



**Regional
Economic
Expansion**

**Expansion
Économique
Régionale**

REPORT ON REGIONAL DEVELOPMENT INCENTIVES

September, 1974

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DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

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

Among other things, it shows:

- (1) that, during the month of September, 1974
79 applications were received and
45 offers were made;
- (2) that, of the 9810 applications received
since the inception of the program,
5390 were rejected or withdrawn, and
3970 resulted in offers;
- (3) that, after allowing for lapses, withdrawals,
and offers not accepted, the net total of
accepted offers stood at 2879; and
- (4) that, against obligations represented by the
net total of 2879 accepted offers, partial
payments had been made in 1620 cases, and
final payments had been made in 355 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 \$2,293.7 million;

... expected direct new jobs numbering 113,952;

and

... incentive grants of \$470.5 million.

Incentive grants actually paid to date total \$200.8 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 September, 1974.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	79	728	9810
Applications Withdrawn	36	228	3104
Applications Rejected	13	118	2286
Offers Made	45	364	3970
<u>STATUS OF OFFERS MADE</u>			
Offers Made	45	364	3970
Offers Lapsed	6	18	202
Offers Declined	4	22	276
Offers Accepted	62	312	3406
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	62	312	3406
Accepted Offers Declined or Withdrawn	12	63	527
Net Offers Accepted	50	249	2879
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	50	249	2879
No Payment Made	--	--	904
Partial Payment Made	36	300	1620
Final Payment Made	12	76	355

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	2	6	267
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	-	5	37
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	5	37
Accepted Offers Declined or Withdrawn	1	3	10
Net Offers Accepted	-	2	27
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	2	27
Guarantees in Operation	1	2	18

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

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

Where an asterisk (*) appears in the "Estimated Amount of Incentive Grant" column, the amount of the incentive offered and accepted has been limited by a statutory or administrative ceiling which applies to the standard formula.

Where a dagger (†) appears in the "Estimated Amount of Incentive Grant" column, the grant in question is a repayable development incentive. This term is explained under the definition of "Development Incentive" in Part IV.

TABLE 3

INCENTIVE GRANT ACTIVITY

DETAILS OF OFFERS ACCEPTED, AND OF OFFERS ACCEPTED
AND SUBSEQUENTLY REVISED, DECLINED OR WITHDRAWN DURING SEPTEMBER 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. Abex Industries Ltd.	Selkirk, Man.	Heat Resistant Alloy Castings	E	\$ 653,000	22	20%	\$ 130,600
2. Acadian Distillers Limited	Bridgetown, N.S.	Grain Spirit, Molasses Spirit and Blended Whisky	EM	\$ 136,800	-	20%	\$ 27,360
3. Albert Marchand Inc.	Daveluyville, Qué.	Kitchen Furniture	E	\$ 70,000	12	20%	\$ 14,000
4. Associated Foundry Limited	Saskatoon, Sask.	Grey and Ductile Iron Castings	N	\$1,550,000	66	25% and 15% of eligible wages and salaries of \$659,500	\$ 486,425
5. Benno Kaltenegger	Granby, Qué.	Vibratory Compactors	N	\$ 738,200	105	15% and \$1,500 per eligible job (105)	\$ 268,230
6. Burdon & Covlin Cabinets	Regina, Sask.	Furniture and Cabinets	E	\$ 99,000	12	20%	\$ 19,800

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
7. Ciment L.G.P. Inc.	Delisle, Qué.	Concrete Products	EM	\$ 80,000	7	20%	\$ 16,000
8. City Packers Limited	Lethbridge, Alta.	Meat Packing	N	\$2,027,270	73	20%	\$ 405,454
9. Comet Confectionery Limited	St-Hyacinthe, Qué.	Chocolates and Other Confectioneries	N	\$3,750,000	382	20%	\$ 750,000 †
10. Commercial Plating Limited	Winnipeg, Man.	Electroplated Products	N	\$ 404,100	10	25% and 15% of eligible wages and salaries of \$84,500	\$ 113,700
11. Coopérative Agricole du Bas St-Laurent	Bic, Qué.	Blend and Mix Chemical Fertilizers	N	\$ 408,000	6	25% and 15% of eligible wages and salaries of \$40,000	\$ 108,000
12. Corporation de Batteries Cegelec	Louiseville, Qué.	Lead Monoxide	NPE	\$ 119,000	3	25% and 15% of eligible wages and salaries of \$25,500	\$ 33,575
13. Curadeau & Frères Inc.	Rivière-au-Renard, Qué.	Fish Processing	E	\$ 200,000	35	20%	\$ 40,000

