



**Regional
Economic
Expansion**

**Expansion
Économique
Régionale**



REPORT ON REGIONAL DEVELOPMENT INCENTIVES

July, 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 JULY 1976

	<u>CONTENTS</u>	<u>PAGE</u>
	INTRODUCTION.....	1
PART I	<u>SUMMARY STATISTICS</u>	5
	Disposition of Applications and Status of Offers.	
	Table 1 - Incentive Grant Applications.....	7
	Table 2 - Loan Guarantee Applications.....	8
PART II	<u>INCENTIVE GRANT ACTIVITY DURING THE MONTH</u>	9
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.	
	Table 3 - Incentive Grant Activity.....	11
PART III	<u>LOAN GUARANTEE ACTIVITY DURING THE MONTH</u>	24
	Details of Offers Accepted; and of Offers Accepted and Subsequently Revised, Declined, or Withdrawn.	
	Table 4 - Loan Guarantee Activity.....	25
PART IV	<u>DEFINITIONS</u>	26

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 July 1976.

Among other things, it shows:

- (1) that, during the month of July,
91 applications were received and
56 offers were made;
- (2) that, of the 11 904 applications received
since the inception of the program,
6 470 were rejected or withdrawn, and
5 103 resulted in offers;
- (3) that, after allowing for lapses, withdrawals,
and offers not accepted, the net total of
accepted offers stood at 3 755; and
- (4) that, against obligations represented by the
net total of 3 755 accepted offers, partial
payments had been made in 1 652 cases, and
final payments had been made in 1 323 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 \$2 689.6 million;

... expected direct new jobs numbering 126 700;

and

... incentive grants of \$569.4 million.

Incentive grants actually paid to date total \$357.9 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 July 1976.

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	91	422	11 904
Applications Withdrawn	25	114	3 754
Applications Rejected	25	95	2 716
Offers Made	56	218	5 103
<u>STATUS OF OFFERS MADE</u>			
Offers Made	56	218	5 103
Offers Lapsed	2	6	240
Offers Declined	6	12	334
Offers Accepted	48	202	4 458
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	48	202	4 458
Accepted Offers Declined or Withdrawn	4	24	703
Net Offers Accepted	44	178	3 755
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	44	178	3 755
No Payment Made	-	-	780
Partial Payment Made	39	166	1 652
Final Payment Made	42	172	1 323

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

	<u>MONTH</u>	<u>CURRENT FISCAL YEAR</u>	<u>INCEPTION TO DATE</u>
<u>STATUS OF APPLICATIONS</u>			
Applications Received	-	4	300
Applications Withdrawn	-	5	154
Applications Rejected	-	1	81
Offers Made	-	1	58
<u>STATUS OF OFFERS MADE</u>			
Offers Made	-	1	58
Offers Lapsed	-	1	5
Offers Declined	-	1	4
Offers Accepted	-	1	48
<u>STATUS OF OFFERS ACCEPTED</u>			
Offers Accepted	-	1	48
Accepted Offers Declined or Withdrawn	-	1	14
Net Offers Accepted	-	1	34
<u>STATUS OF NET OFFERS ACCEPTED</u>			
Net Offers Accepted	-	1	34
Guarantees in Operation	1	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 July 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 JULY 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. Allied Farm Equipment (Manitoba) Ltd.	Winnipeg, Man.	Agricultural Equipment	EM	\$ 200 975	23	20%	\$ 40 195
2. Allison MacDonald	Lorne Valley, P.E.I.	Processing of Meat	N	\$ 58 193	5	25% and 30% of eligible wages and salaries of \$32 044	\$ 24 161 <i>D</i>
3. Amalgamated Dairies Limited	Summerside, P.E.I.	Processing of Skim Milk Cheese	EM	\$ 350 000	10	20%	\$ 70 000
4. Ateliers de Soudure	Rivière-du-Loup, Qué.	Machine Shop	E	\$ 50 000	4	20%	\$ 10 000
5. Bilko Printing	Kenora, Ont.	Commercial Printing	E	\$ 67 000	3	20%	\$ 13 400
6. Boychuk Manufacturers Ltd.	Kindersley, Sask.	Short Line Farm Equipment and Trailers	N	\$ 89 750	4	25% and 15% of eligible wages and salaries of \$33 500	\$ 27 462

