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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 AUGUST, 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 August, 1974.

Among other things, it shows:

- (1) that, during the month of August, 108 applications were received and 78 offers were made;
- (2) that, of the 9731 applications received since the inception of the program, 5341 were rejected or withdrawn, and 3925 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 2829; and
- (4) that, against obligations represented by the net total of 2829 accepted offers, partial payments had been made in 1597 cases, and final payments had been made in 343 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 \$2,274.4 million;

... expected direct new jobs numbering 111,728;

and

... incentive grants of \$465.1 million.

Incentive grants actually paid to date total \$197.6 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 August, 1974.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	108	649	9731
Applications Withdrawn	25	192	3068
Applications Rejected	29	105	2273
Offers Made	78	319	3925
<u>STATUS OF OFFERS MADE</u>			
Offers Made	78	319	3925
Offers Lapsed	--	12	196
Offers Declined	2	18	272
Offers Accepted	76	250	3344
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	76	250	3344
Accepted Offers Declined or Withdrawn	10	51	515
Net Offers Accepted	66	199	2829
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	66	199	2829
No Payment Made	--	--	889
Partial Payment Made	36	264	1597
Final Payment Made	9	64	343

TABLE 2

LOAN GUARANTEE APPLICATIONS  
DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - AUGUST, 1974

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	2	4	265
Applications Withdrawn	-	3	134
Applications Rejected	-	1	77
Offers Made	-	3	45
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	3	45
Offers Lapsed	-	-	6
Offers Declined	-	-	2
Offers Accepted	1	5	37
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	1	5	37
Accepted Offers Declined or Withdrawn	-	2	9
Net Offers Accepted	1	3	28
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	1	3	28
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 August 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 AUGUST 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. A. A. Beaulieu Ltée	Edmunston, N.B.	Doors and Windows	E	\$ 32,900	5	20%	\$ 6,580
2. Adru Granite Inc.	Beebe, Qué.	Processing of Granite	E	\$ 36,000	2	20%	\$ 7,200
3. Airscrew-Weyroc Canada Limited	Chatham, N.B.	Particleboard	E	\$2,666,500	36	20%	\$ 533,300
4. A. Lapointe & Fils Ltée	St-Romain, Qué.	Wooden Pallets	E	\$ 94,000	12	20%	\$ 18,800
5. Alvin Keenan Ltd.	Woodstock, N.B.	Potato Processing	EM	\$ 70,400	2	20%	\$ 14,080
6. Antigonish Poultry Limited	Antigonish, N.S.	Poultry Processing	NPE	\$ 205,472	19	20% and \$2,500 per eligible job (15)	\$ 78,594
7. Arcom Timber Limited	Red Earth, Alta.	Sawmill	N	\$ 402,000	23	20% and \$4,000 per eligible job (23)	\$ 172,400

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
8. Arcom Timber Limited	Slave Lake, Alta.	Lumber	N	\$ 489,500	27	20% and \$4,000 per eligible job (27)	\$ 205,900
9. Berbery Inc.	St-Georges-Est, Qué.	Clothing	N	\$ 104,000	67	25% and 15% of eligible wages and salaries of \$499,400	\$ 41,600
10. B. P. Kent Flour Mills Ltd.	Viriden, Man.	Wheat Flour and Seedstuffs	EM	\$ 115,000	9	20%	\$ 23,000
11. Browning Harvey Ltd.	St. John's Nfld.	Processing of Carbonated Beverages	EM	\$ 750,000	21	20%	\$ 150,000
12. B. Tech Inc. & Lyster Die Casting Ltd.	Drummondville, Qué.	Moulding Pieces	N	\$ 163,000	18	25% and \$1,300 per eligible job (12)	\$ 56,350
13. Canada Envelope Co. (Atlantic Division)	Stellarton, N.S.	Envelopes	E	\$ 263,700	2	20%	\$ 52,740

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
14. Canadian Glassine Co. Ltd.	Québec, Qué.	Glassine, Grease Proof, and Special Lightweight Papers	EM	\$1,376,000	40	20%	\$ 275,200 <sup>R</sup>
15. Carolina Tire of Canada Ltd.	Montmagny, Qué.	Retreading of Tires	N	\$ 385,000	10	25% and 15% of eligible wages and salaries of \$132,000	\$ 116,050
16. Charles H. Nadeau & Sons Ltd.	Port-Daniel, Qué.	Sawmill	M	\$ 64,300	10	20%	\$ 12,860
17. Colorcrest Corporation Limited	North Bay, Ont.	Paint	N	\$ 47,000	6	25% and 15% of eligible wages and salaries of \$46,667	\$ 18,750
18. Consolidated Textiles Ltd.	Drummondville, Qué.	Printing Textiles	EM	\$1,809,000	43	12%	\$ 217,080

