



**Regional
Economic
Expansion**

**Expansion
Économique
Régionale**

REPORT ON REGIONAL DEVELOPMENT INCENTIVES

December, 1975

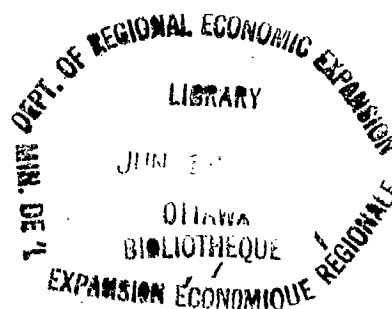
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DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

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 DECEMBER, 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 December, 1975.

Among other things, it shows:

- (1) that, during the month of December, 96 applications were received and 63 offers were made;
- (2) that, of the 11 191 applications received since the inception of the program, 6 137 were rejected or withdrawn, and 4 736 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 3 467; and
- (4) that, against obligations represented by the net total of 3 467 accepted offers, partial payments had been made in 1 705 cases, and final payments had been made in 956 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 \$2 523.4 million;

... expected direct new jobs numbering 125 401;

and

... incentive grants of \$538.4 million.

Incentive grants actually paid to date total \$295.3 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 December, 1975.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	96	890	11 191
Applications Withdrawn	27	277	3 560
Applications Rejected	13	181	2 577
Offers Made	63	487	4 736
<u>STATUS OF OFFERS MADE</u>			
Offers Made	63	487	4 736
Offers Lapsed	-	19	229
Offers Declined	1	23	316
Offers Accepted	63	422	4 117
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	63	422	4 117
Accepted Offers Declined or Withdrawn	8	70	650
Net Offers Accepted	55	352	3 467
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	55	352	3 467
No Payment Made	-	-	806
Partial Payment Made	47	428	1 705
Final Payment Made	67	446	956

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	-	11	291
Applications Withdrawn	1	9	147
Applications Rejected	-	4	81
Offers Made	2	8	57
<u>STATUS OF OFFERS MADE</u>			
Offers Made	2	8	57
Offers Lapsed	-	1	5
Offers Declined	-	-	4
Offers Accepted	1	7	46
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	1	7	46
Accepted Offers Declined or Withdrawn	-	3	14
Net Offers Accepted	1	6	32
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	1	6	32
Guarantees in Operation	-	-	20

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of December 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 DECEMBER 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. Abattoir Giroux Inc.	Bromptonville, Qué.	Slaughterhouse	E	\$ 89 000	8	20%	\$ 17 800 <i>R</i>
2. Ashton Furniture Manufacturing Company Limited	Arnprior, Ont.	Manufacturing of Bedroom Suites	E	\$ 211 400	21	20%	\$ 42 280 <i>D</i>
3. B & B Stone Limited	Thunder Bay, Ont.	Manufacturing of Concrete Blocks	EM	\$ 243 850	4	20%	\$ 48 770
<i>NA</i> 4. Baumgarten & Wallia (Bottling) Private Limited	Kentville, N.S.	Processing of Bottled Rum and Juices	N	\$ 152 800	10	25% and 30% of eligible wages and salaries of \$72 765	\$ 60 030
5. Blondo Inc.	Loretteville, Qué.	Manufacturing of Sports Footwear and Winter Boots	E	\$ 260 000	63	20%	\$ 52 000
6. Boulangerie A. Breton & Fils Ltée	Cap-de-la-Madeleine, Qué.	Bakery	M	\$ 215 000	-	20%	\$ 43 000

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>
7. Brookfield Ice Cream Limited	St. John's, Nfld.	Manufacturing of Ice Cream and Ice Cream Novelty Products	E	\$ 476 000	-	20%	\$ 95 200
8. Cape Marine Inc.	Thunder Bay, Ont.	Manufacturing of Houseboats	N	\$ 730 400	29	25% and 15% of eligible wages and salaries of \$327 000	\$ 231 650
9. Central Dairies Limited	Charlottetown, P.E.I.	Receiving, Processing and Storage of Fluid Milk	N	\$ 114 000	4	25% and 30% of eligible wages and salaries of \$35 000	\$ 39 000
10. Colt's Memorials Ltd.	Beebe, Qué.	Carving and Lettering of Monument Stones	N	\$ 43 100	5	25% and 15% of eligible wages and salaries of \$44 700	\$ 17 480
11. Deltaire Industries (Eastern) Ltd.	Arnrior, Ont.	Rebuilding Helicopters and Related Components	N	\$ 260 900	28	25% and 15% of eligible wages and salaries of \$460 681	\$ 134 327

