



**Regional
Economic
Expansion**

**Expansion
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REPORT ON REGIONAL DEVELOPMENT INCENTIVES

November 1975

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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 NOVEMBER, 1975

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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 November, 1975.

Among other things, it shows:

- (1) that, during the month of November, 95 applications were received and 62 offers were made;
- (2) that, of the 11,095 applications received since the inception of the program, 6,099 were rejected or withdrawn, and 4,673 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 3,412; and
- (4) that, against obligations represented by the net total of 3,412 accepted offers, partial payments had been made in 1,724 cases, and final payments had been made in 890 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 \$2,507.3 million;

... expected direct new jobs numbering 124,020;

and

... incentive grants of \$534.3 million.

Incentive grants actually paid to date total \$290.1 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 November, 1975.

TABLE 1
INCENTIVE GRANT APPLICATIONS
DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - NOVEMBER, 1975

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	95	794	11,095
Applications Withdrawn	26	250	3,534
Applications Rejected	18	168	2,565
Offers Made	62	424	4,673
<u>STATUS OF OFFERS MADE</u>			
Offers Made	62	424	4,673
Offers Lapsed	1	19	229
Offers Declined	1	22	315
Offers Accepted	52	359	4,055
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	52	359	4,055
Accepted Offers Declined or Withdrawn	1	62	643
Net Offers Accepted	51	297	3,412
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	51	297	3,412
No Payment Made	-	-	798
Partial Payment Made	36	381	1,724
Final Payment Made	55	379	890

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	2	11	291
Applications Withdrawn	-	8	146
Applications Rejected	-	4	81
Offers Made	1	6	55
<u>STATUS OF OFFERS MADE</u>			
Offers Made	1	6	55
Offers Lapsed	1	1	7
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	-	-	21

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of November 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 NOVEMBER 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. Ahlstrom Canada Limited	Moncton, N.B.	Manufacturing of Glass Bottles	EM	\$ 971,495	6	20%	\$ 194,299
2. Avalon Pre Cast Concrete Limited	Carbonear, Nfld.	Manufacturing of Concrete Blocks, Bricks, Pre Cast Concrete Forms and Ready-Mix	N	\$ 248,130	25	25% and 30% of eligible wages and salaries of \$177,646	\$ 115,327
3. Bardeaux du Québec Inc.	Labelle, Qué.	Manufacturing of Cedar Shingles	N	\$ 37,000	6	25% and 15% of eligible wages and salaries of \$53,350	\$ 17,250
4. Bayshore Foods Ltd.	Stephenville, Nfld.	Manufacturing of Edible Oil Products, Confections and Non-Carbonated Beverages	N	\$ 105,000	22	25% and 30% of eligible wages and salaries of \$212,938	\$ 84,000 *

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
5. Bernie's Welding Shop Ltd.	Centreville, N.B.	Manufacturing of Heavy Duty Self-Loading Pup Trailers and Related Equipment	E	\$ 161,300	10	20%	\$ 32,260
6. Bes-Tar Ltée	Lac Mégantic, Qué.	Manufacturing of Furniture and Shelves	E	\$ 365,000	18	20%	\$ 73,000
7. Central Canadian Distilling Corp. Ltd.	Weyburn, Sask.	Processing of Alcoholic Beverages	(a) E (b) NPE	(a) \$2,753,370 (b) \$1,792,000	(a) 19 (b) 19	(a) 20% (b) 25% and \$2,000 per eligible job (19)	(a) \$ 550,674 (b) \$ 486,000
8. Charcuterie Roy Inc.	St-Anselme, Qué.	Meat Processing Plant	EM	\$ 400,000	14	20%	\$ 80,000 <i>R</i>
9. Charpentes Dosquet Inc.	Dosquet, Qué.	Manufacturing of House Frames	N	\$ 87,000	32	25% and 15% of eligible wages and salaries of \$110,000	\$ 38,250
10. Conduits Condell Ltée	Bromont, Qué.	Manufacturing of Metal Tubes and Pipes	NPE	\$ 860,000	26	25% and 15% of eligible wages and salaries of \$247,000	\$ 252,050

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
11. Construction Goscobec Inc.	Rivière-du-Loup, Qué.	Manufacturing of Prefabricated Homes	N	\$ 400,000	47	25% and 15% of eligible wages and salaries of \$372,000	\$ 155,800
12. Coopérative Agricole Restigouche Sud	St. Quentin, N.B.	Processing of Meat	N	\$ 51,459	3	25% and 30% of eligible wages and salaries of \$27,300	\$ 21,055
13. Cyclomet, Division of Coulter Manufacturing Limited	Moncton, N.B.	Processing of Derelict and Scrap Automobiles	N	\$3,625,000	35	25% and 30% of eligible wages and salaries of \$362,766	\$ 750,000 /
14. Dawn Plastics Ltd.	Winnipeg, Man.	Manufacturing of Plastic Liquid Containers	E	\$ 340,000	-	20%	\$ 68,000
15. Duchesne & Fils Ltée	Yamachiche, Qué.	(a) Manufacturing of Nails	(a) E	(a) \$ 275,000	(a) 3	(a) 20%	(a) \$ 55,000
		(b) Manufacturing of Steel Panelling and Aluminum Siding	(b) NPE	(b) \$ 290,000	(b) 20	(b) 25% and 15% of eligible wages and salaries of \$222,900	(b) \$ 105,935