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>
19. Continental Bedding & Furniture Co. Ltd.	Saskatoon, Sask.	Bedding and Furniture	N	\$ 625,000	31	25% and 15% of eligible wages and salaries of \$187,050	\$ 184,308 <u>0</u>
20. Décor Brique Inc.	Shawinigan, Qué.	Decorative Stones and Bricks	N	\$ 10,000	12	25% and 15% of eligible wages and salaries of \$60,000	\$ 8,000
21. Dryden Chemicals Limited	Dryden, Ont.	Chlorine, Caustic Soda, and Sodium Chlorate	M	\$ 1,950,000	-	10%	\$ 195,000 <u>R</u>
22. Dryden Paper Company Limited Colenso Lumber Division	Red Lake Road, Ont.	Lumber	E	\$ 2,377,448	10	10%	\$ 237,745 <u>0</u>
23. Dryden Paper Company Limited, Dryden Lumber Division	Dryden, Ont.	Lumber	NPE	\$ 7,171,224	77	6% and \$5,000 per eligible job (75)	\$ 805,273 <u>0</u>
24. Dryden Paper Company Limited Ear Falls Lumber Division	Ear Falls, Ont.	Lumber	N	\$13,710,103	123	6% and \$5,000 per eligible job (122)	\$ 1,432,606 <u>0</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>
25. Eau de Source Boischatel Inc.	Québec, Qué.	Mineral Waters	N	\$ 28,000	4	25% and 15% of eligible wages and salaries of \$15,300	\$ 9,295
26. Ferblanterie Côte Nord Inc.	Hauterive, Qué.	Heating and Ventilating Conduits	E	\$ 61,000	2	20%	\$ 12,200
27. Fibre Form Industries Limited	Tisdale, Sask.	Peat Pots and cubes, Egg Trays and Apple Trays	N	\$ 1,439,273	25	15% and \$3,000 per eligible job (24)	\$ 287,891
28. Forex Inc.	Val d'Or, Qué.	Particleboard	N	\$14,737,500	167	20% and \$3,000 per eligible job (167)	\$ 3,448,500
29. Frameco Maritimes Ltd.	Sussex, N.B.	Wooden Beams	E	\$ 55,000	6	25% and 30% of eligible wages and salaries of \$38,500	\$ 25,300

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>
30. Fredericton Housing Limited	Saint John, N.B.	Manhole Frames and Covers and Valve Boxes	N	\$ 93,000	11	25% and \$2,000 per eligible job (10)	\$ 43,250
31. Furnitrad Inc.	St-Hyacinthe, Qué.	Household Furniture	N	\$ 250,000	24	25% and 15% of eligible wages and salaries of \$192,500	\$ 91,375
32. George Dawe & Son Limited	Port de Grave, Nfld.	Semi-Dry Salt Fish	EM	\$ 313,477	7	20%	\$ 62,695
33. Georgia-Pacific Building Materials Ltd.	Mcadam, N.B.	Plywood	N	\$16,741,500	196	10% and \$1,000 per eligible job (196)	\$1,870,150
34. Hudson Bay Dehydrators Mutual Ltd.	Hudson Bay, Sask.	Alfalfa Pellets, and Cylinders	N	\$ 761,351	17	25% and 15% of eligible wages and salaries of \$58,360	\$ 198,000

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
35. Imprimerie Stellar Inc.	Québec, Qué.	Printing of Business Forms	M	\$ 211,400	-	20%	\$ 42,280
36. Industrie de Couture Boisvert & Dubé Inc.	Lac Mégantic, Qué.	Manufacturing of Clothing	N	\$ 182,000	86	25% and 15% of eligible wages and salaries of \$492,800	\$ 72,800
37. Island Alfalfa Limited	Bow Island, Alta.	Alfalfa	N	\$ 1,151,367	16	25% and 15% of eligible wages and salaries of \$54,500	\$ 180,000 <span style="float: right;">D</span>
38. J. Ford & Co. Limited	Portneuf Station, Qué.	Fibreglass Paper	E	\$ 477,500	30	20%	\$ 95,500
39. J. G. Jacques Inc.	St-Romain, Qué.	Sawmill Products	N	\$ 485,460	18	20%	\$ 97,092
40. John Lewis Industries Ltd.	Grand'Mère, Qué.	Coffee Sticks	M	\$ 143,500	24	20%	\$ 28,700 <span style="float: right;">D</span>
41. La Compagnie de Bois B & L Ltée	Sayabec, Qué.	Manufacturing of Lathes	N	\$ 48,000	19	25% and 15% of eligible wages and salaries of \$176,592	\$ 38,400