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
7. Candlelight Limited	Harvey Station, N.B.	Pine Dining Room Furniture	N	\$ 45 700	10	25% and 30% of eligible wages and salaries of \$80 300	\$ 35 515
8. Déritec Inc.	Alma, Qué.	Fiberglass Industrial Products	E	\$ 44 500	5	20%	\$ 8 900
9. Donnacona Hydraulique Inc.	Donnacona, Qué.	Hydraulic Systems	N	\$ 70 000	11	25% and 15% of eligible wages and salaries of \$113 000	\$ 34 450
10. Dynamacc Inc.	Thetford Mines, Qué.	Blasting Equipment	E	\$ 65 800	5	20%	\$ 13 160
11. Empire Meat Company Limited	Saskatoon, Sask.	Fresh and Processed Meats	E	\$ 335 500	45	20%	\$ 67 100 <u>B</u>
12. Equipements Métalliques Nordic Inc.	Ville Vanier, Qué.	Fireproof Equipment	N	\$ 275 000	14	25% and 15% of eligible wages and salaries of \$170 000	\$ 94 250 <u>R</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>
13. Fundy Group Publications Limited	Yarmouth, N.S.	Printed Flyers, Circulars and Newspapers	E	\$ 329 955	3	20%	\$ 65 991
14. Gateway Publishing Co. Ltd.	Winnipeg, Man.	Commercial Printing	N	\$ 196 000	15	25% and 15% of eligible wages and salaries of \$132 000	\$ 68 800
15. Hafner Fabrics of Canada Ltd.	Granby, Qué.	Dyeing, Finishing and Inspection of Elastic Woven Fabrics	E	\$ 835 000	8	20%	\$ 167 000
16. Julac Inc.	Dolbeau, Qué.	Blueberry Wine and Frozen Blueberries	E	\$ 110 000	3	20%	\$ 22 000
17. Kildonan Custom Cabinets Ltd.	Winnipeg, Man.	Kitchen Cabinets	N	\$ 110 000	7	25% and 15% of eligible wages and salaries of \$34 420	\$ 32 663
18. L'Atelier de Transformation de Bois & Crétage de Honfleur Inc.	Ste-Monique de Honfleur, Qué.	Wooden Packing Crates	N	\$ 84 000	13	25%	\$ 21 000

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>
19. Langille's Machine Shop Limited	Stewiacke, N.S.	Miscellaneous Steel Implements	N	\$ 31 000	5	25% and 30% of eligible wages and salaries of \$40 500	\$ 19 900
20. Les Ateliers du Lac Inc.	St-Coeur-de-Marie, Qué.	Ornamental Steel	N	\$ 57 500	11	25% and 15% of eligible wages and salaries of \$91 440	\$ 28 091
21. Les Feuillages Préparés du Québec Inc.	St-Pascal, Qué.	Wooden Artificial Flowers	N	\$ 104 000	11	25%	\$ 26 000
22. Les Industries P.E.M. Inc.	St-Paulin, Qué.	Wood Panels for Furniture	N	\$ 171 000	14	25% and 15% of eligible wages and salaries of \$137 000	\$ 63 300
23. Les Machineries B.L. & R. Inc.	Ste-Croix, Qué.	Agricultural Equipment	E	\$ 25 800	7	20%	\$ 5 160 ^D
24. Loroqa Inc.	St-Georges Ouest, Qué.	Gymnasium Equipment	E	\$ 46 000	4	20%	\$ 9 200

