



Regional Expansion
Economic Économique
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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 JULY, 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	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.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>	24
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.	
	Table 4 - Loan Guarantee Activity.....	25
PART IV	<u>DEFINITIONS</u>	26

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 July, 1974.

Among other things, it shows:

- (1) that, during the month of July, 132 applications were received and 80 offers were made;
- (2) that, of the 9623 applications received since the inception of the program, 5289 were rejected or withdrawn, and 3847 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 2763; and
- (4) that, against obligations represented by the net total of 2763 accepted offers, partial payments had been made in 1571 cases, and final payments had been made in 333 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 \$2,192.5 million;

... expected direct new jobs numbering 110,273;

and

... incentive grants of \$451.0 million.

Incentive grants actually paid to date total \$194.2 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 July, 1974.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	132	541	9623
Applications Withdrawn	34	167	3044
Applications Rejected	13	76	2245
Offers Made	80	241	3847
<u>STATUS OF OFFERS MADE</u>			
Offers Made	80	241	3847
Offers Lapsed	1	12	197
Offers Declined	1	16	270
Offers Accepted	64	174	3268
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	64	174	3268
Accepted Offers Declined or Withdrawn	6	41	505
Net Offers Accepted	58	133	2763
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	58	133	2763
No Payment Made	--	---	859
Partial Payment Made	41	228	1571
Final Payment Made	21	55	333

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	2	4	263
Applications Withdrawn	-	3	134
Applications Rejected	-	1	77
Offers Made	1	3	45
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	3	45
Offers Lapsed	-	-	6
Offers Declined	-	-	2
Offers Accepted	2	4	36
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	2	4	36
Accepted Offers Declined or Withdrawn	1	2	9
Net Offers Accepted	1	2	27
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	1	2	27
Guarantees in Operation	-	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 July 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 JULY 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. Ace Building Supplies	Lethbridge Alta.	Roof Trusses	E	\$ 93,000	1	20%	\$ 18,600 <u>1</u>
2. A. Côté & Fils Inc.	Centre Stoke, Qué.	Slaughtering Swine and Processing and Preparing Certain Parts	EM	\$ 207,500	15	20%	\$ 41,500 <u>2</u>
3. Air-Médec Inc.	Victoriaville, Qué.	Dental Equipment	N	\$ 68,000	11	25% and 15% of eligible wages and salaries of \$85,500	\$ 29,825
4. Annapolis Valley Peat Moss Co. Limited	Berwick, Kings Co., N.S.	Peat-Lite Mixes	N	\$ 233,000	10	25% and 30% of eligible wages and salaries of \$50,000	\$ 73,250

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. Associated Projects Ltd.	Lethbridge, Alta.	Frozen Foods	N	\$ 960,408	47	15% and \$2,500 per eligible job (43)	\$ 251,561
6. Atelier Mécanique De La Malbaie Enr.	La Malbaie, Qué.	Machine Industrial Parts	E	\$ 55,800	3	20%	\$ 11,160
7. Axe Industries Inc.	Drummondville, Qué.	Mobile Home Axles	N	\$ 535,000	31	25% and 15% of eligible wages and salaries of \$255,000	\$ 172,000 <u>D</u>
8. Boeing of Canada Ltd.- Winnipeg Division	Winnipeg, Man.	Construction and Corrosion Resistant Fibre Reinforced Products	N	\$ 200,000	13	10% and \$2,000 per eligible job (10)	\$ 40,000 <u>D</u>
9. Briteflame Firelog Ltd.	Sutton, Qué.	Synthetic Firelogs	N	\$ 160,000	28	25% and 15% of eligible wages and salaries of \$193,180	\$ 68,977 <u>D</u>
10. Carrington's Building Centre Limited	Sudbury, Ont.	Roof Trusses and Pre-Fabricated Homes	E	\$ 101,750	Nil	20%	\$ 20,350 <u>D</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>
11. Céramique De Beauce Inc.	St-Joseph de Beauce, Qué.	Ceramics	N	\$1,294,000	115	25% and \$1,300 per eligible job (103)	\$ 457,400
12. C. Ernest Harrison & Sons Ltd.	Halfway River, Cumberland Co., N.S.	Lumber	NPE	\$ 126,090	35	20% and \$1,500 per eligible job (15)	\$ 47,718
13. Cindercrete Products Limited	Regina, Sask.	Aggregate Manufacturing	E	\$ 86,000	7	20%	\$ 17,200
14. Clément Roy Inc.	St-François, Qué.	Tent Trailers and Metal Plating	E	\$ 90,500	10	20%	\$ 18,100 <i>B, D</i>
15. Compton Bros. Inc.	Bangor, Kings Co., P.E.I.	Potato Processing	EM	\$ 69,700	Nil	20%	\$ 13,940
16. Crawford Foods Ltd.	Wynyard, Sask.	Poultry	E	\$ 626,550	32	20%	\$ 125,310
17. Dartmouth Wood-worker's & Builder's Supplies Limited	East Chester, N.S.	Lumber	N	\$ 132,000	16	25% and \$1,600 per eligible job (15)	\$ 57,000
18. Deva Metal Products Limited	Val Caron, Sudbury, Ont.	Log Grapples	NPE	\$ 160,000	19	25% and 15% of eligible wages and salaries of \$185,000	\$ 67,750 <i>2</i>

