



**Regional
Economic
Expansion**

**Expansion
Économique
Régionale**

REPORT ON REGIONAL DEVELOPMENT INCENTIVES

REGIONAL INDUSTRIAL EXPANSION
EXPANSION INDUSTRIELLE REGIONALE
LIBRARY - BIBLIOTHÈQUE
OTTAWA, CANADA
K1A 0N5

May, 1974

HD
3646
C3
A36
May 74

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

REPORT TO PARLIAMENT ON THE ADMINISTRATION OF DEVELOPMENT
INCENTIVES UNDER THE REGIONAL DEVELOPMENT INCENTIVES ACT
AND SECTION 10 OF THE DEPARTMENT OF REGIONAL ECONOMIC
EXPANSION ACT FOR THE MONTH OF MAY 1974

	<u>CONTENTS</u>	<u>PAGE</u>
	INTRODUCTION	1.
PART I	<u>SUMMARY STATISTICS</u>	5.
	Disposition of Applications and Status of Offers.	
	Table 1 - Incentive Grant Applications	7.
	Table 2 - Loan Guarantee Applications	8.
PART II	<u>INCENTIVE GRANT ACTIVITY DURING THE MONTH</u>	9.
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.	
	Table 3 - Incentive Grant Activity	10.
PART III	<u>LOAN GUARANTEE ACTIVITY DURING THE MONTH</u>	22.
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.	
PART IV	<u>DEFINITIONS</u>	23.

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 cost 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 May, 1974.

Among other things, it shows:

- (1) that, during the month of May, 164 applications were received and 55 offers were made;
- (2) that, of the 9368 applications received since the inception of the program, 5155 were rejected or withdrawn, and 3694 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 2677; and
- (4) that, against obligations represented by the net total of 2677 accepted offers, partial payments had been made in 1538 cases, and final payments had been made in 300 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 \$2,166 million
- ... expected direct new jobs numbering 108,274
- and
- ... incentive grants of \$443.8 million

Incentive grants actually paid to date total \$188.6 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 May, 1974.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	164	286	9368
Applications Withdrawn	40	72	2949
Applications Rejected	19	32	2206
Offers Made	55	88	3694
<u>STATUS OF OFFERS MADE</u>			
Offers Made	55	88	3694
Offers Lapsed	7	10	196
Offers Declined	6	11	266
Offers Accepted	52	72	3165
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	52	72	3165
Accepted Offers Declined or Withdrawn	17	25	488
Net Offers Accepted	35	47	2677
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	35	47	2677
No Payment Made	-	-	839
Partial Payment Made	38	156	1538
Final Payment Made	9	26	300

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	-	-	259
Applications Withdrawn	-	-	125
Applications Rejected	-	1	82
Offers Made	1	1	43
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	1	43
Offers Lapsed	-	-	5
Offers Declined	-	-	3
Offers Accepted	-	1	33
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	1	33
Accepted Offers Declined or Withdrawn	-	-	7
Net Offers Accepted	-	1	26
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	1	26
Guarantees in Operation	-	-	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 May of:

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

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

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

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

TABLE 3

INCENTIVE GRANT ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED
AND SUBSEQUENTLY REVISED, DECLINED OR WITHDRAWN DURING MAY 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. All-Fab Building Components Ltd.	Winnipeg, Man.	Roof Trusses	N	\$ 356,000	49	20%	\$ 71,200
2. Atlantic Industries (N.B.) Ltd.	Deer Lake, Nfld.	Spiral Corrugated Steel Pipe	N	\$ 251,000	13	20% and \$4,000 per eligible job (12)	\$ 98,200
3. Barcana Ltd.	Granby, Que.	Christmas Decorations for the Metallizing & Lackering of PVC	a) E	a) \$ 200,000	a) 12	a) 20%	a) \$ 40,000
			b) NPE	b) \$ 728,000	b) 26	b) 20%	b) 197,600 and \$2,000 per eligible job (26)
4. Ben's Limited	Halifax, N.S.	Bakery Products	E	\$ 970,000	20	20%	\$ 194,000 <u>R</u>
5. Bristol Aerospace Limited	Rockwood, Man.	CRV-7 Rockets	NPE	\$ 651,305	60	25% and \$5,000 per eligible job (60)	\$ 462,826 <u>R</u>
6. Ceraco Canada Ltée (C.A.F.)	Bécancour, Que.	Ceramic Tiles	N	\$13,883,975	292	15% and \$3,500 per eligible job (238)	\$2,915,600

