



**Regional  
Economic  
Expansion**

**Expansion  
Économique  
Régionale**

# **REPORT ON REGIONAL DEVELOPMENT INCENTIVES**

**March, 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 MARCH, 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.

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 level of grant available under the Program is 20% of approved capital costs for a modernization or expansion and 25% 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.

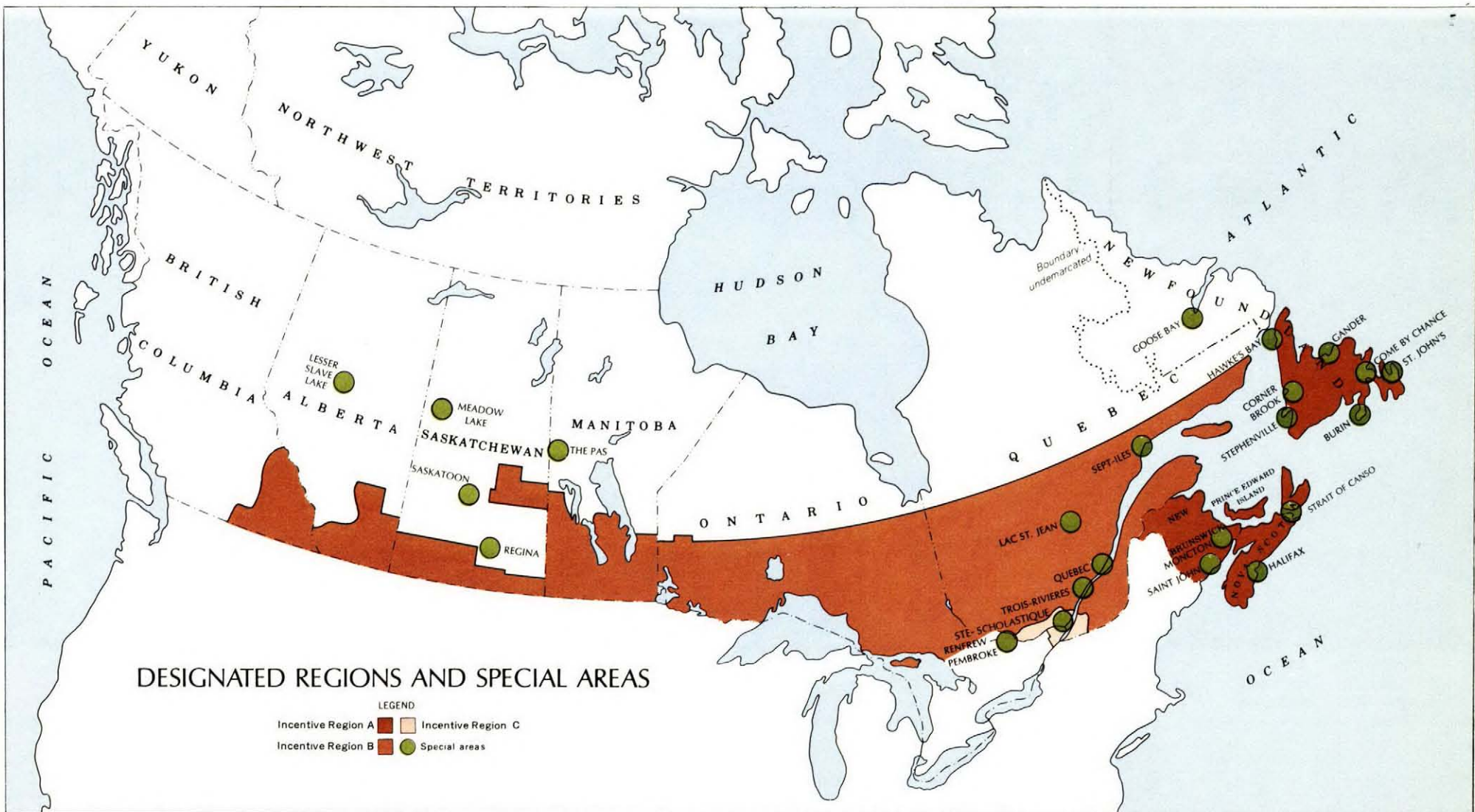
Industrial incentives available under the "Special Area" provision of the Department of Regional Economic Expansion Act are not subject to the same statutory maxima.

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.