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
25. M.W. Graves and Company Limited	Berwick, N.S.	Processing of Vegetables	E	\$ 627 600	17	20%	\$ 125 520
26. M.W. Graves and Company Limited	Hillaton, N.S.	Processing of Vegetables	E	\$ 705 900	8	20%	\$ 141 180 <i>R</i>
27. M. Normand Pronovost	St-Tite, Qué.	Snowblowers and Agricultural Machinery	E	\$ 85 000	8	20%	\$ 17 000 <i>D</i>
28. Maurice Perreault	St-Elie de Caxton, Qué.	Ladies' Wear	N	\$ 61 000	65	25% and 15% of eligible wages and salaries of \$550 000	\$ 24 400 *
29. Mountain Crest Farm Limited	Morristown, N.S.	Processing of Apples	E	\$ 83 425	1	20%	\$ 16 685
30. Mr. Noel C. Hutton	St. John's, Nfld.	Polyethylene Packages	N	\$ 168 900	4	25% and 30% of eligible wages and salaries of \$39 250	\$ 54 000

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>
31. Mr. Robert D'Lugos	Saskatoon, Sask.	Insulation from Waste Cellulose Fibres	N	\$ 499 500	16	25% and 15% of eligible wages and salaries of \$151 496	\$ 147 599
32. Mr. Warren Leipert	La Ronge, Sask.	Processing of Smoked Trout Snacks	N	\$ 155 000	7	25% and 15% of eligible wages and salaries of \$80 000	\$ 50 750
33. Omnigestadm Ltée	Rock Forest, Qué.	Inflatable Tents	N	\$ 40 000	15	25% and 15% of eligible wages and salaries of \$126 000	\$ 28 900
34. Oxford Frozen Foods Limited	Oxford, N.S.	Processing of Blueberries, Carrots and Onions	E	\$ 306 000	23	20%	\$ 61 200
35. Parent Seed Farms Ltd.	St. Joseph, Man.	Processing of Seed Grain	EM	\$ 61 487	3	20%	\$ 12 297

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. Petrobuild Ltd.	Dieppe, N.B.	Rebuilding of Gasoline Pumps, Grease Pumps, Air Compressors and Air Meters	N	\$ 69 250	10	25% and 30% of eligible wages and salaries of \$123 850	\$ 54 468
37. Philip G. Parsons	Donovan's Industrial Park, Nfld.	Meat Products	N	\$ 436 000	33	25% and 30% of eligible wages and salaries of \$233 400	\$ 179 020
38. Rathco Agencies Ltd.	Winnipeg, Man.	Manufacturing of Mylar Film Kits, Solar Control Shade Screens and Koola Hats	N	\$ 68 415	5	25% and 15% of eligible wages and salaries of \$50 858	\$ 24 733 <i>D</i>
39. Réal Lemelin	Mont-Joli, Qué.	Fiberglass Swimming Pools and Truck Boxes	N	\$ 198 000	9	25% and 15% of eligible wages and salaries of \$85 458	\$ 62 319
40. Robichaud Métal Inc.	St-Augustin, Qué.	Steel Products	E	\$ 235 700	9	20%	\$ 47 140

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. Roy Lumber and Mining Timber Limited	Britt, Ont.	Custom Planing and Kiln Drying of Lumber	NPE	\$ 92 470	5	25% and 15% of eligible wages and salaries of \$38 760	\$ 28 931 D
42. Société Coopérative Agricole de St-Jacques de Parisville	Parisville, Qué.	Feed Mill	EM	\$ 206 000	2	20%	\$ 41 200
43. St-Francis Paper Converters Ltd.	Drummondville, Qué.	Folding Boxes	E	\$ 390 000	6	20%	\$ 78 000
44. Sturo-Métal Inc.	Lauzon, Qué.	Wrought Iron and Concrete Forms	E	\$ 130 000	10	20%	\$ 26 000
45. Super-Lite Electric Mfg. Co. Ltd.	Winnipeg, Man.	Lighting Fixtures	E	\$ 845 000	58	20%	\$ 169 000
46. Systèmes Hydrolex Ltée	Ste-Foy, Qué.	Hydraulic Pump Replacement Parts	NPE	\$ 89 000	8	25% and 15% of eligible wages and salaries of \$73 000	\$ 33 200

