



**Regional
Economic
Expansion**

**Expansion
Économique
Régionale**

REPORT ON REGIONAL DEVELOPMENT INCENTIVES

March, 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 MARCH 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 March 1976.

Among other things, it shows:

- (1) that, during the month of March, 104 applications were received and 71 offers were made;
- (2) that, of the 11 482 applications received since the inception of the program, 6 271 were rejected or withdrawn, and 4 885 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 3 577; and
- (4) that, against obligations represented by the net total of 3 577 accepted offers, partial payments had been made in 1 675 cases, and final payments had been made in 1 134 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 \$2 589.8 million;

... expected direct new jobs numbering 124 828;

and

... incentive grants of \$551.4 million.

Incentive grants actually paid to date total \$324.1 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 March 1976.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	104	1 181	11 482
Applications Withdrawn	22	365	3 645
Applications Rejected	17	232	2 626
Offers Made	71	636	4 885
<u>STATUS OF OFFERS MADE</u>			
Offers Made	71	636	4 885
Offers Lapsed	1	24	234
Offers Declined	2	29	322
Offers Accepted	58	561	4 256
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	58	561	4 256
Accepted Offers Declined or Withdrawn	7	99	679
Net Offers Accepted	51	462	3 577
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	51	462	3 577
No Payment Made	-	-	768
Partial Payment Made	55	576	1 675
Final Payment Made	53	606	1 134

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	3	16	296
Applications Withdrawn	-	10	149
Applications Rejected	-	4	81
Offers Made	-	9	57
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	9	57
Offers Lapsed	-	1	5
Offers Declined	-	-	4
Offers Accepted	1	8	48
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	1	8	48
Accepted Offers Declined or Withdrawn	-	3	14
Net Offers Accepted	1	8	34
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	1	8	34
Guarantees in Operation	-	5	22
Guarantees Discharged	-	2	2

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of March 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 MARCH 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. A. Northcott Limited	Lewisporte, Nfld.	Processing of Herring, Mackerel and Other Species	N	\$ 36 797	2	25% and 30% of eligible wages and salaries of \$13 500	\$ 13 249 <i>R</i>
2. A. Richard Limitée	Berthierville, Qué.	Manufacturing of Industrial Tools and Knives	E	\$ 193 500	12	20%	\$ 38 700
3. Adélar Goyette et Fils Ltée	Rivière-à-Pierre, Qué.	Sawmill	EM	\$ 36 200	-	20%	\$ 7 240 <i>R</i>
4. Atelier St-Jean Inc. et Messieurs Bernard et Adrien St-Jean	Berthierville, Qué.	Manufacturing of Wooden Curtain Rods	E	\$ 89 000	8	20%	\$ 17 800
5. Auguste R. Jolin.	St-François-Xavier de Brompton, Qué.	Manufacturing of Custom Machined Metal Parts	N	\$ 53 900	4	25% and 15% of eligible wages and salaries of \$47 900	\$ 20 660

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>
6. Bonbons Sucraft Ltée	Cowansville, Qué.	Manufacturing of Licorice Confectionery	N	\$ 247 000	41	25% and 15% of eligible wages and salaries of \$423 000	\$ 125 200
7. Boulangerie Champion Ltée	Noranda, Qué.	Bakery	EM	\$ 199 000	-	20%	\$ 39 800
8. Brockman's Service Ltd.	Humboldt, Sask.	Manufacturing of Veterinary Tables and Articulators	N	\$ 161 000	16	25% and 15% of eligible wages and salaries of \$192 250	\$ 69 087
9. Challenge Mills Limited	Springhill, N.S.	Manufacturing of Conventional and Structured Needle-punch Carpeting and Printed Area Rugs	N	\$1 022 000	68	25% and \$5 000 per eligible job (62.5)	\$ 568 000
10. Coffre Fort Acton Ltée	St-Théodore d'Acton, Qué.	Manufacturing of Locks for Safes	NPE	\$ 26 300	6	25% and 15% of eligible wages and salaries of \$42 600	\$ 12 965