DESIGNATED REGIONS AND SPECIAL AREAS

- LEGEND
- Incentive Region A
  - Incentive Region B
  - Incentive Region C
  - Special areas

PUBLISHED 1973  
 CARTOGRAPHIC UNIT  
 PUBLIC INFORMATION DIVISION



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PART I - SUMMARY STATISTICS

In this part of the report, there are two tables setting forth summary statistics on different aspects of the regional development incentives program.

Table 1, which relates to incentive grants, is concerned with the disposition of applications received, and the status of offers made as of the end of March 1974.

Among other things, it shows:

- (1) that, during the month of March, 109 applications were received and 29 offers were made;
- (2) that, of the 9082 applications received since the inception of the program, 5052 were rejected or withdrawn, and 3606 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 2630, and
- (4) that, against obligations represented by the net total of 2630 accepted offers, partial payments had been made in 1400 cases, and final payments in 269 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 \$2,091 million
- ... expected direct new jobs numbering 106,023
- and
- ... incentive grants of \$425 million

Incentive grants actually paid to date total \$160.4 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 March, 1974.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	109	1573	9082
Applications Withdrawn	40	632	2877
Applications Rejected	22	457	2175
Offers Made	29	764	3606
 <u>STATUS OF OFFERS MADE</u>			
Offers Made	29	764	3606
Offers Lapsed	-	43	186
Offers Declined	-	39	255
Offers Accepted	51	714	3093
 <u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	51	714	3093
Accepted Offers Declined or Withdrawn	12	191	463
Net Offers Accepted	39	538	2630
 <u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	39	538	2630
No Payment Made	-	-	961
Partial Payment Made	98	645	1400
Final Payment Made	27	151	269

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	1	44	259
Applications Withdrawn	-	34	125
Applications Rejected	-	15	75
Offers Made	1	13	42
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	13	42
Offers Lapsed	-	2	5
Offers Declined	-	1	3
Offers Accepted	-	11	32
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	11	32
Accepted Offers Declined or Withdrawn	-	5	7
Net Offers Accepted	-	6	25
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	6	25
Guarantees in Operation	-	10	16

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

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

- (1) offers accepted;
- (2) offers accepted and subsequently revised;  
and
- (3) offers accepted and subsequently declined;  
or withdrawn

The month and year of the most recent report for offers accepted and subsequently revised, declined or withdrawn are indicated in brackets under the company name. Only the revised data are shown.

Abbreviations have been used to describe the details of "type of project". Although full descriptions are provided in Part IV of this report, the abbreviations used are:

- |        |   |                         |
|--------|---|-------------------------|
| N      | - | New Plant               |
| N.P.E. | - | New Product Expansion   |
| E      | - | Expansion               |
| M      | - | Modernization           |
| N.C.F. | - | New Commercial Facility |

TABLE 3

INCENTIVE GRANT ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED  
AND SUBSEQUENTLY REVISED, DECLINED OR WITHDRAWN DURING MARCH 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. Abiex Inc.	Canton Bernetz, Que.	Lumber	E	\$ 615,000	33	15%	\$ 92,250
2. Al's Welding & Electric Ltd.	Muenster, Sask.	Machine Shop Products	N	\$ 97,000	6	15%	\$ 14,550
3. Amherst Daily News Limited	Amherst, N.S.	Processing Printed Material	M	\$ 140,818	-	20%	\$ 28,164
4. Astra Sprinklers Ltd. (T.B.I.)	Sherbrooke, Que.	Sprinklers & Sprinkler Devices	N	\$ 280,955	27	15% and \$1,800 per eligible job (25)	\$ 87,143
5. Bellechasse Spécialités Enr.	St-Raphael, Que.	Planed wood Panels for Beefsteak Boards	E	\$ 58,500	4	15%	\$ 8,775
6. B.J.L. Couture Inc.	St-Theophile, Que.	Sport shirts	N	\$ 188,000	100	10% and \$200 per eligible job (100)	\$ 38,800

OFFERS ACCEPTED

13.

