



**Regional
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REPORT ON REGIONAL DEVELOPMENT INCENTIVES

January, 1976

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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 JANUARY, 1976

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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 January, 1976.

Among other things, it shows:

- (1) that, during the month of January, 84 applications were received and 43 offers were made;
- (2) that, of the 11 275 applications received since the inception of the program, 6 196 were rejected or withdrawn, and 4 779 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 3 496; and
- (4) that, against obligations represented by the net total of 3 496 accepted offers, partial payments had been made in 1 697 cases, and final payments had been made in 998 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 \$2 530.8 million;

... expected direct new jobs numbering 124 707;

and

... incentive grants of \$539.4 million.

Incentive grants actually paid to date total \$302.1 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 January, 1976.

TABLE 1
INCENTIVE GRANT APPLICATIONS
DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - JANUARY, 1976

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	84	974	11 275
Applications Withdrawn	38	315	3 597
Applications Rejected	23	204	2 599
Offers Made	43	530	4 779
<u>STATUS OF OFFERS MADE</u>			
Offers Made	43	530	4 779
Offers Lapsed	4	23	233
Offers Declined	1	24	317
Offers Accepted	42	464	4 159
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	42	464	4 159
Accepted Offers Declined or Withdrawn	13	83	663
Net Offers Accepted	29	381	3 496
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	29	381	3 496
No Payment Made	-	-	801
Partial Payment Made	33	461	1 697
Final Payment Made	37	483	998

TABLE 2
LOAN GUARANTEE APPLICATIONS
DISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - JANUARY, 1976

	<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	10	148
Applications Rejected	-	4	81
Offers Made	-	8	57
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	8	57
Offers Lapsed	-	1	5
Offers Declined	-	-	4
Offers Accepted	1	8	47
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	1	8	47
Accepted Offers Declined or Withdrawn	-	3	14
Net Offers Accepted	1	7	33
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	1	7	33
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 January 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 JANUARY 1976

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. Alfred Roy Inc.	Ste-Marguerite, Qué.	Manufacturing of Cubed Animal Feed	NPE	\$ 285 000	4	25% and 15% of eligible wages and salaries of \$25 000	\$ 75 000
2. Berkley and Company (Canada) Ltd.	Portage la Prairie, Man.	Manufacturing of Rope and Sport Fishing Equipment	N	\$ 575 000	13	25% and 15% of eligible wages and salaries of \$90 858	\$ 157 379
3. Boulangerie Samson Inc.	Lauzon, Qué.	Bakery	E	\$ 918 000	48	20%	\$ 183 600
4. Can-Roy Trade Bindery Ltd.	Winnipeg, Man.	Commercial Printing Trade Bindery	N	\$ 152 448	8	25% and 15% of eligible wages and salaries of \$72 015	\$ 48 914

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. Chippin Bros. Ltd.	Fredericton, N.B.	Processing of Meat Products	E	\$ 172 500	4	20%	\$ 34 500
6. Cie Chaussures Blondeau Ltée	Québec, Qué.	Manufacturing of Men's Footwear	EM	\$ 476 000	77	20%	\$ 95 200 <i>D</i>
7. Crèmerie St-Grégoire Inc.	St-Grégoire, Qué.	Cheese Factory	E	\$ 88 000	5	20%	\$ 17 600
8. Demuth Products (Canada) Limited	St-Pie de Bagot, Qué.	Manufacturing of Silo Hardware and Silo Roofs	N	\$ 425 000	23	25% and 15% of eligible wages and salaries of \$261 800	\$ 145 520
9. E.T. Screen & Glass Inc.	Sherbrooke, Qué.	Manufacturing of Sealed Window Units including a Screen and Vinyl Frame	E	\$ 116 800	18	20%	\$ 23 360 <i>R</i>
10. Emmanuel Busque	St-Hyacinthe, Qué.	Manufacturing of Aluminum Windows and Commercial Building Frontages	N	\$ 490 600	19	25% and 15% of eligible wages and salaries of \$221 700	\$ 155 905

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. Entreprises Sommex Ltée	Cap-de-la-Madeleine, Qué.	Manufacturing of Bed Sheets	E	\$ 65 000	8	20%	\$ 13 000
12. Firmex Inc.	Drummondville (Sud), Qué.	Manufacturing of Punches and Dies	E	\$ 47 215	2	20%	\$ 9 443
13. Garware Rayol Ltd.	St-Hyacinthe, Qué.	Manufacturing of Synthetic Mono-filament and Brush Bristles (Nylon, Polypropelene, etc.)	N	\$1 420 000	32	25% and 15% of eligible wages and salaries of \$245 000	\$ 391 750
14. Keystone Printing & Lithographing Ltd.	Saint John East, N.B.	Manufacturing of Soft Cover Perfect and Saddle-Stitched Bound Books	EM	\$ 238 000	14	20%	\$ 47 600
15. L.B. Hornby and M.G. Cushner	Nelson, B.C.	Manufacturing of Lawn and Patio Furniture	N	\$ 62 000	5	25% and 15% of eligible wages and salaries of \$60 500	\$ 24 575
16. La Chemise Lapointe Inc.	St-Georges, Qué.	Manufacturing of Shirts for Men and Women	E	\$ 110 000	-	20%	\$ 22 000

