



**Regional
Economic
Expansion**

**Expansion
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Régionale**

REPORT ON REGIONAL DEVELOPMENT INCENTIVES

REGIONAL INDUSTRIAL EXPANSION
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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 JUNE, 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 June, 1974.

Among other things, it shows:

- (1) that, during the month of June, 123 applications were received and 73 offers were made;
- (2) that, of the 9,491 applications received since the inception of the program, 5,245 were rejected or withdrawn, and 3,767 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 2,705; and
- (4) that, against obligations represented by the net total of 2,705 accepted offers, partial payments had been made in 1,556 cases, and final payments had been made in 313 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 \$2,176.4 million;

... expected direct new jobs numbering 108,651;

and

... incentive grants of \$445.3 million.

Incentive grants actually paid to date total \$190.4 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 June, 1974.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	123	409	9491
Applications Withdrawn	61	133	3010
Applications Rejected	31	63	2235
Offers Made	73	161	3767
<u>STATUS OF OFFERS MADE</u>			
Offers Made	73	161	3767
Offers Lapsed	1	11	196
Offers Declined	4	15	269
Offers Accepted	38	110	3203
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	38	110	3203
Accepted Offers Declined or Withdrawn	10	35	498
Net Offers Accepted	28	75	2705
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	28	75	2705
No Payment Made	--	--	836
Partial Payment Made	31	187	1556
Final Payment Made	8	34	313

TABLE 2
LOAN GUARANTEE APPLICATIONS
DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - JUNE, 1974

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	2	2	261
Applications Withdrawn	3	3	134
Applications Rejected	-	1	77
Offers Made	1	2	44
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	2	44
Offers Lapsed	-	-	6
Offers Declined	-	-	2
Offers Accepted	1	2	34
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	1	2	34
Accepted Offers Declined or Withdrawn	1	1	8
Net Offers Accepted	-	1	26
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	1	26
Guarantees in Operation	1	1	17

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of June 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 JUNE 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. Mr. Edgar Albert	Neguac, N.B.	Marinated Herring	N	\$ 144,000	18	25% and \$1,300 per eligible job (18)	\$ 59,400
2. Association Coopérative Garnier	St-Bernard, Qué.	Cubed Fodder	N.P.E.	\$ 97,000	3	25% and \$1,250 per eligible job (3)	\$ 28,000
3. Atlantic Mariculture Limited	Grand Manan Island, N.B.	Processing of Seaweed	N	\$ 68,000	19	25% and 30% of eligible wages and salaries of \$125,000	\$ 54,500
4. Atlantic Modular Structures	Amherst, N.S.	Prefabricated Homes	N	\$ 187,000	60	25% and \$1,500 per eligible job (55)	\$ 129,250

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>
5. Barmat Machinery Limited	Timmins, Ont.	Logging Equipment	N	\$ 188,000	25	25% and 15% of eligible wages and salaries of \$301,600	\$ 92,240 <u>0</u>
6. Boulangerie Blé d'Or Inc.	Rivière-du-Loup, Qué.	Frozen Food Hot Dog and Hamburger Bread	N.P.E.	\$ 107,000	20	15% and \$1,800 per eligible job (12)	\$ 37,650
7. F.P.Bourgault Industries Ltd.	St. Brieux, Sask.	Manufacturing of Cultivators and Cultivator Tripping Assemblies	N	\$ 67,677	10	15% and \$2,000 per eligible job (10)	\$ 30,152
8. Brique Antique Ltée	St-Nicéphore, Qué.	Cement Bricks for Paving & Construction	N	\$ 268,000	11	25% and 15% of eligible wages and salaries of \$95,000	\$ 81,250
9. Central Sportswear Mfg. Co. Ltd.	Mariapolis, Man.	Manufacturing of Outerwear	N	\$ 98,500	44	10% and \$1,000 per eligible job (39)	\$ 48,850 <u>R</u>

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
10. Cheticamp Pastries	Cheticamp, N.S.	Pastries and Bread	N.P.E.	\$ 36,000	4	20% and 30% of eligible wages and salaries of \$22,000	\$ 13,800
11. China Steel Ltd.	Sault Ste-Marie, Ont.	Cranes for High Rise Construction	N.P.E.	\$ 311,838	36	25% and 15% of eligible wages and salaries of \$467,950	\$ 148,153
12. City Packers Limited	Lethbridge, Alta.	Processing of Waste Meat Products	N	\$1,367,970	29	20%	\$ 273,594
13. Clair Lumber Ltd.	St-Romuald Qué.	Wood Processing	E	\$ 130,000	5	20%	\$ 26,000
14. Cormier & Leblanc (1968) Limited	Cap Pele, N.B.	Processing of Shellfish	N.P.E.	\$ 88,300	4	25% and \$1,000 per eligible job (4)	\$ 26,075

