



Regional  
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# REPORT ON REGIONAL DEVELOPMENT INCENTIVES

**November, 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 NOVEMBER, 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 November, 1974.

Among other things, it shows:

- (1) that, during the month of November, 1974  
86 applications were received and  
61 offers were made;
- (2) that, of the 9998 applications received  
since the inception of the program,  
5534 were rejected or withdrawn, and  
4089 resulted in offers;
- (3) that, after allowing for lapses, withdrawals,  
and offers not accepted, the net total of  
accepted offers stood at 2975; and
- (4) that, against obligations represented by the  
net total of 2975 accepted offers, partial  
payments had been made in 1662 cases, and  
final payments had been made in 382 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 \$2,367.5 million;

... expected direct new jobs numbering 116,521;

and

... incentive grants of \$488.6 million.

Incentive grants actually paid to date total \$206.9 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 November, 1974.

TABLE 1INCENTIVE GRANT APPLICATIONSDISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - NOVEMBER, 1974

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	86	916	9998
Applications Withdrawn	48	314	3189
Applications Rejected	38	177	2345
Offers Made	61	483	4089
<u>STATUS OF OFFERS MADE</u>			
Offers Made	61	483	4089
Offers Lapsed	1	21	205
Offers Declined	4	32	286
Offers Accepted	59	434	3528
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	59	434	3528
Accepted Offers Declined or Withdrawn	12	89	553
Net Offers Accepted	47	345	2975
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	47	345	2975
No Payment Made	--	--	931
Partial Payment Made	32	371	1662
Final Payment Made	7	101	382

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	1	11	272
Applications Withdrawn	1	5	136
Applications Rejected	-	1	77
Offers Made	1	4	46
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	4	46
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 November 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 NOVEMBER 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. Agrolac Limitée	St-Bruno, Qué.	Vegetable Processing	N	\$ 172,000	12	25% and 15% of eligible wages and salaries of \$75,600	\$ 54,340
2. Amaro Enrg.	St-Cuthbert, Qué.	Bottling of Pure Drinking Water	N	\$ 40,850	3	25% and 15% of eligible wages and salaries of \$20,000	\$ 13,213
3. Antoine Gros-Louis et Gros-Louis Snow Shoes Reg'd.	Village des Hurons, Qué.	Snowshoes	N	\$ 110,200	10	25% and 15% of eligible wages and salaries of \$65,000	\$ 37,300
4. Aurora Steel Limited	Thunder Bay, Ont.	Metal Components	N	\$ 220,000	15	20%	\$ 44,000
5. Austin Advertising Limited	St. John's, Nfld.	Signs and Displays	E	\$ 295,000	11	20%	\$ 59,000
6. Barkman Concrete Ltd.	Steinbach, Man.	Prefabricated Concrete Products	E	\$ 302,000	10	20%	\$ 60,400

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>
7. Bathurst Paper Limited	Saint John, N.B.	Corrugated Cartons	E	\$ 380,000	16	20%	\$ 76,000
8. British American Banknote Company Limited	Halifax, N.S.	Printing of Financial Documents	N	\$ 80,000	12	25% and 30% of eligible wages and salaries of \$93,900	\$ 48,170
9. C & A Steel Fabricators Limited	Sudbury, Ont.	Wrought Iron Furniture and Steel Stairs	E	\$ 110,000	-	20%	\$ 22,000
10. Canurco Inc.	Thetford Mines, Qué.	Moulded Polyurethane Parts	N	\$ 108,000	16	25% and 15% of eligible wages and salaries of \$138,300	\$ 47,745
11. Champlain Signs & Advertising	Moncton, N.B.	Plastic and Neon Signs	N	\$ 126,037	11	25% and 30% of eligible wages and salaries of \$87,526	\$ 57,767
12. Circo Craft Co. Inc.	Granby, Qué.	Circuit Boards	N	\$ 175,000	45	25% and 15% of eligible wages and salaries of \$315,000	\$ 91,000
13. Dubeau & Lapointe Ltée	Drummondville, Qué.	Steel Framing	E	\$ 100,000	20	20%	\$ 20,000

