



Regional Economic Expansion      Expansion  
Économique Régionale

# REPORT ON REGIONAL DEVELOPMENT INCENTIVES

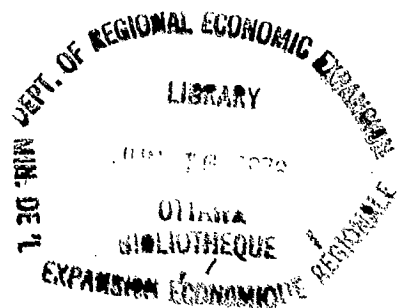
**October, 1975**

HD  
3646  
C3  
A36  
Oct. 75

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 OCTOBER, 1975

	<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	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.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.....	11
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	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.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 October, 1975.

Among other things, it shows:

- (1) that, during the month of October, 114 applications were received and 61 offers were made;
- (2) that, of the 11,000 applications received since the inception of the program, 6,058 were rejected or withdrawn, and 4,611 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 3,361; and
- (4) that, against obligations represented by the net total of 3,361 accepted offers, partial payments had been made in 1,745 cases, and final payments had been made in 833 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 \$2,479.2 million;

... expected direct new jobs numbering 123,097;

and

... incentive grants of \$527.4 million.

Incentive grants actually paid to date total \$286.2 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 October, 1975.

TABLE 1INCENTIVE GRANT APPLICATIONSDISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - OCTOBER, 1975

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	114	699	11,000
Applications Withdrawn	47	224	3,510
Applications Rejected	19	150	2,548
Offers Made	61	362	4,611
<u>STATUS OF OFFERS MADE</u>			
Offers Made	61	362	4,611
Offers Lapsed	4	18	228
Offers Declined	2	21	314
Offers Accepted	51	307	4,003
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	51	307	4,003
Accepted Offers Declined or Withdrawn	9	61	642
Net Offers Accepted	42	246	3,361
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	42	246	3,361
No Payment Made	-	-	783
Partial Payment Made	38	345	1,745
Final Payment Made	69	324	833

TABLE 2  
LOAN GUARANTEE APPLICATIONS  
DISPOSITION OF APPLICATIONS AND  
STATUS OF OFFERS - OCTOBER, 1975

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	-	9	289
Applications Withdrawn	2	8	146
Applications Rejected	-	4	81
Offers Made	1	5	54
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	5	54
Offers Lapsed	-	-	6
Offers Declined	-	-	2
Offers Accepted	-	2	41
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	2	41
Accepted Offers Declined or Withdrawn	-	3	14
Net Offers Accepted	-	1	27
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	1	27
Guarantees in Operation	-	-	19

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

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

- (1) offers accepted;
- (2) offers accepted and subsequently revised;
- (3) offers accepted and subsequently declined or withdrawn; and
- (4) offers accepted previously withdrawn but re-activated.

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 OCTOBER 1975

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. Bois de Sciage Henri Généreux Ltée	Laverlochère, Qué.	(a) Sawmill (b) Manufacturing of Wood Chips	(a) EM (b) NPE	(a) \$ 31,500 (b) \$ 60,000	(a) - (b) 2	(a) 20% (b) 25% and 15% of eligible wages and salaries of \$13,000	(a) \$ 6,300 (b) \$ 16,950
2. Canadian & European Pastry	Halifax, N.S.	Manufacturing of Special Canadian and European Pastry	N	\$ 58,826	6	25% and 30% of eligible wages and salaries of \$39,360	\$ 26,515
3. Carboneau & Turgeon Inc.	St-Romuald, Qué.	Manufacturing of Trailers to Transport Snowmobiles and Horses	E	\$ 32,000	1	20%	\$ 6,400
4. Centennial Steel Products Ltd.	Winnipeg, Man.	Manufacturing of Wire Bag Ties and Placer Tie Wire Coils	NPE	\$ 41,000	2	25% and 15% of eligible wages and salaries of \$25,000	\$ 14,000