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Exptected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
14. D.K. Martin & Associates	Charlottetown, P.E.I.	Powered Fibreglass Cabin Cruisers	N	\$ 623,000	54	25% and 30% of eligible wages and salaries of \$415,500	\$ 280,400
15. D. Walker Engineered Services Limited	Halifax, N.S.	Mobile Industrial Vacuum Units and Associated Equipment	N	\$ 615,000	98	25% and \$3,000 per eligible job (98)	\$ 447,750
16. Eganville Planing Mills Ltd.	Eganville, Ont.	Lumber and Wood Moulding	N	\$ 535,000	26	25% and 15% of eligible wages and salaries of \$204,900	\$ 164,485
17. Fiberglas Canada Limited	Moncton, N.B.	Fiberglas Insulation	N	\$4,106,000	106	25% and \$2,000 per eligible job (105)	\$1,236,500
18. Great Lakes Machine & Metal Fabricators Ltd.	Sault Ste. Marie, Ont.	Dummy Bar Chains and Castings	NPE	\$ 39,000	5	25% and 15% of eligible wages and salaries of \$60,000	\$ 18,750
19. Homco Industries Limited	Pembroke, Ont.	Metal Frames for Mobile Homes	E	\$ 168,060	-	20%	\$ 33,612

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>
20. Industries Maibec Inc.	St-Pamphile, Qué.	Wood Processing	N	\$ 184,500	31	25% and 15% of eligible wages and salaries of \$291,950	\$ 89,917
21. Iso-Plasthane Inc.	St-Raphael, Qué.	Fibreglass Truck Boxes	N	\$ 101,500	40	25% and 15% of eligible wages and salaries of \$300,000	\$ 70,375
22. I-XL Industries Ltd.	Medicine Hat, Alta.	Porcelain Insulators and Bushings	N	\$ 988,300	31	25% and 15% of eligible wages and salaries of \$306,282	\$ 293,017
23. James Sparkes & Sons Limited	Sutherlands, N.B.	Rough Sawn Lumber	EM	\$ 189,280	1	20%	\$ 37,856
24. Jara Steel Industries Ltd.	Winnipeg, Man.	Miscellaneous Steel Products	N	\$ 158,500	9	20% and \$2,200 per eligible job (9)	\$ 51,500
25. Jouets Iris Co. Ltd.	Senneterre, Qué.	Wooden Toys	N	\$ 128,759	18	25% and 15% of eligible wages and salaries of \$112,220	\$ 49,023

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>
26. Kaplun Enterprises Ltd., K & K Plastics Enterprises Ltd., Storm-Tite Industries Ltd.	Winnipeg, Man.	Camper Trailers, Moulded Plastic Products, and Aluminum Doors and Windows	N	\$ 952,000	36	25% and 15% of eligible wages and salaries of \$240,000	\$ 274,000
27. Les Aliments Roch Ltée	Chicoutimi, Qué.	Cold Cuts and Related Products	N	\$ 90,000	5	25% and 15% of eligible wages and salaries of \$36,000	\$ 27,900
28. Les Entreprises Immobilières d'Alma Limitée	Alma, Qué.	Printing Facility	N	\$ 180,000	8	25% and 15% of eligible wages and salaries of \$99,000	\$ 59,850
29. Les Industries Mont-Royal Inc.	Farnham, Qué.	Processing and Canning of Sliced Apples	N	\$ 241,708	35	25% and 15% of eligible wages and salaries of \$192,500	\$ 89,302
30. Les Industries Pouf Inc.	St-Nicolas, Qué.	Polystyrene Bag Furniture	N	\$ 12,000	5	25% and 15% of eligible wages and salaries of \$47,100	\$ 9,600 *

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
31. Les Liqueurs St-Georges Ltée	Ville St-Georges, Qué.	Soft Drink Bottling	E	\$ 94,000	7	20%	\$ 18,800
32. Les Meubles Caraquet Ltée	Caraquet, N.B.	Bedroom Furniture	N	\$ 603,000	74	25% and \$2,200 per eligible job (74)	\$ 313,550
33. Lethbridge Iron Works Company Limited	Lethbridge, Alta.	Grey Iron Castings, Ductils Iron and Nihard	N	\$2,088,200	38	20%	\$ 417,640
34. Lethbridge Lockers and Sea Foods Ltd.	Lethbridge, Alta.	Slaughtering of Animals and the Processing of Meat Products	N	\$ 300,570	7	20%	\$ 60,114
35. Lewis Bros.	York, P.E.I.	Potatoes	N	\$ 181,900	20	25% and 30% of eligible wages and salaries of \$102,524	\$ 76,232
36. Lynwood Industries Ltd.	Plaster Rock, N.B.	Modular Homes	N	\$ 524,055	86	25% and 30% of eligible wages and salaries of \$573,712	\$ 303,128