OFFERS ACCEPTED

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
19. D. Martens Manufacturing Ltd.	Winnipeg, Man.	Sewage Ejectors and Related Control Devices	N	\$ 110,700	18	20% and \$2,000 per eligible job (14)	\$ 50,140
20. Eastern Canada Packaging Ltd.	Bromptonville, Qué.	Polyethylene Bags and Handbags.	E	\$ 235,000	6	20%	\$ 47,000
21. Emeric Bergeron & Fils Ltée	Labelle, Qué.	Lumber	N	\$ 459,935	5	20%	\$ 91,987
22. Emile Fortier Inc.	Thetford Mines, Qué.	Doors with Urethane Cores	NPE	\$ 260,000	47	20% and \$1,600 per eligible job (28)	\$ 96,800
23. F.S. Etter and Sons Limited	Newport, N.S.	a) Sawmill	a) EM	a)\$ 95,000	a) Nil	a) 20%	a)\$ 19,000
		b) Planer Mill	b) N	b)\$ 80,000	b) 6	b) 25% and 30% of eligible wages and salaries of \$57,226	b)\$ 37,168
24. Gérard Collin Ltée	Montmagny, Qué.	Dining Room and Bedroom Furniture	E	\$ 594,400	29	20%	\$ 118,880

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>
25. GH. Chemicals Limited	St-Hyacinthe, Qué.	Zinc Oxide	N	\$ 297,000	25	25% and 15% of eligible wages and salaries of \$240,500	\$ 110,325
26. Good-Wear Treaders Limited	Bridgewater, N.S.	Tire Retreads	E	\$ 234,601	5	20%	\$ 46,920
27. Grand'Mère Mills Inc.	Grand'Mère, Qué.	Knitting Yarn	E	\$ 538,000	18	20%	\$ 107,600 <u>1</u>
28. Herbert Wurzel & Gunter Roth	St-Hyacinthe, Qué.	Wire Chains and Custom Jewellery	N	\$ 356,000	37	25% and 15% of eligible wages and salaries of \$255,750	\$ 127,363
29. Hockens Manufacturers Limited	McGregor Bay Station, Ont.	Lumber	EM	\$ 210,300	31	20%	\$ 42,060 <u>2</u>
30. Interprovincial Steel and Pipe Corporation Ltd.	Regina, Sask.	Steel Skelp	E	\$ 794,000	32	20%	\$ 158,800
31. Irénée Champagne Inc.	St-Georges Est, Qué.	Processing of Meats and Cold Cuts	NPE	\$ 62,000	19	25% and 15% of eligible wages and salaries of \$84,000	\$ 28,100

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
32. Jacob Ross Uibel	Mountain View, Alta.	Sueded Sheep-skin Coats and Accesories	N	\$ 55,530	13	25% and 15% of eligible wages and salaries of \$57,300	\$ 22,477
33. J.J. Cossette Inc.	Champneuf, Qué.	Wood Planing	E	\$ 224,086	7	20%	\$ 44,817
34. Kent-Wood Co-operative Ltd.	Rexton, N.B.	Pallet Stock, Hardwood Dimension Stock and Laths	N	\$ 90,000	22	25% and \$1,600 per eligible job (22)	\$ 57,700
35. Kleiman Manufacturing Ltd.	Saskatoon, Sask.	Clothing Manufacturing	N	\$ 39,000	22	25% and 15% of eligible wages and salaries of \$130,414	\$ 29,312
36. Lambert Machine Inc.	Trois-Rivières, Qué.	Steel and Aluminum Trailers and Dump Truck Boxes	E	\$ 100,000	25	20%	\$ 20,000
37. L'Association Coopérative des Agriculteurs de Ste-Croix	Lac Ste-Croix, Qué.	Preparation of Balanced Feed for Animals	N	\$ 205,791	4	25% and 15% of eligible wages and salaries of \$16,000	\$ 53,848