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>
5. Coopérative Agricole du Bas St-Laurent	Rivière Trois-Pistoles, Qué.	Manufacturing of Butter and Milk Powder	E	\$1,420,000	9	20%	\$ 284,000
6. Design Products Limited	Northwest, Lunenburg County, N.S.	Manufacturing of Furniture	(a) EM (b) NPE	(a) \$ 54,000 (b) \$ 74,000	(a) - (b) 9	(a) 20% (b) 25% and 30% of eligible wages and salaries of \$105,225	(a) \$ 10,800 (b) \$ 50,068
7. Destel Inc.	Grantham Ouest, Qué.	Manufacturing of Kitchen Cupboards	E	\$ 41,706	1	20%	\$ 8,341
8. Douglas R. Guy Limited	Hampshire, P.E.I.	Manufacturing of Wooden Overhead Garage Doors, Cabinets, Windows, etc.	N	\$ 100,000	12	25% and 30% of eligible wages and salaries of \$109,000	\$ 57,700
9. Dundee Cement Products Ltd.	Bathurst, N.B.	Manufacturing of Concrete Block, Brick, Artificial Stone and Fluted Block	EM	\$ 413,112	1	20%	\$ 82,622
10. F. P. Bourgault Industries Ltd.	St. Brieux, Sask.	Manufacturing of Field Cultivators and Harrows	E	\$ 78,805	13	20%	\$ 15,761

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
11. F.P.F. (Canada) Ltd.	Trois-Rivières, Qué.	Manufacturing of Sweaters	N	\$ 580,000	34	25% and 15% of eligible wages and salaries of \$254,000	\$ 183,100
12. Farmer's Co-op Seed Cleaning Plant	Rivers, Man.	Processing of Seed	N	\$ 635,000	2	25% and 15% of eligible wages and salaries of \$15,200	\$ 161,030
13. Friggstad Manufacturing Ltd.	Frontier, Sask.	Manufacturing of Farm Implements	E	\$ 484,000	47	20%	\$ 96,800
14. Gilles Gagnon	Waterloo, Qué.	Printing Facility	N	\$ 65,000	8	25% and 15% of eligible wages and salaries of \$80,000	\$ 28,250
15. Hillcrest Farms Ltd.	Bruno, Sask.	Processing of Animal Feeds	N	\$ 528,535	5	25% and 15% of eligible wages and salaries of \$33,000	\$ 137,084
16. Imprimerie Canada Inc.	Sillery, Qué.	Printing Plant	E	\$ 49,000	3	20%	\$ 9,800

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
17. Imprimerie Dominion Printing Inc.	St-Hyacinthe, Qué.	Printing Facility	EM	\$ 135,000	8	20%	\$ 27,000
18. International Laboratories (1972) Ltd.	Winnipeg, Man.	Manufacturing of Paint	E	\$ 313,476	9	20%	\$ 62,695
19. Interprovincial Steel & Pipe Corporation Ltd.	Regina, Sask.	Manufacturing of Steel Skelp	E	\$2,283,000	32	15%	\$ 342,450
20. Jos Gingras & Fils (1974) Ltée	St-Damase, Qué.	Manufacturing of Sashes and Doors	EM	\$ 714,000	63	20%	\$ 142,800
21. L.H. Plante & Fils Inc.	St-Ignace de Loyola, Qué.	Manufacturing of Pallets and Other Wooden Products	E	\$ 221,000	23	20%	\$ 44,200
22. L.H. Plante & Fils Inc.	St-Boniface-de-Shawinigan, Qué.	Sawmill	E	\$ 60,000	3	20%	\$ 12,000
23. La Parmentière de Warwick Inc.	Warwick, Qué.	Manufacturing of Frozen French Fried Potatoes	E	\$ 46,000	8	20%	\$ 9,200 <i>R</i>
24. La Scierie Taschereau Inc.	Taschereau, Qué.	Sawmill	E	\$ 812,500	78	20%	\$ 162,500
25. Labrador Iron Works Limited	Wabush, Labrador	Fabrication of Steel, Steel Erection and Millwrighting	N	\$ 163,613	33	25% and 30% of eligible wages and salaries of \$243,840	\$ 110,903 *