<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. Brunswick Mills Ltd.	Bathurst, N.B.	Lumber & Chips	N	\$2,783,000	117	15% and \$4,000 per eligible job (117)	\$ 885,450
8. Co-op Vegetable Oils Ltd.	Altona, Man.	Processing Oil Seeds	E	\$2,896,400	25	12%	\$ 347,568
9. Cr�merie Saint-Gr�goire Inc.	St-Gr�goire, Que.	Powdered skim milk	E	\$ 75,000	6	20%	\$ 15,000
10. Monsieur Andr� Duch�ne	Lavaltrie, Que.	Vegetable processing (freezing)	N	\$ 545,000	48	15% and \$1,900 per eligible job (45)	\$ 167,250
11. Omer Duguay	Lower Cap Bald, N.B.	Processing Fish	E	\$ 36,910	5	20%	\$ 7,382
12. East Coast Recyclers Limited	St. John's, Nfld.	Tallow & Meat Meal	N	\$ 265,000	4	20% and \$5,000 per eligible job (4)	\$ 73,000
13. Easteel Industries Limited	St. John's, Nfld.	Open Web Steel Joists	E	\$ 41,500	8	20%	\$ 8,300
14. Eddy Match Company Ltd., Steel Equipment Division	Pembroke, Ont.	Steel office Furniture	N	\$2,289,000	88	15% and \$1,000 per eligible job (87)	\$ 430,350

OFFERS ACCEPTED

14.

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
15. Fort MacLeod Meat Processors Ltd.	Fort MacLeod, Alta.	Slaughtering & Processing of Meat Products	EM	\$ 200,715	7	15%	\$ 30,107
16. Grondin & Fils Ltée.	Woburn, Que.	Lumber	N	\$ 950,000	64	15% and \$1,000 per eligible job (35)	\$ 177,500
17. Harder's Feed Service Ltd.	Plum Coulee, Man.	Processing Seeds & vegetables	E	\$ 100,000	5	15%	\$ 15,000
18. Henry Ritz and Company	Gretna, Man.	Buckwheat	NPE	\$ 99,000	10	15% and \$2,000 per eligible job (10)	\$ 34,850
19. Hunt & Moscrop Canada Ltd.	Granby, Que.	Heat Transfer Equipment, Tank Heaters, Pre-Heaters & Energy Economizers	N	\$ 466,000	21	20%	\$ 93,200
20. Ideal Body Ltée.	St-Malo, Que.	Truck boxes	E	\$ 262,400	17	20%	\$ 52,480
21. Imco Container (Canada) Ltd.	Drummondville, Que.	Plastic Containers	N	\$1,107,800	93	10% and \$2,000 per eligible job (92)	\$ 294,780

OFFERS ACCEPTED

15.

<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>					
22. Imprimerie Le Guide Inc.	Ste-Marie (Beauce), Que.	Commercial Printing	E	\$ 32,100	4	15%	\$ 4,815					
23. J.G. Ewing & Sons (1968) Inc.	Melbourne, Que.	Finished Domestic Furniture	EM	\$ 82,000	18	20%	\$ 16,400					
24. Journal La Vie (1969) Ltée.	Charlesbourg, Que.	Printing	N	\$ 90,000	7	15% and \$1,700 per eligible job (7)	\$ 25,400					
25. Jude Fortin Inc.	Grandes-Bergeronnes, Que.	White Birch sawing	N	\$ 238,000	19	15% and \$1,000 per eligible job (16)	\$ 51,700					
26. Kasper & Richter Precision Instruments Ltd.	Fredericton, N.B.	Pedometers & Measuring Devices	N	\$ 123,000	16	20% and \$4,000 per eligible job (15)	\$ 84,600					
27. Lake Utopia Paper Limited	St. George, N.B.	Corrugated Medium	EM	\$1,187,500	4	20%	\$ 237,500					
28. L'Association Cooperative des Pêcheurs de l'Ile Ltée.	Lamèque, N.B.	Fish & canned crab processing	a)	E	a)	\$ 582,000	a)	83	a)	20%	a)	\$ 116,400
			b)	NPE	b)	\$ 214,000	b)	34	b)	20% and \$2,000 per eligible job (34)	b)	\$ 110,800