OFFERS ACCEPTED

Company	Plant Location	Product and/or Process	Type of Project	Expected Eligible Cost	Expected Direct New Jobs	Rate of Offer	Estimated Amount of Incentive Grant
11. Continental Conveyor & Machine Works Ltd.	Thetford-Mines, Qué.	Manufacturing of Bulk Material Handling Equipment	E	\$ 232 000	15	20%	\$ 46 400
12. Corvelle Textiles Ltd.	Grand'Mère, Qué.	Manufacturing of Velours and Corduroy	N	\$ 852 500	62	25% and 15% of eligible wages and salaries of \$580 000	\$ 300 125
13. Crocus Food Products Ltd.	Selkirk, Man.	Processing of Whey Powder, Skim Milk Powder and Butter	N	\$5 750 000	62	18% and \$3 000 per eligible job (45)	\$1 170 000 ^D
14. Déco-Lam Inc.	Ste-Foy, Qué.	Manufacturing of Laminated-Plastic-Covered Mouldings	NPE	\$ 72 000	4	25% and 15% of eligible wages and salaries of \$30 000	\$ 22 500 ^R
15. Designex Buildings Ltd.	North Battleford, Sask.	Manufacturing of Ready to Move/Modular Homes	NPE	\$ 100 000	34	25% and 15% of eligible wages and salaries of \$330 472	\$ 74 570

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. Destel Inc.	Grantham Ouest, Qué.	Manufacturing of Kitchen Cupboards	E	\$ 393 000	20	20%	\$ 78 600
17. Distillers Corporation Limited	Richibucto, N.B.	Processing of Liquors	E	\$ 514 700	11	20%	\$ 102 940 <i>D</i>
18. Dominion Biologicals Limited	Debert, N.S.	Manufacturing of Diagnostic Biological Reagents	N	\$ 56 932	14	25% and 30% of eligible wages and salaries of \$120 120	\$ 45 546* <i>R</i>
19. E.L. Casey Construction Limited	Truro, N.S.	Processing of Ready Mix Concrete	N	\$ 200 000	19	25%	\$ 50 000
20. Equipement de Transmission (IND) Inc.	Ville Vanier, Qué.	Manufacturing of Pneumatic Cylinders	E	\$ 61 000	2	20%	\$ 12 200
21. Fournier Steel Works Ltd.	Black Lake, Qué.	Manufacturing of Heavy Custom-Made Metal Parts	E	\$ 690 000	51	20%	\$ 138 000
22. Fundy Ready Mix Limited	Truro, N.S.	Processing of Ready Mix Concrete	N	\$ 178 000	11	25% and 30% of eligible wages and salaries of \$133 000	\$ 84 400

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. Gaston Cellard Inc.	Pointe-à-la Garde, Qué.	Sawmill	N	\$ 243 000	7	20%	\$ 48 600 <u>0</u>
24. Gauthier Fourrure Inc.	Chicoutimi-Nord, Qué.	Manufacturing of Fur Coats	E	\$ 70 000	9	20%	\$ 14 000
25. Gérard Vadeboncoeur	Yamachiche, Qué.	Manufacturing of Clothing	N	\$ 75 000	30	20%	\$ 15 000 <u>0</u>
26. Gillis Quarries Limited	Garson, Man.	Processing of Tyndall Stone	E	\$ 367 849	13	20%	\$ 73 570
27. H. Singer Furniture Ltd.	Winnipeg, Man.	Manufacturing of Upholstered Furniture and Bedding	N	\$ 495 325	76	25% and 15% of eligible wages and salaries of \$723 290	\$ 232 324 <u>0</u>
28. I.M.O. Foods Limited	Yarmouth, N.S.	Processing of Herring	(a) E (b) NPE	(a) \$ 138 025 (b) \$ 90 475	(a) 6 (b) 8	(a) 20% (b) 25% and 30% of eligible wages and salaries of \$45 100	(a) \$ 27 605 (b) \$ 36 149

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. Imprimerie de la Rive Sud Ltée	Nicolet, Qué.	Commercial Printing Plant	EM	\$ 136 700	5	20%	\$ 27 340
30. Imprimerie Le Guide Inc.	Ste-Marie de Beauce, Qué.	Commercial Printing Plant	E	\$ 89 985	3	20%	\$ 17 997
31. Imprimerie St-Patrice Inc.	Trois-Rivières, Qué.	Printing Plant	N	\$ 216 795	7	25% and 15% of eligible wages and salaries of \$46 750	\$ 61 211
32. Internote Canada Limited	Granby, Qué.	Manufacturing of Musical Toys	N	\$1 425 000	71	25% and 15% of eligible wages and salaries of \$572 000	\$ 442 050
33. Irwin Printing Company Limited	Charlottetown, P.E.I.	Offset and Letterpress Printing	M	\$ 36 300	-	20%	\$ 7 260
34. Kennebec Fisheries Ltd.	Yarmouth, N.S.	Processing of Herring and Mackerel	E	\$ 300 000	15	20%	\$ 60 000
35. L.P. Royer Inc.	Lac Drolet, Qué.	Manufacturing of Footwear	E	\$ 32 000	10	20%	\$ 6 400