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>
14. Duraform Maritimes Ltd.	Truro, N.S.	Concrete Forms and Wire Ties	N	\$ 202,000	9	25% and 30% of eligible wages and salaries of \$98,800	\$ 80,140
15. Eastern Engine and Equipment Service Limited	Truro, N.S.	Rebuilding of Engines and Engine Components	N	\$ 77,012	4	25% and 30% of eligible wages and salaries of \$18,445	\$ 24,786
16. Eastern Townships Machine Works Ltd.	Sherbrooke, Qué.	Manufacturing and Reconditioning Bakery Equipment	E	\$ 151,000	16	20%	\$ 30,200
17. Edwin K. Lewis	Freetown, P.E.I.	Processing of Potatoes	a) EM b) NPE	a) \$ 73,040 b) \$ 98,450	a) - b) 20	a) 20% b) 25% and 30% of eligible wages and salaries of \$98,065	a) \$ 14,608 b) \$ 54,033
18. Equipement Hydraulique Boreal Inc.	Macamic, Qué.	Hydraulic Cylinders	N	\$ 95,382	12	25% and 15% of eligible wages and salaries of \$121,250	\$ 42,033
19. Federal Pioneer Limited	Regina, Sask.	Electrical Transformers	N	\$1,878,935	59	20% and 15% of eligible wages and salaries of \$497,370	\$ 450,393

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>
20. Fonderie Maska Inc.	Ste-Claire, Qué.	Power Transmission Pulleys	N	\$ 460,000	20	25% and 15% of eligible wages and salaries of \$215,000	\$ 147,250
21. Gelsco Ltd.	St-Hyacinthe, Qué.	Die Cast Tools and Small Parts	N	\$1,035,300	22	15% and \$3,000 per eligible job (20)	\$ 215,295
22. Hostess Food Products Limited	New Minas, N.S.	Processing of Food Products	E	\$ 120,000	12	20%	\$ 24,000
23. I. Thibault Inc.	St-Damien, Qué.	Steel Moulds	E	\$ 50,000	3	20%	\$ 10,000
24. Industech Inc.	Victoriaville, Qué.	Maintenance Equipment for Winter Roads	N	\$ 58,250	9	25% and 15% of eligible wages and salaries of \$65,005	\$ 24,314
25. Infranor Canada Inc.	St-Hyacinthe, Qué.	Floodlighting Systems	N	\$ 305,000	28	25% and 15% of eligible wages and salaries of \$230,200	\$ 110,780
26. Instabox (Winnipeg) Ltd.	Winnipeg, Man.	Corrugated Cardboard Boxes	N	\$ 77,917	9	25% and 15% of eligible wages and salaries of \$64,900	\$ 29,214

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. Intergraphics Limited	Winnipeg, Man.	a) Signs, Posters and Decals	a) E	a) \$ 26,750	a) 2	a) 20%	a) \$ 5,350
		b) Metal Identification Plates	b) NPE	b) \$ 38,250	b) 4	b) 25% and 15% of eligible wages and salaries of \$37,170	b) \$ 15,138
28. Kevin Swaine	Barrington Passage, N.S.	Machine Shop	N	\$ 35,249	4	25% and 30% of eligible wages and salaries of \$32,572	\$ 18,584
29. L & P Sports Mfg. Co. Ltd.	Regina, Sask.	Club Jackets	N	\$ 26,353	18	25% and 15% of eligible wages and salaries of \$101,250	\$ 10,541 *
30. L.P. Construction Inc.	Lavernière, Qué.	Woodworking Shop	N	\$ 60,000	5	25% and \$1,000 per eligible job (5)	\$ 20,000
31. L'Imprimerie Laflamme Ltée	Ste-Foy, Qué.	Commercial Printing	E	\$ 445,000	11	20%	\$ 89,000
32. La Coopérative de Dorchester	St-Anselme, Qué.	Poultry Slaughtering and Processing	EM	\$ 493,500	42	20%	\$ 98,700