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>
37. Mecart Inc.	Québec, Qué.	Soundproof Metal Partitions	N	\$ 42,000	12	25% and 15% of eligible wages and salaries of \$91,000	\$ 24,150
38. Meubles B.C.B. Inc.	Granby, Qué.	Office Furniture	N	\$ 125,000	20	25% and 15% of eligible wages and salaries of \$165,000	\$ 56,000
39. Meubles J. Paul Pelletier Inc.	Palmarolle, Qué.	Wooden Furniture	N	\$ 75,988	18	25% and 15% of eligible wages and salaries of \$140,500	\$ 40,072
40. Moto-Ski Limitée	La Pocatière, Qué.	Transportation Equipment	NPE	\$3,523,487	724	10% and 15% of eligible wages and salaries of \$5,041,400	\$1,108,559
41. National Underlay (1972) Ltd.	Daveluyville, Qué.	Virgin Rug Underlay and Allied Products	NPE	\$ 298,000	36	25% and \$800 per eligible job (35)	\$ 102,500
42. Pantoufle Mauricienne Ltée	St. Tite, Qué.	Sport Shoes	E	\$ 101,000	30	20%	\$ 20,200

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>
43. P.E.I. Produce Company Limited	Wilmot, P.E.I.	Potatoes	N	\$ 400,000	12	25% and \$1,800 per eligible job. (10)	\$ 118,000
44. Phillips Cables Limited	Rimouski, Qué.	Switchboard Wire and Cables	E	\$ 958,000	30	20%	\$ 191,600
45. Polybois Inc.	Thetford Mines, Qué.	Cabinet Making	E	\$ 104,000	15	20%	\$ 20,800
46. RAM Fashions Ltd.	Steinbach, Man.	Clothing	N	\$ 102,000	50	25% and 15% of eligible wages and salaries of \$272,000	\$ 40,800 *
47. R.B. Steel Fabricators Ltd.	Sparwood, B.C.	Miscellaneous Metal Parts	E	\$ 84,000	20	20%	\$ 16,800
48. R & D Signs Ltd.	Regina, Sask.	Moulded Plastic Products	N	\$ 138,265	6	20%	\$ 27,653
49. R.G.R. Sportswear Inc.	St-Georges, Qué.	Denim Pants	N	\$ 88,000	51	25% and 15% of eligible wages and salaries of \$261,000	\$ 35,200 *

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
50. Rya Rug Co. Ltd.	St. Hyacinthe, Qué.	Printed Area Rugs	N	\$ 66,043	12	25% and 15% of eligible wages and salaries of \$87,325	\$ 29,610
51. Scientific Feed Limited	Arborg, Man.	Pelletized Feed	NPE	\$ 95,000	5	25% and 15% of eligible wages and salaries of \$48,500	\$ 31,025
52. Service de Polycopie S.P. Inc.	Québec, Qué.	Printing Plant	EM	\$ 27,500	2	20%	\$ 5,500
53. Simmac Packaging Limited	Freetown, P.E.I.	Potatoes	a) EM b) NPE	a) \$ 135,923 b) \$ 91,427	a) 1 b) 11	a) 20% b) 25% and 30% of eligible wages and salaries of \$63,662	a) \$ 27,185 b) \$ 41,956
54. Skega Canada Limited	North Bay, Ont.	Rubber Products for the Mining Industry	N	\$ 980,000	33	10% and \$1,000 per eligible job (33)	\$ 131,000
55. Spark-Guard Industries Limited	Sault Ste. Marie, Ont.	Fireplace Components	N	\$ 164,513	17	25% and 15% of eligible wages and salaries of \$115,452	\$ 58,446