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>
12. Donald H. White	St. John's, Nfld.	Manufacturing of Roof Trusses and Wall Sections	N	\$ 230 345	21	25% and 30% of eligible wages and salaries of \$181 250	\$ 111 961
13. Dow Badische Canada Limited	Arnprior, Ont.	Manufacturing of Nylon Filament	E	\$ 850 000	11	20%	\$ 170 000
14. Empaquetage J.B. Inc.	St-Hyacinthe, Qué.	Pizzas and Other Food Products	N	\$ 505 000	42	25% and 15% of eligible wages and salaries of \$375 000	\$ 182 500
15. Fafard et Frères Ltée	St-Bonaventure, Qué.	Processing of Peat Moss	N	\$ 140 000	15	25%	\$ 35 000
16. Fournier Stands Mfg. of Canada Ltd.	Winnipeg, Man.	Manufacturing of Unassembled Furniture and Components	N	\$ 487 000	26	25% and 15% of eligible wages and salaries of \$221 000	\$ 154 900
17. Fuhrmann Meats Ltd.	Regina, Sask.	Processing of Meat Products	M	\$ 250 000	30	20%	\$ 50 000

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>
18. G. & R. De Lafontaine Inc.	Sherbrooke, Qué.	Manufacturing of Pre-mounted Metal and Wooden Door Frames	E	\$ 53 500	5	20%	\$ 10 700
19. Gants de Chirurgie Sterling Ltée	Magog, Qué.	Manufacturing of Sterile Rubber Surgical Gloves	N	\$ 892 000	87	10% and 15% of eligible wages and salaries of \$583 000	\$ 176 650
20. Graf-Tech Publication Services Ltd.	Gimli, Man.	Commercial Printing	N	\$ 50 690	19	25% and 15% of eligible wages and salaries of \$72 580	\$ 23 560
21. Harco Industries Ltd.	Summerside, P.E.I.	Manufacturing of Soft Drink Beverages	N	\$ 156 250	9	25% and 30% of eligible wages and salaries of \$78 000	\$ 62 463
22. Industries V. F. Ltée	Thetford Mines, Qué.	Machine Shop	N	\$ 55 000	3	25% and 15% of eligible wages and salaries of \$19 000	\$ 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
23. Island Offset Inc.	Charlottetown, P.E.I.	Commercial Printing	N	\$ 134 400	15	25% and 30% of eligible wages and salaries of \$35 000	\$ 44 100
24. L'Amable Lumber Limited	L'Amable, Ont.	Processing Logs for Lumber, Wood Chips and Sawdust	EM	\$ 334 775	5	20%	\$ 66 955 <i>R</i>
25. La Huche Sans Pareille (1969) Inc.	Chicoutimi, Qué.	Bakery	E	\$ 167 000	6	20%	\$ 33 400
26. Les Constructions C.L.R. Marcoux Inc.	Ste-Marie, Qué.	Manufacturing of Pre-fabricated Homes	E	\$ 100 000	12	20%	\$ 20 000 <i>R</i>
27. Les Entreprises Immobilières d'Alma Ltée	Alma, Qué.	Printing Data Processing Forms	NPE	\$ 125 000	9	25% and 15% of eligible wages and salaries of \$102 000	\$ 46 550
28. Les Equipements Agricoles Proulx Ltée	St-Germain de Grantham, Qué.	Manufacturing of Automatic Vending Machines to Feed Animals	N	\$ 92 500	16	25% and 15% of eligible wages and salaries of \$86 110	\$ 36 041

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 Fenêtres de l'Est Victoriaville Inc.	Victoriaville, Qué.	Manufacturing of Doors and Windows	E	\$ 60 000	2	20%	\$ 12 000
30. Les Industries Bastien Enr.	Loretteville, Qué.	Manufacturing of Leather Boots and Moccasins	E	\$ 60 000	5	20%	\$ 12 000
31. Les Séchoirs à Bois René Bernard Ltée	Beauceville, Qué.	Wood Seasoning	E	\$ 240 000	8	20%	\$ 48 000
32. M. Georges-Emile Cyr	St-Bonaventure, Qué.	Sawmill	N	\$ 30 000	6	25%	\$ 7 500
33. M. Gilles Ducharme	St-Pie, Qué.	Manufacturing of Wooden Furniture	N	\$ 106 350	11	25% and 15% of eligible wages and salaries of \$90 500	\$ 40 163
34. M. Pierre Emery	St-Hyacinthe, Qué.	Manufacturing of Specialized Wrapping Products	N	\$ 40 000	7	25% and 15% of eligible wages and salaries of \$80 000	\$ 22 000