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
7. Chamcook Shipbuilders Ltd.	Chamcook, N.B.	Wooden Boats	N	\$ 243,000	28	20% and \$3,000 per eligible job (28)	\$ 132,600
8. Chas. Niedner's Sons Ltd.	Coaticook, Que.	Synthetic Fire Hose	NPE	\$ 328,500	14	10% and \$500 per eligible job (14)	\$ 39,850
9. Chassé Inc.	Ste-Marie, Que.	Roofing	E	\$ 520,000	8	20%	\$ 104,000
10. Clermont Grenier Inc.	St-Elzéar, Que.	Furniture	EM	\$ 175,700	13	20%	\$ 35,140
11. Clôtures Per-Ma Ltée	Louiseville, Que.	Snow Fences	N	\$ 69,500	4	25% and \$1,000 per eligible job (4)	\$ 21,375
12. Doyon Industrie Enrg	St-Victor de Beauce, Que.	Kitchen Cupboards	E	\$ 52,500	9	20%	\$ 10,500
13. Eastland Industries Limited	Minto, N.B.	Wood & Vinyl Mouldings	E	\$ 225,000	13	20%	\$ 45,000 <i>R</i>
14. Fenêtres Montmagny Inc.	Montmagny, Que.	Doors & Window-Sashes	N	\$ 112,125	2	25%	\$ 28,031
15. Gilbert Basque et Fils Ltée	St-Sauveur, N.B.	Wood Processing	E	\$ 68,000	6	20%	\$ 13,600 <i>C</i>

OFFERS ACCEPTED

12.

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
16. Henri Vallières Inc.	Nicolet, Que.	Furniture	EM	\$ 550,000	36	20%	\$ 110,000 <u>R</u>
17. Imprimerie Provinciale Inc.	Québec, Que.	Printing	M	\$ 185,000	7	20%	\$ 37,000
18. Intsel of Canada Ltd.	Cobalt, Ont.	Fine Silver & Cobalt-Arsenic Concentrate	N	\$ 637,525	20	15% and \$3,000 per eligible job (20)	\$ 155,629 <u>R</u>
19. I-XL Industries Ltd.	Redcliff, Alta.	Bricks	EM	\$ 712,500	15	15%	\$ 106,875 <u>D</u>
20. I-XL Industries Ltd.	Medicine Hat, Alta.	Sewer Pipe & Flue Lining	E	\$1,100,000	28	15%	\$ 165,000
21. John J. Collie & Son Ltd.	New Glasgow, N.S.	Rough Sawn Lumber	N	\$ 312,000	22	25% and \$2,100 per eligible job (20)	\$ 120,000
22. Julac Inc.	Dolbeau, Que.	Wines & Food Products	N	\$ 177,500	7	20% and \$3,000 per eligible job (7)	\$ 56,500
23. Kemp Fisheries Limited	Thunder Bay, Ont.	Deboned Fish Blocks	NPE	\$ 90,000	10	25% and \$1,200 per eligible job (10)	\$ 34,500
24. Laboratoire Orléans Inc.	Beauport, Que.	Chemicals	E	\$ 97,500	11	20%	\$ 19,500 <u>R</u>

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 Off r</u>	<u>Estimated Amount of Incentive Grant</u>
25. La Scierie Nigadoo Saw Mills Ltd.	Nigadoo, N.B.	a) Wood Processing	a) EM	a) \$ 105,000	a) 2	a) 20%	a) \$ 21,000
		b) Wood Shavings	b) NPE	b) \$ 62,000	b) 3	b) 20% and \$3,000 per eligible job (3)	b) \$ 21,400
26. Leon's Manufacturing Company Limited	Yorton, Sask.	Dozer & Front End Loader Attachments	E	\$ 540,000	143	20%	\$ 108,000 <i>R</i>
27. Les Chevrons R.B.R. Inc.	Saints-Anges, Que.	Wooden Rafters	N	\$ 63,500	9	20%	\$ 12,700
28. Les Distilleries Melchers Limitée	Berthierville, Que.	Whisky	E	\$ 890,150	4	20%	\$ 178,030 <i>L</i>
29. Les éditions Marquis Ltée.	Montmagny, Que.	Commercial Printing	E	\$ 105,000	5	20%	\$ 21,000
30. Les Entreprises S.W.P. Inc.	Sherbrooke, Que.	Hockey Sticks	N	\$ 260,000	58	20% and \$1,500 per eligible job (57)	\$ 137,500 -
31. Les Plastiques Bou-Chell Inc.	St-Anselme, Que.	Plastic Articles	E	\$ 329,500	12	20%	\$ 65,900 <i>R</i>
32. Les Producteurs de Sucre d'érable du Québec	Plessisville, Que.	Maple Sugar & Honey	EM	\$ 135,000	4	20%	\$ 27,000 <i>R</i>
33. Marystown Shipyard Ltd.	Marystown, Nfld.	Ships	E	\$1,547,682	114	20%	\$ 309,536