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
42. La Tourbe du Saint-Laurent Ltée	Rivière-du-Loup, Qué.	Peatmoss and Mosses	E	\$ 404,200	6	20%	\$ 80,840
43. Larsen Packers Limited	Berwick, N.S.	Processing of Meat Products	EM	\$ 622,000	21	20%	\$ 124,400
44. L. Martin & Fils Inc.	Rivière-du-Loup, Qué.	Door and Window Frames and Kitchen Cupboards	E	\$ 117,000	13	20%	\$ 23,400
45. Le Tricot Domino Knitting Ltée	Daveluyville, Qué.	Children's Clothes	E	\$ 90,000	20	20%	\$ 18,000
46. Les Ciments Maski Ltée	Louiseville, Qué.	Prefabricated Concrete Products	N	\$ 146,390	21	25% and \$500 per eligible job (14)	\$ 43,597
47. Les Entreprises Rogueval Inc.	Amqui, Qué.	Machine Parts, Wooden Boxes and Wooden Pallets	N	\$ 51,500	11	25% and 15% of wages and salaries of \$105,500	\$ 28,700

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
48. Les Outils Arpex Inc.	Drummondville, Qué.	Machine Tools	N	\$ 46,000	8	25% and 15% of wages and salaries of \$56,667	\$ 20,000
49. Les Productions Agricoles B.D.M. Ltée	New Richmond, Qué.	Potato Processing	N	\$ 32,900	3	20%	\$ 6,580
50. Life Savers Limited	Amherst, N.S.	Chewing Gum	N	\$ 496,000	22	25% and \$2,500 per eligible job (22)	\$ 179,000
51. L. P. Royer Inc.	Lac Drolet, (St-Samuel) Qué.	Shoes and Skins for Shoes	EM	\$ 142,000	25	20%	\$ 28,400 <i>R</i>
52. Marcel Richard Tires	Drummondville, Qué.	Re-capped Truck Tires	N	\$ 28,600	11	25% and 15% of wages and salaries of \$32,550	\$ 12,032 <i>D</i>

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>
53. Meubles Yu-Go Inc.	Louiseville, Qué.	Wooden Furniture	N	\$ 212,000	10	20%	\$ 42,400
54. Mingan Industries Inc.	Sept-Iles, Qué.	Transforming Metal Pieces	N	\$ 90,000	12	25% and 15% of wages and salaries of \$135,000	\$ 42,750
55. Nora Manufacturing Ltd.	Coaldale, Alta.	Physical Exercise Machines	N	\$ 210,232	33	15% and \$2,000 per eligible job (30)	\$ 91,535 <sup>0</sup>
56. Normandie Wines Limited	Scoudouc, N.B.	Wine	EM	\$ 354,350	4	20%	\$ 70,870
57. Panlou Inc.	Louiseville, Qué.	Prefabricated Panels	N	\$ 241,094	19	25% and 15% of wages and salaries of \$123,333	\$ 78,774
58. Poles Canada Limited	Berthierville, Qué.	Steel Sectional Poles	N	\$ 623,000	36	25% and \$2,400 per eligible job (32)	\$ 232,550

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>
59. Poudrier & Frères Ltée	Victoriaville, Qué.	Truck Boxes and Flats	E	\$ 335,000	16	20%	\$ 67,000
60. Precision Homes & Components Limited	St. John's, Nfld.	House Components	N	\$ 591,000	68	25% and \$2,000 per eligible job (68)	\$ 283,750 <u>D</u>
61. Prince Caravan Inc.	Princeville, Qué.	Mobile Homes	E	\$ 45,000	10	20%	\$ 9,000
62. Québec Amiante, Inc.	Sherbrooke, Qué.	Asbestos Yarns and Cloth	N	\$ 2,953,000	60	25% and \$2,600 per eligible job (60)	\$ 894,250
63. Rock Machine Shop Inc.	St-Georges-Est, Qué.	Transforming Metal Pieces	E	\$ 37,000	3	20%	\$ 7,400
64. Roy & Breton Inc.	St-Vallier, Qué.	Office Furniture	EM	\$ 112,500	9	20%	\$ 22,500
65. Sill Plate Gueret Ltée	Drummondville-Sud, Qué.	Metal Tool Boxes	E	\$ 143,800	15	20%	\$ 28,760 <u>R</u>
66. Sportspal Enterprises Limited	Callander, Ont.	Sportspal Canoes and Accessories	E	\$ 60,000	4	20%	\$ 12,000