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 Fonderie de Thetford (1969) Inc.	Thetford Mines, Qué.	Vacuum Pumps	EM	\$ 330,000	14	20%	\$ 66,000
34. Laiterie Dolbeau Ltée	Dolbeau, Qué.	Whey Powder	NPE	\$ 544,000	6	25% and 15% of eligible wages and salaries of \$47,250	\$ 143,088
35. Les Cèdres de Rivière-Bleue Ltée	Rivière-Bleue, Qué.	Wood Fencing	E	\$ 223,000	3	20%	\$ 44,600
36. Les Fabrications Hammond (Québec) Inc.	Drummondville, Qué.	Electrical and Electronic Transformers	N	\$ 290,000	62	25% and 15% of eligible wages and salaries of \$314,375	\$ 119,656
37. Les Industries Super Métal Inc.	Ville Vanier, Qué.	Steel Framing	E	\$ 26,000	3	20%	\$ 5,200
38. Lim-Tech Systems Inc.	Saint John, N.B.	Specialty Electric Motors	N	\$1,627,000	111	25% and \$5,000 per eligible job (111)	\$ 961,750
39. Lingerie Lambton Inc.	Lambton, Qué.	Men's Shirts and Vests	E	\$ 190,000	37	20%	\$ 38,000

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>
40. Malkin Johnson Inc.	St-Augustin, Qué.	Concrete Displacement Pump	N	\$ 108,000	24	25% and 15% of eligible wages and salaries of \$286,200	\$ 69,930
41. Meunerie Camirand Inc.	Bon-Conseil, Qué.	Animal Feed Cubes	NPE	\$ 200,000	7	25% and 15% of eligible wages and salaries of \$55,500	\$ 58,325
42. Mr. Ferdo Cutuk	Winnipeg, Man.	Modular Furniture	N	\$ 127,500	9	25% and 15% of eligible wages and salaries of \$66,750	\$ 41,887
43. New Brunswick Wood Processing Ltd.	Tracy, N.B.	Processing of Wolman CCA Pressure Preserved Wood Products	N	\$ 364,600	11	25% and 30% of eligible wages and salaries of \$77,299	\$ 114,340
44. Paré & Frères Inc.	St-Jules, Qué.	Lathed Wood	NPE	\$ 27,000	5	25% and 15% of eligible wages and salaries of \$45,000	\$ 13,500

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>
45. Pierre Lavoie Inc.	Maniwaki, Qué.	Tire Retreading	N	\$ 115,000	5	25% and 15% of eligible wages and salaries of \$33,500	\$ 33,775
46. Plastitech Inc.	Daveluyville, Qué.	Polyethylene Canoes and Containers	E	\$ 250,000	25	20%	\$ 50,000
47. Prairie Bilt Windows Ltd.	St. Gregor, Sask.	Windows and Doors	E	\$ 75,000	10	20%	\$ 15,000
48. Prince Edward Food Products Limited	St. Eleanors, P.E.I.	Processing of Canned Potatoes, Carrots and Peas	a) E b) NPE	a) \$ 27,470 b) \$ 72,530	a) 12 b) 8	a) 20% b) 25% and 30% of eligible wages and salaries of \$35,632	a) \$ 5,494 b) \$ 28,822
49. Rezbond Abrasives Co. Ltd.	Drummondville, Qué.	Coated Abrasive Belts	E	\$ 75,100	12	20%	\$ 15,020
50. Saskatchewan Rendering Company Limited	Regina, Sask.	Inedible Oils and Meat Meal	N	\$ 444,000	7	25% and 15% of eligible wages and salaries of \$48,760	\$ 118,314
51. SMSP Machine & Steel Products Limited	Sault Ste. Marie, Ont.	Machine Parts	N	\$ 190,000	4	20%	\$ 38,000