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
34. Mattawa Forest Products-A Division of Sklar Furniture Limited	Mattawa, Ont.	Furniture	NPE	\$2,293,000	100	20% and \$3,000 per eligible job (86)	\$ 716,600
WA 35. Mercury Metal Products Ltd.	Winnipeg, Man.	Fabricated Metal Products	N	\$ 135,950	7	20% and \$1,800 per eligible job (7)	\$ 39,790
36. Montreal Terra Cotta(1966) Ltd.	Deschailions, Que.	Vitrified Clay Sewer Pipes & Chimney Flues	FM	\$ 836,000	26	20%	\$ 167,200 <u>D</u>
37. Morden Coat Ltd.	Winnipeg, Man.	Coats	N	\$ 130,969	83	10% and \$750 per eligible job(83)	\$ 75,347
38. Neelon Steel Limited	Sudbury, Ont.	Cast Iron Castings	NPE	\$2,795,000	80	20% and \$3,500 per eligible job (80)	\$ 839,000
39. Newfoundland Margarine Company Limited	St. John's Nfld.	Margarine & Shortening	E	\$ 102,300	3	20%	\$ 20,460
40. Northern Meat Products	North Bay, Ont.	Meat Products	N	\$ 133,650	11	15% and \$1,500 per eligible job(8)	\$ 32,048 <u>R</u>

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>
41. Polymer International (N.S.) Limited	Truro, N.S.	Carpet Backing, Film and Bags	E	\$1,690,000	37	15%	\$ 253,500 <u>R</u>
42. Ralland Forest Products	Milltown, Nfld.	Lumber and Chips	N	\$ 628,000	35	20% and \$4,000 per eligible job (34)	\$ 261,600 <u>R</u>
43. Raymond Industries Inc.	Sept-Iles, Que.	Steel Products	E	\$ 392,000	20	20%	\$ 78,400
44. Romaro Inc.	St-Victor de Beauce, Que.	Wooden Rafters	N	\$ 97,000	15	15% and \$1,250 per eligible job (12)	\$ 29,550
45. S. Huot Inc.	Québec, Que.	Sawmill Equipment	E	\$ 415,000	41	20%	\$ 83,000
46. Soo Tube Limited	Sault Ste. Marie, Ont.	Steel Tubing	N	\$1,100,000	17	25% and 15% of eligible wages and salaries of \$261,610	\$ 314,242
47. St. Mary's Bay Fisheries Ltd.	Meteghar, N.S.	Fish Processing	EM	\$ 125,000	5	20%	\$ 25,000 <u>D</u>
9 48. Sudddeutsche Kalkstickstoff-Werke A.G.	Bécancour, Que.	Ferroalloys	N	\$23,020,000	176	15% and \$5,000 per eligible job (176)	\$4,333,000 <u>R</u>
49. Tex-El Inc.	St-Elzéar, Que.	Felt	E	\$ 400,000	10	20%	\$ 80,000

OFFERS ACCEPTED

16.

<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>
50. The L.P. Fortune Co. Ltd.	Carman, Man.	Pre-fabricated Homes	N	\$ 570,267	161	20% and \$1,150 per eligible job (159)	\$ 296,903
51. Western Roto Thresh Ltd.	Saskatoon, Sask.	Pick-up Attachments	N	\$ 64,000	23	10% and \$1,000 per eligible job (18)	\$ 24,400
52. Westfield Industries Ltd.	Rosenort, Man.	Harrows & Grain Augers	E	\$ 206,350	15	15%	\$ 30,952

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. Browning Harvey Limited (Oct. 73)	Grand Falls, Nfld.	Soft Drinks	E	\$ 349,100	7	20%	\$ 69,820
2. Central Auto Parts Limited (May 72)	Nashwaaksis, N.B.	Rebuilt Engines	FM	\$ 50,900	3	30%	\$ 15,270
3. Chestnut Canoe Co. Limited (Oct. 72)	Fredericton, N.B.	Canvas and Fibreglass Canoes	N	\$ 976,325	70	25% and \$5,000 per eligible job (30)	\$ 394,080
4. Electrohome Limited (April 74)	Stellarton, N.S.	Bedroom Furniture	N	\$2,810,000	349	20% and \$4,000 per eligible job (347)	\$1,950,000
5. Fort MacLeod Meat Processors Ltd. (March 74)	Fort MacLeod, Alta.	Slaughtering & Processing Meat Products	FM	\$ 300,000	7	15%	\$ 45,000
6. Harricana Metal Inc. (Jan. 74)	Amos, Que.	Grapnels and other Sawmill Equipment	E	\$ 480,708	23	20%	\$ 96,142
7. Industrial Systems Limited (July 73)	Dartmouth, N.S.	Package Sewage Plants	N	\$ 330,000	31	25% and \$1,700 per eligible job (31)	\$ 135,200
8. Les Entreprises Désourdy Inc. (May 73)	Saint-Luc Que.	a) Sectional Homes	a) E	a) \$ 393,659	a) 158	a) 8%	a) \$ 31,493
		b) Kitchen Cupboards	b) NPE	b) \$ 276,950	b) 23	b) 8% and \$650 per eligible job (23)	b) \$ 37,106

ACCEPTED OFFERS SUBSEQUENTLY REVISED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
9. L.L. Gauthier & Son Co. Ltd. (Feb. 74)	Shippegan, N.B.	Fish Processing	N	\$ 229,487	21	25% and \$2,000 per eligible job (19)	\$ 95,372
10. L & T Enterprises Limited (Nov 73)	Dieppe, N.B.	Fresh Potatoes	N	\$ 230,000	5	25% and \$1,500 per eligible job (5)	\$ 65,000
11. NFM Industries Limited (Sept. 73)	Moncton, N.B.	Steel Shelves, Cabinets & Fixtures	E	\$ 325,250	21	20%	\$ 65,050
12. Nadeau & Nadeau Limited (July 73)	St. François de Madawaska, N.B.	Furniture	E	\$ 1,235,000	79	30%	\$ 370,500
13. Russell White Lumber Ltd. (Apr. 72)	Kennetcook, N.S.	Rough & Dressed Lumber	N	\$ 300,240	20	25% and \$4,000 per eligible job (18)	\$ 147,060
14. Sept-Iles Metal Works Inc. (March 74)	Sept-Iles, Que.	Machined & Welded Metal Parts for Mining Companies	N	\$ 157,100	7	15%	\$ 23,565
15. Sheres Company Ltd. (Oct. 72)	Anjou, Que.	a) Metal Furniture	a) E	a) \$ 192,000	98	a) 10%	a) \$ 19,200
		b) Upholstered & Wood Furniture	b) NPE	b) \$ 108,000	50	b) 10% and \$2,000 per eligible job (20)	b) \$ 50,800

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>
16. Vadnais & Vadnais Inc. (May 73)	Sainte-Florence, Que.	Lumber	N	\$ 358,750	31	15% and \$1,500 per eligible job (31)	\$ 100,313
17. Vasthill N.S.A. Inc. (Dec. 73)	Granby, Que.	Plastic Flower Pots	N	\$ 380,000	36	15% and \$1,500 per eligible job (33)	\$ 106,500

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

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>
1. Axe Industries Inc. (April 74)	Drummondville, Que.						
2. Charcuterie La Dijonnaise Enrg (Sept. 73)	Montréal-Nord, Que.						
3. Consolidated Textile Mills Ltd. (Nov. 71)	St-Hyacinthe, Que.						
4. Dominion Cigarette Tube Co. Ltd. (June 71)	Montreal, Que.						
5. Edith Serei Co. Ltd. (March 73)	Ville St. Laurent, Que.						
6. Elite Picture Frames Inc. (Sept. 73)	Montreal, Que.						
7. Hyde Park Clothes Limited (July 73)	Trois-Rivières, Que.						
8. J.Q. Gonthier Inc. (May 73)	Saint-Jérôme, Que.						
9. Ko-Rec Type (Canada) Ltd. (Sept. 73) (Eaton Allen Corp.)	Montreal, Que.						
10. Lee Dyers Ltd. (Aug. 72)	Lachine, Que.						
11. Lee Dyers Ltd. (Aug. 72)	Montreal Island, Que.						

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>
12. Lido Knitting Mills Ltd. (April 72)	Montreal, Que.						
13. M & R Plastic Inc. (Nov. 72)	Laval, Que.						
14. Moulding Products Limited (June 73)	Montreal, Que.						
15. P. & J. Martin Limitée (Aug. 73)	St-Aubert, Que.						
16. Regent Chocolates Limited (March 73)	St-Hyacinthe Que.						
17. Thomas K. Fiander Ltd. (Feb. 74)	Point Edward, N.S.						

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 May.

PART IV - DEFINITIONS

TERMS USED IN PART 1

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.

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 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 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 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.

INDUSTRY CANADA/INDUSTRIE CANADA



135595