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. Les Ateliers Bisailon Inc.	Omerville, Qué.	Manufacturing of Machine-Finished Parts	E	\$ 200,000	5	20%	\$ 40,000
27. Les Entreprises B.C.G.L. Inc.	St-Alfred, Qué.	Manufacturing of Galvanized Steel Plaques	N	\$ 83,000	12	25% and 15% of eligible wages and salaries of \$72,400	\$ 31,610
28. Les Structures Alco Ltée & Béton Préconçu Ltée	Alma, Qué.	Manufacturing of Steel Structures and Concrete Foundations	N	\$ 282,500	20	25% and 15% of eligible wages and salaries of \$215,000	\$ 102,875
29. MacDon Industries Ltd.	Winnipeg, Man.	Manufacturing of Agricultural Equipment	N	\$2,458,438	276	20% and \$2,500 per eligible job (276)	\$1,181,687
30. Manitoba Sausage Mfg. Co. Ltd.	Winnipeg, Man.	Processing of Smoked Meat	E	\$ 160,000	15	20%	\$ 32,000
31. Maverick Industries Ltd.	Lorette, Man.	Manufacturing of Portable Construction Heaters, Ground Compactors and Other Miscellaneous Equipment	N	\$ 69,000	9	25% and 15% of eligible wages and salaries of \$71,500	\$ 27,975

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. Mercury Printers Limited	Saskatoon, Sask.	Commercial Printing	E	\$ 207,300	3	20%	\$ 41,460
33. Metro Pallet Enterprises Ltd.	Winnipeg, Man.	Manufacturing of Wooden Pallets	E	\$ 61,350	8	20%	\$ 12,270
34. Meunerie Labonté Ltée	St-Bonaventure, Qué.	Animal-Feed Mill	EM	\$ 117,000	-	20%	\$ 23,400
35. Modern Plastic Company Limited	St-Hyacinthe, Qué.	Manufacturing of Plastic Products	E	\$ 985,000	22	20%	\$ 197,000
36. Munro Quality Meats	White Fox, Sask.	Processing of Meat Products	N	\$ 62,817	5	25% and 15% of eligible wages and salaries of \$19,800	\$ 18,674
37. Murray P. Lund	Winnipeg, Man.	Manufacturing of Stainless Steel Kitchen Equipment	N	\$ 47,100	12	25% and 15% of eligible wages and salaries of \$117,500	\$ 29,400
38. Northeast Pine Products Ltd.	Glencoe, N.B.	Manufacturing of Living Room and Dining Room Furniture	NPE	\$ 446,000	46	25% and 30% of eligible wages and salaries of \$280,960	\$ 195,788

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
39. Northern Wood Home Canadian Limited	Keewatin, Ont.	Manufacturing of Prefabricated Wood Homes	N	\$ 360,500	35	25% and \$2,143 per eligible job (35)	\$ 165,130
40. Notre Dame Bay Fisheries Limited	Comfort Cove, Nfld.	Processing of Canned Vegetables, Canned Fish and Barrelled Fish	N	\$ 167,697	10	25% and 30% of eligible wages and salaries of \$108,522	\$ 74,481 <i>R</i>
41. Phentex Inc.	St-Hyacinthe, Qué.	Spinning Mill	N	\$2,785,000	53	10% and \$2,000 per eligible job (53)	\$ 384,500
42. Produits Vicarthe Inc.	Arthabaska, Qué.	Manufacturing of Windshield Washers for Automobiles, Chlorine Liquid and Lighter Fluid	N	\$ 27,500	10	25% and 15% of eligible wages and salaries of \$75,100	\$ 18,140
43. Ralston Purina of Canada Ltd.	Truro, N.S.	Processing of Pelletized Poultry and Livestock Feeds	E	\$ 197,822	10	20%	\$ 39,564 <i>R</i>
44. Société Kent Inc.	Québec, Qué.	Manufacturing of Greeting Cards and Post Cards	N	\$ 46,000	3	25% and 15% of eligible wages and salaries of \$34,000	\$ 16,600