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>
17. Lake Winnipeg Boat Works Ltd.	Gimli, Man.	Manufacturing of Fibreglass Fishing Boats	NPE	\$ 27 540	7	25% and 15% of eligible wages and salaries of \$60 500	\$ 15 960
18. Les Artisanats Dorais Ltée	Bonsecours, Qué.	Manufacturing of Handicraft Products (Woven Placemats and Rugs)	N	\$ 52 500	8	25% and 15% of eligible wages and salaries of \$31 000	\$ 17 775
19. Les Industries du Hockey Canadien (1975) Inc.	Drummondville, Qué.	Manufacturing of Fiberglass Hockey Sticks	E	\$ 638 000	39	20%	\$ 127 600
20. Les Meubles M.A.P. Inc.	Granby, Qué.	Manufacturing of Colonial-Style Furniture	E	\$ 155 000	27	20%	\$ 31 000
21. Les Portes Lambton Inc.	Lambton, Qué.	Manufacturing of Wooden Doors	N	\$ 64 725	14	25% and 15% of eligible wages and salaries of \$138 000	\$ 36 881


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. M. Georges Malo	Lavaltrie, Qué.	Retreading of Heavy Vehicle Tires	N	\$ 85 640	7	25% and 15% of eligible wages and salaries of \$83 000	\$ 33 860 <i>R</i>
23. Master Meat Packers Ltd.	East Royalty, P.E.I.	Processing of Meat	N	\$ 80 954	8	25% and 30% of eligible wages and salaries of \$35 250	\$ 30 814
24. Meubles Yu-Go Inc.	Louiseville, Qué.	Manufacturing of Wooden Furniture	E	\$ 245 000	10	20%	\$ 49 000
25. Mr. Lawrence A. Estabrooks	Charlottetown, P.E.I.	Manufacturing of Precision Metal Components	N	\$ 47 780	7	25% and 30% of eligible wages and salaries of \$63 120	\$ 30 881
26. Nadeau Poultry Farm Limited	St. François de Madawaska, N.B.	Processing of Poultry (tray pack)	E	\$ 86 075	9	20%	\$ 17 215

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
27. Nap. Gignac Inc.	Loretteville, Qué.	Manufacturing of Fur Mocassins and Winter Boots	E	\$ 75 000	4	20%	\$ 15 000
28. Ouifit Ltée	St-Paul de Chester, Qué.	Manufacturing of Ladies Clothing	E	\$ 50 000	11	20%	\$ 10 000
29. Pelcon Limited	St. John's, Nfld.	Manufacturing of Electrical Connectors	N	\$2 619 000	132	25% and \$3 500 per eligible job (112)	\$1 046 750
30. Prairie Cabs Ltd.	Winkler, Man.	Manufacturing of Tractor and Combine Cabs	N	\$ 45 930	11	25% and 15% of eligible wages and salaries of \$68 286	\$ 21 725
31. Precast Tank and Vault Company Limited	North Bay, Ont.	Manufacturing of Precast Manholes and Catch Basins	EM	\$ 50 000	7	20%	\$ 10 000
32. Robert Lapierre Ltée	Daveluyville, Qué.	Manufacturing of Cupboard Doors	E	\$ 177 750	20	20%	\$ 35 550

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
33. Rose Beverages (1964) Ltd.	Prince Albert, Sask.	Manufacturing of Soft Drinks	N	\$ 474 000	10	25% and 15% of eligible wages and salaries of \$66 718	\$ 128 508
34. Sani-Marc Inc.	Victoriaville, Qué.	Manufacturing of Chemical Industries Cleaners	E	\$ 361 000	3	20%	\$ 72 200
35. Sill Plate Gueret Ltée	Drummondville-Sud, Qué.	Manufacturing of Toolboxes	E	\$ 160 000	19	20%	\$ 32 000
36. Superior Lumber Company Limited	Thunder Bay, Ont.	Manufacturing of Wooden Core Boxes, Frames, Sashes, etc.	N	\$ 101 710	6	25% and 15% of eligible wages and salaries of \$93 500	\$ 39 453
37. Tapis P'tiso Carpets Ltd.	St. Jacques, N.B.	Manufacturing of Hand-woven Tapestries and Rugs	N	\$ 87 000	32	25% and 30% of eligible wages and salaries of \$173 679	\$ 69 600 * 