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>
16. Ebéniste d'Avant-Garde St-Romuald Ltée	St-Romuald, Qué.	Manufacturing of Sound-proof Partitions	E	\$ 51,000	10	20%	\$ 10,200
17. Fairford Industries Ltd.	Moose Jaw, Sask.	Manufacturing of Pre-Engineered Steel Buildings	E	\$ 194,000	15	20%	\$ 38,800
18. Fonderie Magog Ltée	Magog, Qué.	Manufacturing of Malleable Iron and Grey Pig Iron	E	\$1,470,000	25	20%	\$ 294,000
19. Grand'Mère Shoe Company Limited	Grand'Mère, Qué.	Manufacturing of Women and Misses Footwear	EM	\$ 270,000	30	20%	\$ 54,000 <i>P</i>
20. GTE Lenkurt Electric (Canada) Ltd.	Winnipeg, Man.	Manufacturing of Microwave Radio Systems	N	\$1,303,000	90	25% and 15% of eligible wages and salaries of \$1,364,500	\$ 530,425
21. Huppé & Frères Ltée	Victoriaville, Qué.	Manufacturing of Cedar Chests and Drawing Room Tables	E	\$ 210,000	7	20%	\$ 42,000

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>
22. Jean Dancause	Ile-aux-Grues, Qué.	Processing of Cheese	N	\$ 140,000	3	25% and 15% of eligible wages and salaries of \$32,000	\$ 39,800
23. La Coopérative de Baie Ste. Anne Limitée	Escuminac, N.B.	Processing of Fish	E	\$ 87,500	5	20%	\$ 17,500 ^D
24. La Pâtisserie Allard Ltée	Chicoutimi, Qué.	Pastry-Making Facility	E	\$ 60,000	2	20%	\$ 12,000
25. Labbé & Fils Inc.	St-Georges Ouest, Qué.	Slaughter House	E	\$ 337,000	10	20%	\$ 67,400 ^B
26. Lamtech Inc.	St-Hyacinthe, Qué.	Manufacturing of Kitchen Cabinets	E	\$ 80,000	16	20%	\$ 16,000
27. Leo Connolly Trailers Limited	Truro, N.S.	Manufacturing of Add-On Rooms for Mobile Homes and Truck Caps	N	\$ 122,601	7	25% and 30% of eligible wages and salaries of \$67,675	\$ 50,953
28. Les Chantiers Maritimes de L'Ile-aux-Coudres Inc.	St-Bernard de l'Ile-aux-Coudres, Qué.	Manufacturing of Wooden and Mechanical Products	E	\$ 64,000	10	20%	\$ 12,800

NA

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>
29. Les Entreprises de Métal de l'Estrie Inc.	St-Nicéphore, Qué.	Manufacturing of Various Types of Woodstoves, Fireplaces and Metallic Fence	N	\$ 447,000	48	25% and 15% of eligible wages and salaries of \$406,000	\$ 172,650
30. Les Equipements Laporte Inc.	Granby, Qué.	Manufacturing of Skeets and their Launching Apparatus	N	\$ 121,400	27	25% and 15% of eligible wages and salaries of \$234,350	\$ 65,502
31. Les Industries Alarie de Malartic Ltée	Malartic, Qué.	Wood Planing Facility	E	\$ 645,500	23	20%	\$ 129,100
NA 32. Les Industries Bernières Inc.	Bernières, Qué.	Manufacturing of Kenitex	N	\$ 96,000	5	25% and 15% of eligible wages and salaries of \$70,000	\$ 34,500
33. Les Industries Decorbec Ltée	St-Hyacinthe, Qué.	Manufacturing of Decorative Furniture Pieces	N	\$ 174,000	38	25% and 15% of eligible wages and salaries of \$250,000	\$ 81,000

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>
34. Les Salaisons V. Courchesne & Fils Ltée	St-Hyacinthe, Qué.	Ham Processing Facility	M	\$ 50,000	-	20%	\$ 10,000
35. M. Armand Plante	Authier, Qué.	Manufacturing of Kitchen Cabinet Modules	NPE	\$ 55,872	3	25% and 15% of eligible wages and salaries of \$14,000	\$ 16,068
36. Mid Canada Tackle Manufacturing	Winnipeg, Man.	Manufacturing of Fishing Lures	N	\$ 99,150	7	25% and 15% of eligible wages and salaries of \$67,682	\$ 34,939 <i>D</i>
37. North American Lumber Limited	Weyburn, Sask.	Manufacturing of Prefabricated Buildings and Building Components	N	\$ 59,020	7	25% and 15% of eligible wages and salaries of \$56,133	\$ 23,174
38. Plastiques P.H. Inc.	Lauzon, Qué.	Manufacturing of Polyvinyl-Chloride Components for Doors and Windows	E	\$ 847,000	26	20%	\$ 169,400

