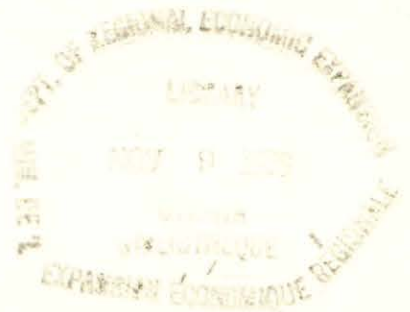




**Regional
Economic
Expansion**

**Expansion
Économique
Régionale**



REPORT ON REGIONAL DEVELOPMENT INCENTIVES

June, 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 JUNE 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 June 1976.

Among other things, it shows:

- (1) that, during the month of June, 107 applications were received and 52 offers were made;
- (2) that, of the 11 813 applications received since the inception of the program, 6 422 were rejected or withdrawn, and 5 047 resulted in offers;
- (3) that, after allowing for lapses, withdrawals, and offers not accepted, the net total of accepted offers stood at 3 711; and
- (4) that, against obligations represented by the net total of 3 711 accepted offers, partial payments had been made in 1 664 cases, and final payments had been made in 1 272 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 \$2 673.7 million;

... expected direct new jobs numbering 126 498;

and

... incentive grants of \$566.2 million.

Incentive grants actually paid to date total \$353.0 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 June 1976.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	107	331	11 813
Applications Withdrawn	24	89	3 730
Applications Rejected	20	70	2 692
Offers Made	52	162	5 047
<u>STATUS OF OFFERS MADE</u>			
Offers Made	52	162	5 047
Offers Lapsed	2	4	238
Offers Declined	2	6	328
Offers Accepted	54	154	4 410
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	54	154	4 410
Accepted Offers Declined or Withdrawn	7	20	699
Net Offers Accepted	47	134	3 711
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	47	134	3 711
No Payment Made	-	-	775
Partial Payment Made	36	127	1 664
Final Payment Made	32	130	1 272

TABLE 2LOAN GUARANTEE APPLICATIONSDISPOSITION OF APPLICATIONS AND
STATUS OF OFFERS - JUNE 1976

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	1	4	300
Applications Withdrawn	4	5	154
Applications Rejected	-	-	81
Offers Made	-	1	58
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	1	58
Offers Lapsed	-	-	5
Offers Declined	-	-	4
Offers Accepted	-	-	48
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	-	48
Accepted Offers Declined or Withdrawn	-	-	14
Net Offers Accepted	-	-	34
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	-	34
Guarantees in Operation	-	1	22
Guarantees Discharged	1	1	3

PART II - INCENTIVE GRANT ACTIVITY DURING THE MONTH

Part II consists of Table 3 which provides a complete alphabetic listing for the month of June 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 JUNE 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. Ameublement Scolaire Ltée	L'Islet, Qué.	School Furniture	E	\$ 190 000	7	20%	\$ 38 000
2. Atelier de Reliure du Saguenay Lac St-Jean Inc.	Alma, Qué.	Bindery	E	\$ 40 000	6	20%	\$ 8 000
3. Atlantic Hardchrome and Crankshaft Rebuilders Limited	Dartmouth, N.S.	Rebuilding of Machinery Parts	N	\$ 220 000	14	25% and 30% of eligible wages and salaries of \$30 935	\$ 64 281
4. Basco Steel Products Limited	Val Caron, Ont.	Fabricating of Plate and Structural Steel	N	\$ 269 450	19	25% and 15% of eligible wages and salaries of \$250 700	\$ 104 967
5. Belvent Limited	Parry Sound, Ont.	Prefabricated Chimneys	N	\$1 157 560	26	25% and 15% of eligible wages and salaries of \$284 525	\$ 332 068