NR

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
35. Mid-Can Industries Ltd.	Saskatoon, Sask.	Manufacturing of Structural Steel	N	\$ 199 450	13	25% and 15% of eligible wages and salaries of \$110 862	\$ 66 491
36. Mr. Hans Ebrecht	Pembroke, Ont.	Processing of Lumber	E	\$ 125 000	6	20%	\$ 25 000
37. Nantes Furniture Inc.	Nantes, Qué.	Manufacturing of Living Room Furniture	E	\$ 45 000	3	20%	\$ 9 000
38. Ottawa River Veneers Ltd.	Pembroke, Ont.	Manufacturing of Hardwood Veneer and Laminated Wood	NPE	\$ 289 700	29	25% and 15% of eligible wages and salaries of \$360 500	\$ 126 500
39. Pacific Fiber Products Ltd.	Slocan, B.C.	Manufacturing of Thin Type Fiber Panels	N	\$6 577 000	68	20% and \$3 000 per eligible job (68)	\$1 519 400
40. PAF Engineering Ltd.	Prince Albert, Sask.	Manufacturing of Metal Products	N	\$ 437 000	30	25% and 15% of eligible wages and salaries of \$450 000	\$ 176 750

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
41. Pain Régent Limitée	St-Liboire, Qué.	Bakery	E	\$ 120 000	3	20%	\$ 24 000
42. Paré Machine Shop Inc.	St-Théodore d'Acton, Qué.	Manufacturing of Metal Safety Deposit Boxes	NPE	\$ 83 700	5	25% and 15% of eligible wages and salaries of \$53,300	\$ 28 920
43. Park House Pants Ltd.	St-Gabriel de Brandon, Qué.	Manufacturing of Men's Clothes	N	\$ 280 000	105	25% and 15% of eligible wages and salaries of \$575 000	\$ 112 000 *
44. PeBen Industries Company Ltd.	Estevan, Sask.	Manufacturing of Face and Building Brick	M	\$ 249 911	-	20%	\$ 49 982
45. Plains Industries (Brandon)	Brandon, Man.	Manufacturing of Goose Neck Trailers-Flat Deck and Cattle Vans	N	\$ 281 550	8	25% and 15% of eligible wages and salaries of \$91 850	\$ 84 165
46. R. Vaillancourt & Fils Ltée	Drummondville, Qué.	Manufacturing of Wooden Door Frames and Window Sashes	E	\$ 120,000	4	20%	\$ 24 000

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
47. Reliance Products Ltd.	Winnipeg, Man.	Manufacturing of High Density Polyethylene Containers	E	\$ 479 000	17	20%	\$ 95 800
48. Rénovation Vico Art Enr.	Mont St-Pierre, Qué.	Woodworking	N	\$ 48 000	3	25% and 15% of eligible wages and salaries of \$15 000	\$ 14 250
49. Repaco Inc.	Granby, Qué.	Manufacturing of Various Latex Products and Special Packaging	M	\$ 37 600	4	20%	\$ 7 520
50. Rolland Coderre	St-Germain de Grantham, Qué.	Manufacturing of Jute and Polypropylene Bags	NPE	\$ 87 000	17	25% and 15% of eligible wages and salaries of \$140 500	\$ 42,825
51. Senstek Ltd.	Saskatoon, Sask.	Manufacturing of Electronic Devices	N	\$ 88 568	30	25% and 15% of eligible wages and salaries of \$273 600	\$ 63 182

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
52. Shefford Electronics Corporation	Granby, Qué.	Manufacturing of High Precision Electronic Products	N	\$ 720 000	114	20%	\$ 144 000
53. Sométal Atlantic Ltée	Rimouski, Qué.	Manufacturing of Steel Frames, Reinforcing Steel and Heavy Machinery Parts	E	\$ 440 000	28	20%	\$ 88 000
54. Spécialités B-Pro Inc.	Windsor, Qué.	Manufacturing of High-Pressure Kettles and Other Steel Products	E	\$ 255 000	20	20%	\$ 51 000
55. Sportspal Enterprises Limited	Callander, Ont.	Manufacturing of Snowshoes and Snowshoe Harnesses	NPE	\$ 56 500	6	25% and 15% of eligible wages and salaries of \$52 500	\$ 22 000
56. St. Anthony Lathing Mills Ltd.	St. Anthony, N.B.	Manufacturing of Wooden Laths	N	\$ 96 389	10	25% and 30% of eligible wages and salaries of \$71 500	\$ 45 547

