

Order Paper Questions

4. What (a) are the names of the beneficiary companies (b) is the location of their head office (c) was the purpose and nature of their investment?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): In so far as the Canadian International Development Agency is concerned, the reply is as follows:

Chart of CIDA'S involvement in the pre-investment incentive program from 1972 through June, 1976:

* Preamble: CIDA, through its Business and Industry Division, offers a pre-investment incentive program to Canadian companies under stringent guidelines (see reply to Part 3 below). Part of the requirements are that any subsequent investment made must be to the benefit of the developing country, as well as to the Canadian company involved. CIDA does not, directly, promote investment, rather it tries to encourage Canadian investment overseas. It never supports investment financially. What it does do is: (a) Offer funds to reimburse a company, up to a maximum of \$2,500, to do a Starter Study in the country of its choice. This is a brief, almost superficial, look into a particular location by a particular company as to whether or not it could possibly establish an enterprise or form a joint venture in a country designated by CIDA as a "developing nation". All companies must submit an application to

CIDA beforehand, and these must be approved prior to the Study's commencement. These funds basically cover minimal travel expenses for a period of not more than 15 days. (b) After the Starter Study is completed, the company may decide to apply to CIDA for a Feasibility Study, providing the area of interest looks promising, and this is done in much greater depth. In this instance, CIDA will match funds (50 per cent of the cost) in reimbursing the Canadian company which has made such a Study, to a maximum of \$25,000. Upon completion of the Feasibility Study, the company will then decide to either invest their funds in the developing nation or not. The choice is entirely theirs. CIDA requires a report giving the reasons for their decision. Most of the companies listed numerically in Part 1 of the following chart decided not to invest, thus the discrepancy between the figures in Part 1 and Part 4 of each Question (or country). The grants given are not ongoing from year to year, but rather are a lump sum amount as reimbursement for a particular Study already completed.

* For further details, see brochure entitled Pre-Investment Incentive Program, available from CIDA's Information Division.

Question number	Country	Number of Grants	Year Given	Dollar Amount	Company investment	If "Yes", name of Company	Head office	Purpose of investment
		Part I	Part II			Part IV		
5655	Algeria	1	1975	1,939	no			
		1	1976	2,500	no			
5658	Brazil	2	1972	28,737	yes, in 1	Monarch Wear Ltd.	Winnipeg	Industrial development
		4	1973	9,251	no			
		2	1974	4,325	no			
		1	1975	2,500	no			
5661	Congo (Brayzaville)	1	1975	1,748	no			
5662	Ivory Coast	1	1973	2,283	no			
		1	1974	26,108	no			
		1	1975	14,880	no			
5665	Guyana	1	1975	1,050	no			
5666	Kenya	1	1974	1,903	no			
		3	1975	2,799	no			
		1	1976	25,000	no			
5667	India	1	1972	4,536	no			
		1	1973	2,350	no			
5668	Indonesia	1	1972	9,283	no			
5669	Jamaica	2	1972	3,000	no			
		1	1973	5,300	yes	Reliable Toy Co.	Toronto	Industrial Development
		2	1974	2,346	no			
1	1975	1,813	no					
5671	Malaysia	1	1971-72	5,727	yes	Microsystems Ltd.	Montreal	Electronic Development
		3	1973	15,885	yes, in 1	Electrohome Ltd.	Kitchener	Electronic Development
		5	1974	19,013	no			
		1	1976	1,815	no			
5672	Mali	1	1973	2,500	no			
5674	Niger	2	1972	14,853	no			
5675	Nigeria	1	1971-72	3,954	no			
		1	1972	24,383	yes	Canada Wire & Cable Ltd.	Toronto	Industrial Development

[Mr. Caouette (Témiscamingue).]