39	339	1639
Final Payment Made	18	94	374

TABLE 2LOAN GUARANTEE APPLICATIONSDISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - OCTOBER, 1974

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	4	10	271
Applications Withdrawn	1	4	135
Applications Rejected	-	1	77
Offers Made	-	3	45
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	3	45
Offers Lapsed	-	-	6
Offers Declined	-	-	2
Offers Accepted	-	5	37
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	5	37
Accepted Offers Declined or Withdrawn	-	3	10
Net Offers Accepted	-	2	27
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	2	27
Guarantees in Operation	-	2	18

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

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

Where an asterisk (\*) appears in the "Estimated Amount of Incentive Grant" column, the amount of the incentive offered and accepted has been limited by a statutory or administrative ceiling which applies to the standard formula.

Where a dagger (+) appears in the "Estimated Amount of Incentive Grant" column, the grant in question is a repayable development incentive. This term is explained under the definition of "Development Incentive" in Part IV.

TABLE 3

INCENTIVE GRANT ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED  
AND SUBSEQUENTLY REVISED, DECLINED OR WITHDRAWN DURING OCTOBER 1974

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. Akatherm Atlantic Ltd.	Saint John, N.B.	Plastic Pipes and Drain Tiles	E	\$ 166,000	2	20%	\$ 33,200
2. Alia Canada Inc.	Drummondville, Qué.	Compact Refrigerators and Freezers	N	\$ 8,450,000	245	20% and \$3,500 per eligible job (229)	\$2,491,500
3. Atelier Raoul Desbiens Inc.	Chicoutimi-Nord, Qué.	Steel Items	E	\$ 162,000	3	20%	\$ 32,400
4. B.M. Industries Ltd.	Armagh, Qué.	Women's Clothes	E	\$ 54,000	20	20%	\$ 10,800
5. Bay Bronze Ltd., Baycast Products Ltd.	Winnipeg, Man.	Industrial Metal Products	EM	\$ 598,000	23	20%	\$ 119,600
6. Bisson & Bisson Inc.	Matagami, Qué.	Sawmill	N	\$ 2,422,000	119	25% and 15% of eligible wages and salaries of \$857,333	\$ 734,100

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
7. Blair Craig Osborne	Thunder Bay, Ont.	Commercial Printing	N	\$ 137,200	7	25% and 15% of eligible wages and salaries of \$77,100	\$ 45,865
8. Bradley Bros. Limited	Noranda, Qué.	Metal Tubes and Rods	E	\$ 92,000	3	20%	\$ 18,400
9. Burroughs Business Machines Ltd.	Winnipeg, Man.	Peripheral Equipment for Data Processing Systems	N	\$ 5,897,000	380	10% and \$3,000 per eligible job (343)	\$1,618,700
10. Canada Packers Limited	Port Williams, N.S.	Pelletized Animal Feeds	EM	\$ 1,253,120	-	20%	\$ 250,624
11. Charles E. Ouellet Inc.	L'Islet, Qué.	Baseboard Heaters	NPE	\$ 162,000	14	25% and 15% of eligible wages and salaries of \$90,000	\$ 54,000
12. Cougar Specialties Ltd.	Garneau, Qué.	Waferboard	N	\$10,000,000	131	22% and \$5,000 per eligible job (117)	\$2,785,000
13. Crorak Inc.	St-Georges Est, Qué.	Fiberglass Racks for Truck Boxes and Trailers	N	\$ 195,000	14	25% and 15% of eligible wages and salaries of \$140,000	\$ 69,750

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>
14. Devden Industries Limited	Granby, Qué.	Custom Formulated Chemical Coatings, Pastes and Dispersions	N	\$ 82,000	6	25% and 15% of eligible wages and salaries of \$56,500	\$ 28,975
15. Dominion Paperboard Products Limited	Centreville, N.S.	Fibre Partitions for Packaging	E	\$ 60,000	8	20%	\$ 12,000
16. Educational Fitment and Millwork Company	White Lake, Ont.	Wood Cabinets, Millwork and Doors	N	\$ 94,000	9	25% and \$1,370 per eligible job (9)	\$ 35,830
17. Fleury Industries Limited	Saskatoon, Sask.	Motor Homes, Bus and Truck Bodies	E	\$ 470,000	67	20%	\$ 94,000
18. Fonderie Ste-Croix Ltée	Ste-Croix, Qué.	Ductile and Grey Iron	E	\$ 1,120,000	35	20%	\$ 224,000
19. Formules Mécanographiques Paragon Limitée	Granby, Qué.	Business Forms	E	\$ 810,000	25	20%	\$ 162,000
20. Gilles St-Pierre	St-Hyacinthe, Qué.	Fiber and Plastic Containers	N	\$ 785,000	73	25% and 15% of eligible wages and salaries of \$375,000	\$ 252,500