1

2

II

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
6. Boulangerie Bérubé Ltée	Forestville, Qué.	Bakery	E	\$ 53 000	3	20%	\$ 10 600
7. Cadogan Business Forms Ltd.	Winnipeg, Man.	Business Forms	N	\$ 133 000	7	25% and 15% of eligible wages and salaries of \$64 308	\$ 42 896
8. Comeau's Sea Foods Limited	Saulnierville, N.S.	Processing of Scallops and Herring	E	\$ 438 555	26	20%	\$ 87 711
9. Commercial Firedoors Ltd.	Winnipeg, Man.	Metal Fire Doors and Frames	N	\$ 223 000	12	25% and 15% of eligible wages and salaries of \$128 250	\$ 74 987 <u>0</u>
10. Couture C.G.H. Ltée	St-Damase, Qué.	Denim Jeans and Jackets	N	\$ 116 000	50	25% and 15% of eligible wages and salaries of \$350 000	\$ 46 400 *
11. Duval & Raymond Knitting Inc.	Princeville, Qué.	Carding and Spinning Wool to Manufacture Socks	N	\$ 266 500	7	25% and 15% of eligible wages and salaries of \$60 000	\$ 75 625

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. Eastern Metal Works Limited	Cocagne, N.B.	Sheet Metal Products for Roofing, Ventilation Ducts, and Railings	N	\$ 159 945	16	25% and 30% of eligible wages and salaries of \$198 079	\$ 99 410
13. Elmer Lohnes	Wileville, N.S.	Lumber	N	\$ 220 926	15	25% and 30% of eligible wages and salaries of \$106 080	\$ 87 056
14. Erfan Lumber Limited	Caledonia, N.S.	Lumber and Wood Chips	N	\$ 375 000	16	20% and 30% of eligible wages and salaries of \$139 749	\$ 116 925
15. Fontaine Body Ltd.	East Farnham, Qué.	Steel Boxes for Trucks	E	\$ 375 000	25	20%	\$ 75 000
16. G & P Welding (North Bay) Ltd.	North Bay, Ont.	Metal Products	N	\$ 386 000	7	25% and 15% of eligible wages and salaries of \$93 640	\$ 110 546

OFFERS ACCEPTED

Company	Plant Location	Product and/or Process	Type of Project	Expected Eligible Cost	Expected Direct New Jobs	Rate of Offer	Estimated Amount of Incentive Grant
17. Grand Lake Timber Ltd.	Chipman, N.B.	Softwood Lumber and Chips	EM	\$ 3 055 000	6	10%	\$ 305 500 ¹
18. Harder's Seed Service Ltd.	Plum Coulee, Man.	Processing of Cereal Grains and Vegetables	E	\$ 50 000	1	20%	\$ 10 000
19. Hylar Precision Machine Ltd.	Regina, Sask.	Hubs, Spindles, Studs and Bushings	N	\$ 72 000	5	25% and 15% of eligible wages and salaries of \$89 780	\$ 31 467
20. Industech Inc.	Victoriaville, Qué.	Railroad Track De-icers and Commercial Trash Compactors	NPE	\$ 603 747	22	25% and 15% of eligible wages and salaries of \$216 661	\$ 183 436
21. Industrial Welding Limited	Cheticamp, N.S.	Pulp Trailers and Dump Boxes	N	\$ 105 946	16	25% and 30% of eligible wages and salaries of \$215 800	\$ 84 757 *
22. J. D. Irving Limited	Veneer Siding, N.B.	Softwood Lumber and Chips	EM	\$ 4 042 500	-	10%	\$ 404 250
23. Kipp Kelly Limited	Winnipeg, Man.	Industrial and Bakery Equipment	E	\$ 103 000	14	20%	\$ 20 600