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>
52. Speers Neon Signs Ltd.	Regina, Sask.	Neon Signs	E	\$ 50,000	6	20%	\$ 10,000
53. Sport d'Hiver Huron Enr.	Village des Hurons, Qué.	Hockey Sticks and Snowshoes	N	\$ 60,000	11	25% and 15% of eligible wages and salaries of \$65,000	\$ 24,750
54. Stepas Inc.	Rimouski, Qué.	Dog Food	N	\$ 188,000	27	25% and 15% of eligible wages and salaries of \$282,500	\$ 89,375
55. Sunny Isle Farms Limited	Mermaid, P.E.I.	a) Processing of Eggs	a) E	a) \$ 18,250	a) 2	a) 20%	a) \$ 3,650
		b) Manufacturing of Feed and Fertilizer	b) NPE	b) \$ 34,390	b) 2	b) 25% and 30% of eligible wages and salaries of \$12,000	b) \$ 12,198
56. Tannerie Cantin Inc.	Loretteville, Qué.	Hide Processing	M	\$ 30,000	-	20%	\$ 6,000
57. Valmada Ltée	Clair, N.B.	Prefabricated Houses	N	\$ 140,636	25	25% and 30% of eligible wages and salaries of \$233,280	\$ 105,143

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. William Hayden & Son	Cherry Valley, P.E.I.	Processing of Potatoes	EM	\$ 86,900	5	20%	\$ 17,380
59. Z. Laroche & Frères Limitée	Pont Rouge, Qué.	Fireplace Dampers	EM	\$ 563,000	-	20%	\$ 112,600

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. Clifford C. Long and Sons Limited (June 1973)	White Rock, N.S.	Green Rough Lumber	M	\$ 130,625	2	30%	\$ 39,188
2. Henderson Lumber Co. Ltd. (Aug. 1973)	Georgetown, P.E.I.	Dry Lumber and Chips	N	\$ 827,760	33	25% and \$4,000 per eligible job (33)	\$ 338,940
3. L. P. Royer Inc. (Aug. 1974)	Lac Drolet (St-Samuel), Qué.	Shoes and Skins for Shoes	EM	\$ 50,000	17	20%	\$ 10,000

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. Boîtes de Camions Champion Ltée (Nov. 1972)	St. Laurent, Qué.						
2. Cassidy & Maillard Limitée (Jan. 1973)	Boucherville, Qué.						
3. Chamcook Shipbuilders Ltd. (Dec. 1971)	Chamcook, N.B.						
4. Charlene Clothing Mfg. Co. Ltd. (March 1972)	St. Jerome, Qué.						
5. Fenêtres Thermiques G.L. Ltée (July 1973)	Bernières, Qué.						
6. Fish and Ships Gear A/S and Ulstein Propellor A/S on Behalf of Hydema-Ulstein Ltd. (June 1974)	Sydney, N.S.						
7. Hirth Motoren KG (Feb. 1974)	Saint John, N.B.						

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. Les Entrepôts Frigorifiques l'Assomption Enr. (May 1972)	L'Assomption, Qué.						
9. Monsieur André Duchaine (March 1974)	Lavaltrie, Qué.						
10. Park Leather Ltd. (April 1973)	Winnipeg, Man.						
11. Precision Homes & Components (Nfld.) Ltd. (Aug. 1974)	St. John's, Nfld.						
12. Unicor Industries Inc. (March 1973)	Ville D'Anjou, Qué.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of November 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.

TABLE 4

LOAN GUARANTEE ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED  
AND SUBSEQUENTLY DECLINED, WITHDRAWN OR REVISED DURING NOVEMBER 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>
Nil						

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

Nil

OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

Nil

PART IV - DEFINITIONSTERMS 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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