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>
21. Granby Metal Stamping Inc.	Granby, Qué.	Plumbing Joints and Hooks	E	\$ 80,000	11	20%	\$ 16,000
22. H.O.P. Consulab Inc.	Beauport, Qué.	Aluminum Couplings and Elbows, Steel Rings and Pipe Connectors, and Proportional Temperature Control Systems	NPE	\$ 217,000	12	25% and 15% of eligible wages and salaries of \$46,000	\$ 61,150
23. H. Vincent Inc.	St. Valérien, Qué.	Hydraulic Loaders - Transporters	NPE	\$ 606,500	97	15% and \$1,700 per eligible job (97)	\$ 255,875
24. Harbour Industries (Canada) Ltd.	Farnham, Qué.	High Temperature Wire and Cable	N	\$ 477,000	20	25% and 15% of eligible wages and salaries of \$150,500	\$ 141,825
25. Heavy Manufacturing Industries	Sherbrooke, Qué.	Earth Moving and Construction Machinery	N	\$ 5,900,000	291	15% and \$2,400 per eligible job (252)	\$1,489,800
26. Honco Inc.	Lévis, Qué.	Pre-fabricated Metal Buildings	N	\$ 306,000	15	25% and \$2,000 per eligible job (13)	\$ 102,500

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>
27. Hysop Construction (1972) Limited	Killarney, Man.	Ready to Move Houses	N	\$ 38,350	8	25% and 15% of eligible wages and salaries of \$43,620	\$ 16,131
28. I.V.G. Canada Ltd.	St-Alphonse de Granby, Qué.	Industrial Rubber Hose	N	\$ 4,375,000	173	15% and \$2,200 per eligible job (155)	\$ 997,250
29. I-XL Industries Ltd.	Lockport, Man.	Bricks	M	\$ 190,000	-	20%	\$ 38,000
30. I-XL Industries Ltd.	Regina, Sask.	Clay Sewer Pipe	EM	\$ 169,130	3	20%	\$ 33,826
31. J. Cossette Soudeur Général Limitée	Rouyn, Qué.	Steel and Aluminum Truck Boxes	NPE	\$ 140,000	10	25% and 15% of eligible wages and salaries of \$92,500	\$ 48,875
32. Jean-Guy Maheux	Lac Mégantic, Qué.	Decorative Cedar Fences	N	\$ 133,080	26	25% and 15% of eligible wages and salaries of \$188,200	\$ 61,500

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>
33. La Pâtisserie Trianon Inc.	La Malbaie, Qué.	French Pastries	N	\$ 99,100	8	25% and 15% of eligible wages and salaries of \$44,000	\$ 31,375
34. La Scierie de Bersimis Ltée	Betsiamites, Qué.	a) Softwood Sawmill b) Softwood Planing	a) E b) NPE	a) \$ 27,000 b) \$ 80,370	a) 1 b) 2	a) 20% b) 25% and \$5,000 per eligible job (2)	a) \$ 5,400 b) \$ 30,092
35. Leandre Leger	Dupuis Corner, N.B.	Ice Cubes and Blocks	E	\$ 37,872	2	20%	\$ 7,574
36. Les Aciers Canam Inc.	St-Gédéon, Qué.	Steel Joists	E	\$ 690,000	30	20%	\$ 138,000
37. Les Composantes Manufacturées Parent Ltée (CMP)	St-Augustin, Qué.	House Components	N	\$ 201,500	27	25% and 15% of eligible wages and salaries of \$224,500	\$ 84,050
38. Les Produits Marcono Ltée	St-Alban, Qué.	Snow Blowers, Scrapers, Spreaders and Other Farm Implements	N	\$ 90,000	8	25% and 15% of eligible wages and salaries of \$53,000	\$ 30,450

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>
39. Les Produits M.S. Inc.	Berthierville, Qué.	Metal Anti-Skid Grids	N	\$ 35,500	9	20%	\$ 7,100
40. Les Scies du Saguenay Lac St-Jean Ltée	Alma, Qué.	Saws	E	\$ 112,950	8	20%	\$ 22,590
41. Long Lake Lumber Limited	Shelburne, N.S.	Lumber	N	\$ 446,000	33	25% and \$1,900 per eligible job (31)	\$ 170,400
42. MacFarlane Lefaiivre Mfg. Ltd.	Sherbrooke, Qué.	Footwear	N	\$ 1,060,000	145	25% and \$1,000 per eligible job (145)	\$ 410,000
43. Meunerie Coopérative Agricole de Victoriaville	Victoriaville, Qué.	Pelletized Feed	E	\$ 310,000	16	20%	\$ 62,000
44. Morris Rod-Weeder Co. Ltd.	Yorkton, Sask.	Farm Implements	E	\$ 1,438,984	16	20%	\$ 287,797
45. Moulin à Scie Grenier Ltée	St-Elzéar, Qué.	Wood Processing	EM	\$ 149,857	10	20%	\$ 29,971