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>
39. Robin Sportswear Ltd.	Louiseville, Qué.	Manufacturing of Children Wear	N	\$ 45,000	51	25% and 15% of eligible wages and salaries of \$290,000	\$ 18,000 *
40. S.P. Paint Factory Ltd.	Winnipeg, Man.	Manufacturing of Paint	N	\$ 113,700	16	25% and 15% of eligible wages and salaries of \$167,250	\$ 53,512
41. Scripline Limited	Winnipeg, Man.	Manufacturing of Portable Dental Equipment	N	\$ 98,600	7	25% and 15% of eligible wages and salaries of \$70,000	\$ 35,150 <i>P</i>
42. Skega Canada Ltd.	North Bay, Ont.	Manufacturing of Rubber Pump Parts and Large Rubber Mouldings	E	\$1,150,000	11	20%	\$ 230,000
43. St-Lawrence Manufacturing Company Inc.	Giffard, Qué.	Manufacturing of Skate Blades	E	\$ 290,000	52	20%	\$ 58,000

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
44. Tackle Construction Limited	Sudbury, Ont.	Manufacturing of Fabricated Steel Products	N	\$ 497,000	28	25% and 15% of eligible wages and salaries of \$275,500	\$ 165,575 <i>D</i>
45. Targetair Limited	Moncton, N.B.	Manufacturing of Drone Aircraft	N	\$ 169,200	32	25% and 30% of eligible wages and salaries of \$322,826	\$ 135,360 *
46. Tobique Enterprises Limited	Perth-Andover, N.B.	Manufacturing of Disposable Heat Pads	NPE	\$ 30,000	7	25% and 30% of eligible wages and salaries of \$47,750	\$ 21,825 <i>K</i>
47. Trout Creek Auto Electric	Trout Creek, Ont.	Rebuilding of Alternators, Starters and Generators	N	\$ 70,000	4	25% and 15% of eligible wages and salaries of \$22,565	\$ 20,885 <i>D</i>
48. Uniformes Chantal Inc.	Beauceville, Qué.	Manufacturing of Linen, Bedding and Uniforms for Hospitals	N	\$ 370,000	51	25% and 15% of eligible wages and salaries of \$357,000	\$ 146,050 <i>R</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>
49. United Sawmill Company, Arrow Timber Company Limited, Fontaine Lumber Company Limited and Deep Forest Products Company Limited	Hearst, Ont.	Manufacturing of Dressed Lumber	E	\$1,200,000	-	20%	\$ 240,000
50. Velan Engineering Ltd.	Granby, Qué.	Manufacturing of Industrial Steel Valves	N	\$1,820,000	145	15% and \$2,400 per eligible job (95)	\$ 501,000
51. Vic Store Fixtures Inc.	Victoriaville, Qué.	(a) Processing Steel into Steel Sheets	(a) E	(a) \$ 220,500	(a) 2	(a) 20%	(a) \$ 44,100
		(b) Manufacturing of Aluminum Pieces for Commercial Furniture	(b) NPE	(b) \$ 169,500	(b) 13	(b) 25% and 15% of eligible wages and salaries of \$148,500	(b) \$ 64,650
52. Zuritt Corporation Ltée	Val d'Or, Qué.	Manufacturing of Coiled Electric Motors and Control Panels	N	\$ 135,000	13	25% and 15% of eligible wages and salaries of \$106,000	\$ 49,650

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. Aluminum Company of Canada Ltd. (Feb. 1972)	Arvida, Qué.	Aluminum Rods	E	\$3,977,000	30	15%	\$ 596,550
2. Fiberglas Canada Limited (Sept. 1974)	Moncton, N.B.	Fiberglas Insulation	N	\$5,629,800	106	25% and \$2,000 per eligible job (105)	\$1,617,450
3. Loreb Steel Fabricators Limited (Loreb Steel and Engineering Ltd. (July 1974)	Corner Brook, Nfld.	Fabricated Steel Products	N	\$ 101,000	12	25% and 30% of eligible wages and salaries of \$97,800	\$ 54,590
4. P.E. Bellehumeur & Fils Ltée (March 1973)	Berthierville, Qué.	Cedar Doors	E	\$ 120,000	11	15%	\$ 18,000

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. D. Walker Engineered Services Limited (May 1975)	Point Edward, N.S.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of November 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 NOVEMBER 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.

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