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>
15. Denis Giguère et Frères Inc.	Victoriaville, Qué.	Steel Coils for Chair Upholstering	N.P.E.	\$ 100,000	10	25% and \$1,200 per eligible job (10)	\$ 37,000
16. Ebénisterie Laurentienne Inc.	Victoriaville, Qué.	Laminated Wooden Table Tops	N.P.E.	\$ 107,000	7	20% and \$1,000 per eligible job (7)	\$ 28,400
17. Fish & Ships Gear A/S and Ulstein Propellor A/S on Behalf of Hydema-Ulstein Ltd.	Sydney, N.S.	Manufacturing of Deck Machinery and Propellers	N	\$ 377,000	29	25% and \$3,800 per eligible job (25)	\$ 189,250
18. Fundy Group Publications Limited	Yarmouth, N.S.	Printing of Commercial Publications	N	\$ 160,000	13	15% and \$3,500 per eligible job (13)	\$ 69,500
19. Grainmaster Manufacturing Ltd.	Winnipeg, Man.	Truck Boxes	E	\$ 230,000	12	20%	\$ 46,000
20. Intercontinental Truck Body Ltd.	Coaldale, Alta.	Truck and Trailer Bodies	N	\$ 308,000	35	15% and \$2,000 per eligible job (31)	\$ 108,200

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
21. Italian-Furniture Shop	Winnipeg, Man.	Wooden Paddles and Oars	N.P.E.	\$ 45,000	10	25% and 15% of eligible wages and salaries of \$93,500	\$ 25,275
22. Karnes Kitchen Ltd.	Woodstock, N.B.	Bakery Products	E	\$ 275,300	25	20%	\$ 55,060
23. La Cie Aspira Supérieure Ltée	Deschaillons, Qué.	Agricultural Drains	N	\$ 63,500	12	25% and 15% of eligible wages and salaries of \$67,500	\$ 26,000
24. La Scierie Martel Ltée	Alma, Qué.	Wood Cutting	N	\$ 168,000	9	20%	\$ 33,600
25. L.C.N. Inc.	St-Félix de Kingsey, Qué.	Wood Processing and Pallets	N	\$ 85,500	21	25% and \$1,000 per eligible job (21)	\$ 42,375
26. Moser Manufacturing Co. Limited	Winnipeg, Man.	Automobile Ventilated Cool Cushions and Bug'N Gravel Guards	N.P.E.	\$ 220,000	15	10% and \$2,500 per eligible job (15)	\$ 59,500

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
27. Mother's Own Bakery Limited	Dieppe, N.B.	Bakery Products	E	\$ 75,950	3	20%	\$ 15,190
28. North West Stoneware Company Limited	Battleford, Sask.	Stoneware and Pottery Products	N	\$ 52,700	8	25% and 15% of eligible wages and salaries of \$30,180	\$ 17,700
29. Prince Yacht (1974) Inc.	Lac Mégantic, Qué.	Fiberglass Sailboats	N	\$ 198,000	39	25% and 15% of eligible wages and salaries of \$260,000	\$ 88,500
30. Productions Sarcem Canada Ltée	Bromont, Qué.	Spooling & Screw Cutting Machines	N	\$ 699,000	68	15% and \$2,000 per eligible job (65)	\$ 234,850
31. Québec Metal Pressing Inc.	Québec, Qué.	Misc. Metal Products	N	\$ 256,000	12	20% and \$2,500 per eligible job (12)	\$ 81,200

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>
32. Rose's Potato Products Limited	Woodstock, N.B.	Processing of Fresh Potatoes and French Fries	N.P.E.	\$ 125,000	18	20% and \$1,800 per eligible job (15)	\$ 52,000
33. Seawater Products (Newfoundland) Limited	Hermitage, Nfld.	Processing of Fish	N	\$ 269,800	37	25% and \$2,000 per eligible job (37)	\$ 141,450 <i>R</i>
34. Soci�t� Chimique Laurentide Division Atlantic Lt�e	Richibucto, N.B.	Paint and Paint Remover	E	\$ 200,000	10	20%	\$ 40,000
35. Unipress Limited	Fredericton, N.B.	Commercial Printing	E	\$ 78,500	4	20%	\$ 15,700
36. Verner Manufacturing Ltd.	Verner, Ont.	Fireplaces and High-Fidelity Stereo Equipment	N.P.E.	\$ 367,000	50	25% and 15% of eligible wages and salaries of \$405,750	\$ 152,612
37. L.E.Welk Lumber Manufacturing Limited	Eganville, Ont.	Sawmill	N	\$ 400,000	29	15% and \$1,200 per eligible job (29)	\$ 94,800

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>
38. Western Business Forms Limited	Winnipeg, Man.	Business Forms	N	\$ 822,000	11	.20%	\$ 164,400