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
38. Terra Krete Limited	Thunder Bay, Ont.	Manufacturing of Concrete Products	N	\$ 488 000	18	25% and 15% of eligible wages and salaries of \$180 180	\$ 149 027 <i>R</i>
39. Tim-Br-Fab Industries Ltd.	Rivers, Man.	Manufacturing of Building Components	N	\$ 160 000	26	25% and 15% of eligible wages and salaries of \$230 212	\$ 74 531
40. Winco Industries Ltd.	Winnipeg, Man.	Manufacturing of Windows and Sliding Glass Doors	N	\$ 149 300	27	25% and 15% of eligible wages and salaries of \$289 650	\$ 80 772
41. Woodstock Cedar Products & Supply Ltd.	Woodstock, N.B.	Manufacturing of Cedar Fencing	N	\$ 237 100	48	25% and 30% of eligible wages and salaries of \$417 460	\$ 184 513
42. 4-D Enterprises Ltd.	Moncton, N.B.	Manufacturing of Aluminum and Brass/Bronze Castings	EM	\$ 77 000	8	20%	\$ 15 400

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. Bristol Aerospace Limited (May 1974)	Rockwood, Man.	CRV-7 Rockets	NPE	\$ 535 000	60	25% and \$5 000 per eligible job (60)	\$ 433 750
2. Canadian Smelting & Refining (1974) Limited (Intsel of Canada Ltd.) (May 1974)	Cobalt, Ont.	Fine Silver and Cobalt-Arsenic Concentrate	N	\$ 706 750	28	15% and \$3 000 per eligible job (28)	\$ 190 013
3. Clément Roy Inc. (July 1974)	St-François, Qué.	Tent Trailers and Metal Plating	E	\$ 110 500	10	20%	\$ 22 100
4. Courtenay Iron and Brass Foundry Company Limited (Feb. 1975)	Saint John, N.B.	Manhole Catch Basins and Covers	EM	\$ 360 056	15	20%	\$ 72 011
5. Elk Lake Planing Mill Limited (Feb. 1974)	Elk Lake, Ont.	Lumber	E	\$ 435 000	9	20%	\$ 87 000
6. Les Cèdres Laurentiens Inc. (Dec. 1971)	Matane, Qué.	Cedar Shingles, Fences, etc.	N	\$ 324 000	25	20% and \$3 000 per eligible job (25)	\$ 139 800

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. Nadeau Poultry Farm Ltée (Feb. 1973)	St. François de Madawaska, N.B.	Chicken Processing	M	\$ 711 758	31	30%	\$ 213 527
8. Noranda Metal Industries Limited (March 1974)	Arnprior, Ont.	Metal Tubing	N	\$23 171 250	125	10% and \$3 500 per eligible job (125)	\$2 754 625
9. Northern Meat Products (May 1974)	North Bay, Ont.	Meat Products	N	\$ 259 130	10	15% and \$1 500 per eligible job (8)	\$ 50 870
10. Saskatoon Radiator Sales & Service Ltd. (Aug. 1975)	Saskatoon, Sask.	Manufacturing of Radiator Cores and Radiators	N	\$ 137 022	19	25% and 15% of eligible wages and salaries of \$197 350	\$ 63 858
11. The E.B. Eddy Company (April 1975)	Davidson, Qué.	Manufacturing of Spruce Lumber and Chips	E	\$4 560 000	73	15%	\$ 684 000

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. Abattoir St-Félicien Ltée (Jan. 1975)	St-Félicien, Qué.						
2. Agrolac Limitée (Nov. 1974)	St-Bruno, Qué.						
3. City Packers Limited (Sept. 1974)	Lethbridge, Alta.						
4. I-XL Industries Ltd. (May 1974)	Redcliff, Alta.						
5. Island Alfalfa Limited (Aug. 1974)	Bow Island, Alta.						
6. L'Imprimerie Laflamme Ltée (Nov. 1974)	Ste-Foy, Qué.						
7. Les Cèdres de Rivière-Bleue Ltée (Nov. 1974)	Rivière-Bleue, Qué.						

ACCEPTED OFFERS SUBSEQUENTLY DECLINED OR WITHDRAWN

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
8. Les Meubles Caraquet Ltée (Sept. 1974)	Caraquet, N.B.						
9. Panacom Building Systems Ltd. (June 1972)	Cranbrook, B.C.						
10. Produits Maison Bonanza Inc. (Produits Maison Enr'g) (Feb. 1974)	Rimouski, Qué.						
11. Rubin Bros. Clothiers Limited (March 1974)	Victoriaville, Qué.						
12. Simplex Heating Systems (Canada) Ltd. (Symplex Heating System Canada Ltd.) (July 1973)	Granby, Qué.						
13. The L.P. Fortune Co. Ltd. (May 1974)	Carman, Man.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of January 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 JANUARY 1976

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>
City Centre Development Limited	Campbellton, N.B.	Shopping Complex Motor Hotel, etc.	\$8 000 000	50	\$5 000 000	\$1 250 000

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

Lennox Paper Limited (Dec. 1975)	Lennoxville, Qué.	Bathroom Tissue	\$5 690 000	60	\$ 750 000	\$ 675 000
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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.

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