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>
24. Kitchen Cabinet Center	Sherwood, P.E.I.	Kitchen Cabinets, Counters, Vanities, Hutches, etc.	N	\$ 36 000	6	25% and 30% of eligible wages and salaries of \$15 068	\$ 13 520 <i>R</i>
25. Kwik-Fit Metal Ltée	Ste-Foy, Qué.	Metal Door Frames	N	\$ 145 000	42	25% and 15% of eligible wages and salaries of \$200 000	\$ 66 250
26. La Scierie Bondu & Frères Inc.	Lac-Du-Cerf, Qué.	Sawmill	EM	\$ 78 775	17	20%	\$ 15 755
27. Les Confections Nicoletaines Inc.	Nicolet, Qué.	Ladies' Wear	N	\$ 137 000	90	25% and 15% of eligible wages and salaries of \$630 000	\$ 54 800 *
28. Les Industries Janil Inc.	Sherbrooke, Qué.	Machine Shop	E	\$ 93 000	26	20%	\$ 18 600
29. Les Moulures Bégin Ltée	Beauport, Qué.	Wood Mouldings	E	\$ 265 000	20	20%	\$ 53 000
30. Les Pêcheries du Golfe St-Laurent Inc.	Paspébiac, Qué.	Processing of Fish	E	\$ 35 600	7	20%	\$ 7 120

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
31. Les Produits Maison Saguenay Ltée	St-Fulgence, Qué.	Processing of Meat	EM	\$ 177 000	6	20%	\$ 35 400
32. Malibru Plastic Inc.	Magog, Qué.	Fibreglass Products	N	\$ 280 000	14	20%	\$ 56 000
33. Manac Inc.	St-Georges, Qué.	Floats and Fibreglass Trailers	E	\$ 660 000	31	20%	\$ 132 000
34. Masonite Canada Ltd.	East River, N.S.	Hardboard and Related Products	N	\$20 905 900	332	10%	\$2 090 590
35. Métal Struc Inc.	Val-d'Or, Qué.	Structural Steel	NPE	\$ 268 000	30	25% and 15% of eligible wages and salaries of \$330 000	\$ 116 500
36. Michelin Tires (Canada) Ltd.	Bridgewater, N.S.	Steel Cord, Radial Tires and Metallic Fabric	E/NPE	\$4 359 580	92	20%	\$ 871 916
37. Michelin Tires (Canada) Ltd.	Granton, N.S.	Radial Tires	NPE	\$7 238 109	135	20%	\$1 447 622
38. Newline Manufacturing Ltd.	Brandon, Man.	Truck Canopies	E	\$ 144 225	15	20%	\$ 28 845

OFFERS ACCEPTED

<u>Company</u>	<u>Plant Location</u>	<u>Product and/or Process</u>	<u>Type of Project</u>	<u>Expected Eligible Cost</u>	<u>Expected Direct New Jobs</u>	<u>Rate of Offer</u>	<u>Estimated Amount of Incentive Grant</u>
39. Novopharm Limited	Saskatoon, Sask.	Penicillin Type Products	N	\$ 510 000	22	25% and 15% of eligible wages and salaries of \$227 350	\$ 161 603
40. Pacific Plastics Ltd.	Saskatoon, Sask.	Plastic Pipe and Tubing	N	\$ 498 000	18	25% and 15% of eligible wages and salaries of \$98 550	\$ 139 283
41. Pantoufle Mauricienne Ltée	St-Tite, Qué.	Mukluks and Mocassins	E	\$ 114 200	15	20%	\$ 22 840
42. Phil-Mar Trade Bindery Ltd.	Winnipeg, Man.	Printing Trade Bindery	N	\$ 356 639	10	25% and 15% of eligible wages and salaries of \$96 551	\$ 103 642
43. Pirate Cove Fisheries Limited	Tiverton, N.S.	Smoked Boneless Kipperred Herring	NPE	\$ 250 000	8	25% and 30% of eligible wages and salaries of \$55 566	\$ 79 170
44. Plastiques Bovac Ltée	St-Joseph, Qué.	Polyethylene and Plastic Pipes	E	\$ 396 000	5	20%	\$ 79 200