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
67. S. R. Ventures Ltd.	Swan River, Man.	Feed Pellets	N	\$ 174,800	5	25% and 15% of wages and salaries of \$31,500	\$ 48,425
68. St. Francis Paper Converters	Drummondville, QuÉ.	Cartons and Boxes	EM	\$ 535,000	30	20%	\$ 107,000
69. Superior Hardwood Veneer Limited	Sault Ste. Marie, Ont.	Dry Veneer	a) M	a) \$ 8,000	a) -	a) 20%	a) \$ 1,600
			b) NPE	b) \$ 374,000	b) 35	b) 25% and 15% of wages and salaries of \$251,000	b) \$ 131,150
70. Taylor and Beange Limited	Sudbury, Ont.	Metal Doors, Windows and Frames	N	\$ 168,000	11.5	25% and \$1,400 per eligible job (11.5)	\$ 58,100
71. The Borden Chemical Company (Canada) Limited	North Bay, Ont.	Urea and Phenol Formaldehyde Resins	E	\$ 463,500	5	20%	\$ 92,700
72. The New Food Products Company Limited	Rexton, N.B.	Rabbit Meat	N	\$ 70,100	13	25% and \$2,000 per eligible job (13)	\$ 43,525

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>
73. United Sawmill Company	Hearst, Ont.	Lumber	EM	\$ 2,284,500	35	20%	\$ 456,900
74. W & M Industries Ltd.	Bathurst, N.B.	Roof Trusses	N	\$ 68,115	13	25% and 30% of wages and salaries of \$58,200	\$ 34,489
75. Wickham Industries Atlantic Ltd.	Moncton, N.B.	Metal Doors and Windows	N	\$ 1,109,200	98	25% and 30% of wages and salaries of \$965,380	\$ 566,914
76. Woodstock Cedar Products and Supply Ltd.	Woodstock, N.B.	Wooden Fencing and Lumber	N	\$ 171,000	31	25% and \$1,700 per eligible job (30)	\$ 93,750

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>
1. Cancoat Papers Ltd. (May 1972)	Montreal, Qué.	Photocopying Paper	N	\$ 630,000	78	10% and \$1,500 per eligible job (73)	\$ 172,500
2. Destel Inc. (Apr.1974)	St. Germain de Grantham, Qué.	Wooden Kitchen Cupboards	N	\$ 463,500	36	12% and \$1,200 per eligible job (34)	\$ 96,420
3. Estriceram Inc. (Les Céramique de Magag Inc.) (Aug.1973)	Magog, Qué.	Ceramique Articles	N	\$ 441,000	57	10% and \$2,300 per eligible job (57)	\$ 175,200
4. Ideal Brass & Plating Company (Mar.1973)	Winnipeg, Man.	Furniture	N	\$2,070,750	26	25%	\$ 517,687
5. Meadow Lake Wood Industries Limited (Jan.1974)	Meadow Lake, Sask.	Doors and Windows	N	\$1,487,000	50	15% and \$4,000 per eligible job (50)	\$ 423,000
6. Wertex Hosiery Company Limited and Bella Hosiery Mill Limited (Aug.1972)	Montreal, Qué.	Panty Hose Tights and Leotards	E	\$ 500,000	100	5%	\$ 25,000

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
1. Island Maid Margarine Company Limited (Oct. 1973)	St. John's, Nfld.						
2. Les Textiles de Lavaltrie Ltée (Nov. 1973)	Lavaltrie, Qué.						
3. Manganese Steel Castings (1973) Ltd. (Nov. 1973)	Sherbrooke, Qué.						
4. MFM Industries Limited (Sept. 1973)	Moncton, N.B.						
5. Montreal Terra Cotta (1966) Ltd. (May 1974)	Deschailions, Qué.						
6. N.B. Furniture Mfg. Co. Ltd. (June 1973)	Edmunston, N.B.						
7. North West Stoneware Company Limited (June 1974)	Battleford, Sask.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
8. Scierie Temiscamingue Enrg. (Apr.1974)	Notre-Dame du Nord, Qué.						
9. Stadacona Lumber Division of Gillespie Holdings Ltd. (June 1973)	Winnipeg, Man.						
10. Triton Motors Limited (Nov.1972)	Bromont, 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 August 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 AUGUST 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>
Association Coopérative Laitière du Saguenay - Lac-St-Jean	St-Bruno, Qué.	Processing of Butter, Cheese and Powdered Milk	\$ 3,785,000	37	\$ 600,000	\$ 540,000

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

Nil

OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

Nil

PART IV - DEFINITIONSTERMS USED IN PART I

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

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

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

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

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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