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>
36. Léopold Gagné	Mont-Joli, Qué.	Manufacturing of Kitchen Cupboards and Made-To-Order Furniture	N	\$ 38 000	5	25% and 15% of eligible wages and salaries of \$31 000	\$ 14 150
37. Les Industries Bernard Inc.	Ste-Clotilde, Qué.	Manufacturing of Clothing	N	\$ 106 000	46	25% and 15% of eligible wages and salaries of \$328 000	\$ 42 400*
38. Les Industries Flamand Ltée	St-Agapit, Qué.	Manufacturing of Doors and Windows	EM	\$ 132 000	-	20%	\$ 26 400 <u>R</u>
39. Les Industries Fortin Inc.	Waltham, Qué.	Manufacturing of Laminated Panels	NPE	\$ 103 000	11	25% and 15% of eligible wages and salaries of \$107 333	\$ 41 850 <u>D</u>
40. M. Giacomo Frigerio	St-Hyacinthe, Qué.	Processing Additives for the Manufacturing of Cement	N	\$ 295 000	3	20%	\$ 59 000 <u>D</u>

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>
41. M. Réjean Carle	Ste-Angèle de Prémont, Qué.	Manufacturing of Clothes	N	\$ 30 000	20	25% and 15% of eligible wages and salaries of \$95 000	\$ 12 000*
42. Menuiserie Maskoutaine Inc.	St-Hyacinthe, Qué.	Manufacturing of Kitchen Cupboards	N	\$ 55 000	6	25% and 15% of eligible wages and salaries of \$60 000	\$ 22 750
43. Métallurgie Thibault Ltée	Granby, Qué.	Manufacturing of Sheet Metal Products	E	\$ 42 400	5	20%	\$ 8 480
44. Metro Industrial Plastics Ltd.	Maugerville, N.B.	Manufacturing of Low Density Polyethylene Water Pressure Pipe and ABS Pipe for Sewage, Drainage and Conduit Application	E	\$ 129 500	4	20%	\$ 25 900
45. Meubles St-Henri Inc.	St-Etienne de Lauzon, Qué.	Manufacturing of Kitchen and Dining Room Furniture	E	\$ 112 000	5	20%	\$ 22 400 <u>B</u>
46. Montague Dairy	Montague, P.E.I.	Processing of Fluid Milk	M	\$ 25 800	-	20%	\$ 5 160 <u>B</u>

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>
47. P.A. Martineau Ltée	St-Gilles, Qué.	(a) Manufacturing Doors and Windows	(a) EM	(a) \$ 377 000	(a) 24	(a) 20%	(a) \$ 75 400
		(b) Manufacturing of Sealed Glass	(b) NPE	(b) \$ 83 000	(b) 11	(b) 25% and 15% of eligible wages and salaries of \$139 894	(b) \$ 41 734
48. Progress Plastics Ltd.	Winnipeg, Man.	Manufacturing of Thermo Plastic Extrusions	E	\$ 52 116	3	20%	\$ 10 423
49. Reliure Selecte Inc.	Québec, Qué.	Book and Brochure Binding Plant	N	\$ 322 700	23	25% and 15% of eligible wages and salaries of \$186 800	\$ 108 695
50. Remizex Inc.	Princeville, Qué.	Manufacturing of Small Prefabricated Chalets	N	\$ 15 440	8	25% and 15% of eligible wages and salaries of \$69 300	\$ 12 352*

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
51. René Hamel & Fils Inc.	Upton, Qué.	Manufacturing of Hydraulic Cylinders and Spare Metal Parts	N	\$ 68 850	8	25% and 15% of eligible wages and salaries of \$80 000	\$ 29 213
52. Sydney Steel Corporation	Sydney, N.S.	Rail Rolling Mill	EM	\$5 826 240	18	20%	\$1 165 248
53. The Canadian Chromalox Company Limited	Granby, Qué.	Manufacturing of Electric Comfort Heating and Cooling Equipment and Controls	N	\$2 066 000	164	10% and \$1 000 per eligible job (158)	\$ 364 600 ¹
54. Tubeform Industries Ltd.	Winnipeg, Man.	Manufacturing of Steel Hydraulic and Gas Lines	N	\$ 26 000	4	25% and 15% of eligible wages and salaries of \$29 400	\$ 10 910
55. Ventilateur Victoria Ltée	Victoriaville, Qué.	Manufacturing of Milking Rooms and Automatic Animal Feeders	E	\$ 477 500	10	20%	\$ 95 500