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>
47. Thunder Bay Northland Machinery Inc.	Thunder Bay, Ont.	Grain Processing Equipment	E	\$ 117 900	14	20%	\$ 23 580
48. Winston Cousins	Kensington, P.E.I.	Processing of Potatoes	N	\$ 133 000	7	25% and 30% of eligible wages and salaries of \$44 095	\$ 46 479

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. Brihan Bottlers & Distillers (Nova Scotia) Ltd. (Baumgarten & Wallia (Bottling) Private Limited) (Dec. 1975)	Kentville, N.S.	Processing of Bottled Rum and Juices	N	\$ 255 000	20	25% and 30% of eligible wages and salaries of \$182 952	\$ 118 636
2. Cobequid Ceramics Limited (April 1976)	Truro, N.S.	Processing of Clay Slip and Moist Modeling Clay	N	\$ 89 400	4	25% and 30% of eligible wages and salaries of \$27 500	\$ 30 600
3. Diagnostic Chemicals Ltd. (Sept. 1975)	West Royalty, P.E.I.	Manufacturing of Specialty Chemicals	N	\$ 138 922	5	25% and 30% of eligible wages and salaries of \$24 050	\$ 41 946
4. H. H. Foote & Son Ltd. (July 1973)	Woodville, N.S.	Processing of Honey and Cider	E	\$ 57 900	2	30%	\$ 17 370

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>
5. I.M.O. Foods Limited (March 1976)	Yarmouth, N.S.	Processing of Herring	a) E b) NPE	a) \$ 138 025 b) \$ 135 475	a) 6 b) 28	a) 20% 25% and 30% of eligible wages and salaries of \$162 843	a) \$ 27 605 b) \$ 82 722
6. La Compagnie de Papier Q.N.S. Limitée, et la Société de Récupération, d'Exploitation et de Développement Forestiers du Québec (REXFOR) (July 1975)	Chute-aux- Outardes, Qué.	Sawmill	N	\$15 060 700	610	20% and \$1 410 per eligible job (210)	\$3 308 240
7. Les Industries d'Estcourt Inc. (Feb. 1976)	Estcourt, Qué.	Manufacturing of Wood Chips	NPE	\$ 43 000	18	25% and 15% of eligible wages and salaries of \$7 740	\$ 11 911
8. Permalite Limited (Feb. 1976)	Winnipeg, Man.	Manufacturing of Lamps and Commercial Light Fixtures	N	\$ 152 000	10	25% and 15% of eligible wages and salaries of \$54 800	\$ 46 220

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>
9. Ralston Purina of Canada Ltd. (Oct. 1975)	Truro, N.S.	Processing of Pelletized Poultry and Livestock Feeds	E	\$ 300 378	10	20%	\$ 60 076
10. The Enterprise Foundry Company Limited (Jan. 1973)	Sackville, N.B.	Ranges and Furnaces	EM	\$ 555 000	55	30%	\$ 166 500
11. Tobique Enterprises Limited (Nov. 1975)	Perth-Andover, N.B.	Manufacturing of Disposable Hand and Foot Warmers	NPE	\$ 160 000	13	25% and 30% of eligible wages and salaries of \$91 260	\$ 67 378

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. Eganville Planing Mills Ltd. (Sept. 1974)	Eganville, Ont.						
2. McDonell Conestoga Manufacturing Ltd. (Nov. 1973)	Lethbridge, Alta.						
3. Meubles Dumont Inc. (April 1976)	Berthierville, Qué.						
4. S.R. Ventures Ltd. (Aug. 1974)	Swan River, 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 July 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 JULY 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

Nil

OFFERS ACCEPTED AND SUBSEQUENTLY DECLINED OR WITHDRAWN

Nil

PART IV - DEFINITIONS

TERMS USED IN PART I

Application - A submission, in the approved form, by an applicant requesting a development incentive. Each application is normally restricted to a development on a single site, but one application may relate to a modernization, an expansion, a new product expansion or a complete new facility, or to some combination of these. An application covering a combined development is normally counted and reported as a single application, but each individual type of project is evaluated separately.