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. Laurent R. Diotte & Company	Sturgeon Falls, Ont.	Wood Plugs, Windows and Custom Millwork	N	\$ 301,000	30	25% and 15% of eligible wages and salaries of \$249,000	\$ 112,600
39. Le Quotidien Ltée	Lévis, Qué.	Printing with a Rotary Press	NPE	\$ 189,245	5	20% and \$1,000 per eligible job (5)	\$ 42,849
40. Loreb Steel and Engineering Ltd.	Corner Brook, Nfld.	Fabricated Steel Products	N	\$ 101,000	12	25% and 30% of eligible wages and salaries of \$64,300	\$ 44,540 <i>R</i>
41. Medric O. Duguay	Ste-Marie Sur Mer, N.B.	Pickled and Salted Herring	NPE	\$ 49,322	10	25% and 30% of eligible wages and salaries of \$54,360	\$ 28,639
42. Messrs. George and Lee Sinclair	Coaldale, Alta.	Meat Processing	N	\$ 120,700	13	25% and 15% of eligible wages and salaries of \$88,450	\$ 43,443
43. Meubles Guito Inc.	l'Isletville, l'Islet, Qué.	Rustic and Modern Furniture	N	\$ 181,600	31	15% and \$1,000 per eligible job (31)	\$ 58,240

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>
44. Monsieur Franco Formaggio	Shawinigan, Qué.	Haute Couture Clothing	N	\$ 223,000	96	16% and \$700 per eligible job (78)	\$ 90,280
45. Nash Shirt Limited	St-Léonard d'Aston, (Nicolet), Qué.	Manufacturing of Shirts, Slacks	EM	\$ 89,120	16	20%	\$ 17,824
46. Nordic Engine & Machine Ltd.	Sudbury, Ont.	Drive Line Assemblies and Rebuilt Engines	N	\$ 248,000	16	25% and 15% of eligible wages and salaries of \$213,900	\$ 94,085
47. North Lethbridge Millwork Ltd.	Lethbridge, Alta.	Millwork Manufacturing	E	\$ 114,700	10	20%	\$ 22,940 <i>D</i>
48. North West Grain Door Company	Glenorchy, Ont.	Wooden Doors and Railway Ties	N	\$ 479,360	39	15% and \$3,000 per eligible job (39)	\$ 188,904
49. Poirier-Woodworking	Newcastle, N.B.	Wooden Windows and Door Frames	N	\$ 50,000	6	25% and \$2,000 per eligible job (6)	\$ 24,500 <i>D</i>
50. Précimax Inc.	Québec, Qué.	High Precision Machined Parts	N	\$ 238,700	22	25% and 15% of eligible wages and salaries of \$172,250	\$ 85,513

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>
51. Produits D'Architecture de Québec (1974) Inc.	St-Nicolas, Qué.	Movable Partitions	E	\$ 116,735	7	20%	\$ 23,347
52. Quaco Industries Limited	St. Martins, St. John Co., N.B.	Reloading Tools	N	\$ 195,450	22	25% and 30% of eligible wages and salaries of \$179,700	\$ 102,772
53. Quadra Manufacturing Incorporated	Trail, B.C.	Chain Saws	E	\$ 263,000	50	20%	\$ 52,600
54. R.L. Crain Limited	Moncton, N.B.	Business Forms	E	\$ 300,900	35	20%	\$ 60,180
55. Rolph Clark Stone Eastern Limited	Halifax, N.S.	Printing Personalized Cheques	NPE	\$ 46,000	28.5	25% and 30% of eligible wages and salaries of \$150,225	\$ 36,800
56. Scieries Saguenay Ltée	Bagotville, Qué.	Wood Planing	M	\$ 491,000	10	20%	\$ 98,200 
57. South East Forest Products Ltd.	Blumenort, Man.	Kiln Dried Lumber	NPE	\$ 115,000	5	25% and 15% of eligible wages and salaries of \$26,500	\$ 32,725