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
56. W.R. Adams	Bishop's Falls, Nfld.	Manufacturing of Roof Trusses, Door Boxes and Mobile Office Units.	N	\$ 133 000	7	25% and 30% of eligible wages and salaries of \$80 000	\$ 57 250
57. Yartex Corporation Limited	Louiseville, Qué.	Processing of Carpet Yarn.	N	\$ 300 000	56	25% and 15% of eligible wages and salaries of \$458 640	\$ 143 796 <i>9</i>
58. Zodiac Manufacturing (New Brunswick) Ltd.	Dieppe Industrial Park, N.B.	Manufacturing of Cabinets and Roof Trusses	(a) E (b) NPE	(a)\$ 92 050 (b)\$ 47 500	(a) 7 (b) 4	(a) 20% (b) 25% and 30% of eligible wages and salaries of \$24 480	(a)\$ 18 410 (b)\$ 19 219

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. A. Côté & Fils Inc. (July 1974)	Centre Stoke, Qué.	Slaughtering Swine and Processing and Preparing Certain Parts	EM	\$ 332 500	15	20%	\$ 66 500
2. Antica Inc. (Feb. 1975)	Ste-Anne de la Pérade, Qué.	Furniture of Canadian Antique-Style, Including Rocking Chairs and Dining Room and Bedroom Furniture	N	\$ 250 000	24	25% and 15% of eligible wages and salaries of \$172 000	\$ 88 300
3. Axe Industries Inc. (July 1974)	Drummondville, Qué.	Mobile Home Axles	N	\$ 653 000	45	25% and 15% of eligible wages and salaries of \$444 000	\$ 229 850
4. Flexi-Coil Ltd. (April 1975)	Saskatoon, Sask.	Manufacturing of Harrows	E	\$ 78 000	5	20%	\$ 15 600
5. Gibson Labels Ltd. (July 1975)	Winnipeg, Man.	Manufacturing of Pressure Sensitive Labels	N	\$ 130 000	9	25% and 15% of eligible wages and salaries of \$124 623	\$ 51 193

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>
6. L'Annonciation Furniture Ltd. (June 1973)	L'Annonciation, Qué.	Bedroom Wooden Furniture	EM	\$ 163 000	11	15%	\$ 24 450
7. M. Georges Malo (Jan. 1976)	Lanoraie, Qué.	Retreading of Heavy Vehicle Tires	N	\$ 143 640	7	25% and 15% of eligible wages and salaries of \$83 000	\$ 48 360
8. Martin-Black Wire Ropes of Canada Ltd. (July 1975)	Truro, N.S.	Manufacturing of Steel Wire Ropes	N	\$1 525 000	35	25% and 30% of eligible wages and salaries of \$277 000	\$ 464 350
9. Ocean Harvesters Ltd. (Nov. 1973)	Harbour Grace, Nfld.	Frozen Fish	EM	\$ 190 000	-	20%	\$ 38 000

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. Bandag Retreaders (New Glasgow) Limited (May 1975)	New Glasgow, N.S.						
2. Concrete Ornaments and Supplies Limited (June 1975)	St. John's, Nfld.						
3. I.P.S. Engineering Limited (May 1975)	Thunder Bay, Ont.						
4. Ideal Electric Welding Co. Ltd., (April 1973)	Montreal East, Qué.						
5. Malkin & Johnson Inc. (Nov. 1974)	St-Augustin, Qué.						
6. Roski Limitée (Feb. 1974)	Roxton Falls, Qué.						
7. Sauble Concrete Limited (Feb. 1971)	Massey, Ont.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of March 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 MARCH 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>
Fonderie Maska Inc.	Ste-Claire, Qué.	Foundry	\$ 780 750	30	\$ 390 000	\$ 200 000

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

Riviera Motel Ltd.	Tracadie, N.B.	Motel	\$ 476 000	20	\$ 350 000	\$ 315 000
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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 may be discharged by the borrower repaying the loan in full or by the lender cancelling the guarantee. A loan may also be discharged after the borrower has defaulted on his loan and the Department has settled a claim with the lender.

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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