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
29. Le Meuble Idéal Limitée	St-Charles Que.	Furniture	E	\$ 379,500	10	15%	\$ 56,925
30. Les Ateliers de St-Alexandre Ltée.  (La Ganterie St-Alexandre Inc.)	St-Alexandre, Que.	Gloves	N	\$ 68,000	35	15% and \$650 per eligible job (35)	\$ 32,950
31. Les Ateliers Laubia Inc.	Nicolet, Que.	Ladies & Men's Shirts & Blouses	NPE	\$ 130,000	30	18% and \$400 per eligible job (30)	\$ 35,400
32. Les Industries Super Metal Inc.	Ville Vanier, Québec	Steel structures	E	\$ 140,000	19	15%	\$ 21,000
33. Les Prémoulés G.B. Inc.	St-Henri, Levis Co. Que.	Pre-moulded counters	N	\$ 96,000	16	15% and \$1,200 per eligible job (15)	\$ 32,400
34. Les Produits Blanchet Inc.	Rock Forest, Que.	Margarine	N	\$ 550,000	18	20%	\$ 110,000
35. Menuiserie Ouellet Inc.	St-Henri, Que.	Cupboards, Vanities & Counters	E	\$ 55,269	7	20%	\$ 11,054
36. Midsun Peat Moss Products Ltd.	McLennan, Alta.	Manufacture of growing medium from peat moss	N	\$ 300,000	21	20% and \$3,500 per eligible job (20)	\$ 130,000

OFFERS ACCEPTED

17.

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
37. Niobec Inc.	St. Honore, Chicoutimi, Co. Que.	Pyrochlore	N	\$7,614,000	122	16% and \$5,000 per eligible job (51)	\$1,473,240
38. Niverville Feed & Farm Supply Ltd.	Niverville, Man.	Pelleted & Crumbled Animal Feed	N	\$ 132,213	11	20% and \$3,000 per eligible job (5)	\$ 41,443
39. Noranda Metal Industries Limited	Arnrior, Ont.	Metal tubing	N	\$18,537,000	100	10% and \$3,500 per eligible job (100)	\$2,203,700
40. Pausa Textiles Limited	Granby, Que.	Printed & Dyed Fabrics	N	\$ 700,000	55	10% and \$1,500 per eligible job (55)	\$ 152,500
41. P.V.U. Inc.	Victoriaville, Que.	Pharmaceutical products for veterinary use	E	\$ 136,000	-	15%	\$ 20,400
42. R.T. Hogg Ltd.	Winnipeg, Man.	Wooden Caskets	N	\$ 173,950	56	10% and \$1,000 per eligible job (51)	\$ 68,395
43. Reichhold Chemicals Limited	North Bay, Ont.	Phenolic Powder Resin	E	\$ 855,000	8	18%	\$ 153,900

OFFERS ACCEPTED

18.

<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>
44. Rembec Inc.	Boischatel, Que.	Mobile Homes	E	\$ 582,950	64	15%	\$ 87,442
45. Rubin Bros. Clothiers Limited	Victoriaville, Que.	Men's Clothing	EM	\$1,791,000	99	20%	\$ 358,200
46. Sarvey Inc.	Ste-Justine, Que.	Lumber	EM	\$ 94,600	8	20%	\$ 18,920
47. Sept-Iles Metal Works Inc.	Sept-Iles, Que.	Machined & Welded metal Parts for Mining Companies	N	\$ 105,000	7	15%	\$ 15,750
48. Takara Co. Canada Ltd.	Sherbrooke, Que.	Specialized Furniture	N	\$ 485,000	39	15% and \$2,000 per eligible job (39)	\$ 150,750
49. The Ontario-Minnesota Pulp and Paper Company Limited	Fort Francis Ont.	Tall Oil	NPE	\$ 875,850	25	8% and \$1,970 per eligible job (25)	\$ 74,993
50. Universal Sections Limited	Saint John, N.B.	Metal Building Products	N	\$2,990,500	119	25% and \$5,000 per eligible job (119)	\$1,342,625
51. Venchem Limited	Shawinigan, Que.	Trichloroethylene & Perchlorethylene	N	\$1,095,000	27	15% and \$3,000 per eligible job (27)	\$ 245,250

ACCEPTED OFFERS SUBSEQUENTLY REVISED

19.