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
57. Steffensen's Woodwork Co.	Gimli, Man.	Manufacturing of Millwork Products	N	\$ 31 500	8	25% and 15% of eligible wages and salaries of \$42 600	\$ 14 265
58. Sullivan Strong Scott Ltd.	Winnipeg, Man.	Manufacturing of Helicoid Flighting	E	\$ 83 000	4	20%	\$ 16 600
59. Thunderbird Developers Co. Ltd.	Eel River Bar, N.B.	Manufacturing of Cedar Lawn Furniture and Rustic Indoor Furniture	N	\$ 80 715	13	25% and 30% of eligible wages and salaries of \$132 140	\$ 59 821
60. Timcor Leaseholds Ltd. for Timmins Engineered Homes Limited	Timmins, Ont.	Manufacturing of Pre-engineered Modular Homes and Related Products	N	\$ 808 500	72	25% and 15% of eligible wages and salaries of \$967 800	\$ 347 295 <i>R</i>
61. Truro Welding and Steel Ltd.	Debert, N.S.	Fabrication of Steel Products	N	\$ 87 000	6	25% and 30% of eligible wages and salaries of \$40 893	\$ 34 018

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>
62. William A. Flemming Limited	Truro, N.S.	Manufacturing of Livestock Feeds and Pet Foods	N	\$ 323 000	13	25% and 30% of eligible wages and salaries of \$108 500	\$ 113 300
63. Xander Consultants Inc.	Emsdale, Ont.	Manufacturing of Ski Carriers and Cartop Carriers	N	\$ 127 000	5	25% and 15% of eligible wages and salaries of \$39 300	\$ 37 645

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. Duraform Maritimes Ltd. (Nov. 1974)	Truro, N.S.	Concrete Forms and Wire Ties	N	\$ 267 000	11	25% and 30% of eligible wages and salaries of \$122 800	\$ 103 590
2. I-XL Industries Ltd. (Oct. 1974)	Regina, Sask.	Clay Sewer Pipe	EM	\$ 109 130	3	20%	\$ 21 826
3. Poissonnerie Boulay Inc. (Aug. 1975)	Anse-à-Valleau, Qué.	Processing of Fish (Sole)	NPE	\$ 48 000	6	25% and 15% of eligible wages and salaries of \$28 000	\$ 16 200
4. Twin Cities Co-operative Dairy Limited (Feb. 1975)	Halifax, N.S.	Fluid Milk, Ice-Cream and Other Dairy Products	N	\$8 985 517	128	20%	\$1 797 103

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. Arvee Cedar Mills (Aug. 1973)	Salmo, B.C.						
2. B.F. Goodrich Canada Limited (Dec. 1974)	Drumheller, Alta.						
3. Colt Developments Limited (April 1975)	Lawrencetown, N.S.						
4. Deva Metal Products Limited (July 1974)	Val Caron, Sudbury, Ont.						
5. Goma Forge Ltd. (June 1975)	Ayer's Cliff, Qué.						
6. I-XL Industries Ltd. (Sept. 1974)	Medicine Hat, Alta.						
7. Renfrew Machinery Builders (July 1973)	Renfrew, Ont.						

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. Undersea Equipment Limited (June 1975)	Halifax, 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 December 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 DECEMBER 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>
1. Grondin et Fils	Woburn, Qué.	Sawmill	\$ 950 000	64	\$ 300 000	\$ 180 000

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

Nil

OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

Nil

* OFFERS ACCEPTED BUT NOT REPORTED IN PREVIOUS MONTHS

1. Céramique de Beauce Inc.	St. Joseph de Beauce, Qué.	Ceramic Products	\$1 960 000.	103	\$ 850 000	\$ 250 000
2. La Cie d'Aménagement du Mont Original Inc.	Lac Etchemin, Qué.	Ski Resort	\$ 279 000	6	\$ 177 000	\$ 100 000
3. Lennox Paper Limited	Lennoxville, Qué.	Bathroom Tissue	\$5 263 000	60	\$ 750 000	\$ 675 000
4. Stage Inns (Cranbrook) Limited	Cranbrook, B.C.	Hotel, Bar, etc.	\$1 261 000	25	\$ 850 000	\$ 212 500

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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