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. Sudbury Iron & Copper Limited	Sudbury, Ont.	Aluminum Ingots	NPE	\$ 56,000	6	25% and 15% of eligible wages and salaries of \$55,000	\$ 22,250
59. Tech-Timber Limited	Claresholm, Alta.	Finger-Jointed Lumber Products	N	\$ 402,381	26	25% and 15% of eligible wages and salaries of \$182,550	\$ 127,978
60. Trophées G.B. Inc.	Inverness, Qué.	Trophy Manufacturing	E	\$ 116,000	12	20%	\$ 23,200
61. Uni-Flex Rig Co. Ltd.	Brooks, Alta.	Well Drilling Equipment	N	\$ 128,335	18	25% and 15% of eligible wages and salaries of \$272,000	\$ 72,884
62. Valcourt Construction Inc.	Drummondville, Qué.	Sectional Houses	N	\$ 285,500	113	15% and \$500 per eligible job (99)	\$ 92,325
63. William Kenyon & Sons (Canada) Ltd.	Granby, Qué.	Seam Webbing, Heavy Sling Webbing and other Heavy Duty Webbing	NPE	\$ 225,000	6	25% and 15% of eligible wages and salaries of \$36,500	\$ 61,725

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>
64. X.L. Feeds Ltd.	Bassano, Alta.	Processing of Beef, Poultry and Hog Feeds	N	\$1,220,000	14	25% and 15% of eligible wages and salaries of \$111,000	\$ 321,755

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. Can-Am Containers Limited (Nov. 1973)	Springhill, N.S.	Plastic Containers	E	\$ 69,000	4	20%	\$ 13,800
2. Co-op Vegetable Oils (Mar. 1974)	Altona, Man.	Processing Oil Seeds	E	\$3,624,000	25	12%	\$ 434,880
3. H.D. Lee of Canada Ltd. (Apr. 1974)	North Bay, Ont.	Clothing	N	\$4,608,000	563	10% and \$1,200 per eligible job (563)	\$1,136,400
4. Imperial Pants Co. Ltd. (Feb. 1972)	Montreal, Qué.	Slacks	EM	\$ 100,000	25	10%	\$ 10,000
5. Le Meuble Idéal Ltée (Mar. 1974)	St-Charles, Qué.	Furniture	E	\$ 41,000	10	15%	\$ 6,150
6. MacGregor Bedding and Steel Furnishings Limited (Jan. 1972)	New Glasgow, N.S.	Steel Furniture and Mattresses	N	\$1,111,733	83	18% and \$3,000 per eligible job (79)	\$ 437,112
7. Meubles Laurier Limitée (Aug. 1972)	Laurier Station, Qué.	Bedroom Furniture	E	\$ 215,000	16	20%	\$ 43,000

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>
8. Mountain Crest Farm Ltd. (Sept. 1973)	Morristown, N.S.	Apple Packing	N	\$ 126,800	2	20% and \$5,000 per eligible job (2)	\$ 35,360
9. Novastran Limited (Aug. 1972)	Saint John, N.B.	Rope, Twine and Monofilament	N	\$ 386,500	32	25% and \$5,000 per eligible job (32)	\$ 256,625
10. Polymer International (N.S.) Ltd. (May 1974)	Truro, N.S.	Carpet Backing, Films and Bags	E	\$2,223,000	37	15%	\$ 333,450 <i>E</i>
11. Saunders Aircraft Corporation Limited (Mar. 1971)	Gimli, Man.	Aircraft Manufacturing	N	\$1,550,000	405	25% and \$4,000 per eligible job (405)	\$2,007,500

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. Berkline Canada Limited (Aug. 1972)	Ville D'Anjou, Qué.						
2. Canadian Industries Limited (May 1972)	Brownsburg, Qué.						
3. International Shoe Machine Corporation of Canada Limited (Dec. 1973)	Granby, Qué.						
4. Mr. Victor Gammal (Aug. 1973)	Chateauguay, Qué.						
5. Sail Craft of Canada Ltd. (Jan. 1973)	Ile Perrot, Qué.						
6. Sanford Pearce (Canada) Ltd. (Nov. 1973)	Granby, 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 July 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 JULY 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. Green Valley Associates Limited	Winnipeg, Man.	Recreational	\$ 349,000	10	\$ 225,000	\$ 56,250
2. La Fonderie Magog Ltée	Magog, Qué.	Grey Iron and Alloy Castings	\$1,185,000	15	\$ 700,000	\$ 490,000

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

Nil

OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

1. Matanex Inc. (Oct. 1972)	Matane, Qué.
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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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