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>
45. Plastiques Venneco Inc.	Shawinigan, Qué.	High Density Polyethylene Film	E	\$ 300 000	50	20%	\$ 60 000
46. Polybois Inc.	Thetford Mines, Qué.	Special Furniture for Institutions	E	\$ 68 000	9	20%	\$ 13 600
47. Rechapage Commercial G.N. Inc.	Granby, Qué.	Retreading of Heavy Vehicle Tires	N	\$ 36 122	8	25% and 15% of eligible wages and salaries of \$35 850	\$ 14 408
48. Regina Iron Works Ltd.	Regina, Sask.	Structural Steel and Miscellaneous Ironwork	N	\$ 55 000	3	25% and 15% of eligible wages and salaries of \$42 500	\$ 20 125
49. Roy MacLean & Sons Limited	Sydney Mines, N.S.	Wooden Trusses, Housing Components and Kitchen Cabinets	E	\$ 93 700	11	20%	\$ 18 740
50. S. F. D'Eon Seafoods Limited	Abbott's Harbour, N.S.	Processing of Herring	N	\$ 403 727	28	25% and 30% of eligible wages and salaries of \$201 200	\$ 161 292 <i>R</i>

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
51. Sept Iles Metal Works Inc.	Sept-Îles, Qué.	Component Metal Parts for Mining and Paper Equipment	NPE	\$ 321 500	6	25% and 15% of eligible wages and salaries of \$108 000	\$ 96 575
52. St-Hyacinthe Automotive Inc.	St-Hyacinthe, Qué.	Rebuilding of Diesel and Gasoline Engines	E	\$ 210 000	7	20%	\$ 42 000 <i>B</i>
53. Superseal Corporation	Douville, Qué.	Insulated Steel Doors	NPE	\$ 374 200	20	25% and 15% of eligible wages and salaries of \$178 500	\$ 120 325 <i>R</i>
54. Wearing-Williams Limited	Winnipeg, Man.	Custom Woodwork and Commercial Furnishings	N	\$ 120 500	4	25% and 15% of eligible wages and salaries of \$52 300	\$ 37 970

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. Doria Industries Ltd. (July 1975)	Newcastle Creek, N.B.	Manufacturing of Custom Fibreglass Products	N	\$ 44 000	14	25% and 30% of eligible wages and salaries of \$89 250	\$ 35 200 *
2. Menuiserie de Scott Inc. (Dec. 1974)	Scott Jonction, Qué.	Doors and Windows	EM	\$ 162 000	11	20%	\$ 32 400
3. Meubles St-Henri Inc. (March 1976)	St-Etienne de Lauzon, Qué.	Manufacturing of Kitchen and Dining Room Furniture	E	\$ 205 000	5	20%	\$ 41 000
4. Reliure Sélecte Inc. (March 1976)	Québec, Qué.	Book and Brochure Binding Plant	N	\$ 408 783	23	25% and 15% of eligible wages and salaries of \$186 800	\$ 130 216

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. Grand'Mère Shoe Company Limited (Nov. 1975)	Grand-Mère, Qué.						
2. Les Produits de Ciment St-Maurice Ltée (Dec. 1974)	Trois-Rivières, Qué.						
3. M. Giacomo Frigerio (March 1976)	St-Hyacinthe, Qué.						
4. O. Corriveau & Fils Ltée (Aug. 1975)	Montmagny, Qué.						
5. Pneus Supra Inc. (May 1976)	St-Pascal, Qué.						
6. The Chairmasters (July 1975)	Annapolis Royal, N.S.						
7. YarnTex Corporation Limited (May 1976)	Louiseville, Qué.						

PART III - LOAN GUARANTEE ACTIVITY DURING THE MONTH

Part III consists of Table 4 which provides a complete alphabetic listing for the month of June 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 JUNE 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>
Nil						

OFFERS ACCEPTED AND SUBSEQUENTLY REVISED

La Cie d'Aménagement du Mont Orignal Inc.	Québec, Qué.	Ski Centre	\$ 382 000	6	\$ 60 000	\$ 54 000
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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.

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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