Received - An application delivered to the Department. The date of receipt is the first control date, and is used for reporting and determining conditions of "prior commitment" as defined in the Regional Development Incentives Act and Regulations.

Withdrawn - An application withdrawn, at the request of the applicant, after receipt but before or during evaluation.

Rejected - An application turned down, under the provisions of the governing statute, because the project in question is considered ineligible, would proceed without incentive assistance or would not make a significant contribution to economic expansion and social adjustment within a designated region or special area.

Development Incentive - A development grant that is non-repayable, an incentive that is repayable under specific terms and conditions, or an incentive that is repayable provided the project achieves a certain level of profitability or other objective specified in the offer and accepted by the applicant. These latter two types of development incentives are frequently referred to as repayable grants.

Offer Made - When an application has been evaluated and an estimate made of the grant or loan guarantee required to assure that the proposed project can be brought into commercial production, the applicant is offered an incentive, subject to specified conditions. The date of the offer establishes the second control date for reporting and management.

Lapsed - When the applicant in receipt of an offer does not return a formal acceptance within ninety days, the offer is deemed to have lapsed and the applicant is so advised.

Withdrawn - When an incentive offer is withdrawn, prior to acceptance, because of new information justifying such action.

Declined - When the applicant formally declines an offered incentive.

Offer Accepted - An offer of incentive assistance is accepted when the applicant returns a signed copy of the offer within ninety days from the date of the offer. In accepting an offer, the applicant agrees to the latest date on which construction will begin.

Withdrawn - When, prior to making payment, the Department determines that the contractual commitments relating to a project were made before the application was filed, or that other legal requirements were not met, and takes action to withdraw the offer in question.

Declined - When the applicant formally advises the Department that he does not intend to proceed with a project following his acceptance of an offer relating to it.

No Payment Made - No payment can be made to an applicant until the facility is certified as being in "commercial production", a condition defined in the Regional Development Incentives Act and Regulations. This requires an on-site inspection and audit by an officer authorized to act on behalf of the Minister.

Partial Payment Made - When commercial production of the facility has been certified and one or more payments have been made in relation to the offered incentive, but final payment has not been made.

Final Payment Made - When the facility has been in commercial production for the prescribed period, a final inspection is made by the Department, and if all conditions specified in the accepted offer and in the governing Act and Regulations have been met, a final payment is made. The final payment cannot be made until twenty-four months after the certified date of commercial production when the incentive is based only on approved capital costs; or until thirty-six months after the certified date of commercial production when the incentive is based in part on either the wages and salaries relating to eligible jobs created, or on the number of jobs created in the operation.

Application of Terms to Loan Guarantees

The aforementioned definitions apply to both incentive grants and loan guarantees, except that there are no payments to applicants with loan guarantees.

When providing loan guarantees the Department enters into an agreement with the lender to guarantee repayment of a portion of the loan being made to the applicant. Such an agreement can only be executed when the applicant and the lender complete the loan arrangements. The original offer to the applicant by the Department is in the form of a letter of intent, a copy of which is sent to the prospective lender. Acceptance of the letter of intent by both parties is considered as an "offer accepted". If the applicant fails to complete his loan arrangements, the offer is "withdrawn". If the applicant abandons his project or completes his loan arrangements without the guarantee, the offer is "declined". Once the Department has completed an agreement with the lender, there is a "guarantee in operation".

A loan guarantee 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 31 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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