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>
46. Mr. John MacLeod	St. John's, Nfld.	Retreading of Tires	N	\$ 64,000	10	25% and 30% of eligible wages and salaries of \$68,500	\$ 36,550
47. Multiprodex Inc.	Waterloo, Qué.	Construction Materials	N	\$ 800,000	127	20% and 15% of eligible wages and salaries of \$974,500	\$ 306,175
48. Nor Cristal Inc.	Sept-Iles, Qué.	Thermos Windows	NPE	\$ 44,000	4	25% and 15% of eligible wages and salaries of \$26,000	\$ 14,900
49. Nordex Explosives Limited	Dane, Ont.	Explosives	E	\$ 313,170	-	20%	\$ 62,634
50. North American Forest Products Limited	St. Quentin, N.B.	Shingles	N	\$ 97,000	18	25% and 30% of eligible wages and salaries of \$172,375	\$ 75,962
51. Papier Cascades (Cabano) Inc.	Cabano, Qué.	Corrugated Cardboard	N	\$ 6,794,000	104	25% and \$5,000 per eligible job (74)	\$2,068,500

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>
52. Paul Leblanc Inc.	Notre-Dame du Nord, Qué.	Commercial Semi-Trailers	NPE	\$ 728,750	50	25% and 15% of eligible wages and salaries of \$599,182	\$ 272,065
53. Quality Elastics Limited	Notre-Dame-du-Portage, Qué.	Knitted Elastic Fabrics	N	\$ 156,000	10	25% and 15% of eligible wages and salaries of \$58,820	\$ 47,823
54. Queen Anne Upholstering and Furniture Manufacturing Co. Ltd.	Winnipeg, Man.	Furniture	N	\$ 140,212	19	25% and 15% of eligible wages and salaries of \$156,572	\$ 58,539
55. Reeves Modular Homes Limited	Point Edward, N.S.	Modular Homes	N	\$ 844,800	56	25% and 30% of eligible wages and salaries of \$545,123	\$ 374,737
56. Roger Lacoursière	Ste-Angèle de Prémonts, Qué.	Canning of Corn, Pumpkin, Carrots and Asparagus	N	\$ 85,400	17	25% and 15% of eligible wages and salaries of \$37,668	\$ 27,000
57. Soledo Inc.	Dolbeau, Qué.	Potato Processing	N	\$ 95,000	8	25% and 15% of eligible wages and salaries of \$31,000	\$ 28,400

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>
58. St-Lawrence Paper Bag Ltd.	Québec, Qué.	Wrapping Paper and Paper Bags	E	\$ 133,000	3	20%	\$ 26,600
59. Stephen Bujaki	Pembroke, Ont.	Metal Products	NPE	\$ 40,000	3	25% and 15% of eligible wages and salaries of \$17,730	\$ 12,660
60. Sunny Glen Eggs Ltd.	Mouth of Keswick, N.B.	Processing of Eggs	EM	\$ 135,000	7	20%	\$ 27,000
61. Superior Custom Trailers Limited	Thunder Bay, Ont.	Logging Trailers	E	\$ 176,000	11	20%	\$ 35,200
62. Weldon's Concrete Products Ltd.	Saskatoon, Sask.	Concrete Poles	NPE	\$ 202,000	6	20% and \$3,000 per eligible job (5)	\$ 55,400
63. X Béton Inc.	St-Nicolas, Qué.	Pre-fabricated Concrete Panels	E	\$ 291,333	26	20%	\$ 58,267

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. Amric Mfg. Corp. Ltd. (Dec. 1973) (Engineered Parts Limited)	Saskatoon, Sask.	Machine Parts for Mining and Agriculture	N	\$ 720,900	58	15% and \$2,500 per eligible job (58)	\$ 253,135
2. Brunswick Mills Ltd. (March 1974)	Bathurst, N.B.	Lumber and Chips	N	\$ 3,420,000	117	15% and \$4,000 per eligible job (117)	\$ 981,000
3. Dryden Chemicals Limited (Aug. 1974)	Dryden, Ont.	Chlorine, Caustic Soda, and Sodium Chlorate	M	\$ 4,370,000	-	10%	\$ 437,000
4. Flemming-Gibson Industries Ltd. (Jan. 1974)	Blackville, N.B.	Lumber	N	\$ 3,695,100	188	15% and \$2,100 per eligible job (188)	\$ 949,065
5. Lake Utopia Paper Limited (March 1974)	St. George, N.B.	Corrugated Medium	EM	\$ 3,574,000	4	20%	\$ 714,800
6. Panther Pant Ltd. (Dec. 1973)	Winnipeg, Man.	Ladies' Sportswear	N	\$ 912,400	3	20%	\$ 182,480
7. Warwick Woolen Mills Co. Ltd. (April 1973)	Warwick, Qué.	Wool	E	\$ 147,000	23	15%	\$ 22,050