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
45. Soci�t� Pamarco Inc.	Granby, Qu�.	Manufacturing of Games and Toys	N	\$ 327,000	35	25% and 15% of eligible wages and salaries of \$277,500	\$ 123,375
46. Surrette Battery Company Limited	Springhill, N.S.	Manufacturing of Lead Acid Storage Batteries	E	\$ 140,394	4	20%	\$ 28,079 <i>R</i>
47. The Bulman Group Limited and Bulman Bros. (1968) Limited	Winnipeg, Man.	Commercial Printing	E	\$ 476,500	14	20%	\$ 95,300
48. The Dominion Comb & Novelty Company	Warwick, Qu�.	Manufacturing of Plastic Products	EM	\$ 155,000	8	20%	\$ 31,000
49. The George D. Simpson Manufacturing Co. (1965) Ltd.	Winnipeg, Man.	Manufacturing of Fibreglass Sailboats	NPE	\$ 321,000	27	25% and 15% of eligible wages and salaries of \$296,500	\$ 124,725
50. The Mikron Group Electronics Limited	Parry Sound, Ont.	Manufacturing of Electronic Telephone Answering Systems	N	\$ 134,171	14	25% and 15% of eligible wages and salaries of \$160,540	\$ 57,624 <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>
51. W.K. Printers Aid Ltd.	Winnipeg, Man.	Manufacturing of Graphic Products and Commercial Printing	N	\$ 59,150	9	25% and 15% of eligible wages and salaries of \$68,700	\$ 25,092

ACCEPTED OFFERS SUBSEQUENTLY REVISED

Company	Plant Location	Product and/or Process	Type of Project	Expected Eligible Cost	Expected Direct New Jobs	Rate of Offer	Estimated Amount of Incentive Grant
1. Boulangerie Alphonse Laflamme Ltée (Sept. 1975)	Québec, Qué.	Bakery	E	\$ 92,000	8	20%	\$ 18,400
2. East Coast Recyclers Limited (March 1974)	Foxtrap, Nfld.	Tallow & Meat Meal	N	\$ 399,750	6	20% and \$5,000 per eligible job (6)	\$ 109,950
3. Grand'Mère Mills Inc. (July 1974)	Grand'Mère, Qué.	Knitted Yarns	E	\$ 215,000	5	20%	\$ 43,000
4. Les Industries Deauville Ltée (July 1975)	Sherbrooke, Qué.	Manufacturing of Rustic Furniture	N	\$ 40,000	34	25% and 15% of eligible wages and salaries of \$337,000	\$ 32,000 *
5. Les Industries Mont-Royal Inc. (Sept. 1974)	Farnham, Qué.	Processing and Canning of Sliced Apples	N	\$ 339,135	35	25% and 15% of eligible wages and salaries of \$192,500	\$ 113,659
6. Les Industries Saulnier Inc. (March 1975)	St-Gabriel de Brandon, Qué.	Manufacturing of Wooden Furniture	NPE	\$ 45,500	27	25% and 15% of eligible wages and salaries of \$173,750	\$ 36,400 *

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. Ornamental Precast (Aug. 1975)	Sault Ste. Marie, Ont.	Manufacturing of Precast Concrete Products	E	\$ 93,000	2	20%	\$ 18,600
8. Produits le Boucan Inc. (Boucherie Roy Inc.) (March 1972)	St-Jean, Qué.	Smoked and Canned Ham	E	\$ 123,000	26	10%	\$ 12,300
9. Scierie Bearn Inc. (Coopérative Forestière du Témiscamingue) (Nov. 1972)	Bearn, Qué.	Wood Chips	N	\$2,587,506	95	20% and \$2,500 per eligible job (95)	\$ 755,001
10. Tricot P.G. Ltée (March 1972)	Daveluyville, Qué.	Double Knit Tricot	N	\$ 631,350	20	20% and \$2,000 per eligible job (20)	\$ 166,270

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. Amherst Daily News Limited (March 1974)	Amherst, N.S.						
2. Amric Mfg. Corp. Ltd. (Engineered Parts Limited) (Oct. 1974)	Saskatoon, Sask.						
3. Corell Industries Ltd. (Nov. 1973)	Granby, Qué.						
4. Kirchheim KG (March 1975)	Sherbrooke, Qué.						
5. Morris Rod-Weeder Co. Ltd. (Oct. 1974)	Yorkton, Sask.						
6. Mr. E.K. Donovan (March 1975)	Eganville, Ont.						
7. Nora Manufacturing Ltd. (Aug. 1974)	Coaldale, Alta.						

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. Northern Wood Home Canadian Limited (Dec. 1974)	Keewatin, Ont.						
9. Sacharen Bros. (1966) Inc. (June 1972)	Montréal, 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 October 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 OCTOBER 1975

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

Nil

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 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.

INDUSTRY CANADA/INDUSTRIE CANADA



135612