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>
56. The Duffy Co. Ltd.	Kinkora, P.E.I.	Potatoes	EM	\$ 73,000	6	20%	\$ 14,600
57. The Graber Company Ltd.	Bromont, Qué.	Drapery Hardware	N	\$ 826,100	29	25% and \$1,000 per eligible job (28)	\$ 234,525
58. The Miner Company Ltd.	Granby, Qué.	Rubber Footwear	E	\$ 70,444	9	20%	\$ 14,089
59. Walden Industries Limited	Virden, Man.	Farm Implements	N	\$ 619,130	76	25% and 15% of eligible wages and salaries of \$669,381	\$ 255,189
60. Weavetex Co. Ltd.	Trois-Rivières, Qué.	Polyester Filament Broadwoven Fabrics	N	\$4,725,500	89	13% and \$3,500 per eligible job (87)	\$ 918,815
61. Welk-Um Steel Products Ltd.	Eganville, Ont.	Metal Fireplaces	N	\$ 185,000	51	25% and \$1,190 per eligible job (45)	\$ 99,800
62. W.R. Benjamin Products Limited	Amherst, N.S.	Combination Step and Fuel Oil Tanks	N	\$ 94,000	17	25% and \$2,000 per eligible job (16)	\$ 55,500

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. C. Ernest Harrison & Sons Ltd. (Jan. 1970)	Parrsboro, N.S.	Lumber	N	\$ 58,000	52	10% and \$250 per eligible job (30)	\$ 13,300
2. Industrial Marine Products Limited (Jan. 1974)	Dartmouth, N.S.	Fishing Gear	NPE	\$ 297,400	18	20% and \$2,000 per eligible job (18)	\$ 95,480
3. Lyster Die Casting Ltd. (Feb. 1974)	Lyster, Qué.	Zink, Aluminum and Magnesium Parts	EM	\$ 445,500	50	20%	\$ 89,100
4. Panelbilt du Canada Ltée (Oct. 1973)	Alma, Qué.	Prefabricated Homes	N	\$ 798,000	41	15% and \$2,700 per eligible job (40)	\$ 227,700
5. Polymer International (N.S.) Limited (July 1974)	Truro, N.S.	Carpet Backing, Films and Bags	E	\$2,863,450	48	15%	\$ 429,518
6. Residential Concrete Products Ltd. (Oct. 1973)	Lower Sackville, N.S.	Precast Concrete Products	N	\$ 156,250	6	20% and \$2,500 per eligible job (6)	\$ 46,250

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>
7. Robert Lapierre Ltée (Apr. 1973)	Daveluyville, Qué.	Manufacturing Components for the Furniture Industry	E	\$ 652,900	32	15%	\$ 97,935
8. Samoco Inc. (Sept. 1973)	Sacré-Coeur, Qué.	Sawmill	N	\$7,214,099	155	20% and \$3,500 per eligible job (155)	\$1,985,320
9. Sill Plate Gueret Ltée (Aug. 1974)	Drummondville-Sud, Qué.	Metal Tool Boxes	E	\$ 216,688	15	20%	\$ 43,338
10. United Maritime Fisherman Ltd. (May 1973)	Alder Point, N.S.	Fish and Reduction of Fishmeal and Oil	a) M b) NPE	a) \$ 847,883 b) \$ 313,096	a) 36 b) 14	a) 20% b) 25% and \$5,000 per eligible job (14)	a) \$ 169,577 b) \$ 148,274

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. Barmat Machinery Limited (June 1974)	Timmins, Ont.						
2. Decolog Inc. (July 1972)	Oka, Qué.						
3. Doral International Ltd. (Jan. 1974)	Winnipeg, Man.						
4. International Laboratories (1972) Ltd. (Jan. 1974)	Winnipeg, Man.						
5. J.C. Martel Inc. (Jan. 1973)	St-Michel- des-Saints, Qué.						
6. Jos. T. Beaudoin Ltée (Oct. 1973)	Thetford Mines, Qué.						
7. J.R.B. Pet Foods Company Limited (July 1972)	St-Jude, 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>
8. Maxine Footwear Company Inc. (June 1973)	Montréal, Qué.						
9. Menuiserie Ouellet Inc. (March 1974)	St-Henri, Qué.						
10. Rembec Inc. (March 1974)	Boischatel, Qué.						
11. Société Populaire des Pâtes et Papiers du Québec Inc. (Oct. 1972)	Cabano, Qué.						
12. Thermo-Mobiles Légers Ltée (Dec. 1973)	Thetford Mines, 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 September 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 SEPTEMBER 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>
Nil						

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

Nil

OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

Jack Berger Ltd. (Nov. 1973)	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.

Development Incentive - A development grant that is non-repayable, an incentive that is repayable under specific terms and conditions, or an incentive that is repayable provided the project achieves a certain level of profitability or other objective specified in the offer and accepted by the applicant. These latter two types of development incentives are frequently referred to as repayable grants.

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 development incentives 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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