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type or 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. Alfa Flooring Reg'd (Oct. 1972)	St-Hubert, Qué.						
2. Andersen Forest Products Ltd. (Feb. 1974)	Parish of Gordon, N.B.						
3. Atlas Anodizing Ltd. (July 1971)	Granby, Qué.						
4. Canada Softwoods Limited (Oct. 1973)	Lac au Saumon, Qué.						
5. D.K. Martin & Associates (Sept. 1974)	Charlottetown, P.E.I.						
6. Flemming-Gibson Industries Ltd. (Jan. 1973) (Flemming-Gibson Sawmills Ltd.)	Juniper, N.B.						
7. J. S. Tricots Inc. (June 1972)	Montreal, Qué.						

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>
8. Jos. A. Likely, Limited (Feb. 1974)	Saint John, N.B.						
9. Les Distilleries Melchers Limitée (May 1974)	Berthierville, Qué.						
10. Mr. Adolf Feiler (May 1973)	Montreal, Qué.						
11. Quebec Leather Garments Ltd. (June 1972)	Montreal, Qué.						
12. Sabra Pharmaceuticals Limited (June 1971)	St. Boniface, Man.						
13. Société Coopérative Agricole de Chicoutimi (Oct. 1973)	Chicoutimi, Qué.						
14. Warren Concrete Products Ltd. (Jan. 1974)	Rexton, N.B.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of October:

- (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.

TABLE 4

LOAN GUARANTEE ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED  
AND SUBSEQUENTLY DECLINED, WITHDRAWN OR REVISED DURING OCTOBER 1974

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>
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Nil

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 normally 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 normally 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.

Development Incentive - A development grant that is non-repayable, an incentive that is repayable under specific terms and conditions, or an incentive that is repayable provided the project achieves a certain level of profitability or other objective specified in the offer and accepted by the applicant. These latter two types of development incentives are frequently referred to as repayable grants.

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.

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

Declined - When the applicant formally declines an offered incentive.

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

Withdrawn - When, prior to making payment, the Department determines that the contractual commitments relating to a project were made before the application was filed, or that other legal requirements were not met, and takes action to withdraw the offer in question.

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

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

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

Final Payment Made - When the facility has been in commercial production for the prescribed period, a final inspection is made by the Department, and if all conditions specified in the accepted offer and in the governing Act and Regulations have been met, a final payment is made. The final payment cannot be made until twenty-four months after the certified date of commercial production when the incentive is based only on approved capital costs; or until thirty-six months after the certified date of commercial production when the incentive is based in part on either the wages and salaries relating to eligible jobs created, or on the number of jobs created in the operation.

### Application of Terms to Loan Guarantees

The aforementioned 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 the loan being made to the applicant. Such an agreement can only be executed when the applicant and the lender complete the loan arrangements. The original offer to the applicant by the Department is in the form of a letter of intent, a copy of which is sent to the prospective lender. Acceptance of the letter of intent by both parties is considered as an "offer accepted". If the applicant fails to complete his loan arrangements, the offer is "withdrawn". If the applicant abandons his project or completes his loan arrangements without the guarantee, the offer is "declined". Once the Department has completed an agreement with the lender, there is a "guarantee in operation".

A loan guarantee applicant discharges his loan obligations directly with the lender, reducing at the same time the potential liability of the Department.

### TERMS USED IN PART II

Company - The legal corporate or organization identification of the applicant at the time of his acceptance of an offer of incentive assistance.

Plant Location - The name used is that which Statistics Canada uses to identify the specific geographic location of the plant or facility.

Product or Process - The nature of the product or process.

Type of Project -

N - New Plant - a new facility, the word facility being used as defined in the Regional Development Incentives Act and Regulations.

N.P.E. - New Product Expansion - an addition to an existing facility to manufacture or produce a product not previously manufactured or produced by the applicant.

E - Expansion - an addition to an existing facility to increase the output of the products presently being manufactured or produced.

M - Modernization - a change in an existing facility designed primarily to reduce production costs or improve product quality.

N.C.F. - New Commercial Facility - a new facility designed to provide a service rather than to undertake manufacturing or processing.

Expected Eligible Cost - The capital costs of a project, as estimated by the Department on the basis of information supplied by an applicant, covering only costs that are eligible under the Regional Development Incentives Act and Regulations.

Expected Direct New Jobs - The number of jobs to be created directly by the project, as estimated by the Department on the basis of information supplied by the applicant.

Eligible Direct 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, whether as a percentage of the wages and salaries relating to those jobs, or as an amount per job.

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 or a percentage of the approved wages and salaries relating to the eligible jobs. 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 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.

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