

Order Paper Questions

applicant to payment of an incentive on the grounds that the project achieved some success.

3. The Regional Development Incentives Act does not authorize the department to make loans, but does provide for offers of "loan guarantees" and "repayable incentives". As of October 31, 1976 DREE had approved \$18,878,000 in loan guarantees to sixteen projects in the province of Quebec. As of October 31, 1976, two of the 2,143 projects referred to in Part I had been undertaken as a result of repayable grants estimated at \$1,251,000.

4. As of October 31, 1976, 84 of the 2,143 projects which had accepted incentives offers were discontinued before receiving their final grant payment. The dates of failure are not recorded since firms normally shut down and go through a period of attempted reorganization before announcing failure. The remaining 1,195 projects were still active at that time. In this context, a "discontinued project" is one on which the department has made a payment but in which there has subsequently been a bankruptcy, total cessation of operations, contravention of section 9 of the Regional Development Incentives Act, or other circumstance which requires the department to institute action to recover the full amount of the incentive paid to the applicant.

5. The number of employees who lost employment at the time of closure is not known. Gradual shut down of the facility, normal seasonal employment fluctuations, and even rehiring of employees by a receiver after closure in order to complete unfinished inventories make it virtually impossible to provide accurate information of this kind.

DREE PROJECTS IN ATLANTIC CANADA

Question No. 723—**Mr. Coates:**

1. How many specific projects in Atlantic Canada has the Department of Regional Economic Expansion been financially involved in since its inception and, in each case, what was the financial involvement?

2. Of the total number of projects, what was the estimated employment figure given at the time of the announced involvement of DREE and for those firms still operating, what is the employment figure actually attributable to the financial assistance in each case, as of this date?

3. Of DREE's financial assistance to each project, what is the breakdown between outright grants and loans?

4. How many of the projects have failed and, in each case (a) on what date was the grant and loan approved (b) on what date did it fail?

5. How many employees lost employment as a result of the failure of the project at the date of the closure?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. As of October 31, 1976, 780 projects in Atlantic Canada had accepted offers of financial assistance from DREE under the regional development incentives program. The total value of these incentives offers is estimated to be \$151.7 million. The names of the firms and respective amounts of incentives are available from the reports on the program that are submitted monthly to parliament.

2. For the 780 projects, the estimated employment figure at the time of the announced involvement of DREE was 25,889.

[Mr. Lessard.]

Of this total number of projects, 256 were completed as of October 31, 1976. The number of direct jobs actually created at the completion of the control period for these 256 projects, was 6,387 compared to the 7,572 jobs forecasted when the offers of financial assistance were announced. In this context, a "completed project" is one on which the full amount of the development incentive authorized by the minister under the statute has been paid to the applicant. This definition includes (a) a project which has successfully completed its control period, irrespective of any subsequent actions, and (b) a project involving a bankruptcy or total cessation of operations due to fire or other circumstance which requires the department to institute action to recover only part of the incentive paid to the applicant. With respect to this latter type of project, it is to be noted that the statute entitles the applicant to payment of an incentive on the grounds that the project achieved some success.

3. The Regional Development Incentives Act does not authorize the department to make loans, but does provide for offers of "loan guarantees" and "repayable incentives". As of October 31, 1976, DREE had approved \$4,555,000 in loan guarantees to five projects in Atlantic Canada. As of October 31, 1976, two of the 780 projects referred to in part I had been undertaken as a result of repayable grants estimated at \$1,455,000.

4. As of October 31, 1976, 37 of the 780 projects which had accepted incentives offers discontinued before receiving their final grant payment. The dates of failure are not recorded since firms normally shut down and go through a period of attempted reorganization before announcing failure. The remaining 487 projects were still active at that time. In this context, a "discontinued project" is one on which the department has made a payment but in which there has subsequently been a bankruptcy, total cessation of operations, contravention of section 9 of the Regional Development Incentives Act, or other circumstance which requires the department to institute action to recover the full amount of the incentive paid to the applicant.

5. The number of employees who lost employment at the time of closure is not known. Gradual shut down of the facility, normal seasonal employment fluctuations, and even rehiring of employees by a receiver after closure in order to complete unfinished inventories makes it virtually impossible to provide accurate information of this kind.

ANTI-INFLATION BOARD ADVERTISING

Question No. 727—**Mr. Coates:**

1. How much, to date, has the AIB expended on advertising, in any form, and what is the breakdown?

2. (a) What agencies are involved in the advertising (b) in what manner did the AIB make the selection of the agencies (c) were public tenders called before contracts were awarded?

3. In each case, what have the agencies received in fees and commissions?

4. By agency, what is the estimated cost for advertising for the fiscal year 1976-77 and, in each case, what will be the fees and commissions paid to each agency in the fiscal year?