<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. Atlantic Staples Ltd. July 73  (Dr. S.R. Singhal)	Fredericton, N.B.	Staples	N	\$ 125,279	19	20% and \$1,000 per eligible job (19)	\$ 44,056
2. Mr. Louis Bourgeois May 73	Pre d'en Haut, N.B.	Apple Processing	E	\$ 67,775	1	25%	\$ 16,944
3. Charlton-Leslie Engineering Ltd.  June 73	Saint John, N.B.	Metal Pipe & Fittings	N	\$ 438,355	60	20% and \$3,500 per eligible job (58)	\$ 290,671
4. Fishery Products Limited  Oct. 73	Catalina, Nfld.	Processing of Caplin	NPE	\$1,000,000	55	25%	\$ 250,000
5. Fishery Products Limited  Feb. 74	St. Anthony, Nfld.	Crab Meat	E	\$ 202,562	44	20% and \$600 per eligible job (44)	\$ 66,912
6. La Cie de Bois D.S.L. Limitée  Feb. 74	St-Léon-le- Grand, Que.	Sawmill	N	\$ 319,650	51	20% and \$600 per eligible job (51)	\$ 94,530
7. Metro Industrial Plastics Limited  Apr. 73	Maugerville, N.B.	Plastic Drainage Pipe	E	\$ 89,800	3	30%	\$ 26,940

## ACCEPTED OFFERS SUBSEQUENTLY REVISED

20.

<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. Meuble Amqui Inc. Amqui Furniture Inc. (Ameublement Castel Inc.)  Sept. 72	Amqui, Que.	Wooden Chairs	N	\$ 205,700	28	15% and \$1,500 per eligible job (28)	\$ 72,855
9. Precision Homes & Components Ltd.  Aug. 72	Sydney, N.S.	Building Component Parts	N	\$ 331,994	62	10% and \$3,500 per eligible job (60)	\$ 243,199
10. Vendome Textile Industries Inc.  May 72	Hawkesbury, Ont.	Knitted Fabrics	E	\$ 173,000	14	8%	\$ 13,840
11. Weldwood of Canada Limited  Oct. 72	Longlac, Ont.	Flakeboard	N	\$7,740,650	139	10% and \$2,000 per eligible job (139)	\$1,052,065

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

21.

<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. Desjardins et Fils Limitée (July 73)	Kedgwick, N.B.						
2. Madame Guy Dufor (May 73)	St. Jovite, Que.						
3. Elvi Canada (Aug. 73)	St. Bruno, Que.						
4. Gregory Sanders Inc. (Oct. 72)	Acton Vale, Que.						
5. Les Equipements Lussier Inc. (Sept. 73)	Ste-Madeleine, Que.						
6. Le Vanadium du Québec Ltée. (Nov. 71)	St-Louis de Terrebonne, Que.						
7. Lord & Fils Compagnie Ltée. (Apr. 73)	Longueuil Que.						
8. M.C. Mosaicraft Limitée (Sept. 71)	Montreal, Que.						
9. Polychem Enrg. (March 72)	Vaudreuil, Que.						
10. Precision Homes & Components Limited (Jan. 74)	Sussex, N.B.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

22.

<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>
11. Progress Hosiery Ltd. (Oct. 72) (Reliable Hosiery Mills Ltd.)	Montreal, Que.						
12. Salaison Lévesque Inc. (Sept. 73)	Boucherville, Que.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

There were no offers of a loan guarantee accepted, and none revised, declined or withdrawn subsequent to acceptance during the month of March.

PART IV - DEFINITIONSTERMS USED IN PART 1

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.

Offers 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 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 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 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 Jobs -- The Regional Development Incentives Act and Regulations define specific conditions under which a job-related incentive can be paid. Where an offer containing a job-related incentive has been made, the Department evaluates the estimate made by the applicant of the eligible jobs to be created. This number is declared in the offer as the expected number of eligible jobs, and is the Departmental estimate of the number of jobs on which payment will be based.

Rate of Offer -- The rate of offer defines the terms under which grant payments will be made. These are expressed as a percentage of eligible capital costs and/or a dollar amount per eligible direct job to be created. The terms are based on the Departmental evaluation of the application.

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

proposed project.

An Estimated Incentives Grant in this report indicates the original estimate, and subsequent formal revisions thereto; or actual payments where final inspection and payment has been made.

#### TERMS USED IN PART III

Type of Operation -- A description of the product and process.

Expected Capital Cost -- Total capital costs associated with fixed assets, as estimated by the Department on the basis of information supplied by the applicant. At the time the project becomes operational, this figure is amended, if necessary, to indicate actual investment.

Loan Amount -- The total value of the original loan to be guaranteed.

Maximum Amount of Loan Guarantee -- The initial amount of the loan guarantee, expressed as a percentage of the total loan.

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