ACCEPTED OFFERS SUBSEQUENTLY REVISED

Company	Plant Location	Product and/or Process	Type of Project	Expected Eligible Cost	Expected Direct New Jobs	Rate of Offer	Estimated Amount of Incentive Grant
1. Abitibi Paper Company Limited (Jan. 1974)	White River, Ont.	Lumber	N	\$10,429,661	121	5% and \$5,000 per eligible job (121)	\$ 1,126,483 <i>R</i>
2. Acme Bedding & Felt Co. Ltd. (July 1973)	Winnipeg, Man.	Upholstered Furniture and Bedding	N	\$ 690,150	107	25%	\$ 172,537
3. Alberta Bean Growers Ltd. (Oct. 1973)	Bow Island, Alta.	Processing of Beans	N	\$ 317,300	6	20%	\$ 63,460
4. Blomidon By-Products Ltd. (Dec. 1973)	Corner Brook, Nfld.	Fishmeal and Oils	N	\$ 519,000	7	20%	\$ 103,800
5. Blue Cove Packing Co. Ltd. (Oct. 1973)	Blue Cove, N.B.	Processing of Marinated Fish	N	\$ 117,750	20	30%	\$ 35,325
6. Carapec Limited (Oct. 1973)	Caraquet, N.B.	Processing of Marinated Herring	N	\$ 300,000	38	15% and \$1,000 per eligible job (38)	\$ 83,000
7. Jean Paul Dumais Inc. (Jan. 1973)	Rimouski, Qué.	Soft Drinks	N	\$ 498,333	4	15%	\$ 74,750

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>
8. Eastland Industries (May 1974)	Minto, N.B.	Wood and Vinyl Mouldings	E	\$ 245,000	13	20%	\$ 49,000
9. Fuji Dyeing & Printing Ltd. (Oct. 1972)	Trois-Rivières, Qué.	Dyeing Finishing & Printing of Double Knits	N	\$ 6,335,000	272	15% and \$1,700 per eligible job (267)	\$ 1,404,150
10. Imprimerie du Nord Ltée Enrg. (Sept. 1972)	Caraquet, N.B.	Commercial Printing	E	\$ 75,344	5	30%	\$ 22,603
11. Laboratoire Orléans Inc. (May 1974)	Beauport, Qué.	Battery Acid	E	\$ 112,426	11	20%	\$ 22,485
12. Newaygo Forest Products Limited (March 1973)	Mead, Ont.	Lumber	N	\$ 5,553,550	73	5% and \$3,000 per eligible job (73)	\$ 496,678
13. Riverport Seafoods Limited (April 1971)	Riverport, N.S.	Fish Processing	E.M.	\$ 1,100,000	40	20%	\$ 520,000

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>
14. Spruce Products Limited (July 1973)	Swan River, Man.	Lumber	N	\$ 503,050	25	20%	\$ 100,610
15. Swe-Dane Company Limited (May 1971)	Oromocto, N.B.	Furniture	N	\$ 313,006	16	25% and \$5,000 per eligible job (16)	\$ 158,251
16. Tidewater Seafoods Inc. (Apr. 1974)	Charlottetown, P.E.I.	Crab	N	\$ 524,863	42	25% and \$1,400 per eligible job (42)	\$ 190,016 <i>R</i>
17. Western Steel Span Buildings Ltd. (June 1973)	Winnipeg, Man.	Metal Steel Prefabricated Building Components	N	\$ 375,000	10	25%	\$ 93,750 <i>D</i>

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. Acme Bedding & Felt Co. Ltd. (Jan. 1974)	Winnipeg, Man.						
2. Boulangerie Dupuis Inc. (Aug. 1970)	St. Bruno de Guigues, Qué.						
3. Breton Industrial & Marine Ltd. (July 1972)	Port Hawkesbury, N.S.						
4. Canadian International Paper Company (July 1972)	Drummondville, Qué.						
5. Colibri Furniture Inc. (July 1973)	St. Jean, Qué.						
6. Les Croustilles Yum Yum Inc. (Sept. 1973)	Warwick, Qué.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
7. Errington Lumber Company Limited (Feb. 1973)	Geraldton, Ont.						
8. Gloucester Rendering (Nov. 1973)	Paquetville, N.B.						
9. Polymos Inc. (Jan. 1973)	Terrasse Vaudreuil, Qué.						
10. Renzy Mines Ltd. (NPL) (Sept. 1972)	Manawaki, 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 June 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 JUNE 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>
1. Les Entreprises S.W.P. Inc.	Sherbrooke, Qué.	Manufacturing of Hockey Sticks	\$ 268,000	57	\$ 50,000	\$ 45,000

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

Nil

OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

1. Commonwealth Holiday Inns of Canada Limited (Jan. 1972)	Winnipeg, Man.
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PART IV - DEFINITIONS

TERMS USED IN PART I

Application - A submission, in the approved form, by an applicant requesting a development incentive. Each application is normally restricted to a development on a single site, but one application may relate to a modernization, an expansion, a new product expansion or a complete new facility, or to some combination of these. An application covering a combined development is normally counted and reported as a single application, but each individual type of project is evaluated separately.

Received - An application delivered to the Department. The date of receipt is the first control date, and is used for reporting and determining conditions of "prior commitment" as defined in the Regional Development Incentives Act and Regulations.

Withdrawn - An application withdrawn, at the request of the applicant, after receipt but before or during evaluation.

Rejected - An application turned down, under the provisions of the governing statute, because the project in question is considered ineligible, would proceed without incentive assistance or would not make a significant contribution to economic expansion and social adjustment